



Morning Alert - Wednesday, January 4, 2017

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HEADLINES

Morning news

NHK and most commercial networks led with reports that French prosecutors have put a Chilean man on the international wanted list for the alleged murder of a 21-year-old Japanese woman who was studying in France.

Lead items in national papers include improved corporate sentiment and a GOJ plan to require prefectural and municipal government leaders to adopt measures to prevent civil servants from engaging in malpractice, including leaking information. Sankei's top story was about a DPRK agent who allegedly exported a large amount of Japanese food, cosmetics, and other products to North Korea via Singapore apparently in violation of trade sanctions.

INTERNATIONAL

Comfort women statue reinstalled in Busan

All Saturday morning papers reported that a comfort women statue was erected again in front of the Japanese consulate in Busan on Friday only two days after it was taken down by district authorities. Since numerous protests were made after the statue was removed, the district chief decided to allow it to be reinstalled. The ROK Foreign Ministry issued a statement on Friday evening asking the people who erected it to exercise good judgment and find a more appropriate location for the statue by taking into account international protocols and practices concerning foreign diplomatic missions. Although the statement concurrently underscored the Park administration's continued commitment to honoring the bilateral comfort women accord with Japan, it stopped short of

mentioning the possibility of removing the statue. Japanese Vice Foreign Minister Sugiyama lodged a protest over the phone with the ROK ambassador to Japan.

Sankei said the ROK government effectively condoned the reinstatement, claiming that Seoul “prioritized national sentiment over a diplomatic agreement.” Nikkei said public support for the installation of such a statue is strong within South Korea. According to the results of an opinion survey conducted there, almost 60% called for the nullification of the comfort women pact with Tokyo. The scandal-hit Park administration has little political capital to rein in deep-seated opposition to the agreement.

All Sunday papers published follow-up reports saying that a ceremony was held on Saturday to unveil the statue, with some 3,500 participants pledging to make continued efforts to nullify the comfort women pact. Asahi noted that Japanese officials are increasingly frustrated with the “lame duck” Park administration’s failure to bring the situation under control, adding that Tokyo may become hesitant to move forward with negotiations on the agreed-upon resumption of a currency swap arrangement sought by Seoul.

Today’s Yomiuri took up press remarks on Tuesday by a South Korean Foreign Ministry spokesperson, who indicated that the ROK government has no intention to intervene in the situation by saying: “The local government should decide whether or not to remove the statue in accordance with the law.”

Former journalist tapped for top Asia post at White House

Saturday’s Yomiuri and Mainichi reported that Matt Pottinger, a former Beijing correspondent for the Wall Street Journal, has been tapped as senior director for Asia at the National Security Council under the Trump administration, noting that he is close to National Security Advisor-designate Michael Flynn. Yomiuri said he appears to be very interested in Japan since he used to participate in programs sponsored by the United States-Japan Foundation. Claiming that Flynn strongly recommended Pottinger, Mainichi said this indicates that the incoming U.S. administration will take a hard line toward China. As Pottinger was posted in Okinawa while serving in the Marines, he reportedly has connections with SDF and MOD officials.

Today’s papers reported on President-elect Trump’s announcement on Tuesday that Robert Lighthizer, a former deputy USTR under the Reagan administration, will be nominated as USTR. The papers noted that since Lighthizer is known to be a protectionist, he is likely to take a hard line toward foreign trade partners, including China. Mainichi said Lighthizer is a “tough negotiator” who successfully persuaded Japan to exercise restraint in exporting steel to the U.S. market when he was Deputy USTR from 1983 through 1985 at the height of bilateral trade friction.

Nikkei focused on Trump's earlier appointment of Wilbur Ross as commerce secretary and Peter Navarro as chief of the National Trade Council, underscoring that all three top trade officials for the incoming U.S. administration are trade hawks possibly willing to embrace "managed trade." Nikkei expressed concern that the Trump administration will target not only Japan's trade surplus but also its weak currency.

China applies to give names to undersea features near Japan's EEZ in Pacific

Sunday's Yomiuri gave top play to a report that China filed a large number of applications with a UN panel to give Chinese names to undersea features near Japan's EEZ in the Pacific. The paper speculated that Beijing is stepping up operations to expand its interests not only at sea but also on the ocean floor. According to the daily, the Monaco-based Sub-Committee on Undersea Feature Names has endorsed 16 of the 50 Chinese applications. The rest are pending on account of "serious concern" about the proposed Chinese names triggering conflicts with other concerned parties. While noting that the Chinese applications will not have a direct bearing on Japan's interests, such as the right to explore for natural resources, the daily said the GOJ is alarmed by Beijing's attempt to advance its maritime interests using every possible method.

DPRK leader vows to develop ICBMs

All Tuesday dailies reported from Seoul on a New Year's message delivered by DPRK strongman Kim Jong Un on Sunday, during which he disclosed that the country's scientists are close to completing the development of an intercontinental ballistic missile. "Our preparations [for an ICBM test launch] are in the final stage," he said. Yomiuri speculated that North Korea appears to be preparing for a test launch possibly ahead of the inauguration of the Trump administration in about three weeks, adding that Pyongyang is likely to continue to take a hard line toward Washington unless the incoming U.S. president makes concessions. However, Sankei wrote that Kim did not use harsh language toward the U.S., speculating that he may be trying to assess the Trump administration's attitude toward Pyongyang.

Today's papers took up a tweet by President-elect Trump claiming that North Korea's ICBM development "won't happen." In a separate tweet, he criticized China's approach toward its defiant neighbor by saying: "China has been taking out massive amounts of money & wealth from the U.S. in totally one-sided trade, but won't help with North Korea."

Abe diplomacy in 2017

Tuesday's Yomiuri carried a prominent article on the nation's diplomatic agenda for 2017, noting that Prime Minister Abe's foremost goal is to develop a relationship of trust with incoming U.S. President Trump by holding a summit in late February at the latest so as to reaffirm the bilateral security alliance to deal with North Korea and China. Tokyo is concerned that the next U.S. leader will discontinue the present administration's "rebalance-to-Asia" initiative, including the TPP.

As for Russia, the prime minister is hoping to go there in the first half of this year for a summit with President Putin to resolve the Northern Territories dispute by working out the details for the agreed-upon “joint economic activities” on the contested islands. However, because the Russian leader will probably seek another term in the 2018 presidential election, the prospects for a major breakthrough are dim.

On the Asian front, Abe is looking to improve ties with China by resuming economic talks since this year marks the 45th anniversary of bilateral diplomatic normalization. Tokyo is hoping to realize a visit to Japan by Chinese Premier Li by capitalizing on a proposed trilateral summit in Tokyo with South Korea in the first half of the year. With regard to South Korea, Japan is bracing for the possibility of the bilateral comfort women pact being rendered irrelevant depending on who succeeds President Park in the presidential election. The paper painted a bleak picture for improved ties with North Korea as resuming formal talks with the reclusive state would probably be very difficult.

SECURITY

FRF construction work to start as soon as February

Saturday's Yomiuri front-paged an informal GOJ decision to commence full-scale construction of the Futenma replacement facility off Camp Schwab in February by placing large concrete blocks in the ocean to set up underwater screens to prevent soil from spreading. This operation will probably last for several months, followed by the construction of sea walls, dredging, and reclamation. Noting that Governor Onaga is bound to react strongly to this plan, the daily said he might refuse to renew the permit for destroying rock reefs in the area that expires in March. As the placement of concrete blocks will not be finished by then, the central government may choose to take legal action so that the permit can be extended by proxy.

New training airspace designated off Shikoku, Chugoku

Sunday's Mainichi wrote that the GOJ established two training airspace areas for U.S. military aircraft off Shikoku in the Pacific and the Chugoku region in the Sea of Japan in mid-November, explaining that flight training by carrier-borne jets to be moved to MCAS Iwakuni from NAF Atsugi can now start at any time pending a U.S. request. Three U.S. military officials will be stationed at an MLIT air traffic control center in Fukuoka, from where they will conduct the necessary coordination for flight drills in the two “Iwakuni temporary reserved airspaces.” Target practice will not be permitted there.

MOD to launch study on electronic warfare

Sunday's Sankei highlighted a MOD plan to begin full-scale research on strengthening the SDF's electronic warfare capabilities, explaining that a new type of electronic warfare evaluation system will be set up at the ASDF's Gifu Base by FY2022 with operational applications for all three branches of the SDF. The system, to be developed by the Acquisition, Technology & Logistics Agency, will test

technologies to deny adversaries the ability to disrupt or use radio, infrared, or radar in combat. While noting the U.S. military is afraid that it will lose its advantage in this field in view of increased investment by the Chinese and Russian militaries, the daily said Japan is aiming to catch up with them by utilizing state-of-the-art technology.

SDF planes may be exported to New Zealand

Tuesday's Nikkei front-paged a story on ongoing negotiations between Japan and New Zealand on exporting SDF P-1 patrol planes and C-2 transport aircraft. The paper noted that although the Boeing P-8 is also a strong competitor, if New Zealand chooses the Japanese model, it will be the first major deal for Tokyo to export defense equipment following the lifting of the weapons export ban in 2014. The daily said in a separate article that since the two Japanese airplanes contain highly classified components, the GOJ will need to negotiate a bilateral pact on transferring defense equipment and technology.

MOD to set up new subsidy program for communities hosting U.S. flight training

Tuesday's Mainichi reported that the Defense Ministry earmarked some 3.6 billion yen in FY2017 to launch a new subsidy program for municipalities hosting flight training by U.S. fighters previously performed at Kadena AB, Misawa AB, and MCAS Iwakuni since the current program will expire in March. Some 20 communities near SDF installations in Ibaraki, Ishikawa, and elsewhere will be eligible for the new subsidy program.

POLITICS

Abe dismisses possibility of snap election in near future

All Tuesday papers reported on press remarks made on Monday by Prime Minister Abe, who was asked by reporters about the possibility of dissolving the Lower House for a snap election early this year. He reportedly responded to the question by saying, "No, no."

SCIENCE

Japan to operate GPS system around the clock

Saturday's Sankei led with a GOJ plan to launch a total of three global positioning satellites by next autumn with the goal of operating a GPS system of its own around the clock. Noting that one such satellite is already in orbit, the paper said the additional satellites will make it possible for Japan to start providing GPS services starting in April 2018. The Japanese GPS services will be used for automated driving, ship operations, disaster prevention, and other purposes. The system will also enhance national security by making GPS services available even if the services provided by U.S. satellites become disrupted as a result of a contingency.

SOCIETY

U.S. imposes financial sanctions on two Japanese yakuza entities

All Sunday dailies took up the U.S. Treasury Department's announcement on Friday that the financial assets held in the U.S. by two Japanese crime syndicates and their bosses will be frozen. Kobe-Yamaguchi-gumi and Yamaken-gumi, two splinter groups of the nation's largest criminal organization, Yamaguchi-gumi, as well as their three top leaders, will be subject to financial sanctions that include a ban on doing business with U.S. enterprises and individuals.

Prince Akishino to be given "crown prince" status

Most Sunday papers front-paged a GOJ plan to submit to the Diet later this month special legislation allowing Emperor Akihito to abdicate, with Yomiuri saying that prince Akishino, the second son of the Emperor, will be accorded a status equivalent to crown prince after Crown Prince Naruhito assumes the imperial throne.

