

The Southwest Asian region has approximately 1.8 billion people and has maintained a high economic growth rate in recent years, offering an attractive market and production base to Japanese companies and attracting attention as an investment destination. It is also a strategically important region because of its location on critical sea lanes that connect Japan with the Middle East and Africa.

At the same time, the Southwest Asian region still faces many development issues, including infrastructure development, the development of primary education and health and medical care systems, the development of legal systems, responses to natural disasters, the consolidation of democracy, and responses to the environment and climate change. In particular, poverty reduction is a major challenge, with more than one-third of the world's poor estimated to live in this region.⁹

Japan has traditionally maintained friendly relationships with the countries of Southwest Asia and has been providing assistance to the region as its largest partner for many years. By harnessing the region's economic potential, Japan provides assistance in a wide range of areas such as socio-economic development, democratization and consolidation of democracy, peacebuilding, and emergency humanitarian assistance and recovery efforts after natural disasters.

Japan's Efforts

Development cooperation with India, which has achieved remarkable economic growth in recent years, is a key component of the "Japan-India Special Strategic and Global Partnership."¹⁰ Japan promotes development cooperation that benefits both Japan and India by bringing together the strengths of both countries, creating new value through co-creation, and thereby addressing social challenges. At the same time, given that India accounts for approximately 20% of the poor population in all developing countries, Japan recognizes the significant need for socio-economic development from the perspective of achieving the SDGs globally. Thus, Japan supports the realization of inclusive and sustainable economic growth in India.

In 2025, Japan and India exchanged notes for yen loan projects, which include the promotion of private investment, the capacity building of government officials in forest and biodiversity conservation, the construction of seawater desalination facilities in areas facing serious water shortages, the construction of metro systems in urban areas, and support for the promotion of

aquaculture and the improvement of livelihoods of those in the fishery sector. Through these loans, Japan has been comprehensively supporting the Government of India's efforts to achieve the SDGs. Regarding the "Project for the Construction of Mumbai-Ahmedabad High Speed Rail," at the Japan-India Summit Meeting held in August, the two leaders confirmed that they would continue cooperating toward its realization as a flagship project between Japan and India. Furthermore, in the "Japan-India Annual Summit Joint Statement" and the "Japan-India Joint Vision for the Next Decade," which were announced at the same summit, Japan and India concurred to broaden the scope of cooperation in the field of emerging technologies that generate innovation, including the launch of the new "Japan-India AI Cooperation Initiative (JAI)" to promote complementary cooperation on startup support and AI. In addition, under the "Economic Region Initiative of Indian Ocean-Africa," which was announced at the 9th Tokyo International Conference on African Development (TICAD 9) in August 2025, Japan and India confirmed that they would cooperate in the development of the region stretching from west of India to the African continent, which has the greatest economic potential in the world.

In November 2025, Prime Minister Takaichi held a Japan-India Summit Meeting on the sidelines of the G20 Leaders' Summit held in South Africa, and the two leaders concurred to cooperate toward the realization of a "Free and Open Indo-Pacific (FOIP)."



Japan-India Summit Meeting (Photo: Cabinet Public Affairs Office)

In January 2026, Foreign Minister Motegi visited India, where he paid a courtesy call on Prime Minister Modi and held the 18th Japan-India Foreign Ministers' Strategic Dialogue with External Affairs Minister Jaishankar. Based on the "Japan-India Joint Vision for the Next Decade" announced during Prime Minister Modi's visit to Japan in August 2025, the two Foreign Ministers confirmed that they would continue deepening cooperation under the three pillars of security including economic security; economy, investment, and innovation, including AI; and people-to-people exchanges, and concurred to focus

⁹ United Nations Development Programme (UNDP) website (note that Afghanistan is included in South Asia) <https://hdr.undp.org/content/2024-global-multidimensional-poverty-index-mpi#/indicies/MPI>

¹⁰ Japan-India Special Strategic and Global Partnership https://www.mofa.go.jp/mofaj/s_sa/sw/in/page3_001508.html

in particular on economic security cooperation and economic growth through innovation. The two Foreign Ministers also concurred to launch the “Japan-India AI Strategic Dialogue” to promote concrete cooperation in the AI field under the JAI. On the occasion of his visit to India, Foreign Minister Motegi visited the Delhi Metro, which was constructed with the support of Japan through yen loans, and which incorporates features also used in Japan’s own public infrastructure, such as women-only carriages, orderly queuing, and tactile paving blocks.



Foreign Minister Motegi inspecting the Delhi Metro

With Bangladesh, a long-standing friend of Japan which has achieved steady economic development in recent years with an increasing presence of Japanese companies, Japan has been advancing cooperation under the “Strategic Partnership” elevated in 2023 and the “Bay of Bengal Industrial Growth Belt (BIG-B)” initiative, which consists of the three pillars: (i) development of economic infrastructure, (ii) improvement of the investment environment, and (iii) enhancement of connectivity, and from the perspective of promoting FOIP. Such cooperation includes the Matarbari Deep Seaport, Dhaka Mass Rapid Transit (MRT), Hazrat Shahjalal International Airport Terminal 3, and the development of economic zones. In 2025, Japan decided to provide fiscal support to assist the Interim Government which took office in August 2024 to advance their economic reforms and climate change measures. Japan also decided to provide yen loans to double-track Bangladesh’s railways, whose smooth transportation and distribution functions have been hindered by the rapid expansion of passenger and freight demand in recent years, in order to enhance connectivity within the country and with neighboring countries. In addition, with graduation of Least Developed Countries (LDCs) approaching in 2026, institutional development of the administrative apparatus and improvements in administrative capacity are urgently needed to address challenges such as promoting industrial diversification and responding to rapid urbanization, and Japan continues to provide grants for development of human resources such as young government officials.

Japan has also cooperated in support of the Interim Government of Bangladesh’s objectives of achieving fair and inclusive political participation by providing, in coordination with the United Nations Development

Programme (UNDP), equipment to be used for voter registration and other purposes in conjunction with the next general election. Furthermore, in response to the large influx of displaced persons from Rakhine State, Myanmar, in 2017 and whose numbers have continued to increase since then, Japan is continuing to provide assistance centered on human security for displaced persons from Myanmar and their host communities, working in partnership with international organizations such as the World Food Programme (WFP) and the International Organization for Migration (IOM) to support the Government of Bangladesh’s efforts to host them. In addition, fine-tuned support through Japanese NGOs via the Grants Assistance for Japanese NGO Projects and the Japan Platform (JPF) ¹¹ is also being provided.

Sri Lanka, which is located at a key point along sea lanes connecting Asia with the Middle East and Africa, has traditionally been a country that is friendly to Japan. Japan has been working on strengthening cooperation with Sri Lanka in areas such as enhancing connectivity and the maritime sector, toward the realization of a FOIP. Japan has also been supporting the improvement of livelihoods of people affected by past conflicts, as well as fostering industrial and human resources development, particularly in the fishery and agricultural sectors, and enhancing response capabilities for disaster and oil spillage incidents in the ocean. Furthermore, in response to the critical situation following the economic crisis in 2022, Japan has been providing emergency humanitarian assistance such as food and health support and assistance to strengthen governance. In 2025, Japan decided to provide grants to address the waste disposal issue and fire risk in urban areas resulting from recent economic growth and rapid population increase, including the procurement of waste collection and transport vehicles as well as fire engines; to support the construction of legal and policy frameworks for strengthening anti-corruption measures; and to provide equipment contributing to the improvement of livelihoods of small-scale dairy farmers in the northern and eastern regions.

Although Sri Lanka experienced an economic crisis with the announcement made by the Government of Sri Lanka in April 2022 regarding its temporary suspension of external debt payments, Japan, as co-chair of the Official Creditor Committee for Sri Lanka, strongly supported Sri Lanka’s efforts toward debt restructuring. In July 2024, the signing of the Memorandum of Understanding on debt restructuring between official creditor countries and Sri Lanka was completed. In March 2025, Japan and Sri Lanka signed and exchanged notes for the deferral of a portion of the debt of the Government of Sri Lanka and the Airport and Aviation Services (Sri Lanka) Limited owed to JICA. This officially completed the debt restructuring between Japan and Sri Lanka. Following this, in July, the Japan-Sri Lanka

¹¹ See the glossary on page 151.

Economic Cooperation Policy Dialogue was held, during which views were exchanged on Japan's country-specific development cooperation policy for Sri Lanka and on the Government of Sri Lanka's priority development areas, and they reaffirmed their close and continued cooperation for Sri Lanka's socio-economic development as well as for maintaining and promoting FOIP. Furthermore, the Japan-Sri Lanka Joint Statement, announced at the Japan-Sri Lanka Summit Meeting held in September, confirmed that, under the "Comprehensive Partnership" between the two countries, cooperation in areas such as security, economy, investment, and development cooperation would be deepened and expanded. Japan will further contribute to Sri Lanka's sustainable development and growth.

The Maldives is located strategically along the sea lanes of the Indian Ocean and has traditionally been a country that is friendly to Japan. Japan has been strengthening cooperation with the country toward realizing FOIP. The country consists of small, low-lying islands, 80% of which are less than one meter above sea level, and as a typical island nation, it faces vulnerability to water-related disasters. For this reason, in 2025, Japan decided to provide grants to raise coastal disaster risk reduction facilities (seawalls) on Malé, the capital of the Maldives, and to supply equipment to improve rainwater drainage capacity.



Water distribution facilities installed under the "Project for Improvement of Water Treatment Plant and Water Distribution System in Faisalabad," the city which has the third-largest population in Pakistan

With the world's fifth-largest population, and its geopolitical importance as the interface between Asia and the Middle East, Pakistan plays a vital role in the international community's efforts to eradicate terrorism. The stable development of Pakistan is important from the perspective of peace and stability in the surrounding regions, as well as in the international community as a whole. Since Pakistan is one of the countries in the Southwest Asia region with the most vulnerable maternal and child healthcare systems, Japan decided in 2025 to provide grants to establish neonatal intensive care units and other facilities and to supply medical equipment at a children's hospital in Punjab Province in central Pakistan. In addition, given that the lack of profitability has been a hindrance to the country's water supply operations, Japan decided to provide smart water meters and related

equipment to Faisalabad City in Punjab Province.

The establishment of democracy, stability, and prosperity in Nepal, a traditionally friendly nation to Japan, is important for Japan to ensure the stability of the entire Southwest Asia region, which is also politically and economically important to Japan. As Nepal aims to graduate from LDCs status in 2026, Japan has been supporting the realization of sustainable economic development. The support includes the renovation and reconstruction of bridges, hospitals, and other public infrastructure facilities, as well as the refurbishment and rebuilding of houses and schools. Japan also carries out a range of technical cooperation related to strengthening the government capacity in disaster risk reduction and ensuring compliance with the national building code. The Sindhuli Road is a bypath in a mountain road constructed with grants by Japan, and has made a significant contribution to improving domestic logistics in Nepal particularly in Kathmandu. However, in 2024, the record heaviest rainfall since meteorological observation began in 1970 occurred, and as a result, some parts of the road were damaged by landslides. In light of this, Japan decided in 2025 to provide support for the restoration of sections that are technically challenging and urgently in need of repair.



A JICA expert instructing staff of Bhutan's Ministry of Agriculture and Livestock on fruit tree cultivation methods under the "Integrated Temperate Fruit Crops Promotion Project" in Bhutan (Photo: JICA)

Japan's development cooperation toward Bhutan has achieved steady results, especially in the improvement of agricultural productivity, development of economic infrastructure such as road networks, bridges, power generation, and human resources development. For example, given that most of Bhutan is mountainous and roads are the primary means of transportation, Japan is supporting the replacement of two bridges, Namling Bridge and Durdari Bridge, using Japanese technology. Furthermore, Japan is supporting human resources development through technical cooperation to ensure that Bhutan's road infrastructure is maintained and managed more effectively. In February 2025, Japan decided to support the development of hydro power plants in order to build a stable power supply system in Bhutan, promote the export of surplus power to neighboring countries during the rainy season, and thereby contribute to Bhutan's sustainable socio-economic development and the decarbonization of the Southwest Asia region.