

# India and Japan in a Fragmenting World

Growth, Resilience, and Strategic Economic Partnership

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# A World in Flux: Breaking of Post-WWII Economic Order

## Great Power Conflict

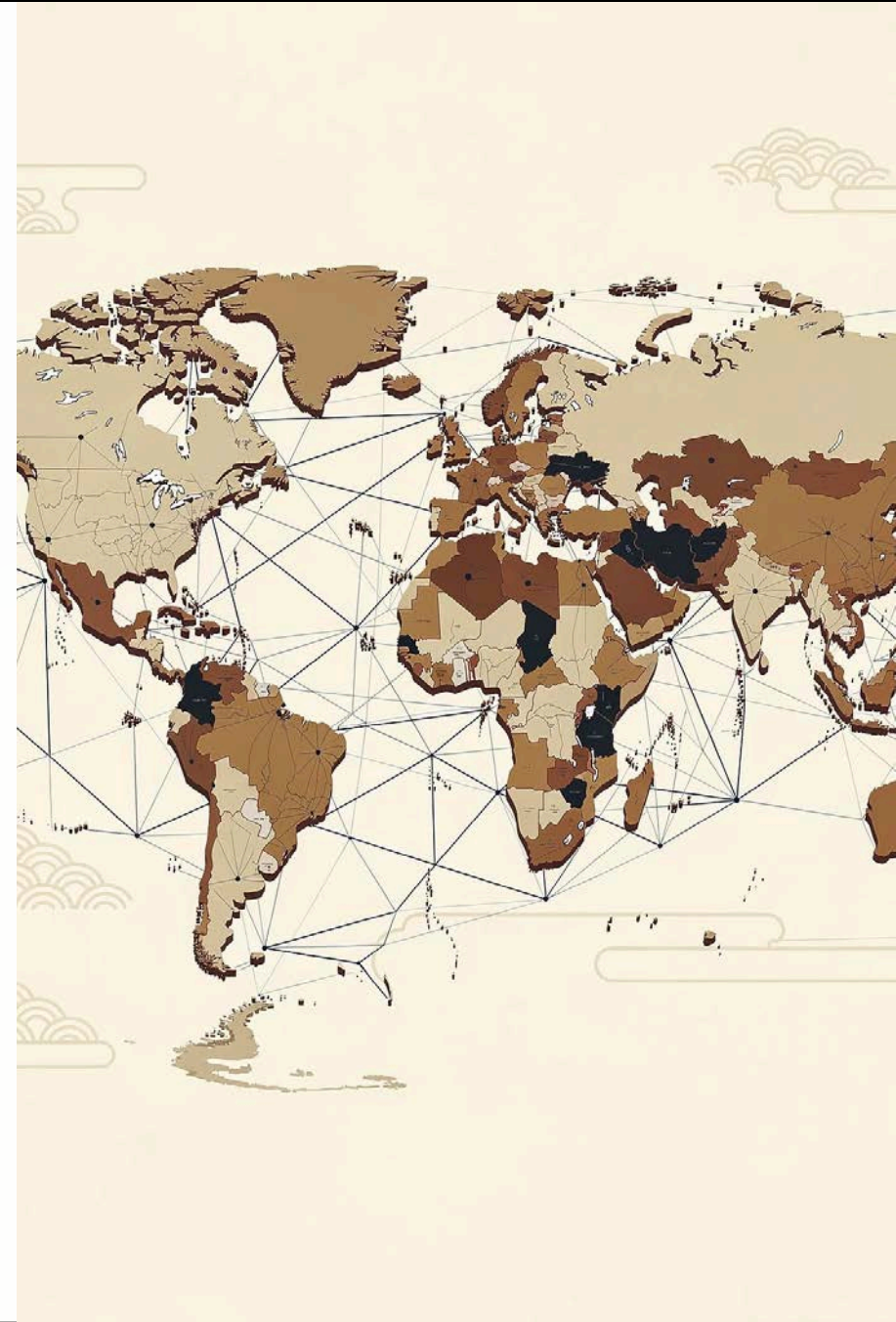
The return of great power rivalry reshapes global dynamics and economic relationships.

## Multilateral Breakdown

US withdrawal from key treaties and declining WTO relevance signal a new era.

## Technology Wars

Technology has become a central bone of geopolitical contention between nations.



# Yet, Upheaval Provides Opportunity

## Supply Chain Evolution

Supply chains are shifting from **efficiency → resilience and trust,**

## Bilateral Trade Deals

Countries are negotiating trade deals bilaterally, opening doors for strategic cooperation.

## Technology

Technology affords the opportunity to leapfrog

In this uncertain environment, **India–Japan cooperation becomes more, not less, relevant.**



## CHAPTER 2: INDIA'S RISE

# India's Economic Trajectory

### Macro Stability

India's macro stability serves as an anchor amid global volatility.

### Fastest Growth

India is the fastest-growing large economy in the world.

### Unique Proposition

Scale + democracy + digital = unique investment proposition.

# Why India Matters Now

India is moving from potential to execution.

## Structural Reforms

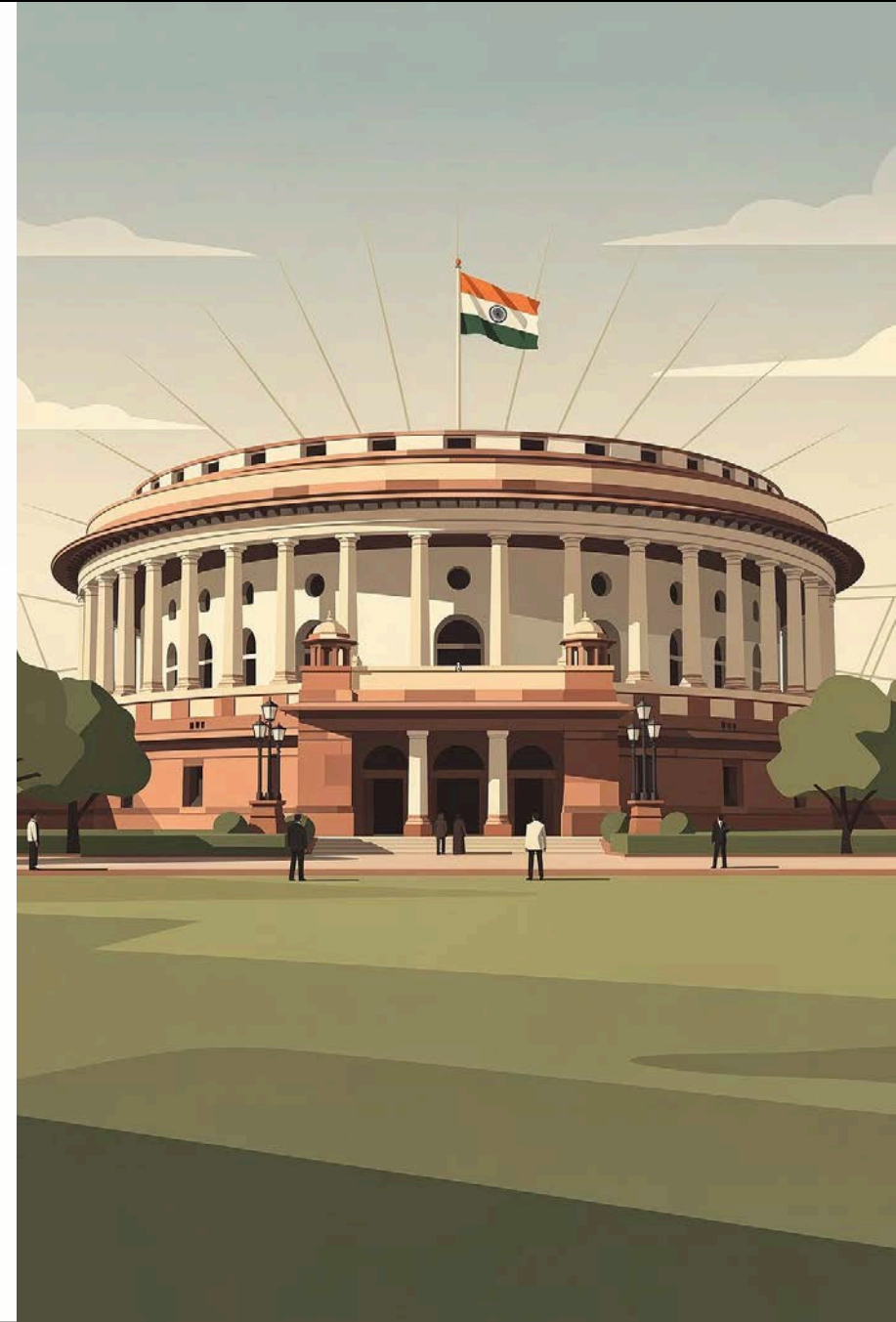
Goods & Services Tax, Insolvency Bankruptcy Code, Corporate Tax, Labour Codes.

## Digital Public Infrastructure

World-leading digital systems transforming governance and commerce.

## Public Capex Investment

Public capex-led crowd-in of private investment driving growth.



# India's Digitisation Story: Seven Decades Worth of Progress in Less than a Decade



1 bn+ digital identities



1 bn+ smartphones



Amongst the cheapest data globally



14 bn digital transactions in July, worth Rs. 20 trillion



Electronic Tolling



90% districts covered by 5G/4G



500,000+ km of optical fibre cable laid



560 mn bank accounts opened since 2015



GST eWay Bills



Taking UPI International



# Youngest and Largest Workforce

## Demographics

- Average age of 29
- Youngest country in the world
- 1 bn+ working age population by 2030
- Highest proportion of population under 30

*Stands in contrast to rapidly ageing Asian economies*

Source: UN

29

Average Age

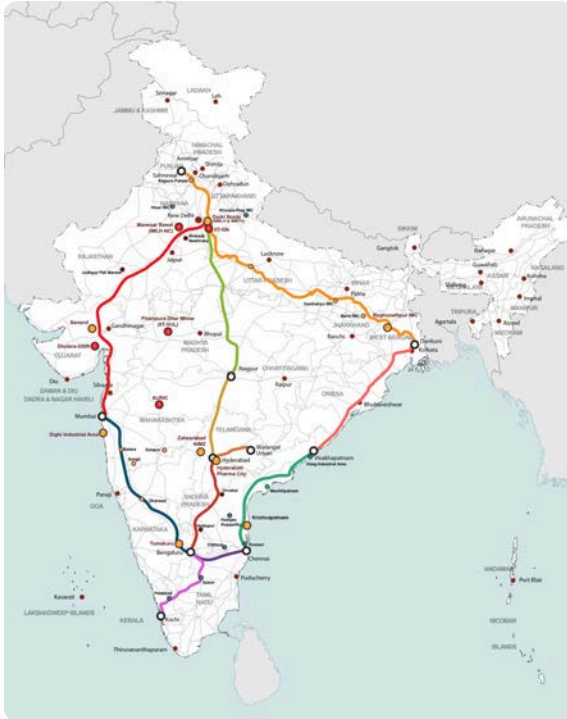
India's median age in years

1B+

Working Age

Population by 2030

# Industrialising India



## Industrial Corridors

### 12 New Industrial Cities announced

- Strategic investments
- Smart cities
- Land parcels will be made available

### 4 Developed Greenfield Industrial Smart Cities

Land parcels available for immediate allotment

**dholera**  
A NEW ERA



**INTEGRATED  
INDUSTRIAL TOWNSHIP  
GREATER NOIDA**

**VIKRAM UDYOGPURI**



# India's Infrastructure Story

40M

Houses

Constructed

120M

Toilets

Built

253M

Water Connections

Installed

35 M

Electricity

Connections

91k - 146k

National Highways

Length (KM)

248 - 1,000

Metro Network

Length (KM)

# Green Energy Leadership

Achieved NDCs five years ahead of schedule with 50% installed electric power capacity from renewables.

## National Green Hydrogen Mission

Making the world's cheapest green hydrogen.

266

Gigawatts

Renewable capacity

5x

Growth

Renewable Capacity in past decade

40x

Growth

Solar Energy Capacity in past decade

360 mn

LED Bulbs

47 mn KW of Energy Saved

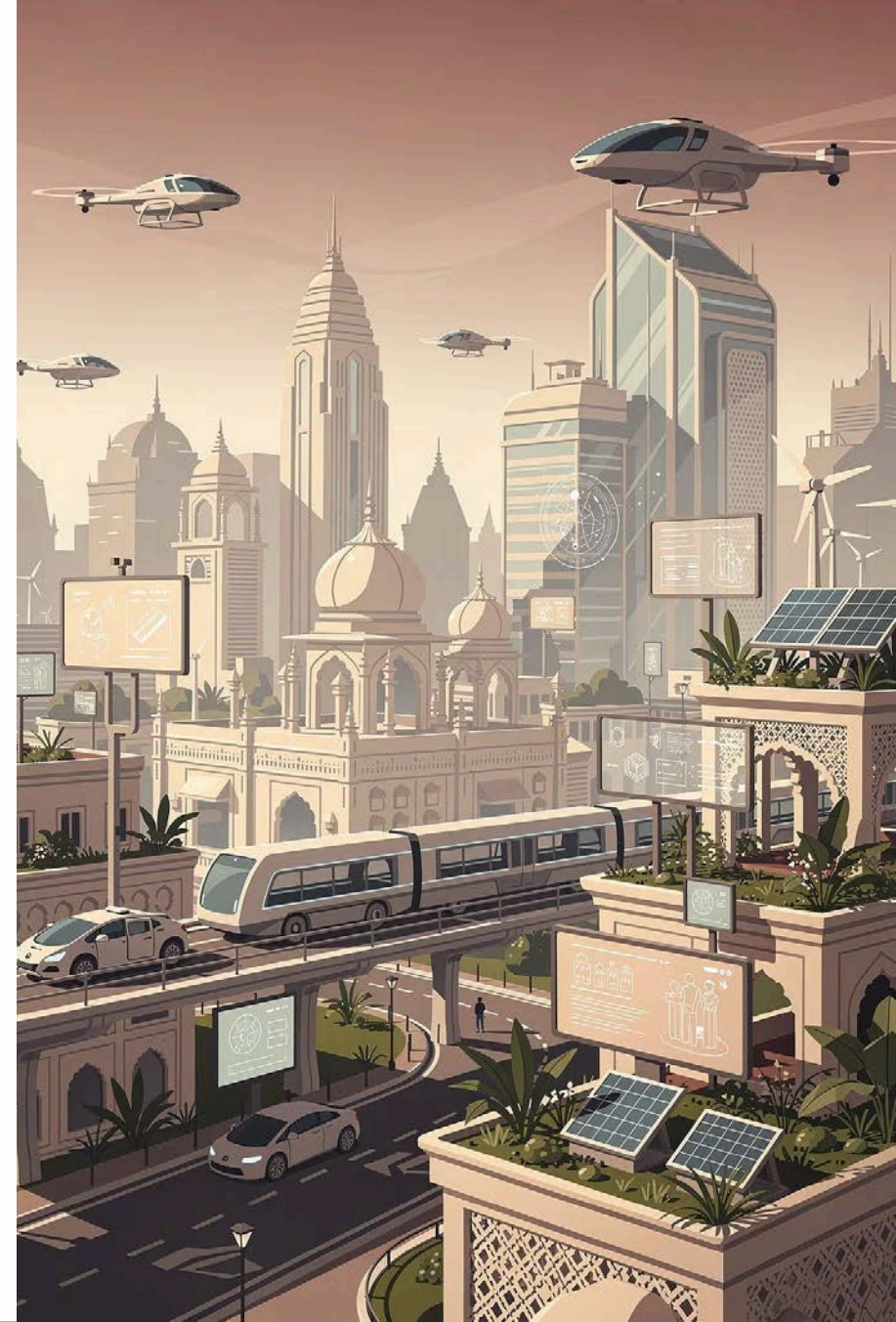
110 mn

LPG Connections

Access to Clean Cooking

# Looking to the Future

- |   |                                    |   |                        |
|---|------------------------------------|---|------------------------|
| 1 | National Quantum Computing Mission | 2 | National AI Mission    |
| 3 | India Semiconductor Mission        | 4 | Rs 1 trillion R&D Fund |
| 5 | Green Hydrogen Mission             | 6 | Electric Mobility      |
| 7 | DeepTech Fund of Funds             |   |                        |



# Japan Has Been India's Trusted Long-Term Partner

A technology partner



A quality  
infrastructure  
partner



A standards-driven  
economy



# There Is Certainly Room for This Relationship to Grow

- ❏ Being the 4th and 5th largest economies in the world, this level of trade is modest, at best.

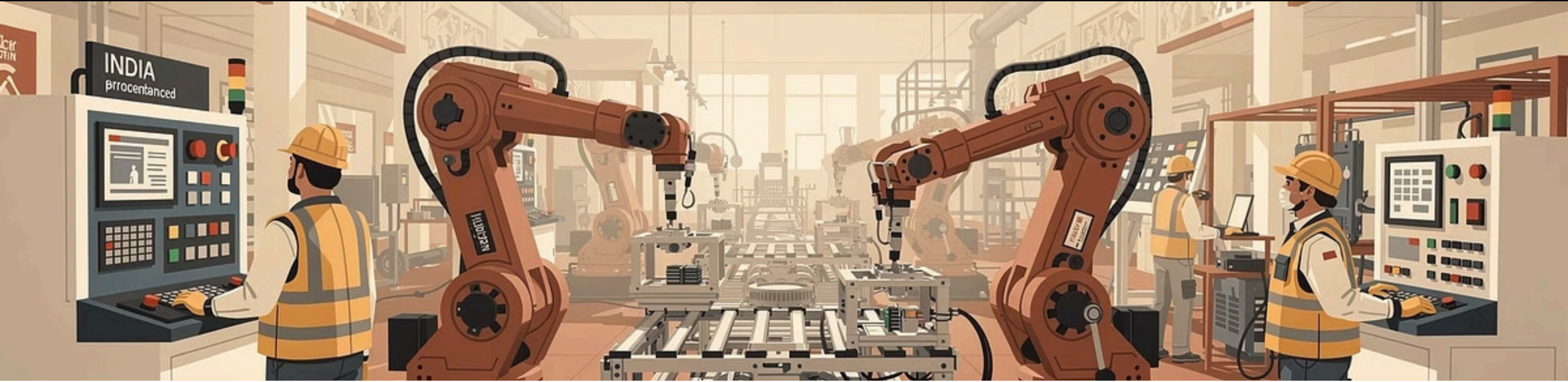
## Bilateral Trade

Between the two countries equals **USD 20-22 billion**.

## Investment Potential

Inward investment from Japan to India has significant room for expansion.



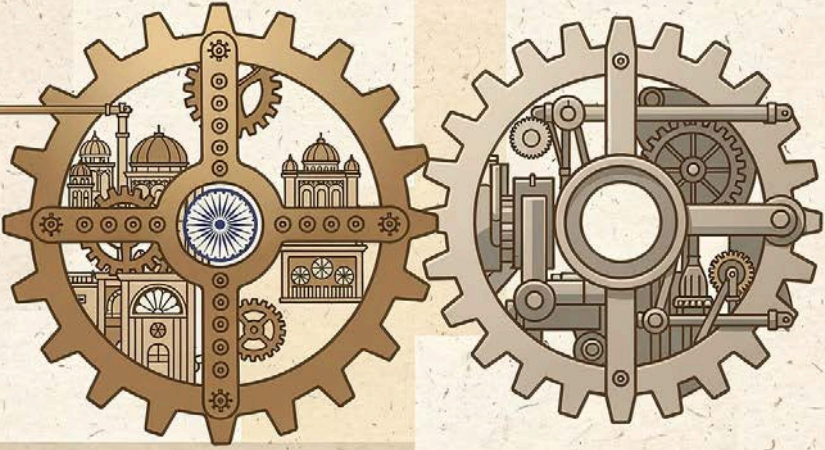


## CHAPTER 4: PRIORITY AREAS

# Priority Areas for Cooperation



# Strategic Complementarity in Manufacturing



## Japan's Strengths:

- Building Industrial Corridors & Clusters
- Quality as a Competitive Advantage

## India's Opportunity:

- Growing Domestic Market
- Labour Reforms
- Young Workforce



# Infrastructure & Connectivity

## Japan's Strengths:

- Building High Quality Resilient Infra
- Project Execution
- Long Term, Affordable Finance

## India's Opportunity:

- Massive Infrastructure Build Out
- PPP Opportunities

# Clean Energy

## Japan's Strengths:

- Technology
- Patient Capital
- Project Management

## India's Opportunity:

- Scale
- Mature Renewable Energy Markets
- Private Sector Driven







# Financial Markets

## Japan's Strengths:

- Long Term Capital
- Robust Risk Management
- Strong Governance

## India's Opportunity:

- Large Credit Gap
- Digital Infrastructure in Place

MUFG has acquired a 20% stake in Shriram Finance worth USD 4.4 bn | SMBC Bank has acquired 20% of Yes Bank worth USD 1.5 bn | Mizhuo Financial Group Acquired Avendus Capital for USD 700 mn

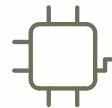


# Technology & Innovation



## AI & Machine Learning

Collaborative research and development in cutting-edge AI technologies.



## Semiconductors

Building resilient semiconductor supply chains and manufacturing capabilities.



## Digital Infrastructure

Sharing best practices in digital public infrastructure and innovation.

# A Future-Oriented Partnership

1

From Buyer–Supplier

To co-creators

2

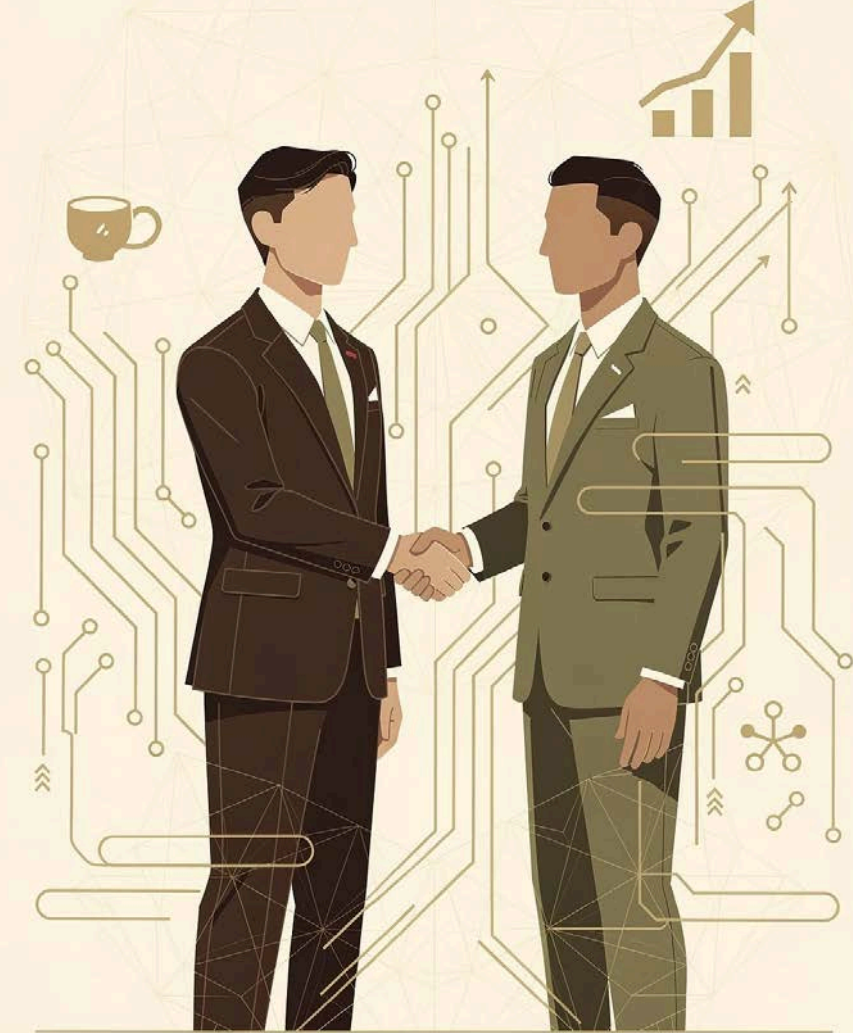
From Projects

To platforms

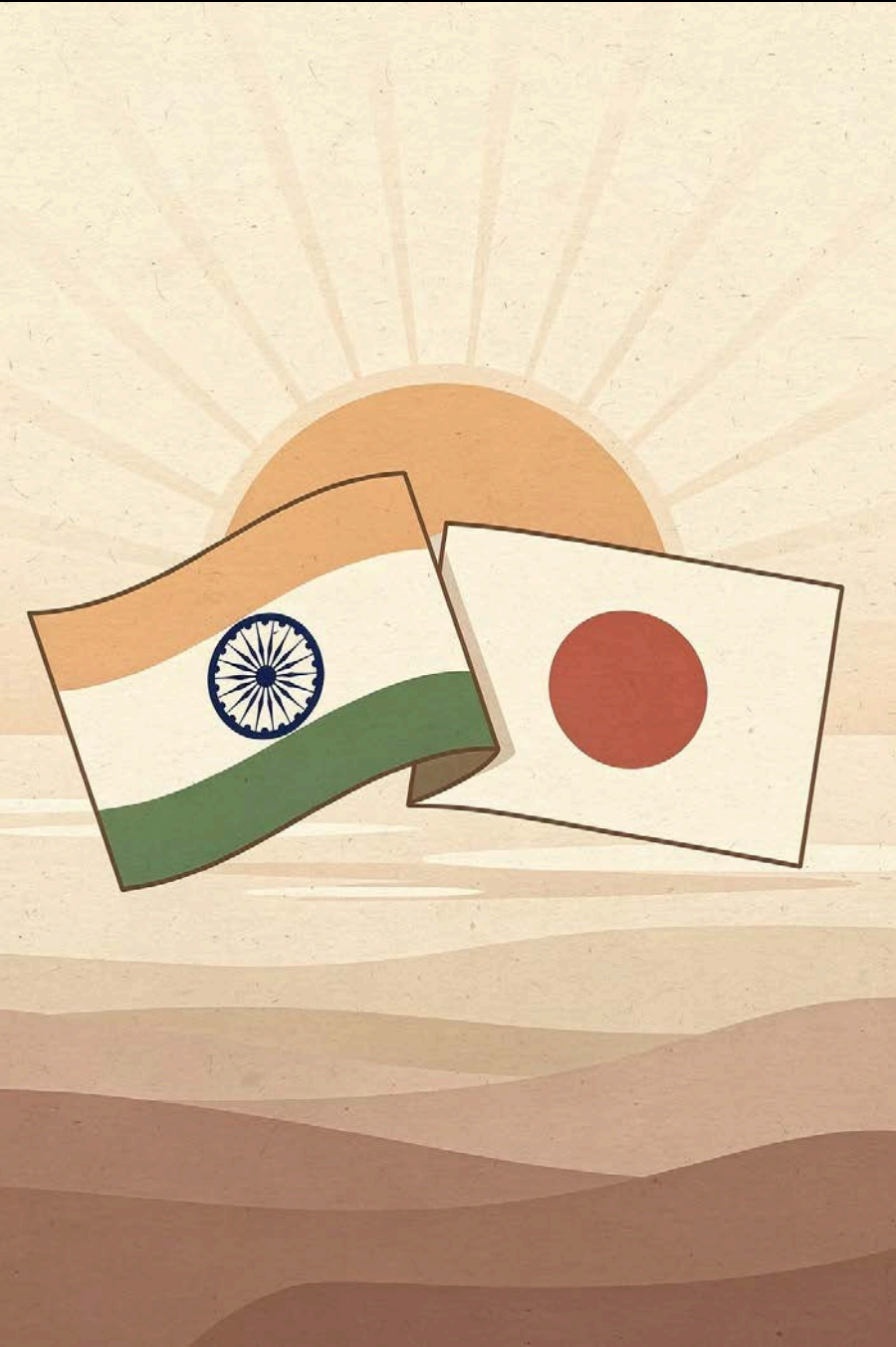
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## Focus Areas

- Speed of execution
- Risk-sharing
- Long-term strategic alignment







# In a Fragmented World, India-Japan Partnership Is a Stabilising Force

India and Japan can jointly shape:



## Resilient Supply Chains

Building trusted, diversified networks



## Inclusive Growth

Shared prosperity for all



## Indo-Pacific Economic Order

A credible, rules-based framework

A stylized world map in a light tan color, overlaid with a network of thin grey lines and various icons. The icons include a bar chart, a magnifying glass, a smartphone, a Wi-Fi symbol, a document with a plus sign, a calendar, a globe, a target, a signal tower, and a wave. The map is centered on the Atlantic Ocean, with North and South America on the left and Europe, Africa, and Asia on the right.

# Thank You

We welcome further discussion on strengthening the India-Japan partnership.