



Seminar on
Advancing India-Japan Economic Partnership:
Imperatives, Opportunities and Challenges

Wednesday, 9 April, 2025
Magnolia Hall, India Habitat Centre, New Delhi

Concept Note

India-Japan economic relations have expanded significantly over the past decade, becoming more substantive and diversified. Beyond trade and investment, the partnership now encompasses infrastructure and connectivity, supply chain resilience, innovation, start-ups, clean energy, digital partnerships, artificial intelligence, and semiconductors. Furthermore, cooperation has extended beyond the bilateral level to regional and multilateral platforms, such as the Indo-Pacific Economic Framework for Prosperity (IPEF) and India-Japan third-country development cooperation. These initiatives reinforce the shared commitment of India and Japan towards a free, open, inclusive, peaceful, prosperous, and resilient Indo-Pacific.

Despite notable progress, India-Japan economic relations remain below their full potential. Bilateral trade reached US\$ 22 billion in 2023-24, yet India accounts for only 1.4 per cent of Japan's total trade (ranking 18th), while Japan holds a 2.1 per cent share in India's total trade (ranking 17th). The review of the Comprehensive Economic Partnership Agreement (CEPA) initiated in 2011 is an ongoing process, but progress has been slow. While surveys of Japanese businesses consistently rank India as a favorable investment destination, Japanese foreign direct investment (FDI) in India remains modest relative to Japan's total outward FDI. Additionally, although Japan has committed its largest-ever loan assistance to the Mumbai-Ahmedabad High-Speed Railway (MAHSR) Project, implementation has faced several delays.

Qualitative enhancement of the India-Japan economic partnership can serve as a key driver for India's vision of becoming a developed nation by 2047 and also for Japan's economic revitalization efforts. In an era marked by shifting global supply chains, evolving economic

alliances, and increasing geopolitical uncertainties, a robust and deepened economic engagement between India and Japan is more crucial than ever. Strengthening and expanding of the strategic economic partnership will help ensure resilience and future readiness in the face of these global transformations.

To scale up the India-Japan economic partnership, Research and Information System for Developing Countries (RIS) and Indian Council for Research on International Economic Relations (ICRIER) propose to convene a high-level dialogue bringing together policymakers, industry leaders, and academics. This dialogue aims to foster a new narrative and implement actionable strategies that will accelerate bilateral trade and investment growth, enhance industrial and technological collaboration in high-value sectors, strengthen cooperation in third-country development initiatives, and promote global supply chain resilience with a focus on the Indo-Pacific. Through this Seminar, stakeholders will explore concrete policy measures and collaborative frameworks that can propel the India-Japan economic partnership to new heights, ensuring mutual economic prosperity and deeper strategic alignment.