

First Japan Round Table

The **First Japan Round Table** was held on **11th August** at 3 pm in the ICRIER Conference Room. This was the first in a planned series. It is the endeavor of the Japan Project at ICRIER that the Round Table will be a pivotal forum for regular exchange of ideas among scholars, policy practitioners, corporate and others with an interest in India-Japan relations.

Mr. Keizo Takewaka, Minister Economic Affairs in the Embassy of Japan, New Delhi initiated discussion with a presentation on the India-Japan Comprehensive Economic Partnership Agreement (CEPA). Mr. Keizo Takewaka joined Japan's Ministry of Foreign Affairs in 1984 and has served in various important capacities including Director of Japan-Korea Economic Affairs Division, Director of Analysis, and Director of Economic Security at the Ministry of Foreign Affairs in Tokyo. His overseas assignments include Singapore, OECD, and Italy. Mr. Takewaka has particular expertise on G7/G8 matters, Russia, Korea, Japan-US security relations and energy issues.

The meeting was chaired by **Mr. Santosh Kumar**, Senior Consultant, and Director National Interest Project ICRIER. Mr. Santosh Kumar joined the Indian Foreign Service in 1969 and served as Indian Ambassador to South Africa, South Korea and Yemen. During his distinguished career as a diplomat he also held Ambassadorial rank as DCM in the Indian Mission to the European Union. He has worked as Consul General in Frankfurt and held senior diplomatic assignments in China, Pakistan, Belgium and Hong Kong. From 2002-2004 Ambassador Kumar was Dean of the Foreign Service Institute of India. He has a Masters degree in economics from the London School of Economics.

India and Japan are in the midst of negotiations for a Comprehensive Economic Partnership agreement. The objective of the round table was to enhance understanding of the economic as well as strategic motivations of both countries in working towards this CEPA. The focus was on Indian and Japanese perspectives on issues that have been the points of friction, the negotiating process and an assessment of the future of India-Japan economic engagement.

Mr. Takewaka's presentation focused on the following issues:

- History of India-Japan CEPA
- Scope of negotiations
- Comparison of India and Japan's experiences of EPA/FTA
- Trends in India-Japan Trade
- Impact of CEPA on trade balance between India and Japan

- Role of Japan's direct investment to India

Mr. Takewaka was of the firm opinion that there were clear benefits of closer economic partnership between India and Japan. He felt that while CEPA by itself cannot redress the trade balance between India and Japan it would definitely encourage trade by sending out positive signals to the industry. He concluded by saying the significance of CEPA lay in the broader context of strategic partnership between India and Japan.

In the discussion that followed several participants noted that while a fast conclusion of the India-Japan CEPA was certainly desirable the agreement must be mutually beneficial. It was noted that even after several rounds of negotiations there appeared to be little breakthrough with regard to technical barriers to trade (TBT) and stringent sanitary and phytosanitary measures (SPS), which act as NTBs to Indian export items, such as pharmaceuticals, chemicals, to Japan. Similarly there had been little progress in services where the major hurdle lies in the area of mutual recognition agreements (MRA). It was hoped that the present global economic crisis will give momentum to the negotiation of a CEPA as well as comprehensive economic interaction between India and Japan.

Notable participants included Dr Vijay Sakhuja Director Research Indian Council for World Affairs, Ajay Srivastava Director Ministry of Commerce and Industry, Dr Rajaram Panda Senior Fellow Institute for Defense Studies and Analyses, Arjun Asrani Former Indian Ambassador to Japan, Atul Shunglu Senior Director and Head East Asia Federation of Indian Chambers of Commerce & Industry, Vishnu Dusad MD Nucleus Software Exports Ltd, Ranjit Gupta Former Ambassador and presently Member National Security Advisory Board, Dr Geethanjali Nataraj Senior Economist National Council of Applied Economic Research, Yasuhiro Kawamura President JCCII, Hidetoshi Irigaki Chief Representative JICA, Hajime Yamaguchi Chairman & MD Sumitomo Corporation India Pvt. Ltd., Shinya Watanabe Chairman & MD Marubeni India Pvt. Ltd., Takuya Sahashi Regional Strategy Officer Mitsubishi Corporation India Pvt. Ltd., Daiki Suemitsu First Secretary Embassy of Japan, Yuzuru Takano Asahi Shimbun and Etsuji Nakajima Chief Strategist Mitsui & Co. India Pvt. Ltd.