

## **Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.**

### **India-Japan Bilateral Relations**

#### **A. Introduction**

1. Indian Trade Journal (ITJ) division of the Directorate General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Embassy Profile Report for 23.04.2025 depicting the Embassy of Japan.

2. India and Japan share ‘Special Strategic and Global Partnership’. Friendship between the two countries has a long history rooted in spiritual affinity and strong cultural and civilizational ties. In modern times, prominent Indians associated with Japan were Swami Vivekananda, Nobel laureate Rabindranath Tagore, entrepreneur JRD Tata, freedom fighter Netaji Subhas Chandra Bose, Rash Behari Bose and Justice Radha Binod Pal. The Japan-India Association set up in 1903 is the oldest international friendship body in Japan.

#### **B. A brief account of major high level political engagements**

India-Japan relations were elevated to ‘Global Partnership’ in 2000, ‘Strategic and Global Partnership’ in 2006, and ‘Special Strategic and Global Partnership’ in 2014. Regular annual summits have been held between India and Japan since 2006 (the last summit was held in March 2022). PM Kishida visited India between 19-23 March 2023 and held a bilateral meeting with PM Modi. PM Kishida also delivered a policy speech titled “the Future of the Indo-Pacific—Japan’s New Plan for a ‘Free and Open Indo-Pacific’”. India and Japan also announced 2023 as “India-Japan Year of Tourism Exchange” with the theme “Connecting Himalayas with Mount Fuji”. Ministry of Environment of Japan and Ministry of Environment, Forest and Climate Change of India, signed an Aide Memoire on the Joint Crediting Mechanism (JCM).

In May 2023, PM Modi visited Japan to attend the G7 Summit in Hiroshima as an invitee country. During the visit, PM Modi held bilateral meetings with a number of leaders, including with PM Kishida.

On 9-10 September 2023, PM Kishida visited New Delhi for the G20 Summit and met with PM Modi. They discussed their priorities for their respective G7 and G20 Presidencies, particularly in bringing the aspirations of the Global South to the fore. Apart from the annual summits, regular exchanges take place at other high levels including Foreign Minister, Defence Minister, and National Security Adviser (NSA). 15th round of Foreign Ministers’ Strategic Dialogue was held in New Delhi on 28 July 2023. The Foreign Ministers met on 22 September 2023 on the sidelines of the 78th UNGA Session in New York.

Environment Ministers of India and Japan met on the sidelines of the India-Japan Environment Week held between 12 -13 January 2023 in New Delhi. The then State Minister of Foreign Affairs YAMADA Kenji attended the G20 Foreign Ministers Meeting that was held between 1-2 March 2023. The Foreign Minister Hayashi Yoshimasa participated in the QUAD Foreign Ministers Meeting on 03 March 2023, held a working lunch with EAM on the sidelines and also participated in Raisina Dialogue 2023. Minister for Digital Transformation KONO Taro visited India between 11-12 March, to hold deliberations with Minister for Electronics & Information Technology on co-operation in emerging technologies.

**3. Parliamentary Exchanges:** Regular exchanges have been held between parliamentarians since 2016. A delegation of five Parliamentarians from India led by MP Rajdeep Roy visited Japan in September 2022. LDP Policy Research Council Chief HAGIUDA Koichi and former State Minister for Health, Labour and Welfare TSUCHIYA Shinako visited India separately in the month of January 2023. Former Prime Minister and current Chairman of Japan India Association SUGA Yoshihide visited India with the Ganesha Group of MPs and a business delegation from 05-08 July 2023. During the visit he also met the Prime Minister. Other recent visits from India to Japan include: Ms. MORI Masako, Special Advisor to Prime Minister (19-22 July 2023), Mr WADA Yoshiaki and other parliamentarians from Japan India Parliamentary Friendship League (18-22 July 2023), and Mr KIHARA Minoru, Chairman Standing Committee on Land, Infrastructure, Transport and Tourism (23-25 July 2023).

**4. Defense Ministerial Meeting and other high-level exchanges:** The second Defense Ministerial Meeting was held in September 2022 in Tokyo. Gen Bipin Rawat, the then Chief of Army Staff visited Japan on an official visit in December 2019. Gen Yamazaki Koji, Chief of Staff, Joint Staff has participated India from 14 to 17 January 2020 to participate in Raisina Dialogue- 2020. The First Joint Service Staff Talks was held in Tokyo on 11-12 September 2023. The 26th Edition of maritime exercise Malabar-22 culminated in the seas off Japan on 15 November 2022. Chief of the Naval Staff (CNS) Admiral R Hari Kumar Visited Japan to attend the inauguration of the exercise. Gen Koji Yamazaki, COS, Joint Staff visited India to participate in the Raisina Dialogue 2023 from 03-05 March 2023. The first Bilateral Fighter Exercise Veer Guardian was held in Japan in January 2023. The Army to Army exercise; Exercise Dharma Guardian was held in Japan in February 2023 for the first time ever since its inception in 2018. Exercise Shinnyu Maitri was also conducted between the transport wings of IAF and JASDF in March 2023. JIMEX 23 was conducted in Bay of Bengal from 05-10 July 23. General Morishita Yasunori, the Chief of Staff, JGSDF visited New Delhi from 24-28 Sep 23 for the IPACC 23.

### **C. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures**

**5. India-Japan Comprehensive Economic Partnership (CEPA):** India-Japan Comprehensive Economic Partnership (CEPA) came into effect from 1 August 2011. The Agreement is most comprehensive of all such agreements concluded by India and covers not only trade in goods but also services, movement of natural persons, investments, intellectual property rights, custom procedures and other trade related issues. The CEPA envisages abolition of tariffs over 94% of items traded between India and Japan over a period of 10 years. In order to further expand and strengthen the economic and business ties and address the CEPA implementation issues, various Sub-Committees have been established under CEPA in areas of Rules of Origin, Customs Procedures, Technical Regulations, Standards and Conformity Assessment Procedures & SPS Measures, Trade in Services, Improvement of Business Environment, and Movement of Natural Persons & Cooperation.

**6. Bilateral Trade:** Bilateral trade totaled USD 22.86 billion during FY 2023-24. Exports from Japan to India during this period were USD 17.70 billion and imports were USD 5.16 billion. India's primary exports to Japan are petroleum products, organic chemicals; fish and crustaceans, mollusks and other aquatic invertebrates; nuclear reactors, boilers, machinery and mechanical appliances, parts thereof; vehicles other than railway or tramway rolling stock, and parts and accessories thereof etc. India's primary imports from Japan are machinery, electrical machinery, iron and steel products, plastic materials, non-ferrous metals, parts of motor vehicles etc.

7. **Export-Import statistics from 2019-20 to 2023-24:** The export-import statistics for the last five years as per India's Ministry of Commerce data bank are as follows:

(US Dollar Billion)

Year	Total trade	Import	Export
2019-20	16.95	12.43	4.52
2020-21	15.33	10.90	4.43
2021-22	20.57	14.39	6.18
2022-23	21.95	16.49	5.46
2023-24	22.86	17.70	5.16

(Source: Department of Commerce, India)

8. **Japan's Investment in India:** Japanese FDI in India has increased in recent years but it remains small compared to Japan's total outward FDI. Japanese outward FDI to India in 2021-22 and 2022-23 stood at USD 1.49 billion and USD 1.79 billion respectively. Cumulatively, from 2000 until June 2023, the investments to India have been around USD 39.94 billion ranking Japan fifth among source country for FDI. Japanese FDI into India has mainly been in automobile, electrical equipment, telecommunications, chemical, financial (insurance) and pharmaceutical sectors.

9. **Japanese Companies in India:** The number of Japanese companies registered in India are 1400 as of October, 2022 with manufacturing firms accounting for half the total, according to the latest joint survey by the Embassy of Japan in India and the Japan External Trade Organization (JETRO). These Japanese companies have in all 4901 business establishments in India. They include liaison and branch offices in India as well as local subsidiaries. More than 100 Indian companies are working in Japan. India's Net Foreign Direct Investment in Japan during FY 2020-21 is USD 40.91 million.

10. **Japanese Official Development Assistance (ODA):** Japan has been extending bilateral loan and grant assistance to India since 1958. Japan is the largest bilateral donor to India. Japanese ODA supports India's efforts for accelerated economic development particularly in priority areas like power, transportation, environmental projects and projects related to basic human needs. Japan's ODA disbursement to India in 2021-22 stood at about JPY 328 billion (approx. USD 3.28 billion).

11. India-Japan Energy Dialogue was set up in December 2006 to promote cooperation in the energy sector in a comprehensive manner. India-Japan Clean Energy Partnership (CEP) was launched in March 2022.

12. India-Japan Steel Dialogue has been set up as an institutional mechanism to strengthen the relationship and cooperation in steel sector between India and Japan by improving the processes of steel production & product mix and safety of work place. The Memorandum of Cooperation on Steel sector was signed on 22 December 2020. The first Steel Dialogue under this MoC was held on 14 October 2022.

13. **India-Japan Cooperation on Textile:** The exchange and signing of Memorandum of Understanding between Textiles Committee, India and M/s Nissenken Quality Evaluation Centre, Japan for improving quality and testing of Indian textiles and clothing for the Japanese market took place virtually on 27 January 2021. The last meeting of the JWG was held virtually on 11 July 2023.

**14. India–Japan Industrial Competitiveness Partnership:** India – Japan Industrial Competitiveness Partnership – A Memorandum of Cooperation between the Department for Promotion of Industry and Internal Trade (DPIIT) and Ministry of Economy, Trade and Industry (METI) on India – Japan Industrial Competitiveness Partnership was signed on November 16, 2021 to jointly explore the possibilities of enhancing India’s industrial competitiveness with a view to enhance the Special Strategic and Global Partnership between the two countries. Under the arrangement, Joint Working Groups (JWG) in different sectors ranging from Textiles and Logistic to Steel and Food Processing have been formed. The 5th meeting of the India-Japan Industrial Competitiveness Partnership was held in Tokyo on 28 February 2023. The meeting was co-chaired by Secretary, DPIIT from India and Vice Minister for International Affairs, METI from Japan. Joint Working Groups on MSME, Capital Goods, Logistics, JITs, Textiles, Food Processing and Auto have also met recently.

**15. India-Japan Digital Partnership (IJDP) and Start-up Hub:** “India-Japan Digital Partnership” (IJDP), launched in 2018. The 7th Joint Working Group under India-Japan ICT Comprehensive Cooperation Framework was also held on May 13, 2022 through hybrid mode. An India-Japan Digital Partnership Webinar was held online on February 28, 2022 which included discussions on digital transformation and preparing for post-COVID-19 international competition. A delegation comprising representatives from National Payments Corporation of India (NPCI) International, Ministry of Electronics & Information Technology (MEITY), India, and TCS visited Japan in July 2023 and held meetings with Digital Agency and other government and private sector stakeholders on the possibility of deploying UPI in Japan.

**16. Skill Development:** Under the India-Japan MoC signed in 2016, Japanese companies have established 35 Japan-India Institute of Manufacturing (JIM) in India and 11 Japanese Endowed Courses (JEC) in Indian Engineering Colleges. India and Japan also cooperate under Technical Intern Training Programme (TITP) and "Specified Skilled Worker" (SSW) initiative of Japan. In January 2022, Japan initiated implementation of language and skill test for nursing care and 'agriculture' category at a test center in Gurugram. Subsequently, Guwahati (Agriculture) and Bangalore (Agriculture, Caregiving and Language) have been added. Hon'ble Minister of State for Skill Development and Entrepreneurship and Electronics and Information Technology, Shri Rajeev Chandrasekhar announced the launch of 'India-Japan Skill Connect' and a "Skill Facilitation Cell at the Embassy on 04 August 2023. The 4th round of India-Japan Joint Working Group meeting on Skill Development was held in Tokyo on 03 October 2023, followed by an event at the Embassy titled "India-Japan Skill Connect: Re-imagining Institutional Frameworks". Embassy has been conducting several events all across Japan to maximize outreach in the area of Skill Development.

**17. Healthcare Cooperation:** Second meeting of the Japan-India Joint Committee on Healthcare was held by Health Minister of India and Japan’s Minister of Healthcare Policy on 15 May 2023. Both sides have recognized synergy between India’s AYUSHMAN Bharat Programme and Japan’s AHWIN and are working on cooperation in areas such as health-care logistics, ICT for tertiary health-care, and human resource development. The AYUSH Information Cell was launched on March 11, 2023 in the Embassy of India, Tokyo.

**18. Mumbai-Ahmedabad High Speed Rail (MAHSR) Project:** The first High Speed Rail (HSR) corridor is being implemented from Mumbai to Ahmedabad with technical and financial assistance from Government of Japan. With total twelve stations in the States of Maharashtra, Gujarat and Union Territory of Dadra and Nagar Haveli, the corridor has a length of 508.17 km. HSR will be operating at a speed of 320 Kmph at an elevated track above the ground on a viaduct all along except 26km in Mumbai,

which will be underground. The project envisages ‘Make in India’ as well as ‘Capacity Development’ to enable Indian workforce acquire skills relevant for Shinkansen technology. National High Speed Rail Corporation Ltd (NHSRCL) has been modelled as a Special Purpose Vehicle for implementing the project. The project is monitored at the apex-level in the form of Joint Committee Meeting (JCM) co-chaired by Hon’ble Minister for Railways from the Indian side and Special Adviser to Prime Minister of Japan, on the Japanese side. The last JCM was held in September 2023.

**19. Metro Rail Projects:** Presently, six Metro Rail projects (Ahmedabad, Bangalore, Chennai, Delhi, Kolkata, Mumbai) are being implemented with technical and financial support from Government of Japan. JICA has extended ODA to develop these Metro systems and redesign the urban landscape through green transportation systems. Propulsion and control systems are also supplied by Japanese manufacturing companies with their base in India.

**20. Environmental Cooperation:** In May 2018, the 2nd Japan-India Government-Private Workshop for Clean Energy and Energy Efficiency was held for implementing the Japan-India Clean Energy and Energy Efficiency Cooperation Plan. They discussed issues on Air Pollution, Sustainable Technologies and Transports, Climate Change, Marine Litter, Fluorocarbons, COP 26, etc. On January 12-13, 2023, Ministry of the Environment (MOE), Japan, and Ministry of Environment, Forest and Climate Change of India (MoEFCC) held the “India-Japan Environment Week” in India.

**21. Education, Cultural and People-to-people Exchanges:** Cooperation in the field of education is being conducted through partnerships between education and research institutions, student and teacher exchange, government scholarships, promotion of Japanese language education in India etc. There are 665 academic and research partnerships (including student exchanges) between more than 138 universities/institutes of Japan and around 227 universities/institutions of India. DPG and JIIA jointly organized the 5th round of Indo-Pacific Forum, a track 2 dialogue on 23 November 2022. The 1st Japan-India Universities Forum meeting was held in January 2023, which brought together the top 10 Universities of India including several IITs and top 12 Universities of Japan to discuss areas of mutual cooperation, collaboration in areas of research, faculty Trainings and exchange programs and sought to promote further student exchanges. The 2nd India-Japan Universities Forum was held on 30 September 2023. The India- Japan Edu-Connect was launched on 30th September 2023.

**22. India-Japan Forum:** The inaugural India-Japan Forum was held on 20 July 2021. Second edition was held in New Delhi on 28-29 July 2023 and was inaugurated by EAM and Foreign Minister of Japan Mr Yoshimasa Hayashi. The forum sees participation of eminent representatives of both governments, Parliament, industry, think tanks and academia. The Forum has been launched with the purpose of bolstering cooperation, leveraging opportunities, exchanging ideas, building mutual trust and developing a joint agenda for future cooperation between India and Japan.

**23. Indian Community in Japan:** In recent years, there has been a change in the composition of the Indian community with the arrival of many professionals, including IT professionals and engineers. The Nishikasai area in Tokyo is emerging as a “mini-India”. Their growing numbers had prompted the opening of three Indian schools. Over 40,000 Indians live in Japan, of which 282 are students with 30-40% pursuing doctoral courses. Also, there are around 150 professors and 50 research visa holders.

**Source:** [www.mea.gov.in](http://www.mea.gov.in)