



Morning Alert - Friday, January 13, 2017

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HEADLINES

Morning news

Most networks gave top play to the forecast for heavy snow over the next three days mainly in northern Japan, calling for caution by students who will take the national university entrance examination on Jan. 14 and 15. TV Asahi led with a report on Prime Minister Abe's visit to the Philippines on Thursday, during which he announced a 1-trillion-yen aid package for the nation.

Most national papers gave prominent top coverage to President-elect Trump's first press conference on Wednesday, all echoing apprehension about his protectionist, provocative and abusive language. Asahi's headline was "Trump displays intolerance in media debut." Nikkei called the press event "outlandish."

INTERNATIONAL

Japan puzzled by Trump's criticism of trade surplus with U.S.

All papers reported heavily on President-elect Trump's media debut, explaining that he named Japan along with China and Mexico in criticizing trade surpluses with the U.S. The papers underscored that Japanese politicians and business leaders were very disappointed with the next U.S. leader's media debut since it ran counter to their expectations that he would tone down his radical protectionist rhetoric ahead of the inauguration on Jan. 20. Asahi said GOJ officials were dismayed by Trump's language because it was reminiscent of U.S.-Japan trade friction in the 1980s. Mainichi expressed apprehension about a possible resurgence of trade conflict, quoting a GOJ source based in Washington as saying: "If the Trump administration aims to reduce trade deficits, it will trigger considerable turmoil."

Sankei mentioned the looming possibility of a trade war between the U.S. and some of its major trading partners, voicing qualms about tit-for-tat measures in the form of retaliatory tariffs. Nikkei wrote that Trump's rhetoric points to his administration's "inward-looking" approach. While projecting that the first source of trade conflict between the Trump administration and other countries may be over a partial exemption from the corporate tax on income from the overseas sales of products made in America, the paper said that although the U.S. previously lost three WTO cases to the EU on this taxation arrangement, the incoming Republican administration may try to reinstate the exemption.

In a related development, several Thursday evening papers claimed that Toyota President Akio Toyoda held talks with Vice President-elect Pence in Washington on Tuesday, speculating that since Pence is a former governor of Indiana, where the top Japanese auto manufacturer maintains assembly lines, the Japanese businessman apparently explained his firm's contributions to the U.S. economy, such as the employment of numerous workers.

Tokyo pleased with Tillerson's statement on Senkakus

Asahi wrote that the Abe administration was very pleased with the remark made at a congressional confirmation hearing on Wednesday by Secretary of State-designate Tillerson that the Senkaku Islands fall under the scope of the U.S.-Japan Security Treaty. The GOJ interpreted his comment as representing the incoming Republican administration's policy of attaching importance to the U.S.-Japan alliance. Nikkei said Tillerson's statement will serve as a deterrent to China, which is hoping that a weakened U.S. security commitment will allow it to take control of the outcrops in the East China Sea. Several dailies focused on the Tillerson's separate remark that he does "not oppose the TPP," saying this runs counter with Trump's imminent decision to withdraw from the free-trade pact.

Meanwhile, some national papers took up Thursday's Senate confirmation hearing for Secretary of Defense-designate Mattis, highlighting his remarks apparently asking U.S. allies to pay more for common defense. The next U.S. defense chief also affirmed the Trump administration's steadfast security commitment to its traditional allies.

Secretary Kerry urges ROK to improve ties with Japan

All Thursday evening papers reported that Secretary of State Kerry spoke by phone with his South Korean counterpart Yun on Wednesday evening and agreed on the importance of improving relations between Seoul and Tokyo that have suffered a setback following the installation of a comfort woman memorial in Busan. The talks were initiated by the USG, which is reportedly deeply concerned about the reemergence of friction between its two key Asian allies. Although the Secretary apparently did not mention the comfort woman statue specifically, he urged both sides to exercise restraint and said: "A difficult situation has emerged between Japan and South Korea..... The United States will play the necessary role in improving the bilateral ties and strengthen trilateral cooperation." In reply, the ROK official pledged Seoul's utmost efforts to develop a future-oriented relationship with Tokyo.

In a follow-up report, Asahi wrote today that the USG was surprised by Japan's strong response, including the temporary recall of its ambassador to South Korea, adding that the Secretary is likely to phone FM Kishida soon to ask him to hold calm dialogue with Seoul.

Abe, Duterte affirm coordination to defend South China Sea

All papers reported from Manila on visiting Prime Minister Abe's meeting with Philippine President Duterte on Thursday, during which they confirmed the importance of respecting the rule of law and strengthening mutual coordination for ensuring peace in the South China Sea where China is rapidly expanding its military presence. The two leaders sealed an official accord on Tokyo's provision of high-speed patrol boats. Abe pledged 1 trillion yen in economic support over the next five years for infrastructure development in the Southeast Asian nation. Several papers wrote that although Abe was extremely keen to bring Manila over to the U.S.-Japan side to hold China in check, the Philippine leader remained evasive toward Abe's overtures and appeared to be trying to strike a balance between the two conflicting parties with the goal of obtaining greater economic aid from both sides.

Asahi said that by taking a week-long tour of the region, the Japanese leader is aiming to reconfirm mutual security and economic coordination and the importance of the continued U.S. presence in the Asia-Pacific in preparation for the launch of the Trump administration. Abe is reportedly hoping to convey to Trump when they meet possibly in late January that America's partners in East Asia are united in asking the Republican administration to stay closely engaged with the region. As for a proposed summit between Abe and Trump, Yomiuri said some GOJ officials are now insisting on delaying it from the original target date of Jan. 27 to sometime in February or later since the Trump administration's foreign policy will probably remain elusive for a while.

U.S. imposes sanctions on DPRK leader's sister

Most Thursday evening papers reported on a Treasury announcement on Wednesday that seven additional senior North Korean officials, including the sister of strongman Kim Jong Un, and two entities are now subject to financial sanctions on account of their roles in human rights violations, such as suppression of freedom of speech and torture. Asahi said the Treasury Department is taking a harder line toward Pyongyang ahead of the inauguration of the Trump administration next week.