

## Japan and India Expand Economic Ties with Major Investment Deal

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Japan is preparing to significantly raise its investment goals in India, with Prime Minister Shigeru Ishiba and Indian Prime Minister Narendra Modi expected to announce a landmark agreement during their summit in Tokyo later this month. The deal will see Japan's private-sector investment target in India grow from five trillion yen over five years to 10 trillion yen, around 68 billion US dollars, over the next decade.

The announcement, scheduled for August 29–31, underscores Tokyo's commitment to deepening ties with New Delhi amid rising global competition for economic and strategic influence. Japanese businesses have already been investing heavily in India, averaging nearly one trillion yen annually. The new framework aims not only to increase financial flows but also to strengthen security and cooperation across critical industries.

At the heart of the discussions is the creation of a joint economic security framework. This initiative will focus on bolstering supply chain resilience and protecting vital infrastructure in areas such as semiconductors, critical minerals, telecommunications, clean energy, pharmaceuticals, and artificial intelligence. By linking economic cooperation with security considerations, the two governments are signalling that their partnership is no longer limited to trade but also addresses broader strategic challenges.

Several joint initiatives are set to be launched under this expanded partnership. Among them is an Artificial Intelligence Cooperation Initiative, which will enhance collaboration between the two countries in developing new technologies and nurturing startup ecosystems. A refreshed Digital Partnership 2.0 will extend cooperation into key technology sectors, with a special emphasis on semiconductors and advanced AI applications.

The summit will also mark progress in the energy sector. A new Joint Statement on Energy Dialogue is expected to outline shared goals in decarbonization, energy security, and sustainable growth. Japan is also considering a Joint Crediting Mechanism, a system that allows it to apply emission reductions achieved through its technology in India toward its

climate commitments. This approach highlights how both nations view climate action not just as a challenge but as an opportunity to build stronger bilateral ties.

Beyond economics and energy, people-to-people engagement is a priority. Both governments are expected to set ambitious goals for expanding exchanges, with a target of over 500,000 visits between the two countries and residency opportunities for as many as 50,000 Indians in Japan over the next five years. These measures are designed to foster stronger cultural understanding and create a workforce capable of driving innovation and collaboration in both countries.

Infrastructure will also feature prominently in the talks. Japan's advanced E10 series bullet trains are slated to be deployed for India's first high-speed rail project. This move is both a symbol of deepening technological cooperation and a practical step to advance India's transport modernization.

Security cooperation will be updated as well, with revisions to the Joint Declaration on Security Cooperation, originally signed in 2008. The new version will include provisions for early coordination between foreign and defense ministers, ensuring closer alignment on regional and global security concerns.

This summit is expected to solidify Japan and India's position as strategic partners, reflecting a shared vision for economic growth, innovation, and security in an increasingly uncertain global environment.