

Japan, India Sign Agreement To Boost Trade

Malcolm Foster, Associated Press

TOKYO (AP) — The leaders of India and Japan signed a sweeping agreement Monday to boost trade and agreed to speed up talks toward a civilian nuclear energy deal — despite sensitivity in Japan over India's past atomic test blasts.

Prime Minister Naoto Kan called the conclusion of nearly 4-year negotiations on the economic partnership agreement a "historic achievement." The deal, which needs to be ratified by Japan's parliament to come into force, slashes tariffs on goods from auto parts to bonsai plants and introduces measures to promote investment and deal with intellectual property rights.

Forging this kind of pact is increasingly a priority for Japan, which sees itself falling behind regional rival South Korea in this area.

The deal could also be a step toward reducing Japan's heavy dependence on the Chinese market after a spat over disputed islands has strained ties between Beijing and Tokyo and led to anti-Japanese protests in China, some calling for boycotts of Japanese products.

Despite the size of their economies, Japan and India have had limited trade, which totaled 636 billion yen, or about \$7.7 billion, for the first six months of the year, just 1 percent of Japan's global trade. Trade with China, Japan's top partner, totaled \$176 billion over the same period.

Kan and Singh also agreed to speed up talks toward a civilian nuclear cooperation deal that would allow Japanese companies to export nuclear power generation technology and related equipment to India — a boost to Japan's flagging economy.

But India's refusal to sign the Nuclear Non-Proliferation Treaty has stirred up some public opposition to Tokyo's decision to pursue talks with India on the matter.

Kan said he made it clear in his talks with Singh that India understands the feelings of people in Japan as the only country to suffer an atomic bomb attack.

While India announced a moratorium on further nuclear testing, Japan wants New Delhi to be more explicit on that commitment. The two sides are also formulating what would be the consequences if India were to conduct a nuclear test.

Monday's move is a step forward from when former Japanese Foreign Minister Katsuya Okada visited New Delhi in August and cautioned India against any further testing of nuclear devices, adding that no timeline was set for the conclusion of a civil energy deal.

An India-Japan nuclear agreement is crucial for international nuclear power plant

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companies to do business with India. While U.S.-based firms GE-Hitachi Nuclear Energy and Westinghouse Electric, a subsidiary of Japan's Toshiba Corp., are waiting to set up plants in India, some key components for the plants are supplied by Japanese companies.

New Delhi had faced a nuclear trade ban since conducting its first atomic test in 1974 and refusing to sign nonproliferation accords. It began emerging from the nuclear isolation in 2008 when it signed a civil nuclear cooperation agreement with the United States. The 45-nation Nuclear Suppliers Group then lifted a three-decade global ban on nuclear trade with India.

The two leaders also signed a memo of understanding on visa simplification aimed at increasing tourism and educational exchanges.

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