

# **INTERVIEW/ Subrahmanyam Jaishankar: India's potential untapped by 'overly cautious' Japanese firms**



NEW DELHI--India's external affairs minister urged Japanese companies to invest more aggressively in the world's most populous nation, which is forecast to soon surpass Japan and become the third-largest economy.

"We believe that Japanese business is overly cautious in this regard," Subrahmanyam Jaishankar told The Asahi Shimbun here ahead of his visit to Japan starting March 6.

He was responding to a question about the limited number of Japanese companies doing business in India, which stood at 1,400

as of 2022.

In a report released in July 2023, the United Nations estimated that India, with its 1.43 billion people, surpassed China as the most populous country.

While its nominal gross domestic product is currently the fifth largest in the world, India is projected to overtake Japan and Germany within a few years and trail only the United States and China.

"Whether it is the improved quality of infrastructure or the greater ease of doing business, the change brought about by the Modi government is visible," Jaishankar said, referring to Prime Minister Narendra Modi.

"Global investors and international technology partners are recognizing it. I am hopeful that we will see progress with Japan as well."

He said New Delhi has given "special emphasis" on promoting Japanese investments, for example, by opening 11 industrial parks exclusively for companies from Japan.

Jaishankar, who met with Asahi Shimbun reporters on March 4, provided written responses to questions submitted in advance and also answered additional questions in person.

Speaking about his trip to Japan, the minister emphasized that the international situation is "looking quite uncertain and volatile," citing conflicts in Ukraine, the Middle East and the Red Sea and referring to "frictions" in the Indo-Pacific region.

"It is therefore important for key nations committed to a free and open Indo-Pacific to meet, consult and cooperate," he said.

Jaishankar said India, Japan, the United States and Australia should make the best use of the Quadrilateral Security Dialogue, a framework of cooperation between the four nations on diplomacy, economy and security.

"The Quad is still at an early stage, which is why I emphasized (in a recent speech) that it is here to stay, grow and contribute," he said. "The need of the day is to develop it more intensively."

Jaishankar acknowledged that India's relationship with China, its regional rival, is "certainly abnormal, given the erosion in peace and tranquility in border areas."

A military border clash resulted in the deaths of a sizable number of soldiers from the two countries in 2020, the first fatalities in a bilateral border conflict in 45 years.

The minister said India and China are "engaging each other" on tensions along their borders.

Some experts say China poses the greatest security threat to India.

But Jaishankar disagrees, saying foreign ministers see things differently from experts.

"I look at the entirety of the world," he said. "My concern, or my focus, is not necessarily on one country."

On the economic front, India has posted a massive chronic trade deficit with China.

Jaishankar admitted that the imbalance has been a "longstanding complaint" for India, but he said New Delhi is taking active steps to promote Indian manufacturing.

Turning to Russia, Jaishankar defended India's purchase of a large volume of cheap oil from Russia following Moscow's full-scale invasion of Ukraine two years ago.

He argued that the procurement "helped to stabilize the global energy markets in the immediate aftermath of the Ukraine conflict. In many ways, it still continues to do so."

India has traditionally had close ties with Russia through weapons trade and other aspects.

New Delhi has avoided criticizing Moscow by name over its invasion of Ukraine or joining sanctions against Russia led by the United States and Europe.

"India is a voice in favor of dialogue and peace," Jaishankar said, referring to the war in Ukraine. "We are ready to contribute in whatever way in that regard."

Excerpts from Jaishankar's written responses and his interview follow.

\* \* \*

## **PURPOSE OF VISIT**

**Question:** How do you view the significance of your visit to Japan and South Korea?

**Jaishankar:** I am visiting both Japan and South Korea at a time when the international situation is looking quite uncertain and volatile. The world is still recovering from a once-in-a-century pandemic, but still subjected to continuous shocks.

Right now, we are experiencing conflicts in Ukraine, the Middle East

and the Red Sea. The Indo-Pacific has also had its own share of frictions. Even in Asia, we have seen sharp departures from past stability. India has its own direct experience in that regard.

It is therefore important for key nations committed to a free and open Indo-Pacific to meet, consult and cooperate.

In particular, there is the need to build more resilient and reliable supply chains and promote trust and transparency in the digital domain. These will be the contours of my conversations.

**Q:** What can be done to make the Quad grouping more effective?

**A:** The Quad is still at an early stage, which is why I emphasized (at a meeting in India) that it is here to stay, grow and to contribute. The need of the day is to develop it more intensively.

All the four nations appear to feel the same, which is why we are constantly adding to the agenda of cooperation with each meeting. Overall, I think we are on a positive trajectory and should continue.

## **JAPAN**

**Q:** How do you evaluate India's relationship with Japan? What aspects would you like to strengthen further?

**A:** We regard our relationship with Japan as a key one, which is why it is called a Special Strategic and Global Partnership.

Over the years, Japan has contributed to the building of infrastructure in India, to the automobile industry and to public transportation. The Shinkansen project is the current flagship initiative.

There has also been a steady growth in strategic convergence,

expressed through closer political coordination and defense exchanges. The G-4 initiative to reform the U.N. Security Council and the Quad mechanism to promote a free and open Indo-Pacific are also noteworthy.

In today's world, we have to explore whether we can together address the contemporary challenges of AI and semiconductors, renewables and electric mobility, etc. Technology collaboration holds great potential as do mobility of Indian skills and talents to Japan.

**Q:** Japanese business sectors and individuals are paying more attention to doing business and making investments in India. But there are only around 1,400 Japanese companies operating in India. What makes Japanese businesses hesitate to come to India?

**A:** We believe that Japanese business is overly cautious in this regard. The reasons for that are best explained by them.

I can only convey that the reality in India is changing at a rapid pace. Whether it is the improved quality of infrastructure or the greater ease of doing business, the change brought about by the Modi government is visible.

Global investors and international technology partners are recognizing it. I am hopeful that we will see progress with Japan as well.

Our prime ministers have set the target of achieving 5 trillion yen (\$33.21 billion) investment from Japan by 2027.

India has also placed special emphasis on facilitating Japanese investments with exclusive Japan Industrial Townships (11 in number), and a fast-track mechanism under our Industrial Competitiveness Partnership to support Japanese firms operating in

India.

## **CHINA**

**Q:** You said the relationship between India and China has been in an "abnormal state" due to tensions at borders and the trade deficit. Do you still see the situation as abnormal?

**A:** Our bilateral relationship is certainly abnormal, given the erosion in peace and tranquility in our border areas with China. We are engaging each other in this regard. India has made it clear that ties can develop only on the basis of mutual respect, mutual sensitivity and mutual interests.

Regarding the trade deficit, this has been a longstanding complaint. Unlike in the past, the Modi government is now taking active steps to promote Indian manufacturing.

**Q:** Some experts say China is the greatest threat to India. Do you agree with them?

**A:** No. Experts have their own way of saying things. Foreign ministers have their own way of replying to things.

When you look at the growth of India, we are today the most populous country in the world. We have economically risen to the number five position. At a time when the world growth rates have decreased, ours remains quite strong. We are quite hopeful of becoming the number three economy fairly soon.

We have many challenges. One is continued development and growth. But when we look outside, the world is a competitive place. There are other countries who would be competing with you and having their interests. Foreign policy, or diplomacy, is about

managing it.

I look at the entirety of the world. My concern, or my focus, is not necessarily on one country.

## **RUSSIA**

**Q:** Two years have passed since the war broke out between Russia and Ukraine. Some countries expect India to act as a mediator. But there is criticism about India continuing to buy oil from Russia. How do you respond to such criticism?

**A:** The purchase of oil from Russia by India helped to stabilize the global energy markets in the immediate aftermath of the Ukraine conflict. In many ways, it still continues to do so.

As regards the conflict itself, India is a voice in favor of dialogue and peace. Such sentiments are widely shared in the Global South. We are ready to contribute in whatever way in that regard.

**Q:** Unlike Japan, an ally of the United States, India has taken a balanced foreign policy. Which country is your best friend? Is it Russia?

**A:** No. We have a term in our language, "vishwa mitra," which means a friend of the world. We use the term because we think most of the world can be a friend and sometimes is a friend.

Given our way of looking at the world, it's not something where you pick some at the expense of others. You want everybody to feel good.

But if you look at India and Japan, we have always had a very good relationship. There was a break period during our nuclear testing, but other than that, by and large, relations have been good. At various



points of time, our leaderships have had very strong personal bonds with each other as well. I think most Indian people have a very good view of Japan.

Today, Prime Minister Modi says we have to balance tradition and technology. We associate Japan in many ways with a kind of modernity and progress, but you keep your culture and identity.

At least for my generation, for most of us, the first car we purchased was a Suzuki. The first metro that was constructed in this country was built as a part of a Japanese collaboration. Today, there's a lot of interest in how the Shinkansen project will unfold.

Our associations with Japan are very positive. It's a very development-oriented relationship. Younger people in India like Japanese food, music and culture. There's a lot of goodwill in that relationship.

## **G-20 SUMMIT**

**Q:** Last year, India adopted the G-20 Leaders' Declaration despite a division between member countries. What is the secret to this transformation of India's international image?

**A:** India was able to harmonize the East-West polarization and bridge the North-South divide at the G-20 summit in New Delhi in 2023 because we were perceived as fair, objective and balanced. Some of it emanated from the measured response to crisis situations.

We were benefited as well by the importance that G-20 members attached to our bilateral ties and their recognition of the many achievements of our G-20 presidency. All of them had stakes in our success.

Prime Minister Modi's leadership and personal engagement was a crucial factor. He enjoys enormous trust across the world, especially in the Global South.

**Q:** Is India willing to join the Group of Seven in the future?

**A:** We are a member of the G-20, a bigger grouping than the G-7. The G-7 has a certain history. It still has its role and connections. But I would say when we look at the total membership of the G-20, we think it is a more representative membership.

## **OTHER ISSUES**

**Q:** Some of India's neighboring countries like the Maldives and Pakistan appear to have reservations about India. Is this a matter of concern? How do you evaluate India's "Neighborhood First" policy?

**A:** India's Neighborhood First policy is a generous and non-reciprocal approach to promote connectivity, cooperation and contacts with immediate neighbors. Since 2014, it has yielded visible results in terms of new projects, greater facilities and deeper interactions.

Pakistan is an exception because of its practice of cross-border terrorism against India. With the Maldives, we have a robust development partnership and strong people-to-people linkages. We are confident that these will remain the cornerstone in our ties with the Maldives.

**Q:** India will hold a general election in April and May. How do you describe the achievements of Prime Minister Modi in the last 10 years? What are the goals for the future?

**A:** The Modi government has a solid record of inclusive growth,

social transformation and people-centric development to make the case for a renewed mandate.

People really appreciate how effectively we responded to the COVID challenge. They see the difference to their lives as a result of digital delivery and other applications of technology. Their faith in the system has grown due to good governance. We are actually looking at strong pro-incumbency sentiment.

As regards goals for the future, we see the last decade as laying the foundation for a 25-year effort now to make India a developed country by 2047.

\* \* \*

Avinash Agrawal, a staff reporter at The Asahi Shimbun's New Delhi Bureau, contributed to this article.