



Morning Alert - Friday, January 27, 2017

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HEADLINES

Morning news

NHK gave top play to the weather forecast for blizzards in northern Japan today and tomorrow. Fuji TV and TV Asahi led with reports that President Trump and Mexican President Pena Nieto have decided to cancel their summit meeting slated for Jan. 31. Other news included a report that several hundred used tires caught fire in Chiba Prefecture on Thursday.

Major front-page items in national papers included Japan's apparent willingness to start bilateral trade talks with the U.S. if pressed to do so by President Trump, growing tension between the U.S. and Mexico over President Trump's intention to build a wall at the border between the two nations, and a decision by President Trump to restrict the number of immigrants from certain countries in the Middle East and Africa.

ECONOMY

Abe refers to possible bilateral trade negotiations with U.S.

All Thursday evening papers took up remarks made at the parliament earlier in the day by Prime Minister Abe, in which he commented on the U.S. withdrawal from the TPP by saying: "We would like to hold discussions to identify the best type of economic coordination between the U.S. and Japan.... A bilateral EPA or FTA is not necessarily inconceivable. Even under such a situation, Japan will need to defend what needs to be defended. We would like to negotiate firmly in the belief that agriculture forms the foundation of the nation." Since the premier also acknowledged the difficulty of convincing the Trump administration to participate in the TPP in the near future, the

papers interpreted Abe's statements as suggesting that Tokyo might heed possible calls from Washington to enter talks on a bilateral free trade agreement.

This morning's Asahi said the Abe administration is bracing for President Trump to demand Japan's consent for starting negotiations on a bilateral FTA when he meets with the premier next month in the belief that U.S. requests for trade liberalization in the auto and agricultural sectors would be much tougher than under the TPP talks. An unnamed senior Cabinet Office official expressed concern by saying: "The Trump administration may ask Japan to 'exercise restraint' in exporting automobiles" to the U.S. market. Tokyo Shimbun said Abe has become flexible about bilateral trade talks with Washington in view of President Trump's steadfast opposition to the TPP. An unnamed GOJ official in charge of the TPP said: "Japan would be badly defeated in a one-on-one fight. America is a bully."

While projecting that Abe will probably decide whether to enter bilateral trade talks with the U.S. after his purported summit with the President in February, Mainichi projected that Japan would be pressured by the U.S. to make concessions in bilateral negotiations. Nikkei speculated that Abe has become receptive to the idea of bilateral negotiations in order to avoid a "head-on clash" over trade between the two leaders in their first summit. The paper added that some GOJ officials are prepared to hold full-scale negotiations with the Trump administration on auto trade based on the judgment that Washington will not demand a bilateral FTA if a deal is made on the auto front.

SECURITY

GOJ officials have high hopes for Japan trip by Secretary Mattis

Asahi reported that some GOJ officials feel that the upcoming East Asian tour by Secretary of Defense Mattis signifies the Trump administration's policy of maintaining the "rebalance-to-Asia" doctrine, quoting Defense Minister Inada as saying at the Diet on Thursday: "It represents strong U.S. interest in the Asia-Pacific region." The fact that President Trump has remained silent about the bilateral alliance since being sworn in has encouraged some GOJ officials, who speculated that when it comes to national security, the U.S. leader may be willing to heed the advice of experts, including Secretary of State-designate Tillerson, who said during a confirmation hearing that the Senkakus fall under the scope of the U.S.-Japan Security Treaty. However, others are not so optimistic, with one saying: "It is still premature to predict that the views of cabinet members will be reflected in the President's policy."

Japan bore over 86% of cost of stationing U.S. troops in 2015

Nikkei and Tokyo Shimbun reported on a MOD estimate on Japan's share of the cost of stationing U.S. troops in Japan, noting that the GOJ spent some 191 billion yen in FY2015, 86.4% of the overall cost of 221 billion yen. The rest was borne by the U.S. In releasing the data to the Diet

yesterday, Defense Minister Inada stressed that the figure does not necessarily reflect all the expenses paid by the U.S.

Osprey to fly to Chiba for maintenance on Jan. 30

Tokyo Shimbun wrote that coordination is underway between the USG and the GOJ to have a Futenma-based Osprey fly to GSDF Camp Kisarazu for regular maintenance on Jan. 30. The paper noted that Fuji Heavy Industries' mechanics will work on all 24 of the Futenma-based Ospreys on a rotational basis. Several months of maintenance work will be performed on about five to ten of the tilt-rotor aircraft each year.

Abe mentions possibility of SDF acquiring capabilities to attack enemy bases

Thursday evening's Yomiuri front-paged remarks made at the Diet earlier in the day by Prime Minister Abe, who indicated that his administration may look into the possibility of the SDF acquiring capabilities to strike enemy bases preemptively with the "growing risk" of North Korea deploying nuclear missiles in mind.

In a follow-up report, the daily said today that Abe is interested in having the SDF acquire such capabilities since U.S. missile defense platforms alone would probably not be sufficient to intercept multiple projectiles being fired simultaneously by the DPRK. Coupled with air-refueling tankers, the F-35 stealth fighters that the ASDF plans to procure are seen as constituting one such capability. However, some ruling officials are cautious about the idea since it may run counter to Japan's defense-oriented defense posture.

Japan, UK sign ACSA

All papers reported from London that the governments of Japan and the UK signed an ACSA on Thursday, explaining that this is first ACSA to be signed between Japan and a European partner. The accord will take effect upon parliamentary approval in both countries.

INTERNATIONAL

Korean verdict dumps cold water on relations with Japan

All papers took up a ruling made yesterday by a South Korean district court approving a request by a local temple to take possession of an ancient Buddhist statue that was stolen by a group of Korean thieves from a Japanese temple on Tsushima Island, Nagasaki, in 2012. Although the South Korean government filed an appeal against the court decision on the same day, the statue will probably be handed over to the temple anyway from a national museum that is housing it temporarily on behalf of the ROK government since the verdict also approved the transfer to the temple on a provisional basis.

Speculating that the possession of the statue by the temple will make transfer to the Japanese side almost impossible, Yomiuri wrote that this issue, in addition to the Busan comfort women statue standoff, will stand in the way of improving bilateral relations between Tokyo and Seoul. Sankei claimed that Japanese sentiment toward South Korea is bound to deteriorate since the South Korean judiciary effectively “condoned” the theft.

In a related piece, Asahi said ROK Foreign Minister Yun visited on Thursday a former comfort woman living in Seoul suburb, speculating that this was a diplomatic gesture intended to rectify the strained ties with Japan.

LDP Diet members criticize Japan-India nuclear accord

Asahi reported that several LDP legislators on Thursday made comments criticizing the Japan-India civil nuclear cooperation accord during a meeting with MOFA officials, who stressed the importance of obtaining parliamentary endorsement of the pact during the current Diet session without fail. The parliamentarians were displeased that the pact failed to specify outright that Tokyo would suspend nuclear cooperation if New Delhi carried out a nuclear test.

Top Japanese, Russian diplomats to hold talks in Moscow

Yomiuri wrote that Deputy Foreign Minister Akiba is expected to meet with his Russian counterpart in Moscow next week to discuss the details of the agreed-upon launch of “joint economic activities” on the Northern Territories and expanded “visa-free” travel to the contested islets by Japanese journalists and others.

“Doomsday Clock” moves closer to midnight

NHK reported this morning that the Bulletin of the Atomic Scientists announced on Thursday that it is now two and a half minutes to midnight, which signifies imminent disaster, pushing the clock ahead 30 seconds from last year. The reasons cited by the magazine for advancing the clock were the conflict between the U.S. and Russia over Syria and North Korea’s repeated nuclear tests, as well as President Trump’s comments about the use and proliferation of nuclear weapons and expression of disbelief in the overwhelming scientific consensus on climate change. The magazine also reportedly expressed hope that President Trump and Russian President Putin will be able to work together toward the elimination nuclear weapons.