• India-China-Japan tringularity is a notable development in Asia-Pacific
• The *Panchsheel* is struggling to sustain stability in India-China relations
• The India-Japan *arc of freedom and prosperity* has achieved compatible strategic levels
• Hedging against China is a consideration in India and Japan relations
• …though, India-Japan relations go far beyond hedging against China
• Strong policy continuation in India’s China and Japan relations
• Managing good, peaceful, stable and productive relations with China
• Building a Special Strategic and Global Partnership with Japan
The history of India-China relations has been comparatively more eventful. China is part of South Asian geopolitical dynamic. Bilateral political & security context dominates India and China’s larger cooperation. Japan is geographically as well as politically secluded from South Asia. India-Japan strategic cooperation has the advantage of being assessed on the basis of larger strategic parameters only.
Failure of Idealist Start

- Anti-imperialism and anti-colonialism solidarity
- India recognized the PRC in 1949
- India-China amity a touchstone of Nehru’s *Asianism*
- India moved resolution for the PRC’s entry into the UN in 1950
- India championed the cause of PRC’s entry in the UN
- The amity and the *Asianism* collapsed with the India-China war in 1962
• China-Pakistan *all whether friendship* matured after the war
• India gravitated towards the USSR
• USSR, India, Vietnam amity shaped China’s threat perception in late 70s and early 80s
• The ambassadorial relations were restored in 1976
• Foreign Minister Vajpayee’s China visit in 1979
• But full normalization happened with Rajiv Gandhi’s China visit in 1988
• Sino-Soviet thaw compelled India to relook at its policy towards China
• India wanted peaceful China border to deal with volatile Pakistani border
• China appreciated India’s response to the Tiananmen episode
• China needed India’s reassurance about Tibet
• China reached out the world amidst instability in the Taiwan Strait
• Formalizing normalcy was the priority in the 1990s
• Joint working group on the border
• Maintenance of peace & tranquility along the line of actual control in 1993
• Military CBMs along the line of actual control in 1996
• The pace of relations was slow without strategic perspective
• Economic content in the relationship was negligible
• Differences reemerged on Pakistan and Tibet
• India distanced from Chinese views on the US
• China strongly reacted to India’s nuclear tests in 1998
• Indian Defence Minister’s Freudian slip of tongue revealed lack of trust
New Strategic Perspective

- Short-lived India-China camaraderie against US intervention in parts of the world in 1990s
- 2000s saw a strategic perspective for India-China relations
- Cooperation can prevail over friction
- This world has enough space for India-China to grow
- Creating an institutional architecture for bilateral relations
- Minimizing frictions & downplaying contentious issues
- Strategic and Cooperative Partnership for Peace and Prosperity
- Cooperation in economic, financial, cultural, Science & Technology
- Cooperation in multilateral forums of economic nature
Achievements under New Strategy

- Around 40 dialogue mechanisms
- Around 100 various MoUs and agreements
- Trade: from $2 billion to record $80 billion in 2011
- In 2013-14: $65 billion ($51.37 billion import + $14.5 billion export)
- Cumulative Chinese investments into India till April 2014 US$ 1.056 billion
- Indian investments into China US$ 542.39 million
- Projects under execution at over US$ 60 billion
- Instances of cooperation in multilateral forums regarding trade and environmental issues
Xi Jinping’s India Visit (September 2014)

- China was perhaps the first country to reach out Modi
- Xi’s visit de-hyphenated India-Pakistan
- Xi looks for India’s support in building relations with SAARC countries
- During the visit, views about the border issue were put across emphatically
- 12 agreements/MoUs in culture, commerce, industry, science & technology
- China opens a new route to Kailash Mansarovar via Nathula
- Railway modernization as emerging priority for Chinese investment
- China committed investment of worth $20 Billion in India in 5 years
- 2 Chinese industrial parks
- Agreed to initiate discussions on civil nuclear energy cooperation
- Pact on Shanghai and Mumbai twin-cities
- 2015 ‘Visit India’ year in China, and 2016 ‘Visit China’ in India
Limit of New Strategy: Mistrust Continues

- Alarming rise in border incidents
- Competitive infrastructure building in the border regions
- Competitive augmentation of Military infrastructure-building in Tibet
- The PLA presence in the POK
- India’s complaint of China not being sensitive enough about its concerns about terrorism
- China’s relations with India’s SA neighbours
- Tibetan refugees in India
- Chinese perception of the Indo-US relations
- Concerns about international water
- Chinese naval activities in Indian Ocean
- India’s growing interest in South China Sea
- Strategic competition/hedging in East Asia and Central Asia
- Trade deficit causes concerns about overdependence on China
- Strategic security concerns affect economic relations
- Defence cooperation is just for good-will creation
- Security concerns do not allow full scale cooperation in science and technology
China’s rise has come at the expense of Japan’s standing as the economic leader in Asia
Its massive military modernisation has also become a concern for Japan
China perceives the continuation of the US-Japan security alliance in the post-Soviet era as directed against itself
This security perception has been aggravated by the rising nationalist fervour
John W. Garver and Fei-Ling Wang point out that in the 2000s China was cautious not to allow its relations with India and Japan to deteriorate at the same time
When there were tensions between China and Japan from 2001-2006, China was busy with mending fences with India
Later, following the Indo-US nuclear deal (2005) when there was a hardening of stands in India and China relations on various issues, China responded positive to Abe’s reconciliatory gestures during his first tenure in 2006, even though his attitude was not radically different from that of his predecessor
India and Japan on their part continued building a strategic framework for their relations, regardless of the upswings and downswings in their relations with China
At present, perhaps for the first time, China has to worry about managing its relations with the two countries at the same time
India-Japan Relations: Historical Silence

- Indian National Congress expressed solidarity with the ROC against the Japanese invasion
- …though Indian revolutionary -in-exile Subhash Chandra Bose created Indian National Army (INA) with Japanese support
- A long mutual neglect and unawareness during the Cold-War
- Japan: A camp follower of the US
- India: Backward and Chaotic
- Silent mutual admiration at people’s level
- Relations picked up in late 1980s with automobile sector
Drivers of Change

- Japan’s Concern of Abandonment in the Post-Cold War Era
- India’s Look East Policy
- India’s Nuclear Tests (1998) a critical juncture
• Democracy, rule of law, and ancient civilizational values
• Cooperation on global political issues
• Trade, investment and science & technology
• Bilateral security and defence cooperation
• Unsaid China factor
• Quadrilateral Cooperation
The Partnership Picks up Momentum

- Takeshi Kaifu’s India Visit in 1990
- Mori’s visit in 2000: A turning point
- “It will not be a surprise if in another decade Japan-India relations overtake Japan-US and Japan-China ties”, Abe Towards A Beautiful Country
- Manmohan Singh addressed the joint session of the Japanese Diet in 2005
- Abe addressed a joint session of Indian Parliament in 2007
- ‘Broader Asia’: Indo-Pacific democratic nations
- The Manmohan government calibrated relations with Japan
- The LDP governments in Japan showed keen interest in India
- Despite DPJ government’s ambiguous policy on India, PM Hatoyama visited India
- Special Strategic and Global Partnership, 2014
- Strategic Orientation of Global Partnership, 2005
- Global Partnership, 2000
## Top Level Visits: Indicator of Friendship

<table>
<thead>
<tr>
<th>To Japan</th>
<th>Year</th>
<th>To India</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modi</td>
<td>2014</td>
<td>Abe</td>
<td>2014</td>
</tr>
<tr>
<td>Singh</td>
<td>2013</td>
<td>The Emperor</td>
<td>2013</td>
</tr>
<tr>
<td>Singh</td>
<td>2010</td>
<td>Noda</td>
<td>2011</td>
</tr>
<tr>
<td>Singh</td>
<td>2008 (twice, nb)</td>
<td>Hatoyama</td>
<td>2009</td>
</tr>
<tr>
<td>Singh</td>
<td>2006</td>
<td>Koizumi</td>
<td>2005</td>
</tr>
<tr>
<td>Vajpayee</td>
<td>2000</td>
<td>Mori</td>
<td>2000</td>
</tr>
<tr>
<td><strong>Khursheed</strong></td>
<td>2013</td>
<td><strong>Gamba</strong></td>
<td>2012</td>
</tr>
<tr>
<td><strong>Krishna</strong></td>
<td>2009</td>
<td><strong>Okada</strong></td>
<td>2010</td>
</tr>
<tr>
<td><strong>Mukharjee</strong></td>
<td>2007</td>
<td><strong>Aso</strong></td>
<td>2006</td>
</tr>
</tbody>
</table>
Political & Security Objectives

- Advancing peace, prosperity, cooperation and integration, particularly in, Indo-Pacific
- Strengthen regional economic and security forums
- Promote peaceful resolution of disputes
- Closer consultation and coordination in regional forums
- Reform and membership expansion of the UNSC in permanent and non-permanent categories
- Stronger international partnership in combating terrorism in all its forms and manifestations
- Concerns over North Korea development of nuclear weapons and ballistic missile programs
- A stable and peaceful Middle East, West Asia and the Gulf regions for energy security
• Information exchange and policy coordination in the Asia Pacific region
• Action Plan to advance Security Cooperation based on the Joint Declaration on Security Cooperation (2009)
• Joint Declaration on Security Cooperation (2008)
• Bilateral cooperation in EAS, ARF, ReCAAP
• PM and FM-level Annual Strategic dialogue and regular meetings between DM
• Foreign Secretary / Vice Minister level Dialogue (Twice a year)
• Proposed NSA-level Regular Consultations
• Annual Defence Policy Dialogue at Secretary / Administrative Vice-Minister level
• Annual Subcabinet/Senior Officials 2+2 dialogue
• Foreign Office Consultations (Once a year)
• Annual JS/DG (MEA & MOD) level Comprehensive Security Dialogue
• Maritime Security Dialogue
• Annual Track 1.5 Strategic Dialogue
• Consultation on regional issues between Foreign Office and Embassy at Capital Basis
• The Memorandum of Cooperation and Exchanges in the Field of Defence
• Regular bilateral maritime exercises
• Japan in India - US Malabar naval exercises
• Dialogue mechanism and joint exercises between the Coast Guards
• Annual JS/DDG-level Military-to-Military Talks
• Regular reciprocal visits of Service Chiefs
• Regular Ground-to-Ground Staff Talks
• Navy-to-Navy Staff Talks (once a year)
• Developing of Annual Calendar of Defence Cooperation and Exchanges
• Annual bilateral naval exercises
• Multilateral Naval Exercises, when possible
• Passing Exercise during ship visits
• Participation as observers in major army and air force exercises
• Anti-piracy exercise, exchanges and training between the Indian Navy and the SDF
• Military student exchanges and joint seminars
• Coast Guard Cooperation
• Transport safety exchange and cooperation
• Intelligence, financial intelligence and technical cooperation against terrorism
• UN peacekeeping
• Dialogue between India’s NDMA and Japan’s Cabinet Office
• Sharing of disaster-related information between JAXA and India’s ISRO
• Annual JS/DG-level Dialogue on disarmament and non-proliferation
• India welcomes Japan’s new policy on transfer of defence equipment and technology
• Working-level consultations to promote defence equipment and technology cooperation
• Joint Working Group on cooperation in US-2 amphibian aircraft and its technology
• Japan commends India’s non-proliferation record
• Japan appreciates that India’s not using Japanese goods and technologies for delivery systems for WMD
• Japan has removed six of India’s space and defence-related entities from Japan’s Foreign End User List
• Commitment to work together for India to become a full member in the four international export control regimes: NSG, MTCR, Wassenaar Arrangement and Australia Group
Regional Dimension of India-Japan Political & Security Cooperation

- Japan’s participation in India-US Malabar naval exercises
- Official level India-Japan-US trilateral
- Expanding consultations to other countries in the region
- India-Japan-Vietnam security dialogue
- Maritime and cyber-security cooperation with like-minded partners
- Commitment to maritime security, freedom of navigation and over-flight, civil aviation safety, unimpeded lawful commerce, and peaceful settlement of disputes in accordance with international law
Doubling Japan’s FDI and the number of Japanese companies within five years
3.5 trillion yen of public & private investment & financing & ODA in five years
Japan’s cooperation for connectivity and development in Northeast India
Partnership city arrangement between the ancient cities of Varanasi and Kyoto
Joint Feasibility Study on HSR on Ahmedabad – Mumbai route
DFC, DMIC, CBIC
Sought Japan’s association with Ahmedabad Metro Project
Strengthening energy cooperation through the India–Japan Energy Dialogue
Actively engage in the RCEP
Cooperation in the cutting-edge fields
Joint laboratories in India and Japan
Collaboration in information and communications technology (ICT) through ICT Comprehensive Cooperation Framework
Comparative Heft in the Two Relationships
<table>
<thead>
<tr>
<th>Year</th>
<th>Ind-Chi</th>
<th>Ind-Jp</th>
<th>Ind-Chi</th>
<th>Ind-Jp</th>
<th>Ind-Chi</th>
<th>Ind-Jp</th>
<th>Ind-Chi</th>
<th>Ind-Jp</th>
<th>Ind-Chi</th>
<th>Ind-Jp</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘09-‘10</td>
<td>11.61</td>
<td>3.62</td>
<td>15.48</td>
<td>5.09</td>
<td>18.07</td>
<td>6.32</td>
<td>13.53</td>
<td>6.10</td>
<td>14.82</td>
<td>6.81</td>
</tr>
<tr>
<td>‘10-‘11</td>
<td>6.50</td>
<td>2.03</td>
<td>6.17</td>
<td>2.03</td>
<td>5.91</td>
<td>2.07</td>
<td>4.51</td>
<td>2.03</td>
<td>4.72</td>
<td>2.17</td>
</tr>
<tr>
<td>‘11-‘12</td>
<td>30.82</td>
<td>6.73</td>
<td>43.47</td>
<td>8.63</td>
<td>55.31</td>
<td>11.99</td>
<td>52.24</td>
<td>12.41</td>
<td>51.03</td>
<td>9.48</td>
</tr>
<tr>
<td>‘12-‘13</td>
<td>10.69</td>
<td>2.34</td>
<td>11.76</td>
<td>2.33</td>
<td>11.30</td>
<td>2.45</td>
<td>10.65</td>
<td>2.53</td>
<td>11.34</td>
<td>2.11</td>
</tr>
<tr>
<td>‘13-‘14</td>
<td>42.44</td>
<td>10.36</td>
<td>58.96</td>
<td>13.72</td>
<td>73.39</td>
<td>18.32</td>
<td>65.78</td>
<td>18.51</td>
<td>65.85</td>
<td>16.29</td>
</tr>
<tr>
<td>% Share</td>
<td>9.09</td>
<td>2.22</td>
<td>9.50</td>
<td>2.21</td>
<td>9.23</td>
<td>2.30</td>
<td>8.32</td>
<td>2.34</td>
<td>8.61</td>
<td>2.13</td>
</tr>
</tbody>
</table>
India’s Export to China
- Ores, Slag And Ash
- Cotton, Including Yarn And Woven Fabric Thereof
- Copper And Articles Thereof
- Nat Etc Pearls, Prec Etc Stones, Pr Met Etc; Coin
- Organic Chemicals
- Plastics And Articles Thereof
- Salt; Sulfur; Earth & Stone; Lime & Cement Plaster
- Nuclear Reactors, Boilers, Machinery Etc.; Parts
- Mineral Fuel, Oil Etc.; Bitumin Subst; Mineral Wax
- Animal Or Vegetable Fats, Oils Etc. & Waxes
- Raw Hides And Skins (No Furskins) And Leather
- Electric Machinery Etc; Sound Equip; Tv Equip; Pts
- Iron And Steel
- Prep Feathers, Down Etc; Artif Flowers; H Hair Art
- Edible Vegetables & Certain Roots & Tubers

India’s Import from China
- Nuclear Reactors, Boilers, Machinery Etc.; Parts
- Electric Machinery Etc; Sound Equip; Tv Equip; Pts
- Organic Chemicals
- Fertilizers
- Articles Of Iron Or Steel
- Iron And Steel
- Plastics And Articles Thereof
- Optic, Photo Etc, Medic Or Surgical Instrments Etc
- Vehicles, Except Railway Or Tramway, And Parts Etc
- Furniture; Bedding Etc; Lamps Nesoi Etc; Prefab Bd
- Impregnated Etc Text Fabrics; Tex Art For Industry
- Inorg Chem; Prec & Rare-Earth Met & Radioact Compd
- Ceramic Products
- Aluminum And Articles Thereof
- Glass And Glassware
<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Japanese FDI equity inflows (US$ in millions)</th>
<th>Chinese FDI Equity inflows (US$ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>223.66</td>
<td>0.00</td>
</tr>
<tr>
<td>2001-02</td>
<td>177.68</td>
<td>0.00</td>
</tr>
<tr>
<td>2002-03</td>
<td>411.87</td>
<td>0.05</td>
</tr>
<tr>
<td>2003-04</td>
<td>78.36</td>
<td>0.06</td>
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<tr>
<td>2004-05</td>
<td>126.24</td>
<td>1.35</td>
</tr>
<tr>
<td>2005-06</td>
<td>208.29</td>
<td>0.91</td>
</tr>
<tr>
<td>2006-07</td>
<td>84.74</td>
<td>0.68</td>
</tr>
<tr>
<td>2007-08</td>
<td>815.20</td>
<td>1.09</td>
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<tr>
<td>2008-09</td>
<td>4,469.95</td>
<td>6.71</td>
</tr>
<tr>
<td>2009-10</td>
<td>1,183.40</td>
<td>41.36</td>
</tr>
<tr>
<td>2010-11</td>
<td>1,562.00</td>
<td>1.56</td>
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<tr>
<td>2011-12</td>
<td>2,971.70</td>
<td>72.69</td>
</tr>
<tr>
<td>2012-13</td>
<td>2,237.22</td>
<td>151.86</td>
</tr>
<tr>
<td>2013-Feb.14</td>
<td>1,418.31</td>
<td>117.81</td>
</tr>
<tr>
<td>Cumulative Total</td>
<td>15,968.61</td>
<td>396.13</td>
</tr>
<tr>
<td>% share in total FDI equity into India</td>
<td>7.46</td>
<td>0.19</td>
</tr>
<tr>
<td>Rank</td>
<td>4</td>
<td>28</td>
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</tbody>
</table>
Top sectors that attracted FDI equity inflows from China and Japan (from April 2000 to February 2014)

<table>
<thead>
<tr>
<th>Japan</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drugs &amp; Pharmaceuticals</td>
<td>Metallurgical Industries</td>
</tr>
<tr>
<td>28%</td>
<td>34%</td>
</tr>
<tr>
<td>Automobile Industry</td>
<td>Automobile Industry</td>
</tr>
<tr>
<td>16%</td>
<td>25%</td>
</tr>
<tr>
<td>Services Sector</td>
<td>Industrial Machinery</td>
</tr>
<tr>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>Metallurgical Industries</td>
<td>Services Sector</td>
</tr>
<tr>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>Electrical Equipment</td>
<td>Power</td>
</tr>
<tr>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Year</td>
<td>Commitment</td>
</tr>
<tr>
<td>----------</td>
<td>-------------</td>
</tr>
<tr>
<td></td>
<td>Yen Billion</td>
</tr>
<tr>
<td>2008-09</td>
<td>236.047</td>
</tr>
<tr>
<td>2009-10</td>
<td>218.2</td>
</tr>
<tr>
<td>2010-11</td>
<td>203.566</td>
</tr>
<tr>
<td>2011-12</td>
<td>134.288</td>
</tr>
<tr>
<td>2012-13</td>
<td>353.106</td>
</tr>
<tr>
<td>2013-14</td>
<td>101.703</td>
</tr>
<tr>
<td>(upto 31.05.2013) &amp; (upto 30.06.2013)</td>
<td>(upto 30.06.2013)</td>
</tr>
</tbody>
</table>

The ODA Loan from Japan to India
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Ministry</th>
<th>Total Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Urban Development</td>
<td>26</td>
</tr>
<tr>
<td>2</td>
<td>Railways</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Power</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>Environment and Forest</td>
<td>15</td>
</tr>
<tr>
<td>5</td>
<td>Department of Drinking Water Supply</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Water Resources</td>
<td>3</td>
</tr>
<tr>
<td>7</td>
<td>Department of Financial Services</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>New and Renewable Energy</td>
<td>1</td>
</tr>
<tr>
<td>9</td>
<td>Road and Transport Highways</td>
<td>1</td>
</tr>
<tr>
<td>10</td>
<td>Tourism</td>
<td>2</td>
</tr>
<tr>
<td>11</td>
<td>Agriculture</td>
<td>1</td>
</tr>
<tr>
<td>12</td>
<td>Shipping</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>67</strong></td>
</tr>
<tr>
<td></td>
<td>Value</td>
<td>Share to total ASEAN trade</td>
</tr>
<tr>
<td>-------</td>
<td>-------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td></td>
<td>Export</td>
<td>Import</td>
</tr>
<tr>
<td>China</td>
<td>152,521.1</td>
<td>197,962.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>350,483.6</td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>123,040.8</td>
<td>117,903.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>240,944.7</td>
<td></td>
</tr>
<tr>
<td>India</td>
<td>41,936.7</td>
<td>25,937.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>67,874.1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Value</td>
<td>Share to total ASEAN trade</td>
</tr>
<tr>
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</tbody>
</table>

China, Japan and India Trade with ASEAN (Value in US$ million; share in percent)
RCEP negotiations in trade in goods, services, investment, competition and intellectual property and dispute settlement were launched in Phnom Penh in November 2012 among ASEAN+6 economies.

RCEP negotiations can be traced to a study initiated for an ASEAN+3 FTA and another study initiated in 2007 for an ASEAN+6 FTA. The studies were finished in 2011. The idea was proposed in 2011 Bali Summit.

So far five rounds; next week the sixth round in India; to be concluded by end-2015.

Once actualized, the trade block will subsume 6 ASEAN+1 and around two dozens bilateral FTAs.

Largest regional trade block with around 45% of the world population with a $21.3 trillion GDP.
• India is very serious about the RCEP as it is the only mega regional trade block it is part of
• India is not a party in the talks on US-led TPP and TTIP nor does it have formal position on them
• Like many other RCEP members, India can’t meet higher tariff reduction ambitions and labor and ecological standards
• India is compatible with flexibility, recognition of divergence and business orientation of RCEP
• India wants to avoid exclusion from RCEP because if it is not part of any big trade block it will lose out due to higher tariffs
  However, India’s engagement with RCEP talks has got its share of friction
• **According to Amrendu Palit:** Common base, TTP effect and obstructive image
• India’s tariffs are considerably higher than many of the ASEAN countries have
• Lot of work needs to be done domestically towards greater trade liberalization
• The important elements of each trading partners economy should be taken into account
• “India is concerned about the way negotiations are being carried out”
• India is under pressure from ASEAN and Japan and Korea to sign a free trade pact in goods first
• India is a small player in value chain in the region
• India did not get any concessions in services from ASEAN after an FTA in goods first and left without any bargaining chip
• It wants all parts of the pact to be signed at the same time
• India wants a parallel negotiation on goods and services
• India is focusing on service sector as it contributes to more than 50% of its economic growth
• Two list options: ASEAN, Individual list for other countries, and India-specific carve outs for each country
Unlike other RCEP members, India wants lower tariff reduction in the beginning due to its concerns about Chinese goods flooding India.

India is more open and liberal towards ASEAN, Japan and South Korea, with which it has already signed FTAs, but not with China, New Zealand and Australia.

China supported the East Asia Free Trade Agreement comprising only ASEAN, China, Japan, and South Korea.

However, Japan favored the Comprehensive Economic Partnership in East Asia including India, Australia, and New Zealand.
Comparative Analysis of India-China & India-Japan Relations

- India-China high bilateral trade; Low Chinese investment in India
- India-Japan low bilateral trade; Japan fourth largest investor in India
- Japan’s ODA stands out in India-Japan economic relations
- Unlike India-China relations, India-Japan economic relations do not face strategic impediments
- India and Japan have FTA, while India and China are yet to have it
- Trade in defence sector and in high dual use technology has potential to change shape of India-Japan economic relations
- India-Japan cooperation in science and technology is perhaps more substantial than India-China cooperation
- India-Japan partnership has far too strong political and security orientation
- While India-China defence cooperation is primarily good-will cooperation, India-Japan defence cooperation is substantially capacity-building oriented
- India-China-Russia trilateral does not match the vigour of an India-Japan-US trilateral
• India-China partnership has shown more promise on the issues of global economic governance
• However, on international forums which has got strategic political and security orientation, India and China show friction
• India received support from Japan for its entry into East Asia Summit and RCEP
• India and Japan have persistently worked for UNSC reforms
• Shaping regional order as per liberal democratic beliefs is India and Japan’s declared agenda
• A strong political and economic India-Japan partnership has potential for emerging as a joint countervailing force to Sino-centricity in Asia-Pacific
India-China warmth of the first half the 20th century has been replaced by India-Japan warmth
Mistrust will continue to set the limits of India-China cooperation, though normal business will remain stable
Realism has become more prominent in India’s China policy
Realism is likely to become even more prominent under Narendra Modi government
India-China relations are basically trade relations, whereas India-Japan truly strategic
Abe, ‘it would not surprise him if ‘in another decade, Japan-India relations overtake Japan-U.S. and Japan-China ties’
India-Japan partnership: emergence of a new _all whether_ friendship in Asia
Although a classical India-Japan military alliance is extremely unlikely, strategic alliance is very much emerging

**Conclusion**