

6. Japan's Arms Export Relaxation – International Relation

1. Context

1. As Japan relaxed restrictions on its arms exports, India welcomed the move stating that both sides have committed to "increase practical cooperation in the interest of their national security."
2. This development marks significant shift in Japan's post-World War II defence policy opening new avenues for bilateral defence cooperation.

2. About Japan's Policy Shift

Major Departure from Pacifism

1. Japan relaxed decades-old restrictions on its arms exports representing major departure from pacifism that has characterized its post-World War II defence policy.
2. Post-1945, Japan adopted peace constitution with Article 9 renouncing war and severely limiting military capabilities.

Earlier Restrictions

1. Earlier restrictions limited arms exports to just five categories – rescue, transport, warning, surveillance, and minesweeping.
2. These non-lethal categories reflected Japan's commitment to peaceful international engagement.

New Framework

1. This means Japan can now sell lethal weapons to 17 countries with which it has defence agreements including the US and UK.
2. The ongoing review aims to allow transfers under tighter but more flexible conditions particularly to trusted partners.
3. India included among trusted partners given Strategic and Global Partnership status.

Strategic Context

1. India and Japan cooperate bilaterally and multilaterally at strategic defence and security landscape including Quad grouping.
2. This assumes significance when both India and Japan face challenge of belligerent China in Indo-Pacific neighborhood.

Implications for India

1. The shift is expected to open avenues for co-development of defence platforms reducing dependence on traditional suppliers.
2. Supply chain integration creating resilient defence manufacturing ecosystems.
3. Technology sharing in advanced defence technologies areas of growing interest for India pursuing Atmanirbhar Bharat.

3. Brief on India-Japan Relations

Establishment of Relations

1. After WWII, India opted for separate Peace Treaty with Japan signed in 1952 marking start of formal diplomatic relations.
2. India among first countries to normalize relations with post-war Japan.

Growth in Bilateral Ties

1. India-Japan bilateral relations were elevated to Global Partnership in 2000.
2. Strategic and Global Partnership in 2006 recognizing convergence on regional security.
3. Special Strategic and Global Partnership in 2014 reflecting deepest level of bilateral engagement.

Strategic Synergy

1. India's Act East Policy focusing on Southeast and East Asia aligns closely with Japan's Free and Open Indo-Pacific (FOIP) policy.
2. Indo-Pacific Oceans Initiative (IPOI) promoting maritime cooperation complements FOIP framework.

Collaboration on Global Initiatives

1. Japan and India cooperate in International Solar Alliance (ISA) promoting solar energy.

2. Coalition for Disaster Resilient Infrastructure (CDRI) building climate-resilient infrastructure.
3. Leadership Group for Industry Transition (LeadIT) supporting industrial decarbonization.
4. Both countries work together in Quad grouping and Supply Chain Resilience Initiative (SCRI) with Australia.

Defence and Security Cooperation

Bilateral Agreements

1. Joint Declaration on Security Cooperation (2008) establishing framework.
2. Defence Cooperation and Exchanges MoU (2014) institutionalizing defence ties.
3. Information Protection Agreement (2015) enabling intelligence sharing.
4. Reciprocal Provision of Supplies and Services Agreement (2020) facilitating military logistics.
5. Co-development of UNICORN naval mast (2024) demonstrating tangible defence industrial cooperation.

Military Exercises

1. Malabar multilateral naval exercise with US and Australia building interoperability.
2. Milan multilateral naval exercise hosted by India.
3. JIMEX bilateral maritime exercise strengthening naval cooperation.
4. Dharma Guardian bilateral Army exercise.
5. Coast Guard cooperation addressing maritime security challenges.
6. 2024-25 saw participation of service chiefs strengthening interoperability.

Economic Relations

Bilateral Trade

1. Bilateral trade reached \$22.8 billion in 2023-24 reflecting substantial economic engagement.
2. Imports from Japan continue to outweigh exports creating trade imbalance.
3. India's main exports include chemicals, vehicles, aluminum, and seafood.
4. Imports include machinery, steel, copper, and reactors reflecting Japan's industrial strength.

Investment

1. Japan is India's fifth-largest source of FDI with \$43.2 billion cumulative investment up to 2024.
2. Japan has consistently ranked India as most promising long-term investment destination.
3. Major Japanese companies have significant presence in Indian automobile, electronics, and infrastructure sectors.

4. Other Dimensions of Partnership

Space Collaboration

1. ISRO and JAXA collaborate in X-ray astronomy, satellite navigation, lunar exploration.
2. Asia Pacific Regional Space Agency Forum (APRSAF) promoting regional space cooperation.
3. 2016 Memorandum of Cooperation for peaceful space exploration and use.

Emerging Focus Areas

1. Digital cooperation including semiconductors reflecting supply chain diversification.
2. Startups ecosystem collaboration leveraging complementary strengths.
3. Clean energy transition supporting climate goals.
4. Supply chain resilience reducing dependence on single sources.
5. Industrial competitiveness and skill development programs.

Development Cooperation

1. Japan has been India's largest ODA donor since 1958 supporting critical infrastructure.
2. ODA disbursement stood at about JPY 580 billion (\$4.5 billion) in 2023-24.
3. Mumbai-Ahmedabad High Speed Rail flagship project symbolizing advanced technology transfer and skill development.

Tourism and Diaspora

1. 2023-24 celebrated as Year of Tourism Exchange with theme "Connecting Himalayas with Mount Fuji."
2. About 54,000 Indians live in Japan mainly IT professionals and engineers contributing to bilateral ties.

5. Areas of Concern

Trade Imbalance

1. Significant trade imbalance with Japan exporting more to India creating need for better reciprocal trade.
2. India needs to enhance export competitiveness in Japanese market.

Geopolitical Tensions

1. Regional security issues particularly China's influence in Indo-Pacific pose challenges.
2. Requiring careful diplomatic balancing avoiding provocation while maintaining deterrence.

Cultural and Language Barriers

1. Despite strong ties, differences in language, culture, and business practices pose challenges to deeper integration.
2. Japanese business culture differs significantly from Indian practices.

Limited People-to-People Exchanges

1. Scale of people-to-people interactions still limited impacting deeper mutual understanding.
2. Visa processes and language barriers constrain mobility.

Infrastructure Constraints

1. Despite improvements, some areas in India still lack infrastructure necessary to support large-scale Japanese investments effectively.
2. Quality standards and project delays concern Japanese investors.

Different Economic Priorities

1. India's focus on rapid economic growth may contrast with Japan's emphasis on sustainable development and technology.
2. Balancing speed with quality remains challenge.

6. Way Ahead

Enhance Trade and Investment

1. Focus on reducing trade imbalance by increasing Indian exports to Japan.
2. Encouraging Japanese investment in India's manufacturing and technology sectors under PLI schemes.

Boost People-to-People Connections

1. Increase cultural exchanges, tourism, and educational collaborations.
2. Language training programs facilitating deeper engagement.

Technology and Innovation Partnership

1. Leverage Japan's expertise in technology and India's growing digital sector.
2. Collaborate in AI, robotics, renewable energy, and space exploration.

Defence Industrial Cooperation

1. Operationalize arms export relaxation through concrete co-development projects.
2. Joint production of defence equipment under Make in India.
3. Technology transfer in critical defence technologies.

Address Environmental Concerns

1. Increase cooperation on environmental sustainability, climate change.
2. Disaster resilience building on both countries' experiences.
3. Support green energy goals through joint projects.

Strengthen Strategic Coordination

1. Deepen Quad cooperation addressing regional security challenges.
2. Coordinate positions on China's assertiveness maintaining rules-based order.
3. Enhance maritime domain awareness through information sharing.

7. Conclusion

Japan's arms export relaxation represents watershed moment in bilateral defence cooperation opening unprecedented opportunities. Combined with existing Special Strategic and Global Partnership, this enables comprehensive defence industrial collaboration. India and Japan share strategic convergence on Indo-Pacific security, democratic values, and economic complementarities. Success requires addressing trade imbalance, enhancing people-to-people ties, and operationalizing defence cooperation agreements. The partnership is critical for maintaining free, open, and rules-based Indo-Pacific amidst rising geopolitical tensions.

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