

Opening Address by H.E. Mr. Kenji Hiramatsu,
Ambassador of Japan to India,
on India-Japan Economic Relations: the Regional Perspective
organized by the Indian Council for Research on
International Economic Relations (ICRIER)
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Dr. S. Jaishankar, Foreign Secretary, MEA,
Ambassador H.K. Singh, ICRIER,
Distinguished Guests,
Ladies and Gentlemen,

It is indeed my great pleasure to be here today, and I feel honored to be given this opportunity to present my remarks at this conference co-organized by ICRIER and Embassy of Japan. I would like to extend my sincere appreciation to Ambassador H.K. Singh and his colleagues at ICRIER for taking this initiative.

During the last conference held in November 2015, we confirmed that bilateral economic relations between Japan and India are mutually complementary and present a win-win situation for both countries.

Today, we will focus on the significance of the cooperation

between Japan and India in addressing regional and global issues together. A good example is Japan-India cooperation working together with other G4 countries to achieve the UN Security Council reform. I myself have been heavily involved in this process. The first G4 Summit Meeting held last September demonstrated our strong commitment to this end.

In August 2007, in his first term in office, Prime Minister Abe made a speech titled “Confluence of the Two Seas” in the Parliament of the Republic of India. He mentioned that the Pacific and the Indian Oceans are now bringing about a dynamic coupling as seas of freedom and prosperity. Prime Minister Abe proposed that Japan and India, who share fundamental values such as freedom, democracy, and the respect for basic human rights, as well as strategic interests, should expand and fortify their relations at the confluence of the two seas.

Eight years have passed since his speech; nevertheless, what he advocated at that time is even more relevant in

today's context.

Since then, the Japan-India relationship has significantly developed in broad areas such as politics, security, economy, and culture. Last December, Prime Minister Abe visited India and had a successful summit meeting with Prime Minister Modi. On that occasion, the two leaders resolved to transform the “Japan-India Special Strategic and Global Partnership” into a deep, broad-based and action-oriented partnership. In fact, such strategic direction is exemplified by significant policy outcomes in areas such as the Peaceful Uses of Nuclear Energy, High Speed Railways, agreement on defense equipment and technology transfer and participation of Japan in Malabar naval exercise on a regular basis. I do believe that the Japan-India relationship has indeed entered a new era.

It is essential to follow-up all the important agreements made last December in concrete terms. I truly appreciate India's commitment in this regard.

We should regularly monitor the progress in order that the next visit of PM Modi to Japan in this year becomes another

big success.

The Pacific and Indian Oceans are increasingly linking together and countries across the region are achieving remarkable economic development. At the same time, however, it is also true that the region is increasingly facing security vulnerabilities, particularly in maritime security and terrorism. Today, the peace and prosperity of the Indo-Pacific region are becoming important not only for Japan and India, but also for the entire world.

I am a firm believer in the importance of enhanced strategic dialogue between Japan and India. As two major players in the Asia Pacific region, Japan and India should strengthen strategic dialogue at all levels. We should share our views and concerns in areas such as maritime security, freedom of navigation and possible power shift in our neighboring region, and try to come up with common strategic objectives to achieve more stability and security in this region.

I am glad to see that the frank and in-depth discussion that PM Abe and PM Modi had last December is being followed by successive high-level dialogue between the two

countries.

I appreciate Dr. Jaishankar's strong leadership in this regard.

The strategic dialogue should not be confined to bilateral level. I am pleased to see the recent positive development of Japan-India-U.S dialogue and Japan-India-Australia dialogue. These initiatives will contribute to closely connect the Indo-Pacific region in security and economic domains. I note with great satisfaction that our strategic relations are steadily progressing in a comprehensive manner. As Ambassador of Japan, I will further promote strategic dialogue to produce tangible results in a near future.

When the economies of each country are organically connected within a region and between regions, the vitality of each economy can be intensified with a synergy. The Japan-India economic relationship should be further improved to facilitate greater contribution to the entire Indo-Pacific region.

As mentioned in the Joint Statement in September 2014, Japan and India will cooperate for enhanced connectivity and development in North East India, and for linking the region to other economic corridors in India as well as Southeast Asia. At the summit meeting in December 2015, the two Prime Ministers underlined their determination to expand cooperation with other partners, to enhance connectivity in the Indo-Pacific region.

It is important to strengthen the connectivity between South Asia and Southeast Asia from both sea and land. At the same time, economic connectivity within the South Asian region should be built up. In this way, these regions can form a vast homogenous economic network. Japan has been extending a significant amount of assistance to India's neighboring countries, especially to Bangladesh, Sri Lanka, and Nepal. We should be ever more mindful that this assistance should be geared to regional connectivity and integration. To enhance connectivity between SAARC and ASEAN, Japan will strengthen its assistance by supporting development initiatives in North East India. For example, right now the Japanese government is planning the North

East Connectivity Improvement Project in the road sector.

By enhancing regional connectivity, we will realize the vision of “Confluence of the Two Seas” mentioned by Prime Minister Abe in 2007.

With regard to regional economic integration, Prime Minister Modi is promoting the “Make in India” initiative to transform India into a global manufacturing hub. Japan has committed its full support for this initiative. In this context, it is noteworthy that India is now exporting its first Indian-made Maruti Suzuki car “Baleno” to Japan. In future, such movements could expand into the Middle East, Africa, and the European markets, which would allow India to seamlessly assimilate itself into the world supply chain network.

The development of economic cooperation frameworks such as WTO, TPP, and RCEP will further accelerate the integration of regional economy. Considering India’s growth potential and the scale of its role and responsibility, both at a regional and global level, I am convinced that India should be a dynamic player in regional integration. I

expect India's positive engagement in the negotiations for RCEP to achieve regional trade liberalization at an ambitious level, and also look forward to India's further commitment to WTO-related matters.

Japan can provide considerable support to India in this regard. As Japan played a major part in formulating the broad agreement of TPP in October 2015, we can share our wealth of useful experiences with India. In addition, Japan is supporting India's membership of the APEC as this will positively contribute to the economic integration in the region.

The Japan-India partnership is of much relevance not only in the India-Pacific region, but also in the context of tackling global issues.

Japan highly values the adoption of "The Paris Agreement" last December, as we believe it is a fair and effective framework with participation from all countries. As a chief negotiator of climate change at COP 17 meeting, I strongly advocated that a new framework should be applicable to all

parties. I had long and tough negotiations with my Indian counterpart on this concept. At COP 21, India played a positive role in giving shape to an agreement between the developed and developing countries. Cooperation between Japan and India in the field of climate change should be given a further push towards the implementation of “The Paris Agreement”.

The agreement touched upon the use of market mechanisms, including Joint Crediting Mechanism (JCM). Japan will promote diffusion of advanced low carbon technologies, particularly through the implementation of JCM to developing countries. Therefore we look forward to accelerating consultations between Japan and India on this matter.

Japan and India can also cooperate in the field of clean energy, against the backdrop of surging demand for electricity in India. In September 2015, the Government of India set the self-imposed goal, pledging to source 40% of its installed electric power capacity from renewable (non-fossil fuel based energy) sources, by 2030. To help India achieve

this target, Japan is willing to provide cooperation in the areas of storage batteries, grid stabilization, pump-up storage power plants, over which Japan has proven technological expertise.

Furthermore, it is possible for Japan to offer its cooperation in thermal power generation through the construction of ultra-supercritical thermal power plants, and provision of environmental equipment such as dust catchers. I have regular discussions with Honorable Minister of Power Mr. Goyal about how to make a concrete result in this field.

Japan and India regional and multilateral cooperation is of paramount importance and extremely relevant for the entire world today. We should encourage and support more intellectual and academic exchanges. In this sense, today's conference is truly significant. I would like to thank again Ambassador H.K. Singh and his team for making this happen. Thank you.