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From Architecture to Action:

Reimagining the India-Japan Corridor Through the Eastern Gateway

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Executive Summary

India-Japan engagement has produced a solid policy framework but retained a gap between commitment and delivery. The North East sits at the centre of this gap. It is India's gateway to Asia, yet under-served by the institutional layer that converts policy intent into projects Japanese investors can act on. The July 2026 India-Japan Summit is the moment to put that layer in place.

The limits of Look East

The Act East policy generated real architecture. This included a trade agreement, over 231 billion yen in Japanese aid to the North East, and a dedicated bilateral forum for the region. Japan's share of FDI into India has nonetheless been falling since 2000. Additionally, flagship connectivity projects have stalled for over a decade. Political will on both sides is consistent. The missing piece is an Indian counterpart that can take a policy commitment and turn it into a financeable project.

Connectivity beyond roads

All surface freight in and out of the North East passes through the Siliguri Corridor, a 20-kilometre chokepoint. The Brahmaputra river system, connected to the Bay of Bengal through Bangladesh, offers a route that avoids this constraint and moves freight at a fraction of the cost. These same corridors give the eastern flank direct overland and maritime access to Thailand and Myanmar, and through the Bay of Bengal grouping to the wider region, which is the access Japan's own Indo-Pacific plan is built around. Japan has anchored the eastern end of this corridor at Matarbari in Bangladesh. The West Bengal government has proposed Dadanpatrabar as the India-side deep-sea port, and a final concession is still in process.

The eastern flank as one economy

The case rests on more than a port and a river. West Bengal brings the Kolkata urban economy, the Durgapur-to-Kharagpur manufacturing belt, and the country's only riverine major port, which handled 66.4 million tonnes of cargo in 2023-24. The North East adds an estimated 129 gigawatts of renewable potential and a deep base of origin-certified produce. Read together, West Bengal and the North East form a single economic region with the population, output, energy base, and export goods to support an industrial partnership, not a transit route with one harbour.

Clean energy

The North East holds an estimated 129 gigawatts of untapped renewable energy potential, which gives industrial sites here a long-term price advantage over locations dependent on coal or gas. The August 2025 India-Japan Joint Crediting Mechanism adds a carbon-market return to clean energy investment in the region and makes the endowment investor-actionable for the first time.

Small producers and skills

The region's Geographical Indication (GI)-certified products can enter Japan's premium food market at low capital cost, but certification is beyond the reach of individual producers. Running producer clusters through the process together makes it replicable. The 2025 India-Japan Human Resource Exchange

Action Plan sets out targets for the North East and it is time to calibrate that training to the specific employers now arriving in the region.

What Japanese investors need

Over half of Japanese firms operating in India mention certification delays as a constraint on investment. The next phase requires a curated, verified pipeline of investible projects prepared to Japanese due-diligence standards. This can be achieved through an East India Investment Platform. The Tata-ROHM semiconductor facility at Jagiroad is the immediate test case, with a 24-month window before its supplier network solidifies around first movers.

People-to-people ties

The India-Japan relationship emerged from historical cultural ties. Heritage tourism and wellness industries offer immediate income at the smallest scale. They are also the layer of the relationship that continues when governments change and investment cycles turn.

The July 2026 agenda

Ahead of the PM-to-PM India-Japan summit, it can be highlighted that four commitments would convert the momentum of this relationship into working arrangements:

1. Naming Dadanpatrabar as the India-side anchor of a joint maritime corridor, opening the route to JBIC and JICA co-financing of connecting freight, rail, and logistics infrastructure.
2. Creating a dedicated India-Japan East and Northeast Industrial Value Chain Working Group under the India-Japan Industrial Competitiveness Partnership.
3. Issuing a semiconductor supply chain commitment naming the North East as the target geography and Japanese suppliers as target partners, with a 24-month timeline.
4. Formally recognising the tripartite arrangement of industry, civil society, and officials acting in an unofficial capacity as a channel within the bilateral investment framework.

The relationships, opportunities, and financing instruments are in place. The missing piece is the body that connects them at the project level. July 2026 is the moment to put it there.

Part I:

The Ceiling of Policy: What Look East Built, and Where It Stopped

What Look East Built

India's Look East Policy emerged from the combination of economic necessity and regional opportunity. The country's 1991 balance-of-payments crisis accelerated economic liberalisation and pushed New Delhi to seek new trade partners. Along with this, the end of Cold War alignments opened diplomatic space with Southeast Asia that had long gone unused.[1] Prime Minister Narasimha Rao set out the policy during a 1994 visit to Singapore. He framed it as a turn toward a region with which India shared deep historical ties but limited modern engagement. Post this announcement, India secured sectoral dialogue status with the Association of Southeast Asian Nations (ASEAN) in 1992, became a full dialogue partner in 1996, and rose to summit-level partner in 2002.[2]

The policy evolved over the following two decades. The renaming to Act East in 2014 signalled a shift from dialogue toward delivery, and a widening of focus to the broader Indo-Pacific.[3] On the bilateral track with Japan, the relationship moved through three formal stages. First came a Global Partnership in 2000. This was followed by a Strategic and Global Partnership in 2006 that brought the first defence cooperation agreement and annual leaders' summits. Finally, a Special Strategic and Global Partnership was established in 2014. The Comprehensive Economic Partnership Agreement (CEPA) came into force in August 2011. It removed tariffs on most traded goods over a phased period and extended cooperation into services, investment, and intellectual property.[4] Japan has also been India's largest bilateral donor of Official Development Assistance (ODA) which is the concessional government financing that has funded much of India's public infrastructure, since 1958.[5]

[1]Chietigj Bajpaee, "Reinvigorating India's 'Act East' Policy in an Age of Renewed Power Politics," *The Pacific Review* 36, no. 3 (2023): 632–34, https://doi.org/10.1080/09512748.2022.2110609.

[2]Bajpaee, "Reinvigorating India's 'Act East' Policy," 633.

[3]Dhruva Jaishankar, *Acting East: India in the Indo-Pacific*, Brookings India Impact Series 102019-02 (New Delhi: Brookings Institution India Center, October 2019), 4–5, https://www.brookings.edu/wp-content/uploads/2019/10/Acting-East-India-in-the-INDO-PACIFIC-.pdf; Bajpaee, "Reinvigorating India's 'Act East' Policy," 632.

[4] Embassy of India, Tokyo, "India-Japan Relations," accessed June 2026, https://www.indembassy-tokyo.gov.in/eoityo_pages/MTE,.

[5]Press Information Bureau, Government of India, "Japan Commits Official Development Assistance (ODA) Loan of Japanese Yen (JPY) 232.209 Billion for Nine Projects in Various Sectors in India," 20 February 2024, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2007319&reg=48&lang=2.

Within this bilateral relationship, India's North East became a named priority. The India-Japan Act East Forum, established in December 2017, was the first mechanism dedicated to the region. The Forum had two aims – one, the economic development of the North East and two, improved connectivity between the region and Southeast Asia.[6] The associated Sustainable Development Initiative for the North Eastern Region funds projects in road connectivity, hydroelectric renovation, water supply, healthcare, and forest management across several states. By January 2021, total Japanese ODA directed to the North East had passed 231 billion yen, equivalent to roughly two billion US dollars.[7] In February 2024, the seventh Act East Forum meeting reviewed progress on a cross-border trade survey and discussed Japan's concept of an industrial corridor spanning the Bay of Bengal, from Bangladesh's Matarbari port through the North East.[8] The 2023 Japan-India Joint Vision reinforced this direction, setting a private investment target of JPY 10 trillion. The Vision also named semiconductors, critical minerals, and clean energy as priority sectors.[9]

Where It Stopped

This record of progress is real and yet a persistent distance separates the policy architecture from what has taken shape at the project level. Critics have described the move from Look East to Act East as largely rhetorical. The gap between the North East's designation as "India's Gateway to Asia" and the slow delivery of connectivity projects such as the Trilateral Highway and the Kaladan Multimodal Transit Transport Project has become difficult to overlook.[10] The same pattern appears in investment. Despite the depth of the political relationship, Japan's share of foreign direct investment into India had been falling since 2000. FDI flows have largely been held back by infrastructure shortfalls, regulatory complexity, and a shortage of reliable project-level information for Japanese firms.[11]

The barriers are operational rather than political. Both governments have sustained commitment at the highest level, and the policy has produced genuine institutional architecture. What the architecture has lacked is an Indian counterpart on the ground that can convert intent into projects that Japanese capital can evaluate and finance. This would mean an organisation that is able to identify viable projects, certify them to the standards international investors expect, and hold together the sub-regional relationships. The BIMSTEC Master Plan for Transport Connectivity, published by the Asian Development Bank in 2022, captures the scale of the unmet need. It identifies 141 priority projects worth an estimated 47 billion US dollars across the Bay of Bengal region, most of which remain at the planning stage.[12] The July 2026 India-Japan summit is the moment to recognise and resource the body that can close this gap. The sections that follow set out what that work looks like in practice.

[6]Embassy of Japan in India, "Act East Forum — SDINE: India-Japan Sustainable Development Initiative for the North Eastern Region of India: Fact Sheet" (New Delhi: Embassy of Japan in India, 2022), 1, https://www.in.emb-japan.go.jp/files/100319132.pdf.

[7]Udayan Das, "Japan's Infrastructure Investment in Northeast India," *The Diplomat*, 18 February 2022, https://thediplomat.com/2022/02/japans-infrastructure-investment-in-northeast-india/.

[8]"7th Meeting of the India-Japan Act East Forum," Ministry of External Affairs, Government of India, 19 February 2024, https://www.mea.gov.in/press-releases.htm?dtl%2F37640%2F7th+Meeting+of+the+IndiaJapan+Act+East+Forum=.

[9]Government of Japan and Government of India, "Japan-India Joint Vision for the Next Decade," (Tokyo: Ministry of Foreign Affairs of Japan, 2023), https://www.mofa.go.jp/files/100897542.pdf.

[10]Bajpaee, "Reinvigorating India's 'Act East' Policy," 635, 641.

[11]Geethanjali Nataraj, "India-Japan Investment Relations: Trends and Prospects," ICRIER Working Paper No. 245 (New Delhi: Indian Council for Research on International Economic Relations, January 2010), ii, 13, https://icrier.org/pdf/WorkingPaper245.pdf.

[12]Asian Development Bank, *BIMSTEC Master Plan for Transport Connectivity* (Manila: Asian Development Bank, April 2022), ix, xiii, https://www.adb.org/sites/default/files/institutional-document/740916/bimstec-master-plan-transport-connectivity.pdf.

Part II:

Water, Land, and the Corridor Rethought: Moving Beyond the Highway

The planning logic that has shaped connectivity in India's east has treated roads as the main medium of trade expansion. The two centrepiece projects of the Act East Policy on the eastern flank, the India-Myanmar-Thailand Trilateral Highway and the Kaladan Multimodal Transit Transport Project, have stalled repeatedly over more than a decade.[13] The BIMSTEC Master Plan shows the same instinct at the regional scale as of its 141 priority projects, the chapter on inland water transport amounts to a single feasibility study with no confirmed funding, while roads and ports receive dozens of entries each.[14] A road-first model struggles in this geography for one reason. Every tonne of freight entering or leaving the North East by land passes through the Siliguri Corridor, a strip of territory roughly twenty kilometres wide between Bangladesh and Nepal.[15] A failure or security incident along that passage can sever the region's surface link to the rest of the country. Widening roads does not widen the Corridor, and concentrating more cargo on a constrained chokepoint raises cost and fragility.

The eastern flank already has a different kind of corridor, one that avoids the Siliguri constraint. The Brahmaputra and Barak rivers, connected to the Bay of Bengal through the Indo-Bangladesh Protocol routes via Kolkata and Haldia, run through the centre of the region and reach international markets without passing through the Corridor. One litre of fuel moves 24 tonne-kilometres by road and 215 tonne-kilometres by inland water transport, a ninefold difference that flows directly into the landed cost of every tonne shipped.[16] For the region's small producers, for whom freight cost decides whether an export is viable at all, addressing that gap can be the key to market expansion.

The Haldia-to-Guwahati waterway route, linking the eastern seaboard to the region's commercial hub along the Brahmaputra, has run as a cargo service since 2022.[17] Since 2015, Bangladesh has allowed

[13]Bajpaee, "Reinvigorating India's 'Act East' Policy," 641.

[14]Asian Development Bank, *BIMSTEC Master Plan for Transport Connectivity*, 55.

[15]Christian Wagner and Siddharth Tripathi, "New Connectivity in the Bay of Bengal: Opportunities and Perspectives of BIMSTEC," SWP Comment 53 (Berlin: Stiftung Wissenschaft und Politik, December 2018), 3, https://www.swp-berlin.org/publications/products/comments/2018C53_wgn_tph.pdf.

[16]Press Information Bureau, Government of India, "Operational National Waterways in the Country," 27 December 2018, citing RITES, *Integrated National Waterways Transportation Grid* (2014), https://www.pib.gov.in/Pressreleaseshare.aspx?PRID=1557459&reg=3&lang=2.

[17]"Contract for Haldia Inland Waterway Terminal Awarded, Jetty to be Operational Soon," *ETV Bharat*, 3 January 2022, https://www.etvbharat.com/english/national/bharat/contract-for-haldia-inland-waterway-terminal-awarded-jetty-to-be-operational-soon/na20220103144213543.

Indian cargo to move through its Chattogram and Mongla ports, extending the river route into a sea connection.[18] The government's Jalvahak scheme, launched in December 2024, reimburses up to 35 per cent of freight operating costs on these waterways.[19] The subsidy highlights that commercial viability has not yet caught up with operational capability. The role of a corridor investment programme is to generate the traffic volumes that make the subsidy unnecessary. A bilateral commitment at the July summit to the eastern maritime corridor, with a named India-side deep-sea port to complement Matarbari, would give that programme its strongest possible starting point.

Japan's investment programme in the Bay of Bengal indicates the need for such a corridor from the India side. The Ministry of Foreign Affairs of Japan has set out a concept for an industrial corridor linking the Matarbari deep-water port in Bangladesh to the North East, coordinating its Bay of Bengal Industrial Growth Belt initiative with the Act East Forum.[20] The geography supports the case. Agartala, the capital of Tripura, lies roughly 300 kilometres from Matarbari, which makes the port a realistic primary gateway for the region's trade rather than a distant prospect.[21]

From Port Node to Eastern Economic System

West Bengal anchors the southern end of the eastern flank with the Kolkata urban economy and the manufacturing belt that runs from Durgapur and Asansol to Kharagpur, built on steel, engineering, and coal. The Syama Prasad Mookerjee Port at Kolkata and Haldia, the only riverine major port in the country, moved 66.4 million tonnes of cargo in 2023-24.[22] The Hooghly river limits the size of vessel these docks can take and calls for constant dredging, which is the reason a deep-water port further down the coast matters for the whole system rather than for Bengal alone.

A corridor built on this base will join four modes of transport. The national waterways on the Brahmaputra and Barak carry bulk freight. The dedicated rail freight corridor reaching Dankuni links the region to the national network. The Trilateral Highway and the Kaladan route open the road and river path toward Myanmar and Thailand. A deep-sea port on the Bengal coast would give all of these a sea outlet able to take larger ships. The eastern flank is where national waterways, a rail freight corridor, a planned deep-sea port, and a land route to Southeast Asia meet in the same place. This combined gateway is the proposition Japanese and other investors are being asked to back.

A corridor concept of this kind needs a body that can turn it into something an investor can read. There is a need for a corridor study that joins the water, rail, road, and sea segments into a single financial proposition. Such a study can bring the state governments of Eastern India together with the central ministries for ports and waterways to agree on the border protocols the route needs, and putting the result in front of the logistics investors already active in the Bay of Bengal.

[18]Asian Development Bank, *BIMSTEC Master Plan for Transport Connectivity*, 48.

[19]Press Information Bureau, Government of India, "Govt Unveils 'Jalvahak' to Boost Inland Waterways, Cargo Movement Incentivised on NW1, NW2 and NW16," 15 December 2024, https://www.pib.gov.in/PressReleaseIframePage.aspx?PRID=2084560&reg=3&lang=2.

[20]Ministry of Foreign Affairs of Japan, "Case (29): Development of an Industrial Value Chain Connecting the Bay of Bengal and North Eastern Region of India," in *Japan's New Plan for a Free and Open Indo-Pacific* (Tokyo: MOFA, 2023), https://www.mofa.go.jp/files/100482286.pdf.

[21]Pradyut Das, "Japan-India Connectivity Cooperation in India's North East and Neighbourhood," Asian Confluence, 10 February 2023, https://www.asianconfluence.org/publication-details-full/japan-india-connectivity-cooperation-in-india-s-north-east-neighbourhood.

Part III:

The Green Economy as a Competitive Argument and Sustainability as a Cost Advantage

Industrial investors choosing where to build now weigh two costs that have risen in importance over the past decade. First is the price of energy and second is the carbon footprint attached to production. The North East's renewable energy endowment speaks to both. The Government of India estimates the region's renewable potential at roughly 129 gigawatts, divided almost evenly between large hydropower and solar, with further biomass and small-hydro capacity across the eight states.[23] The installed capacity against that potential remains a small fraction of what the resource base would support. This marks the gap as a key investment opportunity.[24]

The region's position carries a competitive edge. Hydropower carries no fuel cost, which gives it a long-term operating cost stability that thermal generation, exposed to coal and gas price swings, cannot match.[25] For an industrial buyer comparing the North East against thermal-dependent locations elsewhere in South Asia, that stability translates into predictable energy costs over the life of a plant. The region has historically faced power deficits despite its hydropower base, partly as heavy reliance on large reservoirs leaves supply exposed to changing rainfall.[26] A combination of solar, small hydro, and biomass generation can offer a steadier and more distributed supply.

Japan has already placed a commercial bet on this argument. A bamboo-to-biofuel refinery in Golaghat district in Assam, financed by the Japan Bank for International Cooperation (JBIC) alongside private lenders, carries a funding package of up to JPY 60 billion (approximately USD 408 million). This refinery will produce 49,000 tonnes of bioethanol a year from locally grown bamboo.[27] It is Japan's largest clean-energy investment in the North East to date. This investment signals an important fact - a Japanese

[23]Press Information Bureau, Government of India, "Renewable Energy in North Eastern Region," 7 April 2022, https://www.pib.gov.in/Pressreleaseshare.aspx?PRID=1814441&reg=48&lang=2.

[24]Mahua Venkatesh, "India's Green Push in the Northeast: All Eyes on Mega Conclave," *The Secretariat*, 24 February 2026, https://thesecretariat.in/article/india-s-green-push-in-the-northeast-all-eyes-on-mega-conclave.

[25]"Cost Economics: Key Tariff Trends in the Hydropower Segment," *Power Line*, 6 March 2025, https://powerline.net.in/2025/03/06/cost-economics-key-tariff-trends-in-the-hydropower-segment/.

[26]Jay C. Shiv, "Let Decentralised Renewable Energy Be the Solution to the Northeast's Energy Woes," *Down to Earth*, 27 June 2023, https://www.downtoearth.org.in/energy/let-decentralised-renewable-energy-be-the-solution-to-the-northeast-s-energy-woes-90268.

[27]Vasudha Mukherjee, "Japan to Fund $400 Million Bamboo Biofuel Refinery Project in India," *Business Standard*, 29 August 2025, https://www.business-standard.com/industry/news/japan-extends-60-billion-yen-funding-assam-bamboo-biofuel-refinery-125082900214_1.html.

state financing institution has judged the region's green economy bankable enough to commit at scale, ahead of the wider market.

Beyond the Golaghat project, Japan's Ministry of Foreign Affairs has named bamboo-based industry as a sector it intends to develop in the North East as part of the same Bay of Bengal corridor described earlier.[28] The commercial logic Japan is applying to the region is that green-economy sectors have shorter development cycles and lower capital requirements per unit of output and employment than conventional heavy industry.

India and Japan put this relationship on a carbon-market footing in August 2025, signing a Memorandum of Cooperation to establish a Joint Crediting Mechanism (JCM) under Article 6.2 of the Paris Agreement. India became the first country to sign such a bilateral carbon agreement with Japan under the Agreement.[29] The mechanism lets a Japanese company investing in a low-carbon project in India count a share of the resulting emission reductions toward Japan's own climate target.[30] This adds a return to green investment in the North East that did not exist before, and it is the element that turns the region's clean-energy endowment from a general advantage into a specific reason for a Japanese firm to choose the region over a competing location.

The work ahead is to identify the biogas, green agri-processing, and bamboo-biomass projects that qualify under the Joint Crediting Mechanism, prepare them to the standard Japanese institutions require, and match them to the credit buyers and financiers who can fund them. That is a defined task for a body with both the regional project knowledge and the Japan relationships to carry it out, and it can begin before the next industrial facility breaks ground.

[28]Ministry of Foreign Affairs of Japan, "Case (29): Development of an Industrial Value Chain."

[29]Press Information Bureau, Government of India, "India and Japan Sign Memorandum of Cooperation on Joint Crediting Mechanism (JCM) under Article 6.2 of the Paris Agreement on Climate Change," 29 August 2025, https://www.pib.gov.in/PressReleasePage.aspx?PRID=2161892.

[30]Ministry of the Environment, Government of Japan, "Signing of the Memorandum of Cooperation on the JCM between Japan and the Republic of India," 8 August 2025, https://www.env.go.jp/en/press/press_00320.html.

Part IV:

MSMEs, Skills, and the Inclusivity Argument: Making China+1 Real for Small Enterprises

India's China+1 conversation, which is the search for manufacturing locations that reduce dependence on China, has been conducted at the level of large, capital-intensive industry. Japan was among the first major economies to subsidise its companies to move production out of China into Southeast Asian alternatives. The Supply Chain Resilience Initiative, launched in April 2021 by India, Japan, and Australia, was built with the same logic of attracting semiconductor, automotive, and electronics plants.[31] The eastern flank cannot compete for that tier of investment on the same terms as established industrial zones elsewhere in India. It can offer something those zones cannot, which is a base of micro, small, and medium enterprises (MSMEs) in agri-processing, light manufacturing, and artisan production, anchored by a portfolio of Geographical Indication (GI) products, the origin-certified goods whose quality is tied to a specific place. The North East already holds GI registrations for products including black rice, ginger, citrus, and pineapple across Manipur, Assam, Meghalaya, and Tripura, each of which can enter an export supply chain at a fraction of the capital a factory requires.[32]

These GI-tagged products are the region's most immediate entry point into Japan's premium food market. Assam Tea, which received its GI tag in 2008, is among the most recognised origin-branded teas in the world.[33] The Government of India has already run trial shipments of Manipur and Assam black rice to the United Kingdom, and of Assam lemon to the United Kingdom and Italy, through the Agricultural and Processed Food Products Export Development Authority (APEDA).[34] Japanese boutique retail places a clear premium on provenance and certification. These products could reach those shelves within months of securing the right certification and buyer introductions, generating export revenue well before the first industrial-corridor project is running.

[31]Jagannath P. Panda, "'China Plus One': Supply Chain Resilience Initiative and Beijing in Indo-Pacific," MP-IDSA Issue Brief (New Delhi: Manohar Parrikar Institute for Defence Studies and Analyses, 26 July 2021), https://idsa.in/system/files/issuebrief/china-plus-one-beijing-indo-pacific-jpanda.pdf.

[32]Press Information Bureau, Government of India, "Centre Focuses on Promoting Exports of GI-Tagged Niche Agricultural Products," 17 March 2022, https://www.pib.gov.in/PressReleasePage.aspx?PRID=1806816&reg=48&lang=2.

[33]Caleidoscope, "Exploring the Diversity of Assam through Its GI Tagged Treasures," accessed June 2026, https://caleidoscope.in/art-culture/gi-tagged-products-of-assam.

[34]Press Information Bureau, Government of India, "Centre Focuses on Promoting Exports of GI-Tagged Niche Agricultural Products," 17 March 2022, https://www.pib.gov.in/PressReleasePage.aspx?PRID=1806816&reg=48&lang=2.

Certification poses a barrier. An organic ginger grower in Meghalaya cannot independently manage a process that involves extensive documentation in a foreign language and costly pre-export testing. Japan's Ministry of Agriculture, Forestry and Fisheries runs a certification framework through which approved organisations gain credit insurance, food-safety cooperation, and trade-promotion support.[35] Reaching that standard alone is rare and expensive. Moving a cluster of producers through the quality, sanitary, and environmental requirements together can create a replicable pathway. This pathway can be developed through a certification programme built on Japan's own rules that is run by a body with Japan relationships.

On skills, India and Japan have built a substantial framework for worker mobility. A 2021 Memorandum of Cooperation on the Specified Skilled Worker system set up information-sharing and a joint working group to manage the movement of skilled workers to Japan.[36] The 2025 Japan-India Action Plan for Human Resource Exchange set a target of 500,000 people moving in both directions over five years. This includes 50,000 skilled workers from India. The Action Plan also commits to opening skill and language test centres in the North East.[37] Additionally, Japan's Ministry of Economy, Trade and Industry has commissioned a separate Talent Bridge programme connecting Indian engineering graduates to Japanese firms through internships and recruitment events.[38]

The question for the region is whether this pipeline can be pointed at the key industries mentioned earlier, such as the Jagiroad semiconductor assembly and test facility in Assam and the Japanese-financed bamboo refinery in Golaghat. The sixth Kizuna India-Japan Conclave, held in Shillong in February 2026, pointed that way, with sessions on the talent mobility and clean energy. The Conclave saw participation from firms including Hitachi, TOWA Semiconductor, and Tata Electronics.[39] A placement pipeline tuned to these specific sectors is needed, and a bilateral commitment at the July summit to a semiconductor working group naming the eastern flank as the site and Japanese suppliers as the partners would give that pipeline a concrete demand to train toward.

Taken together, the export of certified GI products and a skills pipeline aligned to these sectors form an inclusivity argument that large manufacturing cannot make on its own. A semiconductor plant creates high-value jobs for a narrow group of workers while a cluster of certified agri-processors raises incomes for farmers, small traders, and artisans across several states at once. Industrial projects create the demand for skilled workers while the enterprise and product programmes spread income across the rural economy that sustains them. Running both at once, drawing on the same Japan relationships for each, is the practical task the region's institutional layer exists to perform.

[35]Ministry of Agriculture, Forestry and Fisheries, Government of Japan, "The Certification System of Agricultural, Forestry and Fishery Products and Food Export Promotion Organizations," accessed June 2026, https://www.maff.go.jp/e/policies/market/certification.html.

[36]Government of Japan and Government of India, "Memorandum of Cooperation on a Basic Framework for Partnership for Proper Operation of the System Pertaining to 'Specified Skilled Worker,'" signed 18 January 2021, New Delhi, https://www.mofa.go.jp/mofaj/files/100139276.pdf.

[37]Government of Japan and Government of India, "Action Plan for Japan-India Human Resource Exchange and Cooperation: Two-Way Exchange of 500,000 Personnel in 5 Years," Japan-India Annual Summit, 2025, https://www.mofa.go.jp/files/100897548.pdf.

[38]Ministry of Economy, Trade and Industry (METI) / Japan Institute for Promotion of Talent Exchange (JIPTE), "India-Japan Talent Bridge (IJTB)," accessed June 2026, https://www.jipte.go.jp/assets/pdf/job-fair/ijtb_en.pdf.

[39]Asian Confluence, "Kizuna: Sixth India Japan Intellectual Conclave," accessed June 2026, https://www.asianconfluence.org/news-events/kizuna-sixth-india-japan-intellectual-conclave.

Part V:

The Japan Investment Architecture

Japan's commitment to the northeastern region of India while being substantial and sustained, reflects some unevenness as certain sections receive more capital thank others. The Japan International Cooperation Agency (JICA)[40] has financed over 750 kilometres of new roads across Assam, Meghalaya, Mizoram, Manipur, and Tripura through the Northeast Road Network Connectivity Improvement Project. Alongside this, ODA disbursement to the region has crossed 231 billion yen, with a further 232.21-billion-yen package pledged in 2024 covering the Dhubri-Phulbari bridge[41] and adjacent regional initiatives. While these initiatives reflect the ongoing commitment to infrastructure, there is a lack of support and opening to receive Japan's next stage of capital deployment. It is at this juncture where proactive steps need to be taken to ensure North East India is prepared for more large-scale institutional projects. Preparation would include certified project pipelines, identified counterparties, navigable regulation, and continuity of engagement across investment cycles.

The August 2025 JBIC GREEN-operations loan to Assam Bio Ethanol Private Limited is an example of how the upcoming phase of investment is going to look like in North East India. The convening of a co-financing facility into a consortium for a clean-energy industrial project shows how commercial Japanese finance is interested in underwriting an industrial proposition. This model needs to be replicated across agri-processing, GI-product clusters, light manufacturing, logistics, renewable energy, and critical-mineral value chains. The platform that can achieve this replication and streamline investment is described in the following section.

The Japanese sōgō shōsha such as Mitsubishi, Mitsui, Itochu, Sumitomo, Marubeni, Toyota Tsusho, and Sojitz collectively managed close to USD 600 billion in invested capital and serve as Japan's primary mechanism for cross-border industrial deployment in infrastructure and supply-chain ventures aligned with national policy goals. However, JETRO's FY2025 survey of Japanese companies operating in India records more than 57 per cent of operating companies being held up by mandatory certification requirements under India's Bureau of Indian Standards.[42] The barriers cited included lengthy approval timelines, complex procedures, frequent regulatory changes, and high compliance costs. This highlights

40 Basu, Pratnashree. 2025. “Japan in India’s Northeast: Infrastructure, Innovation, Impact.” Orfonline.org. OBSERVER RESEARCH FOUNDATION (ORF). April 2, 2025. https://www.orfonline.org/expert-speak/japan-in-india-s-northeast-infrastructure-innovation-impact.

41 “Japan Commits Official Development Assistance (ODA) Loan of Japanese Yen (JPY) 232.209 Billion for Nine Projects in Various Sectors in India.” 2024. Pib.gov.in. 2024. https://www.pib.gov.in/PressReleasePage.aspx?PRID=2007319&reg=48&lang=2.

42 “FY2025 JETRO Survey on Business Conditions of Japanese Companies Operating Overseas（Asia and Oceania） | News & Updates - Japan External Trade Organization.” 2026. ジェトロ. 2026. https://www.jetro.go.jp/en/news/releases/2026/7dc6068af2960be9.html.

how bureaucratic delay and certification friction could delay potential projects and should be resolved with a Trusted Project Certification layer.

The semiconductor ecosystem becoming a keystone of bilateral cooperation through the Tata Electronics' USD 3 billion Jagiroad OSAT facility[43] and becoming a more consolidated project over the next 18 to 24 months will help understand how the region will receive upcoming Japanese investment. The success in identifying qualified Japanese tier-suppliers and certifying Indian counterparts to Japanese standards, as well as brokering the introductions before the supply chain solidifies around its first-mover partners in this semiconductor sector will reflect how it will be deployed in green hydrogen, critical minerals, EV components, and the bamboo-and-biofuel value chains.

The body that does this work

The work described across the previous sections needs an owner. Two public bodies already serve the North East. The Ministry of Development of the North Eastern Region, set up in 2001, is the nodal ministry for the region's development. The North Eastern Council, a statutory body dating to 1971 and based in Shillong, prepares regional plans and coordinates projects across the eight states.[44] Both do public-sector planning and fund coordination. Neither was built to prepare individual projects for foreign private capital, to certify them to the standard a Japanese lender applies, or to hold a relationship with Japanese trading houses across an investment cycle. That is the gap.

What the corridor needs is a project-preparation and certification vehicle that faces Japan that works in the space between government diplomacy and project delivery – the East India Investment Platform. Its task will be to keep a live pipeline of investment-ready projects across agri-processing, origin-certified produce, light manufacturing, logistics, renewable energy, and critical minerals. Each project will be prepared to the documentation and compliance standard that Japanese institutions expect. It would hold no regulatory power. Its value would be the trust its certification carries with a Japanese lender or trading house, which no existing body currently supplies.

The body would be run by a standing group drawing on industry chambers, a regional research consortium, and officials nominated from the Ministry of External Affairs and the state governments, using the unofficial India-Japan platforms that already exist. A board chaired by a senior figure jointly nominated by the state governments and the Ministry of External Affairs would govern it. Operating costs on the Indian side would come from a modest corpus within existing central schemes. On the Japanese side, they would come from the project-preparation grants that Japanese development finance already offers for feasibility work. The Act East Forum shows that Japan works through a dedicated mechanism for the region.[45] Recognising this body in the July summit record would make it the named counterpart that the investment relationship has so far lacked.

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[43] "India's Semiconductor Dawn: Tata Electronics Plant in Assam Poised to Reshape Global Tech Landscape." 2025. Financialcontent.com. FinancialContent. November 7, 2025. https://www.financialcontent.com/article/tokenring-2025-11-7-indias-semiconductor-dawn-tata-electronics-plant-in-assam-poised-to-reshape-global-tech-landscape.

[44] Ministry of Development of North Eastern Region, Government of India, "About the Ministry," accessed June 2026, https://www.mdoner.gov.in/; North Eastern Council, "About NEC," North Eastern Council Act 1971, accessed June 2026, https://necouncil.gov.in/.

[45] Embassy of Japan in India, "Act East Forum — SDINE Fact Sheet" (New Delhi: Embassy of Japan in India, 2022), 1, https://www.in.emb-japan.go.jp/files/100319132.pdf.

Part VI:

Soft Power in the Long Run

For decades, soft power due to its unmeasurable nature has been shifted away from the focus in bilateral dynamics. It is rarely understood how crucial of a role does soft power play in ensuring long lasting relationships not only between two governments but also between two civilisations. Two decades of bilateral instruments ranging from concessional finance, industrial townships, supply-chain MoCs and summit-level commitments have established that India and Japan are willing to invest in each other. However, the durability of this economic partnership between countries rests on a people-to-people layer that outlasts governments and individual investment cycles[46].

What binds the Indo-Japanese relationship in north-east India goes beyond the economic connect to the Buddhist civilizational connection traced through the Indian monk Bodhisena's consecration of the Great Buddha at Tōdaiji Temple in 752 CE. The 2014 India-Japan Special Strategic and Global Partnership[47] formally recognised Buddhism as a civilizational tie, moving it from historical trivia into bilateral architecture. Thus, the foundational intellectual architecture of the India-Japan relationship was itself built by non-state actors such as Rabindranath Tagore's 1916 visit to Japan[48] and his exchanges with the art critic Okakura Kakuzo created the pan-Asianist vocabulary in which the two civilisations now recognise each other, a full generation before formal diplomatic relations existed.

That precedent continues to reflect in the relationship that exists today between the two countries. the substrate is held in place by independent experts, scholars, business leaders, and serving officials acting in unofficial capacity. The Kizuna Conclave organised by Asian Confluence, the India-Japan Forum, the Delhi Policy Group-JIIA Indo-Pacific Forum, and the BIMSTEC Track-II Network and the Ministry of External Affairs' bilateral brief explicitly names these cultural exchange mechanisms as integral to the formal partnership architecture rather than parallel to it.

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[46] Mulay, Dnyaneshwar. 2025. "Soft Power as an Input to Economic Diplomacy." *Public Enterprise* 29 (1): 55–58. https://doi.org/10.21571/pe.2025.2901.06.

[47] "Tokyo Declaration for India - Japan Special Strategic and Global Partnership." 2026. Pib.gov.in. 2026. https://www.pib.gov.in/newsite/PrintRelease.aspx?relid=109219&reg=48&lang=2.

[48] Pallavi Aiyar. 2018. "Finding Rabindranath Tagore in Japan." The Hindu. December 8, 2018. https://www.thehindu.com/news/international/finding-rabindranath-tagore-in-japan/article25699119.ece.

Soft power makes money and creates jobs at the smallest scale. Heritage tourism, wellness, and cultural exchange need little capital and employ people quickly. The Union Budget 2026 created a North East Buddhist Circuit across Arunachal Pradesh, Sikkim, Assam, Manipur, Mizoram, and Tripura. The July summit should commit to an India-Japan North East Buddhist Circuit programme under the existing India-Japan tourism working group, with a small co-funded budget for Japan-facing marketing and for the charter and package design that brings Japanese pilgrims and visitors to these sites.[49]

The same logic runs into indigenous knowledge and wellness, from the medicinal plant heritage of Arunachal Pradesh and Meghalaya to the origin-certified produce of Assam, Nagaland, and Mizoram, which connects Japan's premium buyers to producer communities at the smallest scale. West Bengal extends this further. The state carries its own layered tourism and cultural capital, spanning colonial-era heritage, living craft traditions, literary pilgrimage routes, and a cuisine that has drawn visitors for generations. Industry-led initiatives such as *Bengal Soulfully Yours*, launched jointly by BCC&I and ITC to curate and promote Bengal's heritage and experiential tourism, show that the private appetite to develop this offer is already present.[50]

Taken together, the eastern flank's cultural proposition reaches from the Buddhist circuits of the North East to the river-delta heritage and artisan trails of Bengal, giving the Japan-India people-to-people relationship a geographic depth it has not previously had. Here too the historical tie should end in a named programme. A Tagore-Okakura India-Japan Cultural and Innovation Fellowship, funded jointly by the Indian Council for Cultural Relations and the Japan Foundation and based in Kolkata and the North East capitals, would turn the civilisational link the two countries already recognise into a standing exchange of students, artists, and researchers.

[49] Ministry of Tourism, Government of India, "Union Budget 2026 and the North East Buddhist Circuit," 2026; "4th India-Japan Joint Working Group on Tourism Cooperation," Ministry of Tourism, Government of India, 2024.
[50] Bengal Soulfully Yours". Bengal Chamber of Commerce and Industry (BCC&I) and ITC Limited. https://soulfulbengal.com.

Part VII:

Imaging Indo-Japan Bilateral Partnership from July 2026

The sharpest imbalance in the present Bay of Bengal picture is that Japan has financed a deep-sea port in Bangladesh at Matarbari, the flagship of its Bay of Bengal industrial corridor concept, while no Japan-anchored deep-water port exists on the Indian side.[51] Kolkata and Haldia remain held back by the Hooghly river, which limits vessel size, calls for constant dredging, and pushes cost onto exporters from the eastern flank. The site for an India-side answer is still being settled. The earlier Tajpur project was dropped when the state ended its arrangement with Adani Ports in 2025. In June 2026 the West Bengal government proposed Dadanpatrabar in East Midnapore, about 10 kilometres from Tajpur, where it holds roughly 1,700 acres of government land, and signed a memorandum of understanding with Adani Ports while discussions continue. A final concession has not been concluded.[52] A bilateral commitment to an India-side deep-sea port on the Bengal coast, as the counterpart to Matarbari, would open the route to Japanese development co-financing of the connecting logistics infrastructure, with the final site left to the state process already under way.

The India-Japan Industrial Competitiveness Partnership currently operates twelve sectoral working groups ranging from logistics, textiles, food processing, steel, electronics, telecom, MSMEs but no geographically focused working group for the Northeast India. The Bay of Bengal Industrial Value Chain proposition has been mentioned at ambassadorial level since 2023 and again at the 2024 Act East Forum. However, it lacks the institutional architecture that allows it to translate into specific projects. July 2026 should create a dedicated India-Japan East and Northeast Industrial Value Chain Working Group mirroring how Department for Promotion of Industry and Internal Trade (DPIIT) and Ministry of Economy, Trade, and Industry (METI). The working group's mandate would be to ensure a rolling certified project pipeline across semiconductors, agri-processing, clean energy, critical minerals, and bamboo-based industries. It would also maintain a calendar of curated sōgō shōsha and SME engagement and would possess a joint reporting line to the IJICP vice-ministerial mechanism. This working group would give the eastern flank's access to Southeast Asia a formal home, since the Trilateral Highway and the Kaladan route make the

[51] Ministry of Foreign Affairs of Japan, "Case (29): Development of an Industrial Value Chain Connecting the Bay of Bengal and North Eastern Region of India," in *Japan's New Plan for a Free and Open Indo-Pacific* (Tokyo: MOFA, 2023), https://www.mofa.go.jp/files/100482286.pdf.
[52] "West Bengal Drops Tajpur Port Plan, Eyes Dadanpatrabar Site with 1,700 Acres Available for Development," *Swarajya*, 5 June 2026, https://swarajyamag.com/infrastructure/west-bengal-drops-tajpur-port-plan-eyes-dadanpatrabar-site-with-1700-acres-available-for-development.

region India's land bridge to Thailand and Myanmar, and Japan's own corridor concept treats that bridge as part of a single production network reaching from the Bay of Bengal into Southeast Asia.[53]

As mentioned earlier, the Tata-ROHM partnership at Jagiroad has converted Northeast India from semiconductor periphery into the frontier of bilateral cooperation in the sector. The June 2026 confirmation by the Japanese Embassy that two Japanese logistics firms are in advanced discussions on the project demonstrates that the supplier ecosystem is forming in real time. Active efforts should be made to produce a bilateral semiconductor ecosystem development commitment that names the region as the geography and identifies Japanese suppliers in advanced chemicals, specialty gases, precision components, and clean-room logistics as the target partners. The strategic prize is larger than Jagiroad as the same template becomes immediately deployable in critical minerals, EV components, and green-hydrogen value chains.

[53] Ministry of Foreign Affairs of Japan, "Case (29): Development of an Industrial Value Chain Connecting the Bay of Bengal and North Eastern Region of India," in *Japan's New Plan for a Free and Open Indo-Pacific* (Tokyo: MOFA, 2023), https://www.mofa.go.jp/files/100482286.pdf.

Conclusion

The Look East policy gave India the relationships. Three decades of summits and joint statements have built an architecture of bilateral and multilateral instruments that are aligned with the strategic ambition of Eastern India. While the semiconductor supply-chain partnership has been signed on one end, the Trilateral Highway is being built on the other. The Matarbari port will be operational on schedule. Thus while policies exist, what is missing is the institutional layer between Track 1 commitment and project-level execution. The actions proposed in this paper – a dedicated investment platform, working group, a cultural exchange program – can become that institutional layer if they are endorsed and enabled by both countries at the earliest.

The July 2026 summit is therefore not the beginning of this story. It is the moment the story acquires institutional recognition and execution can accelerate. India does not need another policy on the eastern flank. The change in narrative towards delivery over dialogue post July 2026 along with the building momentum is what can convert the opportunity into a generation of strong, consistent returns.

ASIAN CONFLUENCE
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Asian Confluence is a Shillong-based think-and-do tank that works through research, capacity-building, policy advocacy, and exchange programmes to deepen understanding of Eastern South Asia within the wider Indo-Pacific framework. Our work is grounded in the concept of the "Third Space", a guiding philosophy that goes beyond policymakers and businesses, bringing together individuals, communities, and civil society actors to build trust, foster dialogue, and enable cooperation that transcends borders, identities, and ideologies. With Northeast India at its core, Asian Confluence works across the Indo-Pacific and beyond with partners in countries including Japan, Bangladesh, Bhutan, Nepal, Sri Lanka, Myanmar, Indonesia, Thailand, Vietnam, Australia, South Korea, the United Kingdom, and the United States, as well as multilateral organisations such as ASEAN, BIMSTEC, and the European Union(EU). The Asian Confluence Centre in Shillong also hosts senior policymakers and diplomats, creating a platform for regional engagement. Complementing this, Asian Confluence produces a wide range of publications, webinars and podcasts that examine emerging trends and key issues across the Indo-Pacific.

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