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## *Report- Public Talk*

# **“Pakistan – Japan Relationship: 65 Years and Beyond”**

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### Pictures of the Event



The Institute of Strategic Studies Islamabad (ISSI) organized a Public Talk under its Distinguished Ambassador's series on November 7, 2017 titled "***Japan-Pakistan Relationship: 65 Years and Beyond.***" The guest speaker at the occasion was Japanese Ambassador to Pakistan H.E. Mr. Takashi Kurai.

Welcoming the speaker and the guests, Ambassador Khalid Mahmood, Chairman ISSI reflected on the cultural commonalities and history of bilateral ties between Japan and Pakistan. He spoke about traces and impact of ancient Buddha civilisation in the South Asian region including Pakistan. Ambassador Mahmood said the history of the bilateral relations with Japan began with the ratification of the San Francisco Peace Treaty. Pakistan, he said, supported Japan at many international forums and quickly ratified the Peace Treaty, thus beginning the formal diplomatic relations in 1952. While talking about trade and economic relations between Pakistan and Japan, he said that Pakistan's first ever trade agreement was signed with Japan under which Pakistan was the largest exporter of coal to Japan in those early years. In this way, Ambassador Khalid said, Pakistan had played some part in Japanese restoration after the war. He reminded the audience about President's Ayub visit to Japan in December 1960 where he was personally received by the Emperor himself, which was an extraordinary welcome.

Ambassador Mahmood said that despite overall good relationship between Pakistan and Japan, there were various factors in 1960's onwards that impacted negatively on bilateral relations. Some of the factors he listed included: relations with China, the Cold War, and the Pakistan-India War of 1965 among others.

H.E. Mr. Takashi Kurai began his talk by appreciating ISSI of its work and thanking the Institute for a warm welcome and the opportunity to talk about Pakistan Japan-Pakistan relations. Ambassador Kurai noted that he has been in Pakistan for one and a half year, and that he is still learning about this beautiful country. He admitted that many of his previous misperceptions about Pakistan have been corrected due to his ongoing stay in the country.

Ambassador Kurai highlighted that 2017 marks the 65<sup>th</sup> anniversary of Japan-Pakistan relations and that the embassy had organised twenty one cultural events this year in which large number of Pakistanis participated.

Ambassador Kurai’s presentation on “Japan-Pakistan Relationship” was divided into four parts. In the first part, he gave a brief overview of a historical context of the bilateral relationship. He said that while the Treaty of San Francisco set the beginning of the official relationship between the two countries, informal contacts began as early as 1948. Ambassador Kurai highlighted that during 1948, an economic mission visited Japan and discussed bilateral trade. In those early days, Japan's main import from Pakistan was cotton, while Pakistan imported machinery from Japan. In the 1950s and 60s, several Japanese companies came to Pakistan and their current number stands at sixty.

With the help of graphs and figures, Ambassador Kurai explained that Japan started providing economic assistance to Pakistan from 1954, and till 1990 Japanese development assistance was growing. The era from 1990 onward till 1998 saw a relative decrease in the economic assistance, but still Japan was Pakistan’s largest foreign donor. The nuclear tests of 1998, however, forced Japan to limit its assistance that was revived later in 2001 after Pakistan’s cooperation in War Against Terrorism. Ambassador Kurai said that the Investment Protection Agreement (IPA) was also later ratified after 2001, and there was increased political and security dialogue between Japan and Pakistan.

Ambassador Kurai noted that the Official Development Assistance (ODA) from Japan to Pakistan had been growing since 2001, but it is in decline after 2011. However, the Foreign Direct Investment (FDI) from Japan is still on the upward trajectory and the overall economic relationship is growing.

In his next section of presentation, Ambassador Takashi Kurai explained the top level VIP interactions between the leaders of Pakistan and Japan, and listed six basic principles of Japan’s Official Developmental Assistance (ODA) including:

- Humanitarian.
- Environmental.
- Awareness about Dependence.
- Support of local self-help efforts.

- Human Security.
- Focus on Quality.

He said that Japan gives immense importance to issue of social stability and human security in its ODA which needs to be focussed towards all segments of the society for their uplift both socially and economically.

Explaining the current state of economic relations, Ambassador Kuriai pointed out that overall volume of trade in recent years between the two countries is growing and stands at 20 billion dollars. He said that Japan's exports to Pakistan are growing while Pakistan's exports to Japan are declining. Japan's main export to Pakistan include metal goods, steel and cars, while textile is the main feature of Pakistani exports to Japan.

Ambassador Kurai opined that in order to further promote trade, Pakistan should be more competitive and add value added items in its exports. In this context, Japan is talking to relevant ministries here in Pakistan and have also send experts to Pakistan so that both nations can do more trade. He was of the view that following areas are important to increase Japanese foreign direct investment in Pakistan:

- Security.
- Infrastructure of uninterrupted electricity and water supply.
- Conducive business environment that includes sound legal framework and administration management.

He said that Pakistan has greatly improved its internal security environment and is an important partner with international community in the war against terrorism. Japan greatly values Pakistan's sacrifices in this regard. He also said that Japan has several cultural exchange programs including: Young leaders program, youth invitation program, Japanese language program and Journalist program.

Ambassador Kurai summed up his presentation by saying that Japan recognizes geopolitical importance of Pakistan and that Japan's economic assistance is indicative of this recognition. He

also said that Pakistan is an important player in war on terrorism and its economic potential is immense. He noted that the human elements of Japan-Pakistan bilateral relationship is significant where Japan is the eastern anchor of Buddhism, while Pakistan is the Western one. He said that Japan will continue its support for Pakistan’s democracy and its anti-terrorism efforts. He hoped that the coming years will see a further increase in warmth in bilateral relations between the two countries.

The presentation was followed by an interactive question/answer session. On a question regarding Japan following US foreign policy direction, Ambassador Kurai said that this is not the case and it's a pity that some people have an impression that Japan blindly follows US dictates. He said that Japan and United States cooperate on common interests, and Japan believes that in order to address the complex challenges to international security, there needs to be collaborative efforts.

Replying to a question about whether the data of economic assistance provided in the presentation includes the share of Asian Development Bank (ADB), Ambassador Kurai said that it does not include that data and the figures presented here are from Japan alone.

Answering a question about the need to increase people to people contact between Japan and Pakistan, Ambassador Kurai agreed that more efforts needs to be undertaken to enhance “soft diplomacy” between the two countries and said that new ideas are in the process of evaluation in the concerned departments.

To a question on Japan's views on China-Pakistan Economic Corridor (CPEC), Ambassador Kurai said that CPEC has the potential in terms of connectivity and from an objective point of view, Pakistan will benefit if it is successfully implemented. He said that Japan is not against CPEC, but it maintains that the projects which will be implemented should be transparent and open and Japan can be helpful to Pakistan in these areas.

Regarding a question about Japan’s relationship with India and Indian atrocities in Indian-held Kashmir, Ambassador Kurai said that it is the official position of Japan that it does not get itself involved in territorial disputes of other nations. He said that Japan has cordial relations with both Pakistan and India, and for Japan they are two different things and not at the cost of each other.

He said that Japan is very much concerned about the humanitarian situation in Kashmir and the matters should be peacefully solved through dialogue.

Concluding the talk, Chairman ISSI, Ambassador Khalid Mahmood said that this has been an impressive discourse. He said that Pakistan and Japan had an auspicious start of relationship in the early years of 1950s. Raising the nuclear issue, Ambassador Mahmood said that Japan has historically been at the forefront of the campaign against nuclear weapons and promoting the uses of peaceful nuclear technology. But of late, there seems to be a dilution in the Japanese position as we have seen that Japan made an exception in favour of India in terms of access to NSG and sharing of civil nuclear technology even though India remains outside the NPT. Ambassador Mahmood said that Japan should also deal with Pakistan on the same criteria that it did with India.

Secondly, on the counter terrorism front, Ambassador Mahmood said that Ambassador Kurai has supported Pakistan's anti-terrorism efforts, but during the recent visit of Japanese Premier to India, the joint statement that came out reflected President Trump's language and we in Pakistan wonder whether that was warranted?

On the issue of trade volume, Ambassador Mahmood said that the overall trade has declined as compared to the 1960s. He also said that the frequency of high level visits between the leadership of Japan and Pakistan has been low and it's not good for our relationship.

Lastly, Ambassador Mahmood said that we are grateful to Ambassador Kurai for his concern regarding the situation in Kashmir, but Kashmir is not a territorial dispute between Pakistan and India and instead it's a UN recognised international issue which is about granting Kashmiri people their fundamental right of self-determination. He concluded with optimism about the future prognosis of bilateral relationship between Japan and Pakistan as expressed by Ambassador Kurai in his talk.

Ambassador Kurai briefly responded to some of the points raised by Ambassador Mahmood.

On the nuclear issue, Ambassador Kurai said that NSG granted exemption to India in 2008 and that was a collective decision of the 46members of the suppliers group. So Japan was not alone on changing the rules of civil nuclear trade. Regarding the bilateral nuclear deal between Japan

and India, Ambassador Kurai said that it is a transparent deal whose text is available on their foreign ministry website and it includes several safeguards in the agreement.

He also disagreed with the assessment of overall decline in volume of trade between Pakistan and Japan, but agreed that the prevailing issues in trade need to be resolved. Regarding the Kashmir dispute, Ambassador Takashi said that Japan is fully aware of Pakistani position on the issue.