

Japan signals intent on Silk Road

Avoiding a zero-sum trap, Japan has signalled its intent to take advantage of the China-led Belt and Road Initiative (BRI), notwithstanding its high-profile engagement with India, as seen during Prime Minister Shinzo Abe's India visit.

The multi-track diplomatic approach pursued by Japan became evident when its logistics giant Nippon Express signed a major cargo deal in mid-August with Kazakhstan's state railway company. Under the agreement, the two companies will team up to transport goods from China's east coast to Europe through Central Asia.

Nippon Express will be involved in aggregating goods from Japan, Korea and other parts of Southeast Asia. These items will be pooled together at the Chinese port of Lianyungang in the East China Sea.

Steel silk road

The "steel silk road" — a reference to Beijing's trans-continental rail enterprise — is one of the most visible symbols of the BRI, which has a sweeping land and maritime dimension of seamless connectivity between Asia, Europe and Africa.

In view of the new trade and investment opportunities opening up in the BRI zone, including Central Asia, the Japanese Chamber of Commerce and Industry has set up a liaison office in China.

Japan's mega banks, including the Bank of Tokyo-Mitsubishi UFJ and Mizuho Bank, have also looking for expanding their China operations, in view of the BRI.

Prime Minister Abe has already flagged his interest in the BRI, provided the plan follows the rules of transparency and fairness. However, Tokyo has so far desisted from participating in the China-initiated Asian Infrastructure Investment Bank (AIIB), which is expected to support BRI projects, which focus on Asia.

In tune with the commercial opportunities offered by the BRI, Japan is sending important political signals for reviving ties with Beijing. Last week, Mr. Abe paid a surprise visit at a ceremony marking China's National Day — a step that no Japanese Prime Minister has taken in the last 15 years.

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