

RESOURCE PAPER - 18



INDO-JAPAN CHAMBER OF COMMERCE & INDUSTRY

Japan-India Maritime Cooperation

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PREFACE

The close relations between Japan and India in recent years assume significant importance. Japan needs the support of India as much as India needs the support of Japan. There has been commendable progress in maritime security cooperation. The expansion in scale and complexity of the Malabar Exercise in the Bay of Bengal in July 2017 (MALABAR-17) has invited a lot of attention from our neighbours. The two leaders are keen in strengthening and enhancing exchanges in maritime domain awareness (MDA) in the Indo-Pacific region. This Resource Paper is an attempt to understand and appreciate the efforts taken by the two leaders.

The Author, Commodore R.S.Vasan IN (Retd.) has a distinguished service of over 34 years in the Indian Navy and the Coast Guard. His appointments include command of warships, two naval air stations and a long range Maritime Air Squadron and the shore appointments include Chief Staff Officer Operations, Regional Commander of the Eastern Region of the Coast Guard, Instructor at the Naval War College and Director of Naval Aviation Staff. He is currently the Regional Director, National Maritime Foundation Chennai, Director Chennai Center for China Studies and Head Strategy and Security Studies CAS. Commodore Vasan is associated with several Think Tanks, has over hundred publications to his credit - both national and international and an avid speaker at many international and national institutions & universities.

He had the privilege of interacting with the British Parliamentary Group on Transatlantic and National Security and was also invited by the Chatham House to deliver a talk on Maritime Security Challenges in the Indian Ocean.

We are thankful to him for this Resource Paper and are confident that our readers will find it highly interesting and informative.

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Suguna Ramamoorthy
Secretary-General

Japan-India maritime cooperation

There is renewed interest in understanding the nuances of Japan-India maritime cooperation in the Century of the Seas which is also now widely acknowledged as the Asian Century. Recorded history highlights the maritime connection from the days of yore, notably through the spread of Buddhism throughout East and South East Asia. The World War connected the two countries in a curious manner. On one hand, the British forces were using Indian troops to fight the Japanese attacks in their colonies and on the other Japan was seen supporting the aspirations of Indians to liberate the country from the yoke of British rule. The support provided by the Japanese to the Indian National Army founded by Netaji Subhash Chandra Bose opened another chapter in the armed struggle of India through the efforts of Netaji. The exploits

of Netaji in the seas as he scouted around the world including in both German and Japanese submarines to garner support is a tale of great adventure through the unforgiving oceans in the Pacific and the Indian Ocean.

Moving forward to the present century, it is the confluence of common interests and a need to join hands in the maritime domain that has propelled the two democracies to move in a mutually beneficial trajectory using the oceans for connectivity and prosperity. The reasons for this resurgence of mutual interest to scale up on the past record are driven by geo-strategic, geo-political and geo-economic interests as both countries will continue to occupy the top four positions along with USA and China in the global economic index.

The importance of Japan to India in all its facets was clearly demonstrated by the first overseas visit by Narendra Modi who chose Japan to be the first maritime nation to be visited underlying the great importance attached to developing healthy and invigorating relations between the two countries. Both countries in the recent years have consciously embarked on a journey to re-establish their importance and relevance to the emerging challenges in the Indo Pacific area. The rest of the world likewise has come to terms with the ascendancy of China as a great Asian power and has also realized the importance of India and Japan to achieving a balance in the areas of interest.

While Japan as an Island country has to depend on the oceans entirely, India as a peninsular country has the advantages of both over the land and sea connectivity that offers additional advantages both in Asia and other continents connected by the oceans. The centrality of India to the Indo Pacific confers phenomenal advantages to India with Japan as a partner. This mutually beneficial relation then can be used to leverage the common interests of the two democracies. While India remained a large recipient of the ODA in the past, the economic and other

relations did not grow proportionately till the beginning of this decade. There has been growing realization that Japan and India are natural partners who can contribute to global peace and prosperity by aggregating geographic, resource, talent and aspirational factors.

Enhanced Maritime Relations through the Coast Guards

The historic successful capture of pirates who had taken over a Japanese Vessel MV AlandroRainbow in 1999 was a turning point in the maritime security relations between the two nations. The joint action of the Indian Coast Guard and the Indian Navy on the high seas made Japan and the rest of the world realize the capability and capacity of both the Navy and the Indian Coast Guard which had come off age. The Indian Coast Guard and the Japanese Maritime Security Defence Forces(MSDF) have been exercising jointly ever since for Anti-Piracy missions, Search and Rescue, Marine Pollution Prevention and such activities which fall within the purview of the Coast Guards of both the countries. The planning of this biennial exercise both in the Pacific and the Indian Ocean has familiarized the two maritime agencies with the areas of operation which are prone to natural disasters, shipping accidents, illegal fishing activities, piracy and other asymmetric threats. It is of great interest that Japan through the Nippon Foundation which first supported a working level meeting of Heads of Asian Coast Guards in 1999 in Tokyo. The primary focus at that time was on the threat of piracy and after many meetings the foundation to launch the first Heads of Asian Coast Guard Annual Meeting(ACGAM) in 2004 coincidentally again during the year that the Tsunami hit India, Indonesia, Sri Lanka, Maldives and others.(The swift response by the Indian maritime forces to provide support to the neighbouring countries again demonstrated the maritime prowess of a growing India).

This has been a very successful initiative with regular attendance from the Heads of Coast Guards from Asia and it is one of the special forums which has both Indian and Pakistani Coast Guards meeting at different locations annually. While the primary focus is anti-piracy measures, this forum now has included discussions on maritime operations other than war (MTOOW). The addition of issues related to dealing with illegal poaching, need for regional mechanism to deal with environmental pollution, and the need for disaster preparedness to deal with Tsunami and other maritime disasters ensures that the Coast Guards of the Asian nations work together to discharge their obligations for maritime safety and security.

The expanding scope of Maritime Engagement

With the new found determination of Japan maritime forces not just for coast guard missions but to be part of the world maritime response systems, there are opportunities for both the countries to act jointly to promote maritime safety, security and stability both in the Pacific and the Indian Ocean Region. The center of maritime activity has shifted to the Indo Pacific and the happenings in this region are of great importance to all the countries in the region including India and Japan.

Japan is also now exploring possibilities of enhancing its defense exports to India and to also compliment the make in India mission which is being pursued vigorously by the present government. However, there is much ground to be covered by both countries as India traditionally has depended on western sources and Russia for its defence requirements. Japan doubtlessly possesses excellent technology and can meet the defence needs of India. There would be greater chances of success in this area if attractive options are offered for making high end products in India by transfer of technology.

China Factor

With the new found stature as a global player with both economic and military clout, China will continue to figure in all the discussions in the emerging dynamics of regional and global developments. There have been path breaking changes in the global power play dynamics with the ascendancy of China as the Number One economy in Asia set soon to replace USA from its long held position as the undisputed leader. However, there are some recent studies that suggest that Japan will overtake China again by 2045 thus ensuring that three Asian economies are in the top three slots.

The actions or lack of actions by China in many areas has spurred other nations both in the region and outside to carefully monitor the impact of China's actions on security and stability. China was able to achieve the position as the manufacturing hub of the world and was able to capture markets far and wide by offering its products at cheap prices. China heeded the advice of its past leaders who wanted China to bide for time and build the potential. This along with the stated peaceful periphery objective ensured that there were not major clashes or war that would seriously undermine the efforts of China to achieve the status of a global power. There have been historical differences between China and Japan. Yet, in the spirit of mutual accommodation, both Asian countries have managed their economic and political relations without allowing the occasional flare ups to go out of control. However, in the case of India, it had to face a war in 1962 and the scars of that war have not faded in to public memory. The unresolved borders are the major issue of concern between India and China and continue to strain relations between the two countries. The Doklam issue which witnessed an aggressive China's efforts to change the status quo last year brought out the fragility of the peace along the border and affected the tranquility. It may be recalled that

Japan openly supported the actions of India in support of Bhutan with which India has a friendship treaty.

The recent acceptance of Xi as a leader for life by the party in China has reinforced his position as an undisputed core leader who will lead China in the coming decades. The world is already witnessing the acute sense of competition in trade wars between China and USA and in a global economy no other country is insulated by the downstream effects. India is also faced with the situation of China's aggressive economic and political engagement of the smaller neighbours in the Indian Ocean who have enjoyed cultural and historical and strategic relations for centuries. The unilateral Belt and Road Initiative (BRI) has not helped matters as India was not consulted at all about this mega project. The Maritime Silk Road (MSR) which is the oceanic segment of the BRI seeks to connect countries from South East Asia to South Asia to Africa and beyond through the economic investments in port and infrastructure development. Touted initially as a mega project that would bring prosperity and help in job creation, is now being viewed suspiciously with the experience of Sri Lanka which had to hand over the operation of the Hambantota port in southern Sri Lanka. Sri Lanka landed up with a debt of some 8 billion US Dollars and not being in a position to repay this amount, Sri Lanka had to exercise option to convert this in to equity that favoured China and also allowed the leasing of the port for a period of 99 years.

China's Interest in the Indian Ocean Region

China has both strategic and economic interests in the Indian Ocean and has left no stone unturned to establish its presence and influence in India's neighbourhood. While the Maritime Silk Route (MSR) has an ambitious connectivity agenda from Asia to Africa and beyond, the most serious concern for India is of the wanton

routing of the Silk Road Economic Belt (SREB) through the Pak occupied Indian Territory has strained the relations between the two countries and has the potential to destabilize the bilateral relations despite best efforts by both sides to contain the situation. Even Pakistan is slowly and steadily realising that it is 'Win- Win' mostly for Chinese companies who have obtained all the contracts and are employing their own labour with limited opportunities locally for job opportunity. There have also been complaints from countries being wooed by China about unfair practices when it comes to employment of local talent and labour.

Asia Africa Growth Corridor - a New Found Joint Initiative

It is in the context of the CPEC and the SREB that India and Japan are working jointly to provide alternatives to the countries in the region on better terms to invest in development of their own capacity and connectivity. The Asia Africa Growth Corridor(AAGC) is therefore considered a potential game changer in the Indian Ocean and beyond. This of course can be made to succeed as long as the two countries ensure that the projects are executed without time delays and ensuring that more and more countries utilise this option for countering the unilateral trade initiative of China. From the view point of India, which has not been given access to the other markets in Central Asia and Afghanistan, the AAGC provides those opportunities jointly with Japan by using both the land and sea routes in the region.

The commissioning of Chahbahar port and the AAGC along with the North South Transit corridor from Russia will ensure that the countries in the region are not dependent on just the Chinese connectivity mega projects. From the point of India, it also ensures accessibility to markets in Afghanistan, Iran, Central Asian countries. This accessibility was denied by Pakistan's refusal to reciprocate the Much Favoured Nation status to India and allow transit trade through the Wagah border. The AAGC

therefore has provided an option for the countries in Asia and Africa to exercise an option that is most suited to them based on loan terms and the technical aid that would be provided by both India and Japan.

South China Sea developments

The development in the South China Sea in the last one decade has been the most decisive action by China to claim a large area in the South China Sea by extensive dredging activity to build artificial Islands around rocks and reefs contained in the nine dash line which laid claims to the entire area based on some distorted historical records. A small nation Philippines mustered the courage to approach the International Tribunal on the Laws of the Seas (ITLOS). The international court in Hague ruled in favour of Philippines and passed strictures against China for its unlawful activities which went against the grain of UNCLOS. However, an unrelenting China took no cognizance of the award and continued with its unlawful activity in South China Sea. It continued to shore up the military facilities on these islands and even built runways for enabling stage through operations from the mainland. The South China Sea is important not just to India and Japan in terms of energy and trade traffic but the Sea Lines of Communication through the SCS also serve the shipping requirements of other East Asian Economies and other major economies of the world. For the countries that have conflicting claims on the Economic Exclusive Economic Zone in the SCS, the unilateral action by China to claim contested areas has altered the status quo in SCS. The smaller neighbours therefore feel that they have been denied an opportunity to share the huge reserves of oil, gas and fish stock. There have been frequent confrontations between the fishermen of the littorals and the Chinese Coast Guard has been sending out its ships in support of fishing expeditions by its fishing fleet in contested areas. It is for this

reason that the USA has been vocal on the need for enforcing the Freedom of Navigation and over flight in the region. India, Japan, US and even other countries who are wary of Chinese moves are unanimous that there cannot be any violation of the provisions of UNCLOS.

East China Sea Disputes

If those are the developments in the SCS of great concern to India, Japan, US and other nations in the region, the East China Sea again is an area that has seen many confrontations between China and Japan on the issue of sovereignty and ownership of some of the disputed Islands. There have been frequent clashes between the fishermen of the two nations resulting in strained relations though both countries have managed to keep the flash point under control. The situation is akin to the one faced by Vietnam and other littorals that have to bear the brunt of aggressive fishing by Chinese fishers who are supported by the Chinese Coast Guard. There have also been issues of off-shore exploration both in the SCS and the ECS where the smaller neighbours have been denied an opportunity to harness the living and non living resources by not allowing any activity to take place in Chinese claimed but disputed areas.

Pivot to Asia

The pivot to Asia policy of the USA has not exactly been abandoned though there were some indications that the Trump led administration would pursue America first policy therefore abandoning the policies of the previous Government. However, nothing is further than the truth as the plans for repositioning some sixty percent of the maritime forces in the Pacific has not been changed. The maritime forces which would be redeployed in the Pacific will need the support of the host nations in the region

for seamless support for sustained operations. From this point of view, the Logistic Exchange Memorandum of Agreement (LEMOA) of India with USA and now with France provides certain options for the maritime forces in the region. India could consider extending similar facilities to the units of Japanese MSDF who would increase the frequency of their visit to the Indian Ocean. This would also be necessary in the light of expected increased investments in the AAGC.

India's renewed thrust to add to its Maritime Power Potential

The new Government has launched many schemes to use the water ways and the seas for sustaining the growth rates and also to bring about greater prosperity through investments in the Blue Economy. This when well planned and executed would contribute to the success of the Sustainable Development Goals(SDGs).It is important to note that proper and responsible investments in this sector would pay rich dividends not just for economic growth through the oceans but also for ensuring a cleaner environment. Though the economic growth of India has been outstanding in the previous years, it does not have the financial muscle to match Chinese ability to spend on mega projects. It is here that Japan has the ability to pitch in and invest in mega projects and infrastructure development both in India and also along the AAGC. Both Japan and India have high stakes here and there is a further need for working out joint arrangements for deriving maximum benefits by this association. It is noteworthy that Sri Lanka recently voiced concerns about the pattern of investment by China and Prime Minister Ranil extended an invitation to both Japan and India to help bridge the FDI gap by benign joint investments in Sri Lanka.

Japan is a leader in many of the ocean technologies including ship building/repair, fishing and technologies for harnessing the ocean

wealth. India in the present climate of good understanding between the two leaders and the two countries can derive maximum benefit by closer cooperation in the related fields. The recent report that Indian technically qualified citizens would work in Japan is good news and there is perhaps a need to also ensure that it is not just limited to the IT sector or the automotive sector but should also examine the possibility of sending marine technologists, scientists and students for learning from the expertise in oceanic sciences and application.

Quadrilateral Initiative

The renewed thrust on this arrangement is being viewed with a lot of interest. The first time that this arrangement was tried out was way back in 2007 in the Bay of Bengal when all the four countries namely USA, India, Japan and Australia participated in the high level joint exercise. The coming together of the democracies was viewed with anger and suspicion by China which looked at as an action aimed at containing China's maritime advances in the Pacific and the Indian Ocean. The most recent Exercise Malabar that was concluded last year included participation of Japan and USA along with India in which large number of surface, sub-surface and air combatants of all the three countries participated. The level of exercises was scaled up in comparison with the previous editions and there was a greater focus on anti-submarine operations. Australia though expressed its readiness to participate, was kept out of the exercise in 2017. The recent developments and notably the value addition to the PLA Navy by modern surface, under water and air platforms along with cyber warfare capability have spurred the four countries to seriously work together to enhance the efficacy of this association for dealing with maritime operations other than war(MTOOW). There should not be any backing out of this arrangement as it is not necessarily alliance against China but an option to enhance

mutual cooperation and interoperability in the Indo Pacific area. While it is premature to make an assessment of what shape the quad would take, with the aggressive posturing of China and its expansionism, it is obvious that the Quad would gain momentum subject to the continued political support to this initiative by the concerned nations.

Conclusion

It is natural for two Asian powers with excellent historical relations with proven maritime credentials to pull together to serve their common interests. Both countries stand to benefit from the time tested relation that is set to grow in the light of many issues discussed above. While the association is seen by China as something that is aimed at stymying its growth, the association has more to do with two Asian power with common objectives to promote regional and global security and prosperity.

These two like-minded nations with assertive leaders now have demonstrated their resolve to work together to enhance the level of cooperation, engagement and investments. The growth trajectory in the maritime arena by association shows great promise and needs to be nurtured by not just the leaders of the two countries but also by enhanced people to people relations. This can be done by having a road map that is binding on both the nations with specific time bound targets.





INDO-JAPAN CHAMBER OF COMMERCE & INDUSTRY

No. 21, Kavignar Bharathidasan Road, Teynampet, Chennai 600 018.

Tel: 91-44-2435 2010 / 2435 4779 / 4855 6140 E-mail: indo-japan@ijcci.com Website: www.ijcci.com