

**U.S.-Japan-India Strategic Dialogue
December 4 –December 6, 2009
Tokyo, Japan**

Recognizing the strategic potential for expanding cooperation on regional and global challenges and the shared values among the United States, Japan and India, the Center for Strategic and International Studies (CSIS), the Confederation of Indian Industries (CII), and the Japan Institute for International Affairs (JIIA) initiated the U.S.-Japan-India Strategic Dialogue in June 2006.

Co-chaired by Yoshiyuki Kasai, Chairman of the Central Japan Railway Company, former CII Chief Mentor Tarun Das, CSIS President John Hamre and former Deputy Secretary of State Richard Armitage, and directed by Michael Green of CSIS, the Strategic Dialogue convened for the sixth time in Tokyo from December 4 to December 6, 2009. As before, all the sessions and other events were held on an off-the-record basis to help stimulate debate.

This was the first U.S.-Japan-India Strategic Dialogue held since the inauguration of the administration of Prime Minister Yukio Hatoyama, and just weeks before his first official visit to India. Topics discussed included: the economic situation; the U.S.-Japan alliance; international security challenges; regional architecture; and climate change /energy.

Economic Situation

The participants expressed a consensus view that the world economy is improving but still holds more uncertainties than certainties. The delegation took note of the sustainable nature of India's growth which is driven primarily by consumption, but all agreed that prospects for full recovery in Japan and in the U.S. are far from solid, with demand remaining weak and unemployment a challenge in both countries.

On the Japanese economy some expressed concerns that share prices, bond prices, and the unemployment rate would all respond negatively to the spiraling budget deficit.

On India, all three sides emphasized that infrastructure development is important to ensuring stable growth for the next decade. While Japan remains under-represented in the Indian market, participants agreed that the "infrastructure decade" that lies ahead affords both Japan and the U.S. new investment opportunities in India. In this connection many noted the need for more direct flights daily connecting Tokyo and Delhi/Mumbai.

The growing volume of Indian investments in the U.S. was highlighted and it was noted that a change in regulations might encourage a similar trend in Japan.

Participants agreed on the importance of an early and successful completion of the Doha Development Round.

Security

The three delegations shared many common views of the evolving and uncertain security situation. In order for the United States to effect security cooperation and contribute to stability in Asia, a meaningful forward presence of U.S. forces in Japan and careful management of the alliance is indispensable. The American and Japanese participants briefed the Indian delegation on recent developments in the U.S.-Japan alliance, expressing concern about the current state of relations. Participants expressed optimism about the longer-term strength of the U.S.-Japan alliance and agreed to urge both governments to increase efforts to resolve current issues expeditiously.

The participants agreed that terrorism in Afghanistan and Pakistan is a threat to the entire global community. They welcomed President Obama's announcement on Afghanistan strategy and agreed that all three nations have a strong interest in the success of the strategy in order to avert further deterioration of the security situation in Afghanistan and larger disorder across the region. Questions unanswered included what Japan would do on the ground in Afghanistan in the aftermath of its much appraised maritime refueling mission in the Indian Ocean.

It was noted that the confluence of the Indian and Pacific Oceans joins the three nations' common strategic interests. Some went further and proposed that there should be a community of likeminded maritime democracies that would coordinate efforts for the stewardship and peaceful use of the maritime commons. In this context, participants agreed on the utility of annualized exercises among the three nations' navies and called for the establishment of regular bilateral exercises between the Indian Navy and the Japanese Maritime Self-Defense Forces.

Discussions also covered China, North Korea, Iran and Burma/Myanmar.

Regional Architecture

The participants discussed the future of Asian community building and agreed on the central role that the U.S. and India must play in any future regional architecture in order to ensure that it is open and inclusive.

Despite some difficulties in relations with China, all three sides emphasized the need to collaborate with the PRC for peace and prosperity. The participants further agreed that setting high standards for rules-based cooperation in regional institutions would have a positive impact on China's own development.

Participants discussed the differences between Asian and European regional architecture and noted that in Asia a looser, more network-driven and less geographically defined grouping may be more appropriate, particularly to tie together the Indo-Pacific geographical context.

Climate Change/Energy

The participants welcomed the United States, Japan and India taking leadership roles in forging an effective international effort to preventing global warming and highlighted the importance of technological innovation.

Nuclear power is an essential element for ensuring sustainable energy and combating climate change. The delegation encouraged India's development of the civil nuclear sector and recommended a change in Japan's policy direction in order to allow substantive civil nuclear cooperation with India.

The participants also recognized the importance of addressing proliferation as world-wide demand for nuclear power expands. It was agreed that all three nations should play a leadership role in ensuring a successful global nuclear summit scheduled to be held in Washington in April 2010.

The participants reviewed the status of climate change negotiations and agreed that climate change should be discussed in both multilateral and bilateral channels. The participants emphasized that technology is critical to a solution and in that context noted that 65 to 80% of R&D spending on green technologies today occurs in the private sector, necessitating a thorough discussion on how to ensure strong intellectual property rights protection on a global basis. They also stressed the importance of improving energy efficiency.

Next Steps

The participants agreed to establish a regular coordination and communication mechanism on key issues that arise between sessions of the U.S.-Japan-India Strategic Dialogue in order to be able to respond immediately to the rapidly changing global situation.