

India – U.S.A

India–US relationship oscillated unevenly due to the politics of the Cold War. During the Cold war, India – US were considered as **estranged democracies**. US considered India as **team B of USSR and criticized India's Non alignment policy**. During this era US also strengthened relations with India's hostile neighbour Pakistan.

However, in post-Cold War times, both countries have taken gradual, positive steps towards each other. It is noteworthy that today India and US have become **strategic and defense partners**. US has surpassed China to become **India's largest trading partner**. Significantly, President Trump in his **National Security Strategy, described India as a "leading global power"** and stressed on deepening US' strategic partnership with New Delhi and support its leadership role in maintaining security in the Indo-Pacific region.

Donald Trump had also supported India on the issue of Pakistan sponsoring terror. Trump, described Pakistan as a **“safe heaven for agents of chaos”**, America has been helping India's cause by pressurizing Pakistan to take effective steps against terrorism. All American aid to Pakistan has been already suspended. Thus, it is argued that America has **De-hyphenated U.S. policies towards India and Pakistan**.

Therefore, it is important to understand how and why these qualitative changes unfolded in the Indo-US bilateral relations. Following is a chronological list of how India-US relations evolved in post-Cold War times:

Evolution of ties:

1991: The government of Prime Minister **P.V. Narasimha Rao** launches sweeping economic reforms that help expand economic ties with the United States. Economic reforms open doors for foreign capital investment. This created a lot of synergy between Indian and US economy. In fact, it is often argued that **big breakthrough in India-US relations were achieved by private sector**.

1998: Pokhran, India tested nuclear weapons and US imposed sanctions.

1999: Kargil war was fought between India and Pakistan. US refused to support Pakistan and blamed Pakistan for hostilities. In fact President Bill Clinton played a major role in pressurizing Pakistan to withdraw forces.

2000: President Bill Clinton makes the first U.S. presidential trip to India since 1978. The visit ends the estrangement of the post-1998 Indian nuclear weapons tests.

2001: 9/11 terror attacks in US. India extended full support to US in their fight against terror. On 22nd September, 2001 President George W. Bush's administration lifts all remaining U.S. sanctions that were imposed on India after its 1998 nuclear test.

December 2001: Indian parliament attacked by terrorist. USA supported India and pressurized Pakistan to take effective steps against terrorism. USA also stood strongly with India during 26/11 terror attacks in Mumbai. **Thus India and USA started cooperating on the common plank of fighting terrorism.**

2005: India and the United States ink the Civil Nuclear Cooperation Initiative, a framework that lifts a three-decade U.S. moratorium on nuclear energy trade with India. Under the agreement, **India agrees to separate its civil and military nuclear facilities and place all its civil resources under International Atomic Energy Agency (IAEA) safeguards.** In exchange, the United States agrees to work toward full civil nuclear cooperation with India. Congress gives final approval in October 2008. This landmark agreement saw an **implicit recognition – for the first time – of India as a nuclear weapons power.** Even though India did not officially join the **Non-Proliferation Treaty (NPT)**, through this agreement it was afforded the same benefits and advantages as other leading nuclear powers, like the United States.

2008: The Nuclear Suppliers Group (NSG), an intergovernmental body that sets guidelines for nuclear exports, allows an exemption to its rules that permits India to engage in nuclear trade for the first time in three decades. The waiver is approved following intense diplomatic efforts by the Bush administration, dating back to 2005 when Washington and New Delhi signed the Civil Nuclear Cooperation Initiative.

2010: The United States and India formally convene the first U.S.-India Strategic Dialogue. **President Obama** visits India, where he addresses Parliament and backs the country's long-held bid for a **permanent seat on the United Nations Security Council.**

2015: both countries signed document to renew 10 year India – US defense framework agreement. This laid down the **blue print for collaboration between defense establishments.**

2016: During Prime Minister Modi and President Obama's final meeting in the White House, the United States elevates India to a **major defense partner**, a status no other country holds. U.S.A commits to facilitate technology sharing with India to a level commensurate with that of its closest allies and partners, and industry collaboration for **defence co-production and co-development**.

2017: during PM Modi's fourth visit to US, it was announced that India – US bilateral relations have developed into a **“global strategic partnership”** based on shared democratic values and increasing convergence of interests on bilateral, regional and global issues. **Thus estranged democracies emerged out of the hesitations of the past.**

2018: America made changes in its export control laws that will benefit India by facilitating **smoother transfer of technologies and arms**. It is noteworthy that United States, the world's largest arms exporter, elevated India, the world's largest arms importer, to **Strategic Trade Authorization-1 (STA-1) status**, putting it in the same tier as the United States' NATO allies. This will allow country to buy highly advanced and cutting-edge sensitive technologies from America. STA -1 status will also strengthen DTTI.

DTTI

In 2012, the United States and India launched the Defence Technology and Trade Initiative (DTTI) for **co-production and co-development of military equipment** — in order to move away from the traditional “buyer-seller” dynamic

2018: During a **“two-plus-two” dialogue** in New Delhi, U.S. Secretary of State Mike Pompeo and Secretary of Defense Jim Mattis signed **COMCASA** with Indian Minister of External Affairs Sushma Swaraj and Defense Minister Nirmala Sitharaman.

2019: The Trump administration **terminates India's preferential trade status**, part of a program dating back to the 1970s that allows products from developing countries to enter the U.S. market duty free (**generalized system of preferences**). Trump says India has not provided **“equitable and reasonable access”** to its own market. Weeks later, India slaps tariffs on twenty-eight U.S. products in response to U.S. duties on steel and aluminum imposed in 2018.

2020: President Donald Trump visited India. Following were the outcomes of the visit

- **Joint rally with Prime Minister Narendra Modi:** public address at Ahmedabad's Sardar Patel Stadium reflected an unprecedented relationship between the leaders of India and the United States, with each expressing admiration of the work they had done in their own countries. Mr. Trump referred to Mr. Modi as a “**true friend**”, and a “**tremendously successful leader**”, who he credited with India's progress.
- Relations were upgraded to ‘**Comprehensive Global Strategic Partnership**’, anchored in mutual trust, shared interests, goodwill and robust engagement of their citizens.
- An agreement signed for defence purchases worth \$3-billion, including American helicopters (**Apache helicopters**), this led to both sides signalling more cooperation in defence, military exercises and technology sharing.
- **Strategic Convergence in the Indo-Pacific:** The United States appreciated India's role as a **net provider of security**, as well as developmental and humanitarian assistance in the Indian Ocean Region.
- **Partnership for Global Leadership:** President Trump reaffirmed the support of the United States for India's permanent membership on a reformed **U.N. Security Council**. He also reaffirmed U.S. support for India's entry to the **Nuclear Suppliers Group** without any delay. Both leaders expressed interest in the concept of the **Blue Dot Network**.
- Moreover, Americans strongly came in support of India on the issue of **Galwan faceoff** with China.
- BECA signed during 2 +2 dialogue

Foundational agreements between India and US

The four agreements — General Security Of Military Information Agreement (GSOMIA), Logistics Support Agreement (LSA), Communications Interoperability and Security Memorandum of Agreement (CISMOA) and Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation (BECA) are referred to as the foundational agreements which the U.S. signs with countries with which it has **close military ties**. Foundational agreements are meant to build basic groundwork and promote interoperability between militaries by creating common standards and systems. They also guide sale and transfer of high-end technologies.

- **General Security of Military Information Agreement (GSOMIA):** It was signed in 2002 between India and USA. GSOMIA paved the way for greater technology cooperation in the military sector. It allows the **sharing of classified information** from the U.S. government and American companies with the Government of India and Defense Public Sector Undertakings (DPSU) but not with Indian private companies.
- In 2016 both countries sign **Logistics Exchange Memorandum of Agreement (LEMOA)**. It is a facilitating agreement that establishes basic terms, conditions and procedures for reciprocal provision of **logistic support, supplies and services** between the armed forces of USA and India.
- In 2018, COMCASA was signed; it is an Indian version of CISMOA. The **Communications Compatibility and Security Agreement (COMCASA)** gives India access to advanced communication technology used in U.S. defense equipment and allows real-time information sharing between the two countries' militaries. The agreement had been under negotiation for nearly a decade.
- **Basic Exchange and Cooperation Agreement (BECA):** BECA is last of the four foundational agreements, which was signed during 2 + 2 dialogue in 2020. It would facilitate **exchange of geospatial information and satellite data with each other**. It would set a framework through which the US could share sensitive data to aid targeting and navigation with India. It will allow India to use the US's advanced geospatial intelligence and **enhance the accuracy of automated systems and weapons like missiles and armed drones**.

Foundational agreements would further deepen defence cooperation and definitely placed India in a strategically advantageous position. However, India's policy maker must ensure that these agreements would not affect **India's strategic autonomy**. These agreements would benefit India and are significant because of following reasons:

- Facilitate Better Defense Ties
- Strengthen India's conventional offensive and defensive capacity.
- To counter China: Close defence and military cooperation between India and US as well as with other likeminded nations in the future helps to counter Chinese aggression in the region.

- Strategic Convergence in the Indo-Pacific: A close partnership between the United States and India is central to a **free, open, inclusive, peaceful, and prosperous Indo-Pacific region**.

In order to further strengthen defence cooperation, both nations have also been conducting various joint exercises - **Tiger Triumph** (tri – services exercise), **Malabar** (quad countries), **Yudh Abhyas** (Army), **Vajra Prahar** (Special Forces), **RIMPAC**, **Red Flag**.

India – USA bilateral developments in 2021: PM Modi’s visit to US

Recently, Prime Minister Narendra Modi visited United States of America, on 24 September 2021. This was the first in-person meeting of the two Leaders after President Biden assumed office in January 2021. The visit was seen as an opportunity to review the India-US Comprehensive Global Strategic Partnership and potential for strengthening bilateral cooperation further. Following are the outcomes of the visit:

- **COVID – 19:** Both leaders discussed the COVID-19 situation and ongoing India-US collaboration to contain the pandemic. In this context President Biden appreciated India’s ongoing vaccination efforts, and India’s global outreach to provide Covid assistance.
- **Enhancing bilateral trade:** Trade Policy Forum would be convened to identify measures which would boost commercial linkages.
- **Climate Change:** Under the **India-US Climate and Clean Energy Agenda 2030** Partnership, they agreed to accelerate clean energy development and deployment of critical technologies.
- **Diaspora:** Acknowledging the large Indian Diaspora in USA, Prime Minister Modi highlighted the importance of **people-to-people ties** between the two nations and the mutual benefits of facilitating mobility and expanding higher education linkages. India raised several **issues involving the Indian community in the US**, including access for Indian professionals there and **H-1B visas**.
- **Afghanistan and issue of terrorism:** Both reiterated their shared commitment to work together to counter global terrorism; and condemned cross-border terrorism. **They called on the Taliban to adhere to their commitments (as per UNSC resolution 2593)**, respect the human rights of all Afghans, and allow unhindered humanitarian assistance to Afghanistan. Given their long-term commitment to the

Afghan people, both leaders agreed that India and USA would continue to closely coordinate with each other and their partners towards an inclusive and peaceful future for all Afghans.

- **Indo- pacific:** reaffirmed their shared vision for a **free, open and inclusive Indo-Pacific region.**

Prime Minister Modi said that India and USA were entering a decade of transformation. He highlighted **5 T's – Technology, Talent, Trade, Trusteeship, and Tradition** that would guide the transformation of India-US relations:

Tradition: Modi stated that the seeds of Indo-US collaboration had been sowed. Modi predicted that the importance of both countries' traditions, as well as the **democratic values** to which they are dedicated, will only grow.

Talent: Modi praised 4 million-strong Indian-American talent and its contribution to the US economy, predicting that such people-to-people exchanges will continue to rise.

Technology: In today's world, technology will be the driving force — technology for the benefit of humanity. Trade would play a significant role in this scenario. According to Modi, commerce between the United States and India is complementary, with one country possessing items that the other requires.

Trade: In the ongoing decade, India and the US can also strengthen their trade relationship. Trade will remain a key area of cooperation between both countries.

Trusteeship: Gandhi Jayanti was mentioned by President Joe Biden. Gandhi gave the concept of Trusteeship, a concept that will be critical for our world in the future.

Recently, US hosted “Summit for Democracy” to renew democracy at home and confront autocracies abroad. PM Modi participated in the summit as the leader of the largest democracy of the world. Following are key outcomes:

- The Summit was centered on three principal themes: defending against authoritarianism, addressing and fighting corruption, and advancing respect for human rights.
- Biden announced the establishment of the **Presidential Initiative for Democratic Renewal**, under which the administration plans to provide \$424.4 million for

supporting free and independent media, fighting corruption, strengthening democratic reforms, advancing technology for democracy, and defending free and fair elections.

- PM Modi in his speech raised the issue that democracies should jointly deal with **social media and crypto currencies**, so that they are used to empower democracy, not to undermine it.
- India also highlighted that there is a need to constantly improve the democratic practices and systems and to continuously **enhance inclusion, transparency, human dignity, responsive grievance redressal and decentralisation of power**.

Fourth '2+2' dialogue:

Recently, 2+2 talks between India and the United States took place in Washington DC, US. India's External Affairs and Defence Ministers meet with their American counterparts. Following are the major highlights:

- **Space Situational Awareness Arrangement:** India and the US have signed a bilateral space situational awareness arrangement. This lays the groundwork for more advanced cooperation in space.
- **Inaugural Defense Artificial Intelligence Dialogue:** They also agreed to launch an inaugural Defense Artificial Intelligence Dialogue, while expanding joint cyber training and exercises.
- **Military Supply Chain Cooperation:** The US asserted that it supports India as a defence industry leader in the Indo-Pacific and a net provider of security in the region. In this context, new supply chain cooperation measures were launched that will let both countries more swiftly support each other's priority defence requirements.

Challenges

Trade tensions: Donald Trump had described India as the tariff king of the world.

How best can we describe the Indo-US trade ties today?

Trade between the United States and India has grown steadily ever since India's economy began to take off in the mid-1990s and its information technology sector shot to prominence in the early 2000s.

US has surpassed China to become **India's top trading partner** in 2021-22, reflecting strengthening economic ties between the two countries. Bilateral trade between India and US has reached 119.42 billion dollars. India's exports to the US in 2021-22 were valued at \$76.11 billion and imports at \$43.31 billion, resulting in a **trade deficit of about \$32.8 billion for the US**.

But as trade between Washington and New Delhi has increased, so too have tensions. U.S. and Indian officials have disagreed for years on tariffs and foreign investment limitations, but also on other complicated issues, particularly within agricultural trade. Both countries disagree on various issues involved in WTO negotiations.

Trade tensions during Trump administrations:

Trump administration was very critical of the issue of trade deficit with India. Trump regime put in place many trade restrictive measures. It unilaterally imposed penal **import duties on steel and aluminium from India** and some other nations under the garb of protecting national security interests.

Trump also withdrew GSP benefits (exports at zero duties) from Indian exporters, of certain items, and kept putting pressure on the country to import more from the US to bridge the trade deficit. The former US President also tried to get into a Free Trade Agreement with India, but was inflexible on his key demands in areas such as market access for medical equipment and dairy and farm products.

What is the Biden government's view on the issues flowing from the Trump administration?

On the face of it, the Biden government seems to be more tolerant than the previous regime towards the trade surplus that India has with the US. However, it has not yet taken any step to undo the harsh measures implemented by Trump, be it the imposition of import duties on steel or withdrawal of GSP benefits. **On the positive side, Biden is lowering some of the work visa restrictions imposed by Trump, which will definitely benefit Indians.**

What is the potential of this relationship?

There exists a considerable potential for growth in trade and investment ties, especially following the **trade war between China and the US** that began during Trump's tenure. The Covid pandemic has also driven home the importance of **diversifying supply chains (beyond China)**.

In the area of investments, India has lowered FDI barriers in almost all sectors, most recently in defence, and there is scope for collaboration.

What needs to be done by both sides to tap this potential?

India and the US should focus on lowering of non-tariff barriers (NTBs) that businesses in both countries face. **The US government could consider re-instating GSP benefits for Indian exporters** as the withdrawal has only helped other GSP beneficiaries and a restoration could actually benefit the American industry using the items as cheap inputs.

For increasing flow of investments and collaborations, the two sides could try to understand, through discussions at the **Trade Policy Forum**, how investment rules could be made more attractive.

How realistic is India-US FTA?

The Biden government realized that India is not in a position to give major market access in areas such as agriculture and dairy. Nor can it easily commit to TRIPS plus provisions, open up data transfer or liberalise e-commerce rules further. So, at least for the time being, the **US is not showing much inclination for an FTA with India.**

India's reservations with CAATSA

India has explicitly denounced country-specific U.S. sanctions and rejected U.S. demands that it should not buy the **Russian S-400 long-range missile system**. It must be noted that some of the differences between India and the US are not direct consequences of India-US relationship but due to US' hostility towards third countries like Iran and Russia – the traditional allies of India. US' sanctions on Russia through CAATSA – Countering America's Adversaries through Sanctions Act – are threatening India's strategic interests. **India is not willing to compromise strategic autonomy of India's foreign policy making.**

US' call for India to distance itself from Russia may have a far-reaching consequence to South Asia's status quo. This is because, **if India distances itself from Russia, it may lead to closer ties between Pakistan and Russia. Similarly, US sanctions on Iran and Venezuela are putting India's energy security at stake.**

US imposed sanctions on Turkey, a longstanding NATO ally, in December 2020 over its purchase of the S 400 missile system. However, in case of India, America is mulling over giving **India a presidential waiver**. Matter is still unresolved, only time will tell what action,

if any, the US is willing to take, especially as it has made the Indo-Pacific its main area of focus to counter China's rise.

Issues with four foundational Agreements

Russia Factor: US want India to move away from Russian equipment and platforms, as it feels this may expose its technology and information to Moscow.

More favorable to US: Critics express that agreements are intended to boost U.S. arms sales to India to the benefit of the U.S. economy and American workers. The agreements, particularly the LEMOA, primarily benefit the United States since Indian ships are less likely to refuel and resupply at U.S. ports.

India's policy of Strategic Autonomy: Critics express that the agreements imperil India's long-held foreign policy of strategic autonomy by paving the way for U.S. bases or ports in Indian territories, or unduly binding India to U.S. systems and procedures.

Sharing of critical data: Implementation of the COMCASA would involve data-sharing that could reveal the location of Indian military assets to Pakistan or other third parties.

Afghanistan

India is also concerned over the US' policy in Afghanistan as it is jeopardizing India's security and interest in the region. **Withdrawal of US forces from Afghanistan and return of Taliban rule have been very detrimental for India's interests in Afghanistan.** India never favored strengthening of Taliban in Afghanistan as Pakistan has considerable influence over Taliban. India had supported Afghan led and owned peace process; however, US signed a direct deal with Taliban bypassing democratic government.

However, now **India expects USA to help implement UNSC resolution 2593 to safeguard India's interests in Taliban ruled Afghanistan and check Pakistan's proxies.**

Ukraine Crisis

While the other members of the Quad have been united in standing up against Russia's invasion of Ukraine, especially with sanctions, **India has increased its purchases of Russian energy supplies after the invasion.**

India has refrained from criticizing Russia and has been demanding a solution based on peace and dialogue. India has abstained on a US sponsored UNSC resolution that deplores in the strongest terms Russia's aggression against Ukraine. Subsequently, India has also abstained from voting in all anti – Russia resolutions in UNGA, UNHRC, IAEA. **According to Dr. S. Jaishankar “If India has chosen a side — it is the side of peace and it is for an immediate end to violence”.**

Therefore, India and USA have adopted differing positions on Ukraine crisis, which may impact India's interests in following ways:

- **Geopolitical conundrum:** India has to brace itself for some immediate challenges flowing from the Russian actions. It will have to balance the pressure from one strategic partner (USA) to condemn the violation of international law, with that from another (Russia) to understand its legitimate concerns. India managed these pressures during the 2014 crisis of Crimea annexation; it shall again manage it effectively.
- The Russia-Ukraine crisis comes precisely as India's purchase of the **Russian S-400 missile system** is underway and New Delhi has been hoping for a waiver of U.S. sanctions on this. Russia-Ukraine Conflict may complicate both the delivery of the system and the possibility of a presidential waiver.

Way forward

Even though, India and USA have differences on variety of issues, however, the relationship is very valuable for both nations because of their common interests. Following are long time convergences for both democracies:

- US see India's potential to be an important contributor to Asian security and prosperity.
- India's China challenge, regional and global aspirations, and a growing acceptance of reliance on U.S. cooperation in these spheres ensure the two countries will continue to find convergence in the long term.

Therefore both countries should try to turn challenges into opportunities and manage differences by understanding each other's concerns. Recently both sides have shown willingness to understand each other's positions on Ukraine. Despite differences, they have conducted **successful 2+2 talks and 2nd QUAD summit in Tokyo**.

There is also a need for deeper appreciation of Indian values that emanate from India's own unique history and politics. US should realize that India is not willing to be a **"bandwagoning state"** and will not compromise on the principle of **"Strategic Autonomy"**.



India – Japan

Japan is one of the most industrialized countries in the world, thus a very significant partner for India. India and Japan are strategic partners. However, it is only in the post-Cold War era that the two countries started reaching out to each other.

Evolution of ties:

- 2000: Japan – India "**Global Partnership in the 21st Century**" was launched.
- 2006: relationship was upgraded to a **global and strategic partnership** with the provision of annual prime ministerial summits.
- 2011: a **comprehensive economic partnership agreement** between India and Japan.
- 2013: the emperor and empress of Japan visited India.
- 2014: PM Shinzo Abe was the chief guest at republic day parade in New Delhi. During the visit relations were upgraded to a **special strategic and global partnership**.

Thus, India – Japan relations have strengthened considerably. Japan is India's natural ally. The regional environment in the Indo-Pacific has contributed to the growing ties between the two countries. The rise of China has been an important factor drawing Japan and India closer while India's growing closeness with the US has also played a role in bringing India and Japan closer, as US and Japan already have a close alliance. Following are certain key developments:

- India and Japan has jointly launched **Asia Africa growth corridor**.
- Japanese emperor and empress visited India, which is a rare event.
- India has also joined **Shinzo Abe's** initiative Quad.
- Japan is the only country permitted by India to develop infrastructure in the sensitive north east region.
- **2014 Investment Promotion Partnership:** target of 3.5 trillion Japanese Yen (JPY) has been met.
- India will be supplying rare earth materials, which is crucial for Japanese electronics industry. Until recently, China was the major supplier.
- India and Japan defence forces organize a series of bilateral exercises namely, **JIMEX (naval exercise), SHINYUU Maitri (air force exercise), and Dharma**

Guardian (military exercise). Both countries also participate in Malabar exercise of QUAD nations.

- Both countries have called for a **free, open, transparent, rule based, prosperous and inclusive indo pacific region where sovereignty and international law are respected.** All countries enjoy freedom of navigation and over flight. Thus, it is evident that India and Japan has developed a **common approach on Indo – Pacific.**
- India and Japan have signed **acquisition and cross services agreement (ACSA).** **ACSA is a version of LEMOA.** ACSA would permit Indian navy access to a Japanese base in Djibouti, while the Japanese maritime self defence force would be permitted to use India's military installations on the Andaman and Nicobar islands.
- India and Japan has also started having a **2 + 2 dialogue.** In recent 2 +2 talks, India and Japan underlined the need for all countries to ensure that their territory is not used for terrorist attacks. They also expressed concern regarding threat posed to regional peace and security by terrorist networks operating out of Pakistan and asked Islamabad to take resolute and irreversible action against them.
- Japan has supported India on the recent issue of Galwan faceoff with China. Japan Has condemned Chinese attempts to change status quo on the LAC.
- In 2014, India and Japan signed a Partner City/Sister City Affiliation Agreement between the cities of **Varanasi and Kyoto** for cooperation in areas of culture, art, academics, heritage conservation, city modernization etc. Recently in 2021, The **Rudraksh International Cooperation and Convention Centre (Varanasi) was inaugurated.** It is one of the projects under it, designed to give a fillip to the cultural activities in the city and funded by Japanese International Cooperation Agency. During the inauguration **PM Modi acknowledged Japan as India's most trusted friend with shared fundamental values.**
- Recently in 2021, Indian PM virtually inaugurated a Japanese '**Zen Garden - Kaizen Academy**' at the Ahmedabad Management Association (AMA) in Gujarat.
- India, Japan and Australia are also jointly working on **supply chains resilience initiative (SCRI).**
- India is a big market for Japanese companies. Japanese bullet train is being introduced in the busy **Mumbai-Ahmedabad section in India.** Japan has been trying to export its **bullet train technology to other countries,** but without much success. Besides, with its huge population and a growing middle class, India is a market which no Japanese company can ignore in the long term.

14th India-Japan Annual Summit

The summit between the Indian and Japanese PMs took place after three and half years — the last summit was held in Japan in 2018. The annual summit-level meeting between the countries could not occur over the last two years due to the pandemic and in 2019, the summit with then Prime Minister Shinzo Abe — to be held in Guwahati — was cancelled due to protests regarding amendments to India's citizenship law. **Kishida Fumio's** visit comes at a time when the two countries are celebrating the **70th anniversary of the establishment of diplomatic relations** and India is celebrating its **75th anniversary of Independence**.

Following are the key highlights of the summit:

- Japan announced a plan to invest **5 trillion yen (\$42 billion) in India over five years**. The investment will cover a wide range of activities, and effectively boost Japanese investments, skill Indian labour and build supply chains.
- The two sides signed pacts on **digital partnership (cyber security)** and announced a **clean energy partnership**.
- They also signed pacts on loans to the tune of **Rs 20,400 crore** for projects in connectivity, water supply and sewerage, horticulture, healthcare, and biodiversity conservation in different states.
- A MoU has been signed to introduce **Johkasou technology** in India by Japanese companies for decentralised wastewater treatment. It is used in areas where sewage infrastructure has not yet been developed.
- **Sustainable Development Initiative for the North Eastern Region of India:** It has been launched with an eye on India's infrastructure development in the Northeast, and includes both ongoing projects and possible future cooperation in connectivity, healthcare, new and renewable energy, as well as an initiative for **strengthening bamboo value chain**.
- They agreed to convene a **two-plus-two meeting** between their Foreign and Defence ministers at the earliest.
- On the strategic front, too, the joint statement and briefings by officials from both sides indicates forward movement: The statement **condemned Pakistan-sponsored terror attacks** on Indian soil and both countries reaffirmed their commitment to

collaborate to ensure “**peace and stability**” in Afghanistan with the implementation of **UNSC resolution**.

- **North Korea:** both PMs condemned North Korea’s destabilising ballistic missile launches in violation of United Nations Security Council resolutions (UNSCRs).
- **Myanmar:** They called on Myanmar to urgently implement **ASEAN’s Five-Point Consensus**.
- **ASEAN five-point consensus** states that there shall be an immediate cessation of violence in Myanmar and all parties shall exercise utmost restraint; constructive dialogue among all parties concerned shall commence to seek a peaceful solution in the interests of the people.
- **Indo – Pacific:** both reiterated their partnership for a **Free and Open Indo-Pacific underpinned by Inclusiveness and Rules-based order**.
- With their commitment to **promoting peace, security, and prosperity in the Indo-Pacific region**, the Prime Ministers affirmed the importance of bilateral and plurilateral partnerships among like-minded countries of the region, including the **quadrilateral cooperation among Australia, India, Japan, and the United States (the Quad)**.
- The Japanese Prime Minister invited PM Modi for the **QUAD Summit Meeting in Tokyo**.
- Prime Minister Kishida welcomed the **Indo-Pacific Oceans’ Initiative (IPOI)** announced by Prime Minister Modi in 2019.
- They reiterated their strong support for **ASEAN’s unity and centrality** and their full support for the “**ASEAN Outlook on the Indo-Pacific (AOIP)**” which upholds the principles such as the rule of law, openness, freedom, transparency and inclusiveness.
- Both sides discussed China’s aggressive stance in the Indo-Pacific as well as its encroachment on India’s land borders, and added that it could not be “business as usual” with Beijing until the stand-off in Ladakh is resolved peacefully.
- It is significant that despite the recent developments in **Ukraine**, Tokyo and New Delhi have managed to present a united front vis-a-vis China. **While Kishida condemned the Russian attack, the Indian side called for peace and dialogue.** This is in line with the two countries’ positions, and individual strategic needs — and that common interests outweigh the differences.

- Both Prime Ministers reiterated that India and Japan would continue to contribute to global efforts to combat COVID-19 and to protecting the lives and livelihoods of people.

Challenges

There are still few issues that have kept the two nations distant from each other, which are listed below:

- Trade ties which have remained underdeveloped when compared to India's trade ties with China.
- **Main driving force of relations has been strategic, rather than economic. There is a need to strengthen the economic pillar.**
- Japan has concerns about poor infrastructure in India, poor skills and red tapism.
- Japan has been hoping that India might reconsider joining the **Regional Comprehensive Economic Partnership (RCEP)** that it quit in 2019. Japan has indicated that **India-Japan collaborations in other countries may be impacted if India continues to stay out.** Japan has also expressed desire to review the India-Japan FTA signed in 2011. However, India has not given any indications that it could review the 2019 decision to leave RCEP.
- There are also differences over how close India would like to get to the US. Although New Delhi has grown closer to the US in recent times, it is a member of groupings like the BRICS, which brings together Brazil, Russia, India, China, and South Africa. In addition, though New Delhi has not joined the China-led Belt and Road Initiative (BRI), it is a member of the AIIB (Asian Infrastructure Investment Bank).
- **Ukraine:** Japan and India differ on this issue. Japan has condemned the Russian attack, whereas India has refrained from criticizing Russia and has been demanding a solution based on peace and dialogue.

Way Forward:

India and Japan has developed special strategic and global partnership and are considered as natural partners. Both nations also have **shared democratic values and high degree of trust with each other.** However, they must work in following areas to further strengthen relations:

- There is a need to strengthen the **economic pillar** and remove anomalies of trade and should try and review the implementation of CEPA.

- Investment: improved logistics, a more open, stable and consistent trade policy regime, and the establishment of a ‘centralized single window clearance system’ will increase India’s attractiveness for Japanese investors.
- They can further harness the potential of the relationship by building stronger partnerships in areas such as “**green energy partnership**” and creating new “**innovative partnerships in manufacturing and MSME**”.
- There is huge potential with respect to Make in India. Joint ventures could be created by merging Japanese technology with Indian raw materials and labour.
- **China factor:** close cooperation between India and Japan can help them counter China’s growing role in the indo-pacific in physical as well as digital space. QUAD partnership and Malabar exercises are steps in the right direction and will help them achieve their shared strategic interests.



