



# **A few thoughts on India/Japan relations**

Speech by

**HE Hermant Krishan Singh**  
**Ambassador of India to Japan**

Japan National Press Club

22 August 2006

Mr. Hiroshi Ishikawa, General Manager of JNPC,  
Mr. Mikio Haruna, Member of the Planning Committee of JNPC,  
Dear Friends,

I am honoured to be in the midst of this distinguished gathering of media representatives. I am also grateful to the Japan National Press Club for giving me this opportunity to share a few thoughts on relations between Japan and India and the dynamic and youthful India that the world sees emerging today.

2. Let me share with you, first of all, how delighted I am to be taking up my assignment in your great country at a time when every aspect of the relationship between India and Japan is on an upswing. I firmly believe that this current momentum in our ties will be sustained for many years to come.

3. I will preface my remarks by recounting a personal experience over the past week. After celebrating the Independence Day of my country on 15 August, my spouse and I climbed Mount Fuji on the night of 15-16 August. We became the first Ambassador of India to Japan and spouse to do so.

4. Upon reaching the summit, we offered our prayers at the Shinto Shrine located atop Mount Fuji. It had been a most difficult journey, and I believe it was only the “Kami” of the sacred Fuji San which gave us the strength to climb. So, when I prayed at the Shrine, I called upon Fuji San to also give me the strength and wisdom to carry the relationship between my country and Japan to heights they have never scaled and to the fullness of their vast potential.

5. In the upper reaches of Mount Fuji, we found some Japanese climbers often stopping to pray beneath “Torii”, their heads bowed in contemplation. This reminded us of the deep spiritual connection between India and Japan. In India, most of our ancient pilgrimages lie in our mountains and are marked by similar rituals.

[“Chomolungma” – Mother Goddess of the Universe  
“Sagarmatha” – Goddess of the Sky]

6. Fuji San has thus given us a special and lifetime experience which has brought us closer to the spirit of Japan.

7. Let me now make some opening remarks. Thereafter, I will be happy to take a few questions.

8. Dear friends, as we seek to build a vibrant partnership between Japan and India in contemporary times, it is worth recalling that India was known to Japan long before European nations came to discover Japan. Our civilizational contacts go back some 15 centuries when the supreme wisdom of India was introduced in Japan in the form of Buddhism.

9. The gentle message that was brought from India to Japan was a message of love, compassion and universal brotherhood which led to a spiritual union, the evidence of which can still be found in the many beautiful temples and shrines that dot the splendid landscape of Japan

10. To sum up, our two nations share ancient bonds, a common civilizational heritage and a proud Asian identity.

11. The current context of our bilateral relations is rooted in our shared perception of the evolving environment in our region and the world at large. It is driven by our converging interests, aspirations and concerns. And it is underpinned by our common commitment to democracy, the rule of law, human rights and fundamental freedoms, and free market economy.

12. Indeed, Japan and India are natural partners in this new era. We stand together shoulder to shoulder as Asia's largest and most developed democracies, with a mutual stake in each other's progress and prosperity and a common commitment to the promotion of regional peace and stability.

13. Japan-India relations have steadily grown in strength since the historic visit of former Prime Minister Yoshiro Mori in August 2000. They have been carried forward by successive Prime Ministers on both sides. Our political dialogue has acquired depth and continuity as is reflected in the large number of Ministerial and other high-level visits which have been exchanged between our countries in recent times. In 2006, our Finance Minister, Defence Minister, Power Minister, Commerce Minister,

Environment Minister, Minister for Women and Child Welfare, and Minister for Chemicals and Fertilizers have visited Japan. From Japan, the Minister for Foreign Affairs, Minister for Land, Infrastructure and Transport, and Senior Vice Minister for Foreign Affairs have visited India.

14. During Prime Minister Koizumi's visit to India in April 2005, it was decided to impart a strategic dimension to our Global Partnership and an ambitious agenda of bilateral cooperation was launched. We have every confidence that this upswing in our relationship will continue and gain in strength in the coming years. My Prime Minister, Dr. Manmohan Singh, is greatly looking forward to visiting Japan in the near future.

15. During the visit of India's Defence Minister to Japan in May, 2006, it was decided to strengthen defence and security relations between our countries. India and Japan are partners in peace, with a deep interest in promoting the security, stability and prosperity of our region and the world at large, as well as in tackling regional and global security challenges. We share a common understanding on the issue of maritime safety and security. India's geographical location gives it a special role in ensuring the protection of Japan's sea-lanes of communication in south-west and south-east Asia, including the Straits of Malacca through which 50% of Japan's trade and 90% of its oil imports pass.

16. Based on their understanding of the regional and international security environment, both India and Japan need to work closely together to pursue common objectives through their individual efforts, joint initiatives and cooperation in appropriate regional and international fora.

17. Given the complementarities between the Japanese and Indian economies, we can forge a strong and long-term economic partnership. India's attractions are its large and growing market as well as workforce, 'soft power' skills in IT and knowledge-based industries, natural resources and tremendous untapped potential for economic growth. The main areas where Japan can make a difference for India are capital (both ODA and FDI) and technology, in particular for building our infrastructure and the manufacturing sector.

18. The Joint Study Group (JSG), tasked by our Prime Ministers to

suggest measures required for a comprehensive expansion of economic relations between India and Japan, has completed its work and submitted its report to the two leaders last month. The JSG has made a series of recommendations covering trade in goods, trade and services, investment inflows, role of Japanese ODA in promoting economic partnership and other areas of economic cooperation. The JSG has also recommended that Japan and India launch inter-governmental negotiations to develop an Economic Partnership Agreement (EPA) or a Comprehensive Economic Partnership Agreement (CEPA), within a reasonable period of time. The two leaders have directed their officials to commence work on the recommendations of the JSG, including on the launching of EPA/CEPA negotiations.

19. The two Governments have taken concerted steps to facilitate investments, particularly by Japanese SMEs. A dedicated India-Window has been set up in METI, which will work closely with the existing Japan Cell in India's Ministry of Commerce & Industry. JETRO is strengthening its advisory services for Japanese SMEs at its New Delhi Office.

20. India and Japan share a similar vision of Asian Economic Integration, which we are pursuing together in regional fora like the East Asia Summit. My Prime Minister Dr. Manmohan Singh has mooted the idea of a Pan-Asian Economic Community. Japan will be proposing an EPA among all 16 EAS countries during the EAS Ministerial meeting this week.

21. With political relations at their closest and economic relations picking up fast, India and Japan have decided to celebrate 2007 as the India-Japan Friendship Year. We will be organizing a large number of events and programmes across Japan, designed to foster deeper friendship and understanding among our respective peoples. Japan will be doing the same in India. I look forward to working closely with the Japanese media, the Government of Japan and the Japanese public at large to ensure the success of these Festivals during the course of next year.

22. Now, let me briefly touch upon on developments in India.

23. Today, we can take justifiable pride in the fact that India is arguably the most successful example of the democratic organisation of a diverse and developing society.

24. Dear friends, from urban centres to towns and villages, a youthful, dynamic and self-confident India is on the move. There are good reasons for our optimism. India enjoys the fastest growing free market economy today, registering over 8% growth in the last three years, with the promise and potential to reach double digit growth in the near future. Equally important is the fact that various forecasts confirm that India will continue to grow at a brisk pace in the long run, till 2050 and beyond.

25. The Government of India is cognizant of the need to ensure that growth brings progress and higher standards of living to all segments of society. Demands of economic efficiency and social equity are being addressed simultaneously as we work to eradicate poverty and spread prosperity across the nation.

26. The Government of India's current focus is to strengthen social infrastructure, particularly in rural areas; upgrade infrastructure; integrate the rural economy with the modern economy and boost agro-industry; spur investments in manufacturing to achieve faster progress in the real sector; gradually open up the retail sector to both Indian and foreign investment; and to further improve the overall investment climate for FDI through special incentives.

27. What is remarkable is that India's economic success has been underpinned largely by its own resources, corporates and entrepreneurs. A savings rate of 29% and an overall investment rate of 30%, meager in comparison with other economies, propels a growth rate of over 8%. In short, India makes more money with less inputs. Our corporates use capital more efficiently and enjoy high productivity levels.

28. Today, Indian entrepreneurs and multinationals have not only learnt to cope with competition but are thriving in the globalized world economy. The success of India's IT sector is only a symptom of the fact that Indian companies can be world leaders.

29. India's robust financial institutions, which are largely privately owned, and our well-regulated capital markets, are a major asset for the economy.

30. India's innovative companies are able to create new products and build global brands. This also explains why India is fast becoming a base for multinationals to conduct research in high-tech and cutting edge fields.

31. India already provides a huge and growing domestic market, comprising an estimated 250 million strong middle-class which is increasing by 10-15 million per year.

32. Demographically, more than half of our population is below 25 years of age. The working population today constitutes some 61% of the total. This will rise to 70% and remain at that level till 2025. Even after a subsequent decline, 60% of the population will be of working age in 2050.

33. This demographic dividend will sustain productivity and consumption, ensuring sustained growth over the long term.

34. The above factors augur well for India and give us great confidence in our future, a future in which Japan will be our strong and long term partner.