

Address by Ambassador Kenji Hiramatsu
“India & Japan: Towards A Higher Stage”
February 6th, 2018

Honorable Members of Parliament, Mr. B J Panda, Mr. Prem Das Rai, Dr. Sugata Bose,
Mr. Vivek K Tankha, Mr. Bharatendra Singh and Mr. Jayadev Galla,
Mr. Tarun Das, Founding Trustee of Ananta Aspen Centre,
Ambassador S. K. Lambah, Chairman of Ananta Aspen Centre,
Distinguished Guests, Ladies and Gentlemen,

[Introduction]

It is a great pleasure for me to be part of this “Ambassador Series” by the Ananta Aspen Centre.

I would like to express my sincere appreciation to Ms. Kiran Pasricha (Executive Director & CEO of Ananta Aspen Centre) for inviting me to share my views on the ever flourishing Japan-India relationship. We welcome Ananta Aspen Centre’s renewed focus on Japan. I would also like to thank Hon. B J Panda for chairing our session today. The MP is an old friend of Japan and I am looking forward to hearing your perspective on the ways to further strengthen our bilateral relationship.

[Quantum leap of Japan-India Strategic Partnership in Recent Years]

As you witnessed in the historic visit of Prime Minister Abe to Gujarat last September, Japan-India relationship has entered a new era. The visit was unprecedented and special, most evidently demonstrated in the enormous welcome and gracious hospitality that Prime Minister Abe received from Prime Minister Modi and from the people of Gujarat. Indeed, the quantum leap in our relationship has been achieved under the strong leadership of and genuine friendship between the two Prime Ministers.

It was during Prime Minister Modi’s first state visit to Japan in 2014 that we elevated our relationship to the Special Strategic and Global Partnership. Only three and half years have passed since then, but I feel we have made a dramatic progress in strengthening our partnership.

Let me highlight five significant achievements we have made.

1) Convergence of strategies. Japan and India have agreed to work together to

achieve a “Free, Open and Prosperous Indo-Pacific” by synergizing Prime Minister Modi’s “Act East Policy” and Prime Minister Abe’s “Free and Open Indo-Pacific Strategy”. The two countries subscribe to common principles such as the rule of law, freedom of navigation and peaceful resolution of disputes. Japan sees India as the most trustworthy partner, and highly appreciates India’s principled and consistent approach to international challenges. Indeed, the strategic convergence is the most remarkable evidence that our relationship has become genuinely Special, Strategic and Global Partnership.

- 2) High Speed Railway. The historic first step of the Mumbai-Ahmedabad High Speed Railway project took place during Prime Minister Abe’s visit to Gujarat. The actual construction works will begin shortly. Shinkansen was once a dream project for Japan. It transformed the country into an industrial hub. Now the project to realize the same dream has started in India. Japan is committed to fully supporting this project, as well as measures for railway safety in India, making full use of Japan’s expertise as demonstrated in the zero-casualty record of Shinkansen.
- 3) Civil Nuclear Cooperation. After more than six years of negotiation, our two governments signed the Agreement for Cooperation in the Peaceful Uses of Nuclear Energy in 2016 and had it enter into force in July 2017. The monumental decision reflects a new level of mutual confidence and strategic partnership between Japan and India in the cause of promoting clean energy and realizing a peaceful and secure world. The Joint Working Group for promoting civil nuclear cooperation will be established soon.
- 4) Fundamental upgrading of our economic relations. A striking example is the rapid increase in Japanese FDI to India under the Japan-India Investment Promotion Partnership, which was announced in 2014 to aim for doubling the number of Japanese companies in India and the amount of Japanese FDI to India, and disbursing 3.5 trillion yen of public and private finances from Japan in the following five years to come. Most recently, the FDI figures

leaped from US\$ 2.6 billion in FY2015 to US\$ 4.7 billion in FY2016. The number of Japanese companies operating in India has also marked a steady increase, totaling 1369 in 2017. We hope this trend will be accelerated by mutual endeavours.

- 5) People-to-people exchanges. Last year we celebrated the Year of Japan-India Friendly Exchanges, and people-to-people exchanges between the two countries gathered momentum through various events during the commemorative year. The introduction of Open Sky effectively boosts travels to either country by both peoples. We hope that more active two-way exchanges will solidify the foundation of our partnership.

[Road Ahead: Frontier of Japan-India Relationship]

Now, let me turn our eyes to the future. While I have talked about our remarkable achievements, the potential of Japan-India relationship, which was described by Prime Minister Abe as “the most promising bilateral relationship in the world”, is boundless. Indeed, as we all see, the Indo-Pacific region is a place blessed with opportunities and potential, but it is also a place where various challenges are arising.

We are now working day and night to fulfil the potential, address the challenges, and further deepen and strengthen our partnership in various areas. Tonight, I would like to talk about five such areas from which we are hoping to have new signature projects.

[1. Defence and Security Cooperation]

The first priority area is defence and security cooperation. We have made tangible progress in recent years; for example, our forces are increasingly engaged in joint exercises such as Malabar Exercise, and we identified specific areas of cooperation in defence equipment and technology – Robotics and Unmanned Ground Vehicles. However, we need much more in this field to demonstrate the strength of our Strategic Partnership.

Currently, we are working hard to further enhance exchanges and cooperation between our respective forces in the air, sea and land. Bilateral joint exercises and multilateral activities should become more frequent and wide-ranging, as well as more

advanced in enhancing our interoperability including on anti-submarine aspects. In the future, we will witness expanded joint exercises and cooperation, not only in the maritime domain but also in such areas as humanitarian assistance and disaster relief, peacekeeping operations and counter-terrorism. We are also working to strengthen cooperation in expanding maritime domain awareness in the Indo-Pacific region.

Cooperation on defence equipment and technology is also a crucial area to be expanded. Japan has traditionally taken a rather cautious approach in this field, but with the new Three Principles on Transfer of Defense Equipment and Technology approved by the cabinet in 2014, Japan is determined to contribute to international peace and security more proactively through appropriate overseas transfers of defense equipment and technology. By doing so, we can also strengthen security and defense cooperation with our ally and partners. With India, we have started technical discussions for future research collaboration in the areas of Unmanned Ground Vehicles and Robotics. Our readiness to provide our state-of-the-art US-2 amphibian aircrafts has been appreciated by the Government of India as symbolizing the high degree of trust between the two countries. We look forward to more tangible outcomes in the future.

[2. Strategic Connectivity including India's North East Region]

The second focal area is what we call the strategic connectivity. The concept is two-fold: the first is to share and spread our common principles on connectivity infrastructure; and the second is to materialize concrete cooperation in the Indian Ocean sphere and beyond. Working with India on connectivity enhancement is one of the pillars of our “Free and Open Indo-Pacific Strategy.”

As our two Prime Ministers confirmed, Japan and India share the principles that connectivity infrastructure projects should be implemented “in an open, transparent and non-exclusive manner based on international standards and responsible debt financing practices, while ensuring respect for sovereignty and territorial integrity, the rule of law and environment”. Both countries believe in the importance of “quality infrastructure”. It is a welcoming trend that these principles are gaining currency in the international arena, as the elements of these principles were echoed by the United States and other partners in the region.

Based on these principles, Japan and India are working together to extend

cooperation on quality infrastructure development in the Indo-Pacific region. We are promoting cooperation in Africa, with a view to developing industrial corridors and industrial network for the growth of Asia and Africa.

Japan and India are also enhancing cooperation within India. As a prime example in this regard, Japan and India launched the Act East Forum to advance economic development including connectivity in India's North Eastern Region as well as to foster people-to-people exchanges. The first meeting of the Act East Forum was held last December, co-chaired by former Foreign Secretary Dr. Jaishankar and myself. In the Forum, we discuss wide-ranging areas of potential cooperation. Building on our history of cooperation in the North East in such fields like roads, electricity, water supply and sewage, as well as afforestation and community empowerment, I am confident that the Forum will serve as a springboard for expanding cooperation in this strategically and economically important region. Last weekend, I made a visit to Guwahati, Assam, to attend and speak at *Advantage Assam*, along with Prime Minister Modi, Prime Minister Tobgay of Bhutan and other distinguished delegates. Our willingness to support the development of North East by public financing and private investment was welcomed by the enthusiasm of the people in the region.

[3. Cooperation in "Make in India"]

The third priority area is cooperation in "Make in India" and economic modernization. Japan has long contributed to the development of the manufacturing sector in India. Maruti Suzuki is a hallmark of such cooperation.

In recent years, we have witnessed a dramatic rise of our FDI to India as well as a steady increase in the number of Japanese companies operating in India. Our investment earlier concentrated on the infrastructure and manufacturing sectors but now it has diversified into retail, service and other sectors. India has been named the most promising mid- to long-term investment destination for Japanese companies. Now that most of large Japanese companies have established their bases in India, we are encouraging our small and medium sized enterprises (SMEs) to invest here. Two weeks ago, the Japan Chamber of Commerce and Industry, the largest business organization in Japan with 1.25 million membership of which 95 % is SMEs, dispatched a high-powered mission to India. Mr. Akio Mimura, Chairman of the Chamber, was profoundly impressed by the vast potential of this country and promised me to encourage its

members to seriously look into the possibility of future investment in India. We look forward to another surge of our business cooperation.

The expanding investment by Japanese companies will further contribute to “Make in India” and “Skill India” initiatives. Last year, the first four Japan-India Institutes for Manufacturing (JIMs) inaugurated under the Manufacturing Skill Transfer Promotion Program in the States of Gujarat, Karnataka, Rajasthan and Tamil Nadu. The program will introduce Japanese manufacturing practices and accelerate training of future shop floor leaders and engineers. Cooperation in high speed railway is another area where Japan contributes to “Make in India” and “Skill India”, bringing about technological transfer and social transformation. Coupled with JIMs and other training schemes, we hope to substantively contribute to the skills development of Indian workers. I will continue to work closely with Honorable Minister of Skill Development and Entrepreneurship, Mr. Dharmendra Pradhan to materialize concrete outcomes.

[4. Environment]

The fourth area is environment. Dealing with environmental problems in India has become a priority issue, as Prime Minister Modi promotes “Clean India” as an important mission. Environmental problems are almost an inevitable challenge as countries industrialize their economies. Japan was no exception, and many people suffered from grave pollution-induced diseases in the past. We spent a lot of time, resources, and made great efforts to clean the environment to solve the problems that posed imminent danger to our health and productivity. If we had taken action early to dispose of the problems, the social and financial cost would have been reduced substantially.

Drawing on our own bitter experiences, Japan stands ready to cooperate with Indian people to think together and act together to address the issue of atmospheric environment in this country. From the 1960s to 1980s, a Japanese man named Tatsumaru Sugiyama came to India to plant eucalyptus trees between Delhi and Amritsar and along the 3000km Siwalik Range to prevent landslides and desertification. People called him the “Green Father”. As this example illustrates, Japan and India have long been cooperating in the environmental field, and I would like to see this tradition handed down to the future.

Against such backdrop, the Embassy launched “Japan's Blue Sky Initiatives” to promote cooperation in controlling India's air pollution by making full use of Japanese knowledge and technology. The Initiatives comprise of efforts implemented by Japanese public and private sectors in India to tackle air pollution, such as through the installation of certain equipment to suppress the emission of air pollutants from thermal power plants, the incorporation of technology to turn agricultural waste to biomass fuels, waste power generation to suppress the generation of dioxins and CO2 emissions, and the introduction of the intelligent transportation system to reduce emission gas.

Japan is keen to further expand efforts including those under the “Japan’s Blue Sky Initiatives” and help enable people to live a healthier and more comfortable life in India.

[5. Japanese Language Education]

The fifth and final area is the promotion of Japanese Language Education in India. We should not neglect the people-to-people aspect of our bilateral relationship, which is the fundamental element that brings our people closer. Fluency in the Japanese language will be of great benefit to the Indian people not only in terms of better mutual understanding but for augmenting businesses and job opportunities. An increased number of Japanese language speakers will also benefit Japanese entities in India which endeavour to enhance their scope of operation in India.

We saw great progress in this area during Prime Minister Abe’s visit last year, where the two leaders recognized the importance of expanding Japanese language education in India for achieving wider and closer industrial cooperation. They agreed on various efforts in promoting Japanese language education, and I signed the Memorandum of Cooperation in the field of Japanese Language Education in India with former Foreign Secretary Jaishankar, to further materialize such efforts. Under this MoC, we will implement specific measures to increase the number of Japanese language teachers as well as Japanese language certificate courses.

I am personally invested in carrying out this effort, and am excited to see the increase in the number of Japanese language speakers in India. They will further foster economic cooperation and mutual understanding between our two countries.

[Message to Indian Stakeholders Who Engage in Japan-India Relationship]

Given the limited time, I have only focused on five areas of current and future cooperation this evening, but we have many other up-and-coming avenues of our cooperation, such as start-ups, sanitation and health, science and technology, intellectual exchanges and sports exchanges.

We are also working very closely with India on various regional and global challenges. We have critically important Japan-India-US trilateral dialogue and quadrilateral with Australia to achieve free, open and prosperous Indo-Pacific. We are working towards achieving the great potential of Japan-India-ASEAN cooperation based on deep historical ties among the three parties. In this regard, we welcome wholeheartedly the great success of the recent India-ASEAN Commemorative Summit. Furthermore, Japan is keen to work with BIMSTEC, IORA and other regional frameworks in which India plays a key role.

As for closing, let me stress that it is indeed a timely and sharp-eyed initiative that Ananta Aspen Centre and The Nippon Foundation launched a new scheme for parliamentarian exchange between the two countries. We welcome this initiative wholeheartedly. We hope that Hon. B. J. Panda and other MPs will have a fruitful visit later this month, and use this experience as a leverage to further contribute to our bilateral relationship.

Lastly, I would like to emphasize our strong desire to advance our Special Strategic Partnership to an even higher stage. Japan and India are countries that share values including our commitment to democracy, openness, and the rule of law. The Japanese and Indian economies complement each other, as Japan shares advanced technologies and finances projects with India, which in turn provides a large market and a huge young talented working force. We have deep historic and spiritual ties, which bring our people closer. It is my firm conviction that Japan-India relationship is a certainty in an increasingly uncertain and volatile world. As Prime Minister Abe said, a robust Japan-India relationship is a global common good that underpins the regional order. I hope that every one of you in this auditorium and many more in this country will join in our common endeavor to further strengthen our Special Partnership.

Thank you very much for your kind attention.