



Delhi Policy Group

Advancing India's Rise as a Leading Power



EAST ASIA EXPLORER MAY 2023

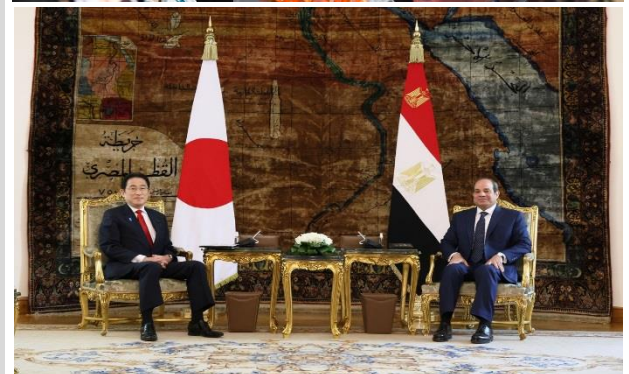
Authors

Pradeep Taneja

Biren Nanda

Prabir De

Jayantika Rao T.V.



Volume I, Issue 5

Delhi Policy Group

Core 5A, 1st Floor, India Habitat Centre, Lodhi Road, New Delhi- 110003

www.delhipolicygroup.org



Delhi Policy Group

Advancing India's Rise as a Leading Power

East Asia Explorer

Vol. I, Issue 5

May 2023

ABOUT US

Founded in 1994, the Delhi Policy Group (DPG) is among India's oldest think tanks with its primary focus on strategic and international issues of critical national interest. DPG is a non-partisan institution and is independently funded by a non-profit Trust. Over past decades, DPG has established itself in both domestic and international circles and is widely recognised today among the top security think tanks of India and of Asia's major powers.

Since 2016, in keeping with India's increasing global profile, DPG has expanded its focus areas to include India's regional and global role and its policies in the Indo-Pacific. In a realist environment, DPG remains mindful of the need to align India's ambitions with matching strategies and capabilities, from diplomatic initiatives to security policy and military modernisation.

At a time of disruptive change in the global order, DPG aims to deliver research based, relevant, reliable and realist policy perspectives to an actively engaged public, both at home and abroad. DPG is deeply committed to the growth of India's national power and purpose, the security and prosperity of the people of India and India's contributions to the global public good. We remain firmly anchored within these foundational principles which have defined DPG since its inception.

Authors

Dr. Pradeep Taneja, Non-Resident International Fellow, Delhi Policy Group

Ambassador Biren Nanda, Senior Fellow, Delhi Policy Group

Prabir De, Professor, Research and Information System for Developing Countries (RIS)

Jayantika Rao Tiruvalloor Viavoori, Research Associate, Delhi Policy Group

The views expressed in this publication are those of the authors and should not be attributed to the Delhi Policy Group as an Institution.

Cover Image:

Leaders of ASEAN member countries at the 42nd ASEAN Summit held in Labuan Bajo, Indonesia on May 11, 2023.

Source: [ASEAN 2023 Indonesia/Official Website](#)

Pita Limjaroenrat from the Move Forward Party during an election campaign rally in Bangkok on May 5, 2023.

Source: [Reuters Asia/ Official Twitter](#)

Prime Minister Kishida held a summit meeting, signing ceremony, and a joint press announcement with H.E. Mr. Abdel-Fattah El-Sisi, President of the Arab Republic of Egypt on April 30, 2023. Source: [Prime Minister's Office of Japan](#)

© 2023 by the Delhi Policy Group

Delhi Policy Group

Core 5A, 1st Floor,

India Habitat Centre,

Lodhi Road, New Delhi- 110003.

www.delhipolicygroup.org

East Asia Explorer

Vol. I, Issue 5

May 2023

Contents

Successful Modi visit Down Under, but Diaspora Issues need careful handling	
Pradeep Taneja.....	1
Modi in Papua New Guinea	
Pradeep Taneja.....	4
42nd ASEAN Summit – May 10-11, 2023	
Biren Nanda.....	5
Review of the ASEAN-India FTA	
Prabir De	7
Opposition “Move Forward Party” scores unexpected win in Thailand’s elections	
Biren Nanda.....	11
Exploring Japan’s New Engagement with Africa	
Jayantika Rao T.V.	13

Successful Modi visit Down Under, but Diaspora Issues need careful handling

by

Pradeep Taneja

"Prime Minister Modi is the boss," said Anthony Albanese, the Australian Prime Minister, to a cheering crowd of largely Indian supporters of Mr Modi at a Sydney stadium on 23 May. Albanese was favourably comparing the large size of this audience with his last visit to the same indoor stadium to listen to the American singer and songwriter Bruce Springsteen, who is known to his fans as 'The Boss'.

Bruce Springsteen is not a household name in India as he is in Australia. Many in the audience could therefore be forgiven for wondering why the leader of Australia would refer to the prime minister of India as the boss. Most took it in the spirit it was meant – as a light-hearted expression of praise for Mr Modi. But others may have taken it more literally.

The Australia-India relationship has gained much traction over the past few years. The two leaders have met six times in the past one year. The strength of the relationship was evident in the welcome accorded to PM Modi during his 22-24 May visit to Sydney. Mr Albanese was also very warmly received in India in March this year. But there were no major bilateral agreements signed during Mr Modi's visit to Sydney, except an agreement on migration and mobility. This agreement will allow 3,000 young Indian university graduates annually to come and work in Australia for up to two years. The terms of reference for a Green Hydrogen Taskforce were also agreed upon as both countries seek to decarbonise their economies.

The two leaders discussed bilateral cooperation in a whole host of areas, including renewable energy, mining, and critical minerals. They also discussed regional and international issues, including the war in Ukraine and its economic costs, maritime security in the Indo-Pacific, India's and Australia's development cooperation with the Pacific Island states, and the UN Security Council reform.

Mr Modi again raised the "the issue of temples in Australia and activities of separatist elements" with Prime Minister Albanese. He added that "we will not

accept any elements that harm the friendly and warm ties between India and Australia by their actions or thoughts.”¹

The growing Indian community in Australia – numbering almost eight lakhs – is generally very supportive of the bilateral relationship. It is also proud of India’s economic achievements and the rise in its international stature.

Mr Modi told the Sydney audience that the Indian diaspora was the “real strength” behind the multi-faceted Australia-India relationship. “The real reason and the real strength behind it is you all, every single Indian living in Australia!”² The Indian diaspora indeed plays an important role as a bridge between the two countries. Indians in Australia are active across all walks of life, including academia, business, finance, politics, the arts, and law.

But the Indian diaspora is not a unified entity. Indians in Australia – whether they are Australian citizens, permanent residents, students or on temporary work visas – come from different parts of India. They have different religious and political beliefs, speak different languages, and celebrate different festivals. In short, the diaspora is a microcosm of India.

The many segments of the Indian diaspora do not always see eye to eye on various subjects. Occasionally these differences can escalate into clashes, as was witnessed in Melbourne during the so-called Khalistan ‘referendum’ earlier this year.³ Similarly, the offensive graffiti daubed on some Hindu temples in several Australian cities also displayed the divisions within the Indian diaspora.

These incidents are troubling to community leaders in Australia and to political elites in India. But, fundamentally, these are problems for the Australian federal and state authorities to manage. When diaspora issues impinge on India’s national security, they can and should be discussed at the diplomatic and political levels behind closed doors. Where bilateral cooperation between government agencies of the two countries is needed, it should be requested through official channels.

¹ ‘Narendra Modi and Anthony Albanese speak about temple vandalism during bilateral talks in Sydney.’ <https://www.abc.net.au/news/2023-05-24/narendra-modi-calls-for-action-against-indian-separatists/102386294>.

² English rendering of PM’s address at community programme in Sydney, Australia: <https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1926767>.

³ ‘Very intimidating’: Wild brawl erupts outside Melbourne landmark, injuring two men’, <https://www.news.com.au/national/victoria/crime/very-intimidating-wild-brawl-erupts-outside-melbourne-landmark-injuring-two-men/news-story/c1557dc2c5abb5ebe5d1c64a0c4da58c>

In fact, such cooperation is already happening, as was implied in Prime Minister Modi's comments at the joint media event in Sydney, where he thanked his Australian counterpart for "actions that have already been taken." The two governments should not allow diaspora issues to become a point of friction between the two countries, especially when no fundamental differences exist, and the bilateral relationship is the best it has ever been.

Public airing of these issues may be damaging to bilateral relations, while any domestic political advantage will be short-lived. It might also generate an unwelcome public reaction in Australia, which would cause difficulties for the diaspora and make it harder for the two countries to cooperate in other more critical areas, such as defence and maritime security.

Modi in Papua New Guinea

by

Pradeep Taneja

On his way to Australia from Hiroshima, Prime Minister Modi stopped in Port Moresby, the capital of Papua New Guinea for about 24 hours. He is the first Indian prime minister to visit the Melanesian country. In PNG, Mr Modi co-hosted the 3rd Forum for India-Pacific Islands Cooperation (FIPIC), which brings together leaders from India and the 14 Pacific island nations. The last-minute cancellation by President Joe Biden of the United States of his plan to visit PNG on the same day as Prime Minister Modi, averted a scheduling clash and allowed more time for the Pacific island leaders to meet with Mr Modi and other Indian officials.

The PNG Prime Minister, Mr James Marape, personally greeted Mr Modi at the airport and surprised him by touching his feet. Marape was effusive in his praise for India, referring to India as “the leader of the third world” and asked it to “offer a third big voice in the face of the Global North.”

Prime Minister Modi announced a 12-point action plan to strengthen India-Pacific Island countries partnership. The highlights of this plan include the following: a 100-bed regional super speciality hospital to be built in Fiji, a regional information technology and cyber security hub in PNG, and 1,000 scholarships for students from Pacific island countries over the next five years.

Overall, this was a very successful trip by the prime minister. The India-Australia relationship has developed multiple mechanisms, including an annual leaders’ meeting. To foster cooperation, the India-PNG and India-Pacific island countries partnerships will require more sustained effort on the part of India.

42nd ASEAN Summit – May 10-11, 2023

by

Biren Nanda

The 42nd ASEAN Summit was held in Labuan Bajo, Indonesia on May 10-11, 2023⁴. The meeting took place under Indonesia's chairmanship under the theme "ASEAN Matters: Epicentrum of Growth"

During the Summit meeting - following the agreement in principle to admit Timor Leste - for the first time the Prime Minister of Timor Leste attended the meeting as an observer. During the summit ASEAN leaders reached a consensus on a number of issues including a resolve to strengthen the ASEAN centric regional security architecture, "support for multilateralism with the UN at its core", a commitment to work towards a people oriented, people centered and rules based ASEAN and a resolve to make Southeast Asia a center for regional economic growth.

Key outcomes of the summit meeting included Declarations on combatting trafficking in persons caused by the abuse of technology, protection of migrant workers, "One Health" approach for the region, developing a regional electric vehicle ecosystem and advancing regional payment connectivity. Advancing regional connectivity under the Master Plan for ASEAN Connectivity (MPAC) will remain a key objective.

ASEAN leaders reiterated their commitment to the mainstreaming of AOIP through concrete projects and the convening of the ASEAN Indo-Pacific Forum. ASEAN will also engage further with the wider Asia-Pacific and Indian Ocean regions while maintaining ASEAN centrality. ASEAN will also establish Secretariat-to-Secretariat cooperation with the Pacific Island Forum (PIF) and the Indian Ocean Rim Association (IORA).

The ASEAN economy is expected to achieve a growth of 4.7% in 2023 and 5% in 2024. ASEAN leaders reiterated their determination to make Southeast Asia the center of regional economic growth by enhancing intra-regional trade, strengthening supply chain connectivity and pursuing sustainable energy security. Deepening ASEAN regional integration will remain a key objective. The meeting noted the completion of the ratification procedures of the RCEP.

⁴ Chairman's Statement Of The 42nd Asean Summit Labuan Bajo, Indonesia, 10-11 May 2023. ASEAN.org
<https://asean.org/wp-content/uploads/2023/05/FINAL-Chairmans-Statement-42nd-ASEAN-Summit-1.pdf>

The leaders welcomed Indonesia's 'Priority Economic Deliverables' (PEDs) including recovery and building, digital economy and sustainability.

On the situation in the South China Sea, the ASEAN leaders reaffirmed the commitment to pursue the peaceful resolution of disputes in accordance with "internationally recognized principles of international law and the 1982 UNCLOS". They reaffirmed the importance of maintaining and promoting the freedom of navigation and overflight over the South China Sea. The leaders also welcomed an early conclusion of the "Code of Conduct" in the South China Sea. They stressed peaceful dialogue in order to realize lasting peace and stability in a denuclearized Korean peninsula.

On Myanmar there was a reiteration of the "Five Point Consensus" as the main point of reference for the ASEAN. The ASEAN leaders expressed concern at the ongoing violence in Myanmar and condemned the recent attack on a convoy of the AHA Centre and the ASEAN Monitoring Team in Myanmar.

On Ukraine the leaders reaffirmed respect for sovereignty, political independence and territorial integrity, compliance with the UN Charter and International Law and underlined the importance of an immediate cessation of hostilities. As before Russia was not called out by name for its aggression in Ukraine.

From India's perspective the decision of the ASEAN leaders to undertake concrete projects to support the AOIP and the convening of the "ASEAN Indo-Pacific Forum" is a welcome development. Significantly, ASEAN will engage further in the Indian Ocean region while preserving ASEAN centrality. ASEAN's ability to make meaningful progress in support of the Indo-Pacific strategy will of course be influenced by the Chinese response to these developments.

Review of the ASEAN-India FTA

by

Prabir De

One of India's finest Prime Ministers Atal Bihari Vajpayee is remembered for his leadership in shaping ASEAN-India relations. Several path-breaking decisions taken by him laid a solid foundation for ASEAN-India relations. Two such initiatives are worth noting.

First, it was PM Vajpayee who convinced us that building relations with ASEAN was irreversible. He co-chaired the first ASEAN-India Summit in 2002 in Phnom Penh. In this manner PM Vajpayee carried forward the work of another great Prime Minister of India, P V Narsimha Rao who initiated India's "Look East Policy" in 1992. Strategic relations have to be underpinned by strong economic ties. This was the reason why India decided to sign the Framework Agreement of the ASEAN-India FTA in the following year.

Second, PM Vajpayee attended the second ASEAN-India Summit, held at Bali in 2003, where India signed the Framework Agreement of the ASEAN-India FTA in goods. In 2004, Dr Manmohan Singh assumed office as Prime Minister. Due to a lack of experience and dilly-dallying on the part of ASEAN and India it took seven years to conclude negotiations on the ASEAN-India FTA. Finally, the ASEAN-India Trade in Goods Agreement was signed and entered into force on 1 January 2010. A new era of the ASEAN-India relationship had commenced.

ASEAN and India took over a decade to double the value of trade. Their bilateral trade was US\$ 57 billion in 2010-11, when the FTA came into effect, and rose to US\$ 131 billion only in 2022-23. While India's exports to ASEAN increased from US\$ 25.63 billion in 2010-11 to US\$ 43.51 billion in 2022-23, its imports increased from US\$ 30.61 billion to US\$ 87.59 billion in the same period. In the case of ASEAN-India FTA, the trade balance has deteriorated after the implementation of the FTA. With Vietnam, the surplus in trade balance in 2010 changed to a deficit by 2020, standing at US\$ 1068.6 million. After the implementation of the ASEAN-India FTA, a surplus in trade balance has been recorded with Cambodia, Lao PDR, Philippines and Myanmar. This indicates that ASEAN has gained a trade surplus on the current account, and India has witnessed a trade deficit. Increasing asymmetry in the balance of trade for India

has raised concerns⁵. Therefore, it is worth examining the trends in bilateral trade between ASEAN and India and the trade linkages. This is one of the vital factors to reassess India's trade share with ASEAN and make a comparison with global trade. This may help the participating countries to strategize and formulate the future course of action.

This is no denying that the global headwinds in the past had slowed down ASEAN-India trade. India's trade increased significantly with the rest of the world and also with ASEAN and the trends show an almost similar cycle and movement. De et al. (2023) have shown that trade with the world had faced three major shocks since 2010-11: (i) collapse in oil prices during 2014 to 2016, (ii) the US-China trade war, and (iii) the Covid-19 induced pandemic. These events triggered the plunge in global trade and resulted in slowing down the economic growth in India as well as ASEAN. Both India and ASEAN also witnessed a V-shaped recovery in their respective global trade in the post-pandemic period.

Today, ASEAN and India are all set to review the FTA in goods. The outline of the review has been agreed upon by both the parties. India's interest would be to strengthen the production linkages, besides improving the market access in strategic trade areas. ASEAN's interest would be to continue the expansion of exports directed towards the Indian market. Reaching higher trade equilibrium with rising Indian merchandise exports to ASEAN is possible provided both sides agree to reduce barriers to trade, particularly non-tariff barriers, and improve connectivity. Some important recommendations highlighted in a recent study by De et al. (2023), are worth noting⁶.

First, trade in non-oil and/or non-mineral products better represents the quality of trade integration. India's non-oil and non-mineral export to ASEAN continued to increase. This is a good sign for India. India's imports from ASEAN have been dominated by non-oil and non-mineral products in the post-FTA phase, which include textiles, electronic goods, chemicals, and machinery. These products are vital to India's manufacturing and services sectors, and the significant increase in their imports in 2021 suggests the growing demand for these products in India.

⁵ This was well captured in, for example, De, Prabir and Nida Rahman (2022) "Review of ASEAN-India FTA in Goods: Broad Contours and the Next Steps", *Economic and Political Weekly*, Vol. 57. No. 33,

⁶ Refer, De, Prabir, Nida Rahman and Tuhinshubhra Giri (2023) "ASEAN-India Trade in Goods: A Pre- and Post- FTA Evaluation", ASEAN-India Centre (AIC) at RIS, New Delhi

Second, India's trade with ASEAN has transformed from trade in agricultural raw materials and food to trade in manufactured goods. The export of manufactured goods has increased from 35.29 per cent in 2010 to 39.53 per cent in 2020, whereas these imports have climbed from 32.12 per cent in 2010 to 38.57 per cent in 2020. This shift in export composition is driven by transport equipment, chemicals and textiles. Interestingly, imports of transport equipment from ASEAN are increasing at a higher rate than their exports. The most striking features are that India's export and import of fuels from ASEAN are declining over time. The fall in share of imports of minerals, mineral fuels, and oils from ASEAN countries indicates that India has been diversifying its energy sources and reducing its dependence on imports of these products from ASEAN. Declining shares of exports and imports of minerals, mineral fuels and oils in the post-FTA period indicate that trade between ASEAN and India has diversified into non-oil non-mineral sectors, suggesting higher value addition of these products, which is one of the primary objectives of the ASEAN-India Trade in Goods Agreement.

Third, the review of the FTA should also involve an assessment of the exclusion lists products, which may have a significant impact on the effectiveness of the FTA in promoting trade. In a total of 12,169 tariff lines between ASEAN and India, around 75 per cent of the tariff lines are governed by the normal track commitments. Among the 1297 tariff lines put under the exclusion list by India, a prominent proportion of the commodities in the agricultural sector are excluded for any reduction or elimination in tariffs. Around 17 per cent of the tariff lines in the exclusion list tend to come from tariff lines in the textile and apparel industry. ASEAN countries have varying numbers of products in their exclusion lists, ranging from 150 to 2057. Among the ASEAN countries, Vietnam has the highest number of products in its exclusion list (2057 products), followed by Myanmar (1613 products). With Vietnam, the number of tariff lines in imports has increased from 1306 to 1963. Ideally, items placed in the exclusion list must not see an increase in their imports as they are kept out of the ambit of any tariff reduction/elimination. However, in the case of India's imports from ASEAN, traction in the opposite direction could be seen. In a substantial number of exclusion list items, the import has gone up after the implementation of the AIFTA. Most of the exclusion list items of the machinery category saw a rise in imports from ASEAN, regardless of no tariff reduction offered by India.

Fourth, India has witnessed mixed performance in comparative advantage with the ASEAN. India's revealed comparative advantage increased in products such as other vegetable textile fibers, paper yarn and woven fabrics of paper yarn and cereal between 2010 and 2020. In a decade, India's comparative

advantage in Ships, boats and floating structures has strengthened considerably. The RCA index has doubled in the export of ships, boats and floating structures between 2010 and 2020 with the ASEAN. India's exports of lead and articles to ASEAN were not highly specialized in 2010; however, they have grown to gain revealed comparative advantage in 2020. Similarly, India's specialization in exports of zinc and articles to ASEAN was apparent before the FTA as well as after the FTA. The RCA index score for organic chemicals has also increased, however, marginally.

Fifth, what ASEAN and India should be doing is to streamline NTMs through harmonization of standards and regulations, mutual recognition of conformity assessment and reduction of border procedures. Making equivalence of standards between ASEAN and India is the way forward. ASEAN and India should identify the potential products that are of interest and should build cooperation to work in areas where there are difficulties in recognizing or validating certificates of testing and inspections and strengthen the use of international standards, mandatory documentation of equivalence procedure and adopting Codex consignment rejection guidelines, standards in English language and agreement on self-certification. Indian accreditation authorities should enter into mutual recognition agreements (MRAs) with similar agencies in ASEAN countries. Only then can any regional trade agreements effectively promote trade and investment activities.

Sixth, while renegotiating the agreement, India's interests should be to gain higher market access in ASEAN and the rest of the world in those products which offer the GVC linkages, both forward and backward linkages, and the products gaining comparative advantage. A new study at the product-level may be undertaken by India to design the trade strategy at greater detail.

To conclude, PM Vajpayee in his remarks at the 2nd ASEAN-India Summit in 2003 said,

"..Framework Agreement is a "major breakthrough" in Indo-ASEAN relations and should contribute significantly to an increasing integration over the coming years."

Today, although ASEAN-India trade has turned lopsided, India-ASEAN relations have gained and have been transformed into a long-lasting friendship, the value of which is beyond a mere 'trade deficit'.

*Professor, Research and Information System for Developing Countries (RIS), New Delhi, e-mail: prabirde@ris.org.in. Views are author's own. Usual disclaimers apply.

Opposition “Move Forward Party” scores unexpected win in Thailand’s elections

by

Biren Nanda

In the elections held on May 14, 2023, the opposition “Move Forward Party” (MFP) won a total of 152 constituency and party list seats in the 500 seat lower house of Thailand’s Parliament,⁷. This made the MFP the largest party in the lower house of the Thai parliament. Unofficial results showed that the MFP captured 32 out of 33 seats in Bangkok. The MFP is headed by Pita Limjaroenrat .

The Pheu Thai Party backed by former Prime Minister Thaksin Shinawatra came in second with 141 constituency and party list seats. Pheu Thai is headed by Thaksin’s daughter Paetongtarn Shinawatra.

The MFP called for ending military conscription, breaking up of monopolies, reforming the lese majeste law (which has been used to target opponents of the royal family).

PTP will join a eight party coalition led by MFP. MFP and Pheu Thai leaders have urged the Democrat Party (25 seats) to support their coalition in their efforts to form a government.

Conservative parties like the United Thai Nation’s Party and the Bhunjaithai party will likely keep out of the ruling coalition. The leader of the MFP Pita Lijaroenrat has announced that the coalition of eight parties has 313 seats in the 500 seat parliament. This is still 63 short of the 376 votes needed to appoint Pita Lijaroenrat as the Prime Minister.

Despite its emphatic victory the Move Forward Party will face political headwinds from entrenched interests like the Thai military. 250 military backed senators in Thailand’s upper house will be a key factor. To form a government a party or a coalition of parties needs a majority of the combined houses (i.e. a majority of 750 seats) to elect a prime minister.

⁷ (May 14, 2023) Thailand election: How Move Forward’s Upset win unfolded. Nikkei <https://asia.nikkei.com/Politics/Thai-election/Thailand-election-How-Move-Forward-s-upset-win-unfolded#:~:text=Move%20Forward%20would%20come%20in,seats%20in%20its%20first%20election.>

Since the agenda of the MFP is to “demilitarize” Thailand, it is going to be an uphill task to persuade Senators in the military appointed upper house to support the MFP. The MFP however, hopes that the sheer magnitude of its victory will pressure some Senators to support the coalition. In fact MFP claims that 12 Senators have already indicated their willingness to support the coalition.

Former Prime Minister Thaksin⁸ praised the Move Forward Party’s election victory and added that the Phue Thai Party supported by him was “not disruptive enough”. Thaksin attributed MFP’s use of social media – especially in the last few days before the election – as a contributory factor to MFP’s victory. He said the Move Forward Party’s victory was a “wake up call for the army. Using excessive power is something that Thai society rejects. Thaksin plans to return to Thailand in July this year despite facing the prospect of a 17 year prison term for corruption charges.

It is certain that the MFP will face political headwinds from the conservative establishment comprising of the military and influential elites. But public opinion and a vote against entrenched interests could become a force for change. In these elections young voters – voters under 16 years comprising of 14% of the population – played a significant role in persuading older voters to back the MFP.

⁸ Stranglo Sebastian (May 17 2023) Former Thai PM Thaksin Hails Move Forward Election Victory. The Diplomat.
<https://thediplomat.com/2023/05/former-thai-pm-thaksin-hails-move-forward-election-victory/>

Exploring Japan's New Engagement with Africa

by

Jayantika Rao T.V.

Japanese Prime Minister Fumio Kishida embarked on a critical trip to Africa from April 29 to May 5, just days before the G7 leader's summit in Hiroshima. Kishida engaged in high-level discussions with leaders of Egypt, Ghana, Kenya, and Mozambique, emphasising Japan's unwavering commitment to the "Global South". He also explored ways in which Japan could become a preferred partner for the region while countering China's growing influence. Prime Minister Kishida emphasised the urgent need to strengthen the rule of law, especially after Russia's invasion of Ukraine and China's growing economic coercion. He underlined the importance of preventing any unilateral changes to the status quo. In his meetings with multiple leaders, Prime Minister Kishida made it clear that the "peaceful and safe use of the Oceans" was paramount as well as the need for strengthening the "international order based on the rule of law"⁹.

This was Prime Minister Kishida's first trip to Africa since assuming office, and he aimed to reaffirm Japan's role in the region and pivot Japan towards Africa. The one-week diplomatic tour marked the first time in nine years that a Japanese prime minister had made such a visit to the continent. The late Japanese Prime Minister Shinzo Abe visited Mozambique, Ethiopia, Cote d'Ivoire in 2014, and Egypt in 2015, but since then, there had been no significant high level diplomatic visit to the continent. Prime Minister Kishida's visit was a clear message that Japan intends to play a leading role in shaping the future of Africa, and he reiterated his unwavering commitment to strengthening the rule of law and maintaining a peaceful and secure international order.

During his trip, Prime Minister Kishida emphasized the importance of Japan's engagement with Africa, considering China's growing influence in the region. He emphasised that Japan must increase its outreach effort or "at this rate, we'll lose to them (to China)"¹⁰. Despite being a crucial part of Japan's Indo-Pacific Strategy for 2023, Japan has neglected Africa. Even before articulating the idea of 'Free and Open Indo-Pacific', Tokyo had earlier courted African governments with the convening of the "Tokyo International Conference on

⁹ (April 30, 2023). "Japan -Egypt Summit Meeting and Luncheon Meeting." Ministry of Foreign Affairs of Japan. Accessed from, https://www.mofa.go.jp/me_a/me1/eg/page1e_000647.html

¹⁰ Akiyama, Hiroyuki. "Japan steps up diplomacy to avoid 'losing' Global South to China". Nikkei Asia, April 20, 2023. Accessed from, <https://asia.nikkei.com/Politics/International-relations/Japan-steps-up-diplomacy-to-avoid-losing-Global-South-to-China>

African Development (TICAD)' in 1993. Despite establishing TICAD to increase Japanese engagement in the continent and promote high-level dialogue, the conference has only been held eight times with varying levels of engagement throughout the years.

Despite talk of increasing engagement in Africa, Tokyo's influence in the region is declining due to unfulfilled promises. Dr. Akinwumi Adesina, President of the African Development Bank Group, has strongly urged Japan to increase investment in Africa. Japan's foreign direct investment in Africa has decreased from \$10 billion in 2016 to \$4.7 billion in 2020 but has rebounded to \$6 billion in 2021.¹¹ However, Africa only accounts for 0.003% of Japan's \$2 trillion global foreign direct investment, and the volume of trade between Africa and Japan remains below 2% of Japan's foreign trade volume. Moreover, the four countries visited by Prime Minister Kishida have strong relations with China, with China serving as Kenya's largest trading partner and the two countries having signed six trade agreements last year.

Therefore, Japan has shifted its foreign policy to prioritize economic development in its engagement with Africa. In this context, Prime Minister Kishida made a bold pledge of around "\$ 500 million in financial support to promote peace and stability"¹² during his meeting with the President of Ghana on May 2nd, which reflects this new approach.

Currently, it appears to be highly unlikely for Japan to emerge victorious in the ongoing rivalry with China in Africa. China has been providing significantly more economic aid to African countries than Japan has. The loans and investments offered by China have played a key role in developing several African nations. Despite Prime Minister Kishida's commitment of \$30 billion in resources to Africa during the 8th TICAD Summit (2022), it still falls short of the \$40 billion promised by China a year ago. Mere empty promises cannot counter China's immense economic and geopolitical influence in the region. Japan will continue to face an aggressive competition with China for strategic influence across Africa unless Japan shifts to providing support and assistance in

¹¹ (April 24, 2023). "Investing in Africa is profitable; African Development Bank President tells Japanese Investors". African Development Bank Group. Accessed from, <https://www.afdb.org/en/news-and-events/press-releases/investing-africa-profitable-african-development-bank-president-tells-japanese-investors-60551#:~:text=Adesina%20pointed%20out%20that%20Japan's,trillion%20global%20foreign%20direct%20investments>.

¹² (May 2, 2023). "Japan's Kishida vows \$500 M in Financial Support to Africa". Nikkei Asia. Accessed from, [https://asia.nikkei.com/Politics/International-relations/Japan-s-Kishida-vows-500m-in-financial-support-to-Africa#:~:text=ACCRA%2C%20Ghana%20\(Kyodo\)%20%2D%2D,and%20stability%20on%20the%20continent](https://asia.nikkei.com/Politics/International-relations/Japan-s-Kishida-vows-500m-in-financial-support-to-Africa#:~:text=ACCRA%2C%20Ghana%20(Kyodo)%20%2D%2D,and%20stability%20on%20the%20continent).

avenues that China is unable to do so. Japanese institutions like the Japan Bank for International Cooperation (JBIC) and Japanese companies like Mitsui & Co can engage African nations with assistance projects like port-building, gaining a more substantial Japanese acceptance in Africa. Japan can engage in different avenues and not only rely on financial assistance to make a mark in the continent. If Prime Minister Kishida manages to obtain the support of African nations, it could be a crucial step towards countering Chinese influence in Africa.



Delhi Policy Group
Core 5A, 1st Floor,
India Habitat Centre, Lodhi Road
New Delhi - 110003
India

www.delhipolicygroup.org