



Date: 04/07/2026

INDIA-JAPAN RELATIONS

SYLLABUS:

GS 2 > International Relations

REFERENCE NEWS:

The **16th India-Japan Annual Summit**, held in **New Delhi**, further strengthened the **India-Japan Special Strategic and Global Partnership**, with a focus on defence, economic security, AI, clean energy, resilient supply chains, and a Free and Open Indo-Pacific.

First Defence Co-development Agreement

- India and Japan signed their **first-ever defence co-development project**.
- Reached an agreement in principle on the **UNICORN (Unified Complex Radio Antenna)** project.
- Agreed to:
 - Expand defence equipment cooperation.
 - Enhance maritime security.
 - Strengthen **Naval Maintenance, Repair and Overhaul (MRO)**.
 - Improve **Maritime Domain Awareness (MDA)**.
 - Conduct more joint military exercises.
 - Hold the **4th India-Japan 2+2 Ministerial Dialogue** later in 2026.

Economic Security Partnership

- Adopted the **India-Japan Joint Declaration on Economic Security Cooperation**.
- Cooperation in semiconductors, critical minerals, Information and Communication Technology (ICT), pharmaceuticals, clean energy
- Agreed to build **resilient and diversified supply chains** and reduce dependence on any single country.

Energy Security and Clean Energy

- Adopted a **Joint Statement on Energy Resilience**.
- Agreed to cooperate on strategic petroleum reserves, maritime energy transport, stable energy supply chains.
- Launched the **India-Japan Cooperative Biogas for Growth (CBG) Initiative** to support India's target of establishing **1,000 biogas and organic fertiliser plants**.
- Expanded cooperation in green hydrogen, clean ammonia, solar photovoltaic technologies, nuclear energy.
- Japan reaffirmed support for India's membership of the **International Energy Agency (IEA)**.

Hyderabad

9966436875, 6309078111

CSB IAS ACADEMY, Bala Latha's Tushara building,
Ashok Nagar, Hyderabad, Telangana - 500080.
www.csbias.com | Email: csbiasacademy@gmail.com

Vijayawada

9963378333, 9989589222

CSB IAS ACADEMY, Lagadapati's Block, Andhra Loyola College,
Veterinary Colony, Vijayawada, Andhra Pradesh - 520008
www.csbias.com | Email: csbiasacademy@gmail.com

Artificial Intelligence and Emerging Technologies

- Launched the **first India-Japan AI Strategic Dialogue**.
- Adopted a **Joint Statement on AI Cooperation**.
- Agreed to collaborate on trusted AI, responsible AI governance, digital infrastructure, AI supply chains.

Trade and Investment

- Agreed to accelerate the review of the **India-Japan Comprehensive Economic Partnership Agreement (CEPA)**.
- Reaffirmed the target of **¥10 trillion Japanese investment** in India.
- Signed a **Memorandum of Cooperation (MoC)** for a **USD 10 billion investment package**.
- Expanded cooperation under the **India-Japan Industrial Competitiveness Partnership (IJICP)** in logistics, agriculture, healthcare, manufacturing, MSMEs, startups, and digital payment systems.

Indo-Pacific and Strategic Cooperation

- Reaffirmed commitment to a **Free and Open Indo-Pacific (FOIP)** aligned with:
 - India's **Indo-Pacific Oceans Initiative (IPOI)**.
 - **MAHASAGAR** vision.
- Strengthened cooperation through Quad, ASEAN, BIMSTEC.
- Reiterated support for freedom of navigation, UNCLOS, UN Security Council reforms, rules-based international order.
- Announced a **1.5 Track India-Japan-Philippines Policy Dialogue** on maritime security.

Maritime Security

- Expressed concern over developments in the East China Sea, South China Sea.
- Opposed unilateral attempts to alter the status quo.
- Reaffirmed commitment to peaceful dispute resolution under **UNCLOS**.

Disaster Risk Reduction

- Japan will support India's hosting of the **4th UN World Conference on Disaster Risk Reduction** in 2030.

Africa Cooperation

- Agreed to deepen cooperation through **India-Africa Forum Summit (IAFS)**, **India-Japan Cooperation Initiative for Sustainable Economic Development in Africa**.

INDIA-JAPAN RELATIONS:

- **Post-World War II Foundations (1947–1950s):** India refused to attend the 1951 San Francisco Peace Conference and signed a **separate peace treaty with Japan** in 1952. Diplomatic relations were established in 1952.
- **Cold War Period (1950s–1990s):** Bilateral ties remained **limited and cautious**, influenced by India's **non-alignment** and tilt towards the Soviet Union. Japan's alliance with the **United States** and focus on economic recovery.
 - Economic relations began modestly in the **1960s–70s**, including **ODA (Official Development Assistance)** from Japan to India.
- **Post-Liberalization Era (1991–2000):** India's 1991 economic reforms revitalized interest in Asia, including Japan.

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- **Prime Minister Mori's visit in 2000** announced the beginning of a “**Global Partnership**” between the two countries. Laid emphasis on **economic, technological and political cooperation**.
- **Strategic Partnership Era (2000–2014)**
 - **2006**: Bilateral relations upgraded to a “**Strategic and Global Partnership**.”
 - **CEPA (Comprehensive Economic Partnership Agreement)** signed in 2011.
 - **Annual Summits institutionalised**.
- **Comprehensive Strategic Partnership (2014–Present)**: Under **PM Narendra Modi and PM Shinzo Abe**, ties reached unprecedented levels. Upgraded to “**Special Strategic and Global Partnership**” in 2014.

SIGNIFICANCE OF INDIA-JAPAN RELATIONS:

Economic Significance

- **Trade and Investment**: Japan is the **5th largest investor in India** (April 2000–March 2023), with FDI inflows of over **₹3.5 lakh crore** (~\$30 billion). Bilateral trade in 2022–23 stood at **\$20.57 billion**, though still below potential.
 - **Maruti Suzuki** is India's leading automobile brand, born from Indo-Japanese collaboration.
- **Infrastructure**: Japan is India's **largest bilateral development partner**.
 - **Mumbai–Ahmedabad Bullet Train (₹1.08 lakh crore)**: 80% funded by soft loans from Japan.
 - **Delhi Metro, DMIC, Western Dedicated Freight Corridor, Chennai Metro, Ganga rejuvenation** projects.

Defence and Strategic Cooperation

- **Maritime Security**: India and Japan are part of the **QUAD** (with the US and Australia), ensuring rule-based order in the Indo-Pacific.
 - Conduct joint naval exercises (**JIMEX**), and Japan is a regular participant in the **Malabar Exercise**.
 - The 2023 **Malabar Exercise** held off Sydney marked deepening of Indo-Japanese defence ties.
 - Japan supports India's **Act East Policy** and **Indo-Pacific Oceans Initiative (IPOI)**.
- **Defence Framework: Agreement on Transfer of Defence Equipment and Technology** signed in 2015. Both countries focus on defence cooperation in areas like **cyber security, AI, unmanned systems, and space situational awareness**.

Strategic and Geopolitical Importance

- Japan supports **India's permanent membership in UNSC and NSG**.
- Both countries align on **countering China's assertiveness** in the Indo-Pacific.
- Co-founded the **Supply Chain Resilience Initiative (SCRI)** with Australia to diversify global supply chains.

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- Japan supports India's **North East connectivity** and **Bay of Bengal infrastructure** (e.g., India-Myanmar-Thailand Trilateral Highway).

Science and Technology Collaboration

- Over **400 academic agreements** between Indian and Japanese universities.
- Joint research in **robotics, AI, clean energy, and high-speed rail technology**.
- **India-Japan Digital Partnership (IJDP)** launched in 2018 to support start-ups and next-gen technologies.

Energy and Environment Cooperation

- Japan is supporting India's **green hydrogen mission, clean coal technologies, and waste-to-energy** initiatives.
- Collaboration under **LeadIT (Leadership Group for Industry Transition)** and **International Solar Alliance (ISA)**.
- Japan invested in India's **Smart City projects**, including **Ahmedabad and Chennai**.

Cultural and Diaspora Ties

- **Cultural Exchange: Buddhism** is a spiritual bridge between India and Japan. Celebrations like **India-Japan Fest, Buddhist circuit tourism, and people-to-people exchanges** are thriving.
- **Indian Diaspora in Japan:** Around **40,000 Indians** live in Japan (mostly in IT, engineering, academia). India is a key source of **seafarers and skilled workers** for Japan's ageing workforce.
- Structured training programs proposed to **upskill 154,000 Indian seafarers** to work in Japan's maritime industry.

Multilateral Cooperation

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THE ROAD MAP TO MUSSOORIE

- Japan and India are strategic partners in forums like **G20, Quad, East Asia Summit, ASEAN+6, IORA, ADB**. Collaborate on **disaster-resilient infrastructure (CDRI)** and **UN reforms**.
- Japan supports India's initiatives like **Coalition for Disaster Resilient Infrastructure (CDRI)** and **Indo-Pacific Economic Framework (IPEF)**.

CHALLENGES IN INDIA-JAPAN RELATIONS:

Trade and Economic Imbalance

- **Bilateral trade is underperforming**, especially when compared to India's trade with China or the US.
- In FY 2022-23, **India-Japan trade stood at \$20.57 billion**, while India-China trade crossed **\$114 billion**.
- The **Comprehensive Economic Partnership Agreement (CEPA)** signed in 2011 has not significantly boosted trade volume.
- India's exports to Japan are mostly low-value items (iron ore, fish), while imports are high-end machinery and electronics.

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Investment Barriers in India

- Japanese firms face challenges in India such as **land acquisition delays, lengthy clearance processes, taxation disputes, regulatory uncertainties**
- The **Delhi–Mumbai Industrial Corridor (DMIC)** and **Amritsar–Kolkata Industrial Corridor** have faced repeated delays, despite Japanese funding.
- As of 2022, only about **1,500 Japanese companies** operate in India, compared to **33,000 in China**.

Defence and Security Limitations

- Lack of **joint defence manufacturing** despite a 2015 agreement on **transfer of defence technology**.
- The **ShinMaywa US-2 amphibious aircraft deal** has not progressed due to cost concerns and technology-sharing hesitations.

Strategic Hesitations on China

- Though both countries share concerns about **China's assertiveness**, their response strategies differ India faces **direct military threats** (e.g., Ladakh 2020).
- Japan is heavily **economically dependent on China** (over 20% of its trade). Japan's muted response during the **2020 Galwan clash** contrasted with India's expectations for firmer diplomatic support.

Energy Dependency and Divergent Climate Priorities

- Japan is a leader in green technology, but **India still depends heavily on coal**.
- Differing stances on **net-zero commitments** and energy transitions can create friction in climate negotiations.
- Japan joined the **G7 Coal Exit Plan**, while India refrained from signing similar agreements due to development needs.

WAY FORWARD:

Deepen Economic and Trade Engagement

- Address **non-tariff barriers**, streamline **customs procedures**, and promote **balanced trade**.
- Facilitate **mutual recognition agreements** in pharmaceuticals, IT services, and digital goods.
- **Expand Japanese Investments in Emerging Sectors:** Focus on **green hydrogen, semiconductors, electric vehicles, and 5G/6G**. Incentivize **Japanese SMEs** to invest in Tier-2 and Tier-3 cities in India.
- Expand industrial townships like the **Japanese Industrial Park in Neemrana (Rajasthan)**.

Enhance Defence and Maritime Security Cooperation

- Regularize **JIMEX, Malabar, and Quad naval exercises**.
- Explore **joint development** of defence equipment under India's Make in India/Defence corridor programs.

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www.csbias.com | Email: csbiasacademy@gmail.com

Vijayawada

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- **Technology Transfer:** Reinitiate talks on **ShinMaywa US-2 amphibious aircraft**, under a cost-effective joint production model.
- Deepen **Quad cooperation**, **Indo-Pacific Oceans Initiative**, and **India–Japan–Australia SCRI (Supply Chain Resilience Initiative)**.

Promote Digital and Technological Partnerships

- Collaborate on **AI, robotics, IoT, space cooperation**, and **cybersecurity**.
- Leverage **India–Japan Digital Partnership (IJDP)** for start-up ecosystems and fintech collaboration.

Strengthen People-to-People and Cultural Ties

- Promote **language and student exchange programs** (Japanese in Indian schools and vice versa).
- Enhance tourism and Buddhist circuit connectivity between Bodh Gaya and Japanese cities.
- Create a **Japan–India Skill Corridor** for training Indian youth in Japanese hospitality, nursing, and maritime services.

Coordinate Climate Action and Green Growth

- Joint investments in **renewable energy, carbon capture**, and **energy efficiency** technologies.
- Align efforts through **ISA, CDRI**, and **LeadIT** platforms
- Expand Japan's role in **National Green Hydrogen Mission** and urban mobility electrification in India.

PRACTICE QUESTION:

Q. India–Japan relations, rooted in shared democratic values and regional aspirations, have expanded into a multi-sectoral strategic partnership. Critically examine the India–Japan relations in their bilateral engagement. (15 marks, 250 words)

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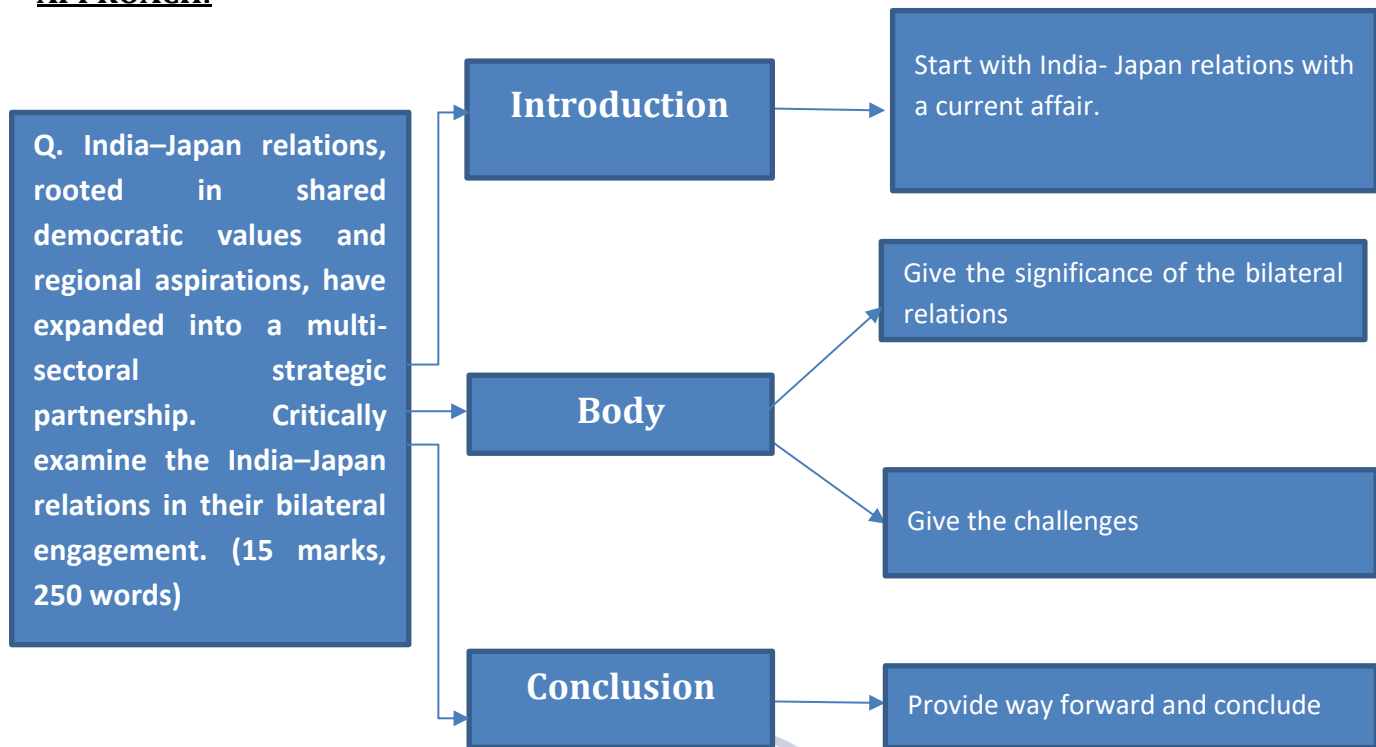
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APPROACH:**MODEL ANSWER:**

India and Japan share a **Special Strategic and Global Partnership**, underpinned by shared values of democracy, peace, and rule of law. The recent agreement on deepening maritime relations will enhance ship building industry, port digitization and smart island development.

Significance of India–Japan Relations

- **Economic Partnership:** Japan is India's **5th largest investor** with ₹3.5 lakh crore FDI inflows since 2000. Collaboration on major infrastructure projects: **Mumbai–Ahmedabad Bullet Train** (₹1.08 lakh crore, 80% funded by Japan), **Delhi Metro, DMIC, Smart Cities**
- **Strategic and Defence Cooperation:** Participation in **QUAD, Malabar Naval Exercises, and JIMEX**. Agreement on **Defence Equipment and Technology Transfer (2015)**. Support for India's **Act East Policy** and **Indo-Pacific Oceans Initiative (IPOI)**.
- **Maritime and Regional Security:** Joint focus on **Indo-Pacific stability**, countering assertive Chinese expansion. Collaboration on **green port initiatives, shipbuilding, and smart islands** in Andaman and Lakshadweep.
- **Science, Technology and Energy:** Over **400 academic collaborations**, focus on **AI, robotics, clean energy**. Partnership in **Green Hydrogen Mission, LeadIT, and waste-to-energy initiatives**.
- **Cultural and Diaspora Linkages:** Shared Buddhist heritage; increasing student and people-to-people exchanges. India is a key source of **skilled maritime labour** (over 1.5 lakh seafarers).

Challenges in the Bilateral Relationship

- **Underwhelming Trade Performance:** India–Japan trade in 2022–23: \$20.57 billion vs India–China trade of \$114 billion. **CEPA (2011)** failed to significantly boost trade volume.

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- **Investment and Regulatory Barriers:** Japanese firms face **land acquisition, regulatory delays, and tax disputes**. Key projects like **DMIC** have witnessed slow progress.
- **Defence Limitations:** Delayed progress on **ShinMaywa US-2 aircraft** due to cost and technology-sharing issues. Japan's **pacifist constitution** limits arms collaboration.
- **Divergent China Strategies:** Japan remains **economically tied** to China, while India faces **border threats**. Japan's response to the 2020 Galwan clash was muted
- **Climate Policy Divergences:** Japan's push for rapid decarbonisation vs India's **coal-dependency and developmental needs**.

Way Forward

- **Revamp CEPA:** Address non-tariff barriers; sign mutual recognition agreements.
- **Strengthen Make-in-India Links:** Facilitate **defence co-production** and **digital infrastructure investment**.
- **Deepen Maritime Cooperation:** Fast-track joint shipbuilding, smart island development, and port digitization.
- **Boost People-to-People Ties:** Expand **language training, skill development** (India-Japan Skill Corridor).
- **Align Climate Goals:** Joint R&D on **green hydrogen, urban mobility**, and disaster-resilient infrastructure.
- **Institutional Mechanism:** Establish a **Joint Task Force** for fast-tracking ODA and strategic projects.

India-Japan relations represent a **natural and strategic alignment** for the 21st century. Strengthening cooperation across trade, defence, climate, and technology will be key to shaping a **free, inclusive, and resilient Indo-Pacific region**. Through sustained dialogue and mutual trust, the two nations can become **pillars of regional stability and global peace**.

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