



**KAMARAJ IAS ACADEMY**  
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# INDIA-JAPAN RELATIONS

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## Introduction to India–Japan Relations

India and Japan share a “Special Strategic and Global Partnership” (2014) rooted in historical civilizational ties, common democratic values, and a shared vision of a free, open, and rules-based Indo-Pacific. Strategic convergence has deepened through platforms like the Quad, the 2+2 Foreign and Defence Ministers’ Dialogue, and regular annual summits.

## Significance of INDIA-JAPAN relations

### 1. Strategic Convergence in Indo-Pacific

Both uphold a Free and Open Indo-Pacific (FOIP), countering unilateralism in the South China Sea.

Example: Quad Leaders’ Summit (Sept 2024, Wilmington) reaffirmed joint maritime domain awareness and resilient supply chains.

### 2. Defence & Security Cooperation

Regular bilateral and multilateral exercises enhance interoperability and deterrence.

Example: Dharma Guardian-VI (Feb–Mar 2025) in Japan; JIMEX-24 naval drills in Yokosuka; Malabar-24 hosted by India.

### 3. High-Quality Infrastructure & ODA

Japan is India’s largest bilateral ODA partner, financing metros, freight corridors, and water projects.

Example: Mumbai–Ahmedabad High-Speed Rail (Shinkansen)—over 300 km of viaduct completed as of 2025.

### 4. Economic & Investment Ties

Japan is a leading investor in manufacturing, automobiles, and electronics.

Example: Cumulative FDI USD 44+ billion (2000–2025); 1,400+ Japanese companies present in India.

### 5. Technology & Semiconductors

Complementarity in talent and advanced tech is driving new collaborations.

Example: India–Japan Semiconductor MoC (2023) operational for 5 years—focused on R&D, design, and fab ecosystem building.

### 6. Energy & Climate Transition

Joint work on renewables, hydrogen, and decarbonised industries.

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Example: India–Japan Clean Energy Partnership (2022-); 3rd Steel Dialogue (Feb 2025) discussed green steel and carbon neutrality.

## **7. Space & Science Collaboration**

Advancing space exploration, disaster management, and remote sensing.

Example: LUPEX lunar mission—TIM-3 held in May 2025; ISRO providing lander, JAXA rover.

## **8. Regional & Multilateral Synergy**

Japan supports India's rise in global governance.

Example: Coordination in Quad, IPEF, and Japan's support for India's UNSC permanent seat aspiration.

## **Challenges in India–Japan Relations**

### **1. Trade Imbalance and Limited Utilisation of CEPA**

India's exports to Japan remain modest compared to imports, creating a persistent trade deficit (India's exports ~USD 6 bn vs imports ~USD 15 bn in 2023–24).

**Example:** Even after CEPA, sectors like agriculture and pharmaceuticals face hurdles in Japanese markets.

### **2. Slow Progress in Infrastructure Projects**

Flagship projects like the Mumbai–Ahmedabad High-Speed Rail (MAHSR) face delays due to land acquisition, clearances, and rising costs.

### **3. Regulatory and Business Climate Concerns**

Japanese investors often cite bureaucratic hurdles, inconsistent policies, and contract enforcement issues as challenges.

JETRO surveys (2024) highlight India's unpredictable taxation and delays in dispute resolution as factors discouraging deeper investment.

### **4. Defence Technology Transfer Hurdles**

Despite growing military exercises, concrete progress on defence co-production and technology transfer remains limited.

**Example:** Talks on India procuring Japanese US-2 amphibious aircraft have stalled for years.

### **5. Energy Transition Dilemmas**

While both countries cooperate on hydrogen and clean energy, differences exist in pace and approach.

### **6. People-to-People Connectivity Gaps**

Compared to India's ties with the US or Europe, mobility and educational exchanges with Japan remain limited. Language barriers, restrictive visa regimes, and cultural unfamiliarity reduce integration.

**Example:** Despite 665+ institutional tie-ups, Indian student numbers in Japan are far below those in the US/UK.

## **Initiatives taken to strengthen ties**

### **1. Semiconductor Supply Chain Partnership**

India and Japan signed a five-year Memorandum of Cooperation in July 2023 to enhance collaboration across semiconductor design, manufacturing, talent development, and supply chain resilience. It enables both government-to-government (G2G) and business-to-business (B2B) cooperation.

### **2. Digital Technology Collaboration—UPI & Payments Integration**

Japan is exploring interoperability with India's Unified Payments Interface (UPI). During a G7 meeting, Japanese authorities agreed to study the UPI model as part of a broader digital payment stack partnership involving Japanese banks and regulators.

### **3. Smart Maritime & “Smart Islands” Initiative**

Japan and India are working jointly on shipbuilding, port development, and maritime training, along with plans to transform the Andaman & Nicobar Islands and Lakshadweep into “Smart Islands” featuring renewable energy, digital infrastructure, and smart mobility.

### **4. City-Level Collaboration: Ahmedabad–Hamamats Sister City Pact**

On August 21, 2025, the cities of Ahmedabad and Hamamats (Japan) signed a Sister City Twinning Agreement. This covers cooperation in civic administration, education, urban planning, cultural exchange, infrastructure, and public health.

### **5. Rare Earth Magnet Production Collaboration**

IREL (India) is exploring partnerships with Japanese firms like Toyota Tsusho and Toyots Rare Earths India to develop domestic capacity for rare-earth magnet production, reducing dependence on China. Discussions include facility establishment and technology transfer proposals.

### **6. Space-Tech Innovation: Space Debris Removal Project**

Indian and Japanese startups—Orbital Lasers (Japan) and InspeCity (India)—are developing a laser-equipped satellite to neutralize space debris. The demonstrator mission is slated for 2027.

## **Way Forward:**

Experts say that a strong India is in Japan's best interest and for that, Japan must provide even more support.

India must leverage Japan's strengths in areas such as medical equipment and hospitals.

India and Japan must endeavour to work together for a rules-based and inclusive world order.

Enhancing communication and connectivity for unimpeded trade and flow of people, technology and ideas for shared prosperity.

Further cooperate for peace, stability and prosperity of Indo-Pacific