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Issue Brief

India–Japan Strategic Partnership and the Indo-Pacific

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S*ummary*

Japan views India as an indispensable partner in the region's security architecture, and contributes economic assistance and advanced technological capabilities to address critical infrastructure needs.

Introduction

The evolving balance of power in Asia, coupled with competing notions of order and stability, has paved the way for India and Japan to enhance their collaboration in the Indo-Pacific. For nearly seven decades, the 'Asia-Pacific' region operated within the framework of Pax Americana, where the United States played a dominant role in shaping the regional order.

However, the landscape began to transform in the second decade of the 21st century with China's ascendancy to become the world's largest economy, and its challenge to the established order. China's ambitious initiatives, notably the 'Belt and Road', signalled a departure from the previous status quo, as it sought to exert influence and reshape the regional order in alignment with its strategic interests.

This shift prompted the recognition among other Asian regional powers of the need for a comprehensive approach to regional security. Against this backdrop, India and Japan identified common responses to the emerging challenges in the Indo-Pacific through strategies like Indo-Pacific Oceans Initiative (IPOI) and Free and Open Indo-Pacific (FOIP), recognising the imperative for a strategic partnership that went beyond traditional security concerns.

As Japan reframes its security roles and India bolsters its defence and maritime capabilities, the complementary nature of their strengths becomes evident. Japan views India as an indispensable partner in the region's security architecture, and hence contributes to economic assistance and advanced technological capabilities to address critical infrastructure needs.

The declaration of a new plan for the FOIP by Japan's Prime Minister Fumio Kishida during his visit to New Delhi in 2023 and the importance placed on the Special Strategic and Global Partnership by India's External Affairs Minister, Dr S. Jaishankar, at the sixth India–Japan Indo-Pacific Forum held in November 2023, reinstate the geo-economic and the geostrategic interests behind India–Japan cooperation.

Japan's Free and Open Indo-Pacific Architecture

Driven by challenges posed by China's revisionist policies, particularly its growing influence in the South China Sea and the perceived threats to Japan's investments and infrastructure projects in ASEAN nations through the Belt and Road Infrastructure initiative, Japan under former Prime Minister Shinzo Abe reinforced the QUAD (Quadrilateral Security Dialogue) by resuming talks in 2017 to uphold a rules-based order in the Indo-Pacific and came up with concept of the FOIP.

Abe's FOIP strategy was rooted in his vision of 'The Arc of Freedom and Prosperity' (2006)¹ and 'Confluence of the Two Seas' (2007)². Abe's policy rested on three key pillars: the advocacy and establishment of the rule of law, ensuring freedom of navigation and promoting free trade; the pursuit of economic prosperity, including efforts to enhance connectivity; and a commitment to peace and stability through active engagement in the region in collaboration with partner countries.

Further, in pursuit of Japan's FOIP Strategy, Abe initiated the Partnership for Quality Infrastructure (PQI) in May 2015 in collaboration with the Asian Development Bank (ADB). PQI aimed to enhance Japan's regional influence and strengthen its strategic network, while also creating new avenues for Japan's economic development by tapping into the international infrastructure market's growth opportunities.³ The PQI origin can be traced to the Japan Revitalization Strategy (JRS) known as 'Japan is Back', which received approval from the Japanese Cabinet in June 2013. The JRS represented the third 'arrow' of Abe's 'Abenomics' programme, serving as a new growth strategy to overcome economic deflation and rejuvenate the Japanese economy.⁴ This PQI initiative was later upgraded to the Expanded Partnership for Quality Infrastructure (EPQI) in May 2016.

Additionally, Japan extended Official Development Assistance (ODA) through the Japan International Cooperation Agency (JICA) to support human resource and infrastructure development in partner countries. In 2022, the Japan International Cooperation Agency (JICA) outlined four key aspects in its fifth medium-term plan for the next five years.⁵ These included a commitment to the FOIP initiative, the cultivation of future leaders to foster enduring bilateral relationships, actions addressing climate and environmental concerns, and contributions to the socioeconomic revitalisation and internationalisation of Japan. The EPQI and ODA aim to promote 'quality' and 'sustainable' infrastructure across Asia, in comparison to the BRI funded by the Asian Infrastructure Investment Bank (AIIB), which has led countries to fall prey to Debt Trap diplomacy.⁶

In March 2023, Japan's Prime Minister Fumio Kishida during a visit to New Delhi, building on the foundation laid by his predecessor Shinzo Abe, introduced new

¹ [“A New Pillar for Japanese Diplomacy: Creating an Arc of Freedom and Prosperity”](#), Ministry of Foreign Affairs of Japan, 2007.

² [“Confluence of the Two Seas”](#), Ministry of Foreign Affairs of Japan, 2007.

³ Titli Basu, [“What are India's Stakes in the 'Partnership for Quality Infrastructure' Initiated by Japan? Will it be More Beneficial than China's 'One Belt, One Road'?”](#), Ask an Expert, Manohar Parrikar Institute for Defence Studies and Analyses (MP-IDSA), 7 March 2018.

⁴ Richard Katz, [“Voodoo Abenomics: Japan's Failed Comeback Plan”](#), *Foreign Affairs*, Vol. 93, No. 4, pp. 133–14, 2014.

⁵ [“Medium-term Plan of Japan International Cooperation Agency”](#), Japan International Cooperation Agency.

⁶ Jakob Ranglin Grissler and Lars Vargö, [“The BRI vs FOIP: Japan's Countering of China's Global Ambitions”](#), Stockholm: Institute for Security and Development Policy, 2021.

initiatives for the FOIP. Kishida's FOIP plan revolves around four main pillars: Principles for Peace and Rules for Prosperity; Addressing Challenges in an Indo-Pacific Way; Multi-layered Connectivity; and Expanding Efforts for Security and Safe Use from the ‘Sea’ to the ‘Air’.⁷ Kishida also announced Japan's intention to review its ODA guidelines for the next decade, with the aim of continuing ongoing ODA initiatives to strengthen collaboration on the FOIP with regional partners.

India–Japan Cooperation

Both Japan's FOIP and India's Indo-Pacific Oceans Initiative (IPOI)⁸ share common concerns regarding China's ongoing military and political interventions in the Indo-Pacific region. Consequently, both nations prioritise safeguarding maritime security and enhancing relationships with countries in the Indo-Pacific, particularly with ASEAN member states.

A crucial element of the Japan–India Vision 2025 involves the development of India's Northeast region, serving as a convergence point for India's Act East Policy and Japan's FOIP policy.⁹ Both the countries established the Act-East Forum in 2017 to enhance cooperation, focusing on various sectors, including connectivity, new and renewable energy, forest management and biodiversity conservation, among others. For India, Japan's increasing commitments in the North East, functioning as a connectivity pillar for IPOI and extending development cooperation to countries around the Bay of Bengal, present an opportunity to invigorate its diplomatic engagement with South and Southeast Asia, as part of the larger Indo-Pacific.

For instance, JICA intends to connect India's North East region with the Bay of Bengal through financing projects like Bangladesh's Matarbari deep sea-port, to build robust supply chains. Similarly, other projects such as Kaladan Multi-Modal Transit Project, the India–Myanmar–Thailand Trilateral Highway and the National Waterway-2 Brahmaputra Project aim for intra-regional connectivity. India and Japan are also collaborating in countries such as Myanmar and Sri Lanka. In Myanmar, Indian funding would be used to develop infrastructure in JICA supported schools.¹⁰ Sri Lanka, India and Japan in May 2019 came up with a plan to develop

⁷ [“New Plan for a “Free and Open Indo-Pacific \(FOIP\)”](#), Ministry of Foreign Affairs of Japan, 2 April 2023.

⁸ [“Address by External Affairs Minister, Dr. S. Jaishankar at the Chulalongkorn University on ‘India's Vision of the Indo-Pacific’”](#), Ministry of External Affairs, Government of India, 18 August 2022.

⁹ [“Joint Statement on India and Japan Vision 2025: Special Strategic and Global Partnership Working Together for Peace and Prosperity of the Indo-Pacific Region and the World”](#), Ministry of External Affairs, Government of India, 12 December 2015.

¹⁰ [“Signing of Project Agreement for Provision of Library Materials and Creation of Soft Infrastructure for 15 Schools under Rakhine State Development Programme”](#), Press Release, Embassy of India in Yangon, 31 August 2020.

and operate the East Container Terminal (ECT) of Colombo Port under the trilateral Memorandum of Cooperation (MOC).

India and Japan’s Indo-Pacific strategies also found common platforms for collaboration in Africa through ‘Asia Africa Growth Corridor’ (AAGC), launched by India and Japan in 2017. Japan’s FOIP also understands the geostrategic location of the Andaman and Nicobar Islands in the Indo-Pacific and hence provides aid for the improvement of power supply and cable connectivity. This will help India in developing surveillance around the Malacca Strait and in increasing connectivity with the Islands, thus countering Chinese activities in the sea.¹¹

Indeed, in the realm of infrastructure development, India has been the largest beneficiary of Japanese ODA since 2005 in South Asia. The JICA actively backs a range of projects spanning education, transportation, health, water resources, energy and mining, private sector initiatives, agricultural development, and environmental conservation in India. As of 2022, Japan has extended JPY 161,530 million (approximately INR 10,421 crore) over Phase 1 to Phase 5 of the North East Road Connectivity Improvement Project, to help develop and improve national highways in the North East States.¹²

Japan-funded projects across India include the Mumbai–Ahmedabad High Speed Rail, the Western Dedicated Freight Corridor (DFC) and the Delhi–Mumbai and Chennai–Bengaluru Industrial Corridor (CBIC), among others. Completed infrastructure projects supported by JICA include metro projects in Chennai, Delhi, Bengaluru, Ahmedabad and Kolkata, as well as projects related to railway safety and the North East road network connectivity improvement.

In efforts to boost their economic partnership, in 2011, India and Japan signed the Comprehensive Economic Partnership Agreement (CEPA), a free trade agreement. Despite facing challenges in CEPA, with India's Minister of Commerce and Industry calling for a review due to concerns about a trade deficit with Japan in 2022,¹³ it is important to note that CEPA has significantly accelerated bilateral economic and commercial exchanges between the two countries. Furthermore, in a bid to enhance digital trade and industrial competitiveness, both nations introduced the India–Japan Digital Partnership (IJDP) in 2018 and the India–Japan Industrial Competitiveness Partnership (IJICP) in 2019. At the fifth IJICP meeting held in Tokyo in 2023, a memorandum of cooperation between India and Japan on a

¹¹ Ken Mriyasu, [“Japan Sends First-ever Aid to Indian Islands at Mouth of Malacca”](#), *Nikkei Asia*, 7 April 2021.

¹² [“JICA extends ODA Loan of INR 1492 crores to India for the North-East Road Network Connectivity Improvement Project \(Phase 6\)”](#), Japan International Cooperation Agency, 31 March 2022.

¹³ [“India to Seek Review of Trade Pact with Japan, Says Piyush Goyal”](#), *Economic Times*, 8 September 2022.

Semiconductor Supply Chain Partnership was signed, emphasising their commitment to advancing collaboration in these crucial areas.

To accomplish the goal of achieving net-zero emissions, Japan's Asia Energy Transition Initiative (AETI) is actively seeking collaboration with India in the Clean Energy Initiative. Further, the two nations are currently engaged in discussions to establish a ‘joint credit mechanism’, facilitating Japan's purchase of renewable hydrogen and carbon credits from India, specifically derived from projects focused on renewable hydrogen.

To enhance collaboration in defence, the two countries in 2020 signed an Agreement Concerning Reciprocal Provision of Supplies and Services¹⁴ between the Self-Defence Forces of Japan and the Indian Armed Forces. Also, in 2018, India initiated its 2+2 dialogue with Japan at the ministerial level. Subsequently, in the second dialogue held in 2022, both nations expressed their intent to broaden cooperation into new and emerging domains such as space and cybersecurity. The agreement included an emphasis on increasing bilateral cooperation and conducting additional military exercises, particularly between the Japan Air Self-Defence Force and the Indian Air Force. India's economic and military potential, coupled with Japan's unique ability to undertake projects of enormous scope and scale, provides a compelling rationale for strategic collaboration against rising threats in Indo-Pacific.

Further, India and Japan share a vested interest in contributing to regional maritime security and stability in the Bay of Bengal, given the crucial Sea Lines of Communication (SLOC) in the area. Consequently, the two countries engage in bilateral military exercises such as Shakti Exercise, Varuna Exercise, Garuda Exercise, Dharma Guardian and JIMEX. Additionally, they participate in multilateral exercises like MALABAR, RIMPAC and COBRA-GOLD. In 2022, Japan took part in the multilateral exercise MILAN hosted by the Indian Navy for the first time.¹⁶

Strengthening ties between India and Japan are underscored by their active participation in various multilateral platforms, including the QUAD, G-20, G-4, Indo-Pacific Economic Framework for Prosperity (IPEF), Supply Chain Resilience Initiative (SCRI) and ASEAN, with a focus on fostering a reliable and resilient economy. Furthermore, in 2023, India and Japan played significant roles in reinforcing the rules-based order and championing multilateralism in the Indo-Pacific by leveraging their leadership positions in G-20 and G-7.¹⁵

¹⁴ [“Exchange of Diplomatic Notes for the Entry into Force of the Agreement Between the Government of Japan and the Government of the Republic of India Concerning Reciprocal Provision of Supplies and Services Between the Self-Defense Forces of Japan and the Indian Armed Forces”](#), Ministry of Foreign Affairs of Japan, 11 June 2021.

¹⁵ [“Joint Statement from India and the U.S.”](#), The White House, 8 September 2023; [“New Plan for a ‘Free and Open Indo-Pacific’: Policy Speech by PM Kishida”](#), The Government of Japan, 19 June 2023.

The Global South has gained significant attention in recent years in the foreign policies of Japan and India. While India has highlighted issues of the Global South in its G20 presidency, Japan seeks to diminish the economic reliance of Global South countries on China by utilising its ODA for building a stable international order.¹⁶

Conclusion

The 'Special Strategic and Global Partnership' relation upgraded in 2014 from 'Strategic and Global Partnership' between India and Japan, two of the major democracies in the Indo-Pacific, has been strengthened due to the alignment of their geo-economic and geo-strategic interests. From infrastructure development to economic cooperation and defence collaboration, the multifaceted relationship between these two nations underscores their pivotal roles in the Indo-Pacific. India has witnessed the alignment of its Act-East Policy, SAGAR, under the larger IPOI with Japan's FOIP in recent times.

India's economic growth supported by Japan through its large-scale projects in different sectors has been the cornerstone of Japan's foreign policy to enhance its diplomatic presence and protect economic interests along with other countries of the region thereby maintaining regional maritime security and economic order and developing connectivity. India's economic and military potential, coupled with Japan's unique ability to undertake projects of enormous scope and scale, provides a compelling rationale for strategic collaboration against rising threats in Indo-Pacific.

¹⁶ Arnab Dasgupta, “[Assessing Japan's Diplomacy in 2023](#)”, Commentary, MP-IDSA, 21 December 2023.

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