



## PM MODI'S JAPAN VISIT: ENCOURAGING SIGNS FOR THE FUTURE

*Ankit Kumar*  
*Research Associate, CAPS*

**T**hird, and perhaps the most important achievement of this visit was that Modi was successful in generating tremendous goodwill in Japan and consolidate Japanese perception about India as a very friendly and peace loving nation. Modi interacted with common Japanese crowd and students at every opportunity as an action that seems to have endeared the Indian Prime Minister to the Japanese people and has projected India as a very friendly country.

India and Japan also signed Memorandum of Cooperation and Exchanges in the Field of Defence which would work towards regularisation of bilateral exercises and Japan's continued participation in India-US Malabar Exercise.

However, there were also some disappointments from this visit. Despite the fact that a breakthrough was not anticipated, some significant progress was expected on the long stalled nuclear deal between India and Japan. But the two leaders only issued a joint statement that "understanding" on nuclear deal has improved and negotiations will be expedited<sup>i</sup>. From Japan's actions it seems that Japan is prepared only to have cooperation in defence and security related area with India and the cooperation on nuclear energy is still sometime away. Japan removed only India's defence and space related organisations from its foreign *End User List*, while the entire organisation associated with nuclear energy are still on the list.

The End User List issued by Japan's Ministry of Economy, Trade and Industry (METI) provides Japanese exporters with information on foreign companies/organizations that are not cleared of suspicion of developing weapons of mass destruction (WMD). METI had started issuing it with the aim of strengthening the effectiveness of *catch-all control* on goods related to

weapons of mass destruction. The List has been issued every year since catch-all control was introduced in April 2002<sup>ii</sup>.

Catch-all control refers to a system that obliges exporters to submit an application for an export license for goods that may be used for the development of weapons of mass destruction even if they are not subject to export restrictions under international agreements<sup>iii</sup>.

The list issued in April 2014 had ten Indian Companies on it which were banned by Japan for export. The new list, which is yet to be issued, will contain only four Indian companies/organizations. Interestingly all the four remaining entities are dealing with atomic energy.

Ban has been lifted from the following organizations:

1. Aeronautical Development Establishment (ADE), DRDO
2. Defence Metallurgical Research Laboratory (DMRL), DRDO
3. Defence Research and Development Laboratory (DRDL), DRDO
4. Research Centre Imarat (RCI), DRDO
5. Hindustan Aeronautics Limited (HAL)
6. Vikram Sarabhai Space Centre (VSSC), ISRO

The organisations which are still on the *End User List* are:

1. Bhabha Atomic Research Centre (BARC), DAE
2. DAE Thal Heavy Water Board (HWB) facility
3. Directorate of Purchase and Stores, DAE
4. Indira Gandhi Centre for Atomic Research (IGCAR), DAE

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Revocation of ban from these four organisations is essential for the India-Japan nuclear deal. Perhaps some changes in Japan's nuclear policy toward India may occur post PM Modi's visit to the United States which is due this September. Washington has already started ingratiating Modi by stating that India is a very important global player and US supports a stronger India as it is beneficial for world peace<sup>iv</sup>.

Among other agenda, Japan and India signed agreement for energy cooperation. Numerous agreements were signed where Japan would provide India with technical and financial support in the area of clean and renewable energy generation. The two leaders also hoped to finalise a commercial agreement between Indian Rare Earth Limited (IREL) and Toyota Tsusho Corporation (TTC) for the commercial production of rare earths. Japan is looking to reduce its dependency on China rare earth export for manufacturing high-tech products<sup>v</sup>.

It can be surmised from the agenda and the agreements signed between India and Japan that Modi is clearly trying to balance India's security needs with its economic interests. While Japan is very much interested to have stronger security ties with India, it is reluctant to move ahead on the nuclear issue. Modi as a Prime Minister appears to be as pragmatic as Abe. Very rightly, instead of antagonising China unnecessarily by forming a military alliance with Japan against China, he is looking to derive the economic benefits from both China and Japan<sup>vi</sup>. This however, does not mean that he is giving a free hand to China. India is building up its own capabilities to match that of China's, while also hinting that China would not be allowed to dominate the region. Given that the priority of Modi Government is revitalising India's economic growth and build India's economic potential, his foreign policy would remain driven by economic interests. One thing is for sure, the optimism that this visit has generated would surely help the bilateral relationship in future.

*(Disclaimer: The views and opinions expressed in this article are those of the author and do not necessarily reflect the position of the Centre for Air Power Studies CAPS)*

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<sup>i</sup> "India, Japan to accelerate civil nuclear deal", *The Hindu*, accessed on September 3, 2014 at <http://www.thehindu.com/news/national/modi-abe-direct-officials-to-accelerate-civil-nuclear-deal/article6370051.ece>

<sup>ii</sup> Export Control, Ministry of Economy, Trade and Industry (METI), accessed on September 3, 2014 at [http://www.meti.go.jp/policy/anpo/law\\_document/tutatu/t11kaisei/140401kaisei\\_userlist\\_kohyo.pdf](http://www.meti.go.jp/policy/anpo/law_document/tutatu/t11kaisei/140401kaisei_userlist_kohyo.pdf)

<sup>iii</sup> *ibid*

<sup>iv</sup> “Stronger India is beneficial for world peace: US”, *The Economic Times*, accessed on September 3, 2014 at [http://articles.economictimes.indiatimes.com/2014-09-02/news/53479909\\_1\\_indian-ocean-defence-secretary-chuck-hagel-obama-administration](http://articles.economictimes.indiatimes.com/2014-09-02/news/53479909_1_indian-ocean-defence-secretary-chuck-hagel-obama-administration)

<sup>v</sup> “India, Japan to enhance cooperation in field of energy, natural resource”, ANI, accessed on September 4, 2014 at <http://www.aninews.in/newsdetail2/story181747/india-japan-to-enhance-cooperation-in-field-of-energy-natural-resource.html>

<sup>vi</sup> Brahma Chellaney, “Asia’s best friends shape an axis”, *The Japan Times*, accessed on September 4, 2014 at <http://www.japantimes.co.jp/opinion/2014/09/02/commentary/japan-commentary/asias-best-friends-shape-an-axis/#.VAabasWSw4U>

