

Joint Statement, India-Japan Partnership in a New Asian Era: Strategic Orientation of India-Japan Global Partnership

29/04/2005

H.E. Mr. Junichiro Koizumi, the Prime Minister of Japan, is currently paying an official visit to India from April 28 to 30, 2005, at the invitation of H. E. Dr. Manmohan Singh, Prime Minister of the Republic of India. The two leaders held in-depth discussions on April 29, during which they covered the entire gamut of bilateral relations as well as regional and international issues of mutual interest. The discussions focussed in particular on adding greater substance to bilateral relations and on measures to further deepen the India-Japan Global Partnership, taking into account the steady development in bilateral relations and the far-reaching changes in the international situation, in particular the new surge of change taking place in Asia.

2. The two leaders recalled that their meeting was taking place in the fifth anniversary year of "India-Japan Global Partnership". Observing that spiritual affinities, enduring cultural contacts, shared commitment to the ideals of democracy, tolerance, pluralism and open society, and a high degree of commonality of political, economic and strategic interests provided a strong basis for a long-term partnership, the two leaders noted the increasing salience of the India-Japan Global Partnership and decided to strengthen it through an Eight-fold Initiative.

The New Asian Era

3. The two leaders recognize that the current international situation, characterized by inter-dependence and the advent of globalization, offers fresh opportunities to both India and Japan for enhanced engagement for mutual benefit. In this context, they expressed happiness at the rapid transformation taking place in Asia and their confidence in the bright future that lies ahead. A new surge of change, creativity and vitality is transforming Asia, aided by the strengthening of economic linkages, that include bilateral and regional arrangements, initiatives for greater regional integration as well as multilateral trade liberalization. Asia is now truly emerging as the leading growth centre of the global economy and exerting an ever-greater influence in the global affairs.

4. The two leaders are deeply aware that these developments will shape the future contours of Asian economies and politics. They also share the recognition that peace, stability and development in Asia is indispensable for world peace and development and the future of the world is intimately linked to the future of Asia. The two leaders recognize the need for concerted efforts among Asian countries to translate the positive developments into an 'Arc of Advantage and Prosperity' involving growth, prosperity, stability and closer integration in Asia. They are also aware of the responsibility that the two countries shoulder in this new emerging Asian era and are committed to closely working towards that end.

Common Vision of Partnership

5. India and Japan share a global vision of peace, stability and shared prosperity, based on sustainable development. Shared democratic values and commitment to human rights, pluralism, open society, and the rule of law underpin the global partnership between the two countries. The global partnership between India and Japan reflects a broad convergence of

their long-term political, economic and strategic interests, aspirations, objectives and concerns. India and Japan view each other as partners that have responsibility for, and are capable of, responding to global and regional challenges in keeping with their global partnership. A strong, prosperous and dynamic India is, therefore, in the interest of Japan and vice versa. In the above context and in view of the current international situation, the two leaders decided to reinforce the strategic focus of the global partnership between India and Japan.

Expanding Cooperation: New Strategic Focus of Global Partnership

6. As partners in the new Asian era and with this new strategic orientation of their partnership, India and Japan, as two responsible and major players in Asia, and as nations sharing common values and principles, will expand their traditional bilateral cooperation to cooperation in Asia and beyond. With this new focus, India and Japan will be partners in peace, with a common interest in and complementary responsibility for promoting the security, stability and prosperity of Asia as well as in advancing international peace and equitable development.

7. The renewed partnership between India and Japan will feature the following three layers of cooperation:

- Bilaterally, the two countries will further strengthen their cooperation and pursue an all round and comprehensive development of bilateral relations with a particular and urgent focus on strengthening economic ties through full utilisation of the existing and potential complementarities in their economies;

- Regionally, the two countries will strive to develop closer dialogue and collaboration to secure peace, stability, and prosperity in Asia, promote democracy and development, and explore a new architecture for closer regional cooperation in Asia; and

- Globally, the two countries will strengthen cooperation in diverse areas such as environment, energy, disarmament, non-proliferation and security, taking advantage of, and further building on, their strategic convergences.

Eight-fold Initiative for Strengthening India-Japan Global Partnership

8. In order to realize the full potential of their global partnership, the two leaders decided on an Eight-fold Initiative and decided to make their utmost effort to implement this Initiative, which comprises of measures for cooperation in eight key areas of interaction, namely: (i) enhanced and upgraded dialogue architecture, including strengthening of the momentum of high-level exchanges, launching of a High Level Strategic Dialogue and full utilization of the existing dialogue mechanisms; (ii) comprehensive economic engagement, through expansion of trade in goods and services, investment flows and other areas of economic cooperation, and exploration of an India-Japan economic partnership agreement; (iii) enhanced security dialogue and cooperation; (iv) Science and Technology Initiative; (v) cultural and academic initiatives and strengthening of people-to-people contacts to raise the visibility and profile of one country in the other; (vi) cooperation in ushering a new Asian era; (vii) cooperation in the United Nations and other international organizations, including cooperation for the early realization of U.N. reforms, particularly Security Council reform; and (viii) cooperation in responding to global challenges and opportunities. The details of the Eight-fold Initiative are attached herewith.

9. H.E. Prime Minister Koizumi thanked the Government and the people of India for their warm hospitality and extended a cordial invitation to Prime Minister Manmohan Singh to visit Japan at a mutually convenient time. Prime Minister Manmohan Singh accepted the invitation with appreciation. The dates of the visit will be decided through diplomatic channels.

Signed by:

Prime Minister of the Republic of India

Prime Minister of Japan

New Delhi

April 29, 2005

Eight-fold Initiative for Strengthening India-Japan Global Partnership

In order to realize the full potential of their global partnership for peace and prosperity, the Prime Minister of India and the Prime Minister of Japan decided on the following Eight-fold Initiative:

1. One, enhanced dialogue and exchanges: The two leaders recognize the importance of regular dialogue and exchanges in increasing mutual understanding. They note with satisfaction in this context that their meeting was the third one between them in a period of one year. They decided to hold annual Prime Minister level meetings, alternately in the two capitals or elsewhere, taking advantage of opportunities at regional and multilateral meetings. They also confirm their intention to promote regular ministerial level exchanges, including those between their Foreign, Defence, Trade, Finance and ICT Ministers. A High Level Strategic Dialogue will also be launched between the two countries. The two sides will fully utilise their existing dialogue mechanisms, and launch an oil and natural gas cooperation dialogue between the Ministry of Petroleum and Natural Gas of India and the Ministry of Economy, Trade and Industry (METI) of Japan.

2. Two, comprehensive economic engagement: The two sides will take several measures for broadening and deepening economic and trade cooperation between India and Japan based on the complementarities of the two economies, and decided to work towards quantum increase of the trade volume as well as for diversifying trade.

3. The two leaders directed the India-Japan Joint Study Group (JSG), which is to be launched by June 2005, to submit its report within a year, focusing on measures required for a comprehensive expansion of trade in goods, trade in services, investment flows and other areas of economic relations between the two countries. The JSG will also consider the feasibility of the two countries moving towards a liberalized and upgraded framework for economic engagement, including an India-Japan economic partnership agreement. The Policy Dialogue, which was recently launched between the Ministry of Commerce and Industry of India and METI, will be utilised to identify and implement on a priority basis measures required to remove impediments and facilitate closer economic relations. The JSG comprising of government ministries, business leaders and academics, may take into account inputs provided by this Policy Dialogue.

4. The Governments of India and Japan will make a special effort, in collaboration with the private sector, to encourage higher levels of investment by Japanese companies in India. They will strengthen technical cooperation to improve the competitiveness of Indian manufacturing industries. The Government of Japan is also prepared to provide every

possible support to International Engineering & Technology Fair organized by Confederation of Indian Industry in 2007, exploring the possibility to be a partner country. The Joint Task Force on ICT and the ICT Forum will be utilized to develop a roadmap for increased ICT cooperation, taking into consideration the potential for synergising the advantages of both countries in this field, including the idea of an IT databank.

5. The Government of India highly appreciates the fact that India is the largest recipient of the Japanese Official Development Assistance. The Government of India also notes with appreciation that the Japanese side has committed yen loans of JY 134.5 billion for eight projects in FY 2004, including North Karanpura Super Thermal Power, Delhi Metro and Ganga Action Plan for water purification(Varanasi). It is confirmed that the ODA will continue to be utilised to support India's efforts at accelerated economic development, particularly in priority sectors like infrastructure, including transportation and power, and environment. The Governments of India and Japan agree in principle to resume the Japan Overseas Cooperation Volunteers (JOCVs) scheme in India.

6. Keeping in view the renewed focus of the global partnership and the goal of bringing about a quantum increase in the level of economic engagement, the two sides shared the view that Japan's Special Terms for Economic Partnership (STEP) Scheme could be one of the effective means for carrying out large-scale priority projects in infrastructure sector in India. The two sides confirmed their intention to examine the feasibility of proposals for dedicated multimodal high-axle load freight corridors with computerized train control system on Mumbai-Delhi and Delhi-Howrah routes utilising the STEP Scheme and with the inputs of Japanese technology and expertise.

7. The two Governments will work for improved connectivity between the two countries, including through civil aviation links and shipping links. Negotiations to revise the existing tax treaty will be concluded at the earliest possible date.

8. Three, enhanced security dialogue and cooperation: The two leaders recognize the important roles India and Japan play in tackling regional as well as global security challenges. They reaffirm their desire to further develop dialogue and exchanges between the two countries in the security and defence fields, including through full utilisation of the Comprehensive Security Dialogue, Defence Policy Dialogue and Military-to-Military Talks. Service-to-Service exchanges between defence establishments of the two countries will also be strengthened. Recognising the importance of ensuring the safety and security of international maritime traffic, the two leaders directed the Coast Guards and related agencies of both countries to work together on a sustained basis, including the annual Indian Coast Guard- Japan Coast Guard talks, joint exercises against piracy as well as cooperation through means of information sharing and technical assistance. The Indian Coast Guard and the Japan Coast Guard will commence efforts to establish a framework of effective cooperation. The two leaders, in view of the importance of maritime security, also instructed the Indian Navy and the Maritime Self Defence Force of Japan to enhance their cooperation, including through exchange of views, friendship visits and other similar activities.

9. Four, Science and Technology Initiative: India and Japan, as two countries seeking to transform into knowledge-based societies, recognize the importance of science and technology cooperation. The two sides note in particular the areas of their respective strength, and will work together to exploit the enormous potential for cooperation in this field, including in the area of high-technology. They will work together to launch a new Science and Technology Initiative, which will explore possible substantial cooperation in

areas such as modern biology, biotechnology and health care, agriculture, hydrocarbon fuels, nano-science and technology, environment, information and communication technology, robotics, alternative sources of energy, etc. The Governments of India and Japan will reinvigorate the India-Japan Joint Committee on Science and Technology Cooperation, the next meeting of which will be held later in 2005, and which will discuss the modalities and implementation of this new Science and Technology Initiative. The two Governments will also step up cooperation in high technology, including by exploring ways and means to expand high tech trade.

10. Five, cultural and academic initiatives and strengthening of people-to-people contacts: The two leaders share the view that greater interaction between the peoples, particularly among the youth, provides a stronger basis for the relationship between the two countries. They also recognize the importance of raising the profile of India in Japan and of Japan in India. They firmly believe that cultural and academic initiatives and stronger people-to-people contacts will create the right environment for the leaders of tomorrow to carry forward the vision of the global partnership, and will build upon the goodwill that exists in the two countries in respect of each other.

11. Accordingly, the Governments of India and Japan will work together to promote Japanese language studies in India, with a target of 30,000 learners at different levels in the next five years, and through measures including the introduction of Japanese language as an optional foreign language in Indian secondary school curriculum. In this regard, the Government of Japan welcomes and encourages the Government of India's initiative to establish Centres of Japanese Studies at Indian universities and institutions where Japanese language is being taught and to set up Japanese language teaching cells in seven Indian Institutes of Technology.

12. The Governments of India and Japan will encourage people-to-people exchanges especially among the younger generation, including through student exchange and the Japan Exchange and Teaching Programme; continue promoting cultural and academic exchanges, which will be regularly reviewed and reinforced through the Mixed Cultural Commissions; develop institutional links between the Indian Council of Cultural Relations and the Japan Foundation; establish a Japan Cultural Centre of the Japan Foundation in New Delhi and an Indian Cultural Centre in Tokyo; develop tourism related infrastructure including the Buddhist pilgrimage circuit in India with Japanese assistance; enhance two-way tourism and in this regard, the Japanese Government will despatch a study mission to India in 2005. The Governments of India and Japan will also introduce a new academic exchange programme involving ten designated educational institutions on either side. The two sides will also make every effort to collaborate towards the development of an Indian Institute of Technology as well as the Indian Institute of Information Technology for Design and Manufacturing, Jabalpur. The two Governments will also hold a Festival of India in Japan and a Festival of Japan in India in 2007/08 to commemorate the 50th anniversary of the Cultural Agreement between India and Japan.

13. Six, cooperation in ushering a new Asian era: The two leaders realize and appreciate the importance of the respective roles and responsibilities of their countries in promoting peace, security and prosperity in Asia. Towards this end, they intend to realise an East Asian Community and work together to promote the vision of an Asian Economic Community as an 'Arc of Advantage and Prosperity'. The Japanese side conveyed its decision to support India's membership in the East Asia Summit and the Indian side expressed its appreciation for the Japanese support. The Governments of India and Japan will also cooperate in combating transnational organised crimes, and work together for

disaster mitigation, including earthquake, cyclone and tsunami.

14. Seven, cooperation in UN and other international organizations: The two leaders acknowledge the vital importance of the role of the United Nations in world peace, stability, and prosperity, and reaffirm their intention to work together for the early realization of U.N. reforms, particularly Security Council reform. They also stress the importance of revitalization of the General Assembly, as it represents the general will of all Member States, as well as the importance of enhancing the efficiency of the U.N. agencies and organs in the social and economic fields in order to effectively address urgent challenges. In this connection, they stress the importance of taking a decision on Security Council reform before the Summit in September 2005, as the Secretary-General recommended. They note with satisfaction the on-going cooperation between India and Japan, including in the G-4 setting, to bring about reform of the U.N. Security Council, by expanding the membership of both permanent and non-permanent categories, to make the U.N. more representative, more credible and more effective. They reiterate their support for each other's candidature, based on the firmly shared recognition that India and Japan are legitimate candidates for permanent membership in an expanded Security Council. They also stress the importance of moving the process forward through consultation with a wide range of like-minded countries, and decide to strengthen their cooperation for this.

15. The Governments of India and Japan will also expand and enrich their cooperation in other international organizations, including in the WTO. The two Governments will work together to achieve the objectives enshrined in the Doha Work Programme of August 1, 2004. As key players in global economic management, the two Governments support an open, fair, equitable and transparent rule-based multilateral trade system and intend to work together to preserve stability and growth in the global economy.

16. Eight, responding to international challenges: Recognizing the threat posed by terrorism and the importance of the international community working unitedly to counter this menace, the Governments of India and Japan will further consolidate their existing cooperation, both bilaterally and in various international fora. The India-Japan Joint Working Group on Counter-Terrorism will hold its first meeting soon to identify possible future areas of cooperation.

17. The Governments of India and Japan will also work as partners against proliferation. While expressing their respective positions on the approaches towards the shared goal of achieving a world free of nuclear weapons, the two Governments affirm that they will seek to promote commonalities and identify areas of convergence for mutual cooperation between them in a constructive manner, contributing to the advancement of overall bilateral relations.

18. The two Governments will also strengthen their energy and environmental cooperation, including on sustainable development and environmentally sound technologies. In doing so, they will ensure increased focus on energy security, energy efficiency, conservation, and pollution-free fuels. They will also cooperate in the hydrocarbons sector in the areas such as exploration and production, and downstream projects including in third countries as well as on improving Asian oil markets and increasing investments in Asian energy infrastructure