

# India, Japan sign 4th tranche of loan for bullet train project

Japan to spend \$75 bn to further collaborate with nations to establish free and open Indo-Pacific

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New Delhi, 20 March

India and Japan have signed an agreement to facilitate the fourth tranche of loans for the Mumbai-Ahmedabad bullet train project, being financially supported through overseas development assistance by the Japan International Cooperation Agency (JICA).

The Ministry of External Affairs noted the “Exchange of Notes of tranche-IV JICA ODA Loan of JPY 300 billion for Mumbai Ahmedabad High Speed Rail (MAHSR)” as one of the outcomes of the bilateral meeting between Prime Minister Narendra Modi and his Japanese counterpart Fumio Kishida, who is on a two-day bilateral visit to India to discuss economic cooperation, the upcoming Quad summit and the Indo-Pacific region.

“The fourth tranche of loan agreement between India and Japan was signed during this visit,” Foreign Secretary Vinay Kwatra said at a press briefing after the talks. The leaders also took stock of the status of implementation of the bullet train project, he added.

In July 2022, JICA had signed a loan agreement with the government of India to provide an Official Development Assistance (ODA) loan of 100,000 million Japanese yen (approximately ₹6,000 crore) as the third tranche for the construction of the Mumbai-Ahmedabad high-speed rail.

In 2017, JICA had committed a loan package of approximately ₹18,000 crore. The National High Speed Rail Corporation (NHSRCL) plans to complete India’s portion of the infrastructural works for the corridor by 2026. The total financial outlay of the project is ₹1.08 trillion.

As of October 2022, the Centre had completed acquisition of 98.87 per cent of the land in Gujarat and 95.45 per cent in Maharashtra. While Bandra Kurla Complex in Mumbai, the terminal station of the corridor, is making progress, another land parcel in the state remains stuck. Godrej & Boyce Manufacturing and NHSRCL remain in dispute over compensation for a



**Prime Minister Narendra Modi and his Japanese counterpart Fumio Kishida at Buddha Jayanti Park in New Delhi on Monday**

PTI

land parcel of approximately 10 acres.

Both countries also renewed the memorandum of cooperation on the Japanese language.

Kishida invited PM Modi for the G7 leaders’ meeting scheduled to be held in Hiroshima in May. They also spoke about India’s G20 goals as the host nation this year.

## **Free and open Indo-Pacific**

Japan will enhance the connectivity of

the Indo-Pacific, foster the region into one that values freedom, the rule of law free from force or coercion, and make it prosperous, Kishida said earlier in the day, delivering the 41st Sapru House Lecture hosted by the Indian Council of World Affairs.

Stressing that his government was committed to ensuring a free and open Indo-Pacific that was proposed by former Prime Minister Shinzo Abe, Kishida said Japan will strengthen diplo-

matic efforts in the region through the expansion of its Overseas Development Assistance programme. He said Japan will mobilise more than \$75 billion in public and private funds, through private investments, yen loans and other means, for infrastructure in the Indo-Pacific region by 2030.

Kishida announced that the Japanese government will introduce a new framework for “private capital mobilisation-type” grant aid that will attract investments. This is a new menu to support start-ups of motivated young people in every country. “This is a new attempt to generate synergy effects of public and private funds, and Japan will work together with regional partners that support this idea,” he said.

Also, the Japanese parliament is considering changes to the Japan Bank for International Cooperation (JBIC) laws, which will add to JBIC’s loan portfolio of foreign companies that support Japanese firms’ supply chains. By making it possible to invest in start-ups with overseas operations, it will encourage private companies to expand in growth areas such as digital and decarbonisation while ensuring economic security, Kishida said.

## **Share values, says Modi**

The India-Japan partnership is based on shared democratic values and respect for the rule of law, and promotes peace and stability in the Indo-Pacific, Prime Minister Modi said after holding wide-ranging talks with Kishida.

The two prime ministers largely focused on boosting cooperation in areas of clean energy, semiconductors and co-development of military hardware besides exploring ways to deal with regional security challenges amid the increasing assertiveness of China.

“Last year, we had set a target of Japanese investment of 5 trillion yen in India in the next five years, that is ₹3.2 trillion. It is a matter of satisfaction that there has been good progress in this direction,” Modi said, adding that “fast” progress was being made on the Mumbai-Ahmedabad high-speed rail project.

(With inputs from PTI)