



Morning Alert - Thursday, February 16, 2017

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## HEADLINES

### Morning news

NHK gave top play to a report that the South Korean government disclosed on Wednesday that the man who was killed at an airport in Malaysia was confirmed to be Kim Jong Nam, North Korean leader Kim Jong Un's half-brother, based on his fingerprints. All commercial networks also led with reports on the assassination of Kim, adding that Malaysian police said they arrested a female suspect with a Vietnamese passport on Wednesday.

All national papers continued to give front-page coverage to Kim Jong Nam's assassination in Kuala Lumpur.

## SECURITY

### Abe says purchase of U.S. defense equipment creates American jobs

Asahi highlighted remarks at the Diet on Wednesday by Prime Minister Abe, who said Japan's purchase of U.S. defense hardware will contribute to the creation of jobs in America. In response to a question from an LDP lawmaker about whether he shares the view that enhancing SDF capabilities will not only reduce the U.S. security burden but also support U.S. increase military exports and hence reduce its trade deficit, the premier said: "The state-of-the-art U.S. defense equipment that we've been introducing is indispensable for national defense.... Although security and economy must be kept separate, the procurement of U.S. defense hardware will inevitably contribute to the U.S. economy and employment."

Noting that in his recent summit with Abe, President Trump underscored the importance for both nations of enhancing their defense capabilities, the daily said the Japanese side is bracing for the possibility of Washington asking Tokyo to purchase more American weapons systems. An unnamed MOFA official said: “Japan will have to purchase the necessary defense equipment to take on more security responsibilities.” As defense hawks within the ruling LDP are anxious to capitalize on possible U.S. requests for Japan to procure expensive missile defense systems such as THAAD and Aegis Ashore, the article projected that the local defense industry would react strongly to such a “Buy American” campaign. An MOD source underscored that Tokyo should introduce high-level defense hardware irrespective of its origins by carefully identifying what equipment is necessary and conducting strict cost-benefit analysis.

## **INTERNATIONAL**

### **Japan, China to hold foreign ministerial in Germany**

Mainichi wrote that arrangements are being made for Foreign Minister Kishida to hold a meeting with his Chinese counterpart Wang in Bonn on the margins of the G20 foreign ministerial scheduled to begin today. They will probably exchange views on North Korea’s recent test-launch of a ballistic missile, with Kishida also bringing up China’s maritime push.

Other papers wrote that Kishida will meet with Secretary of State Tillerson and ROK Foreign Minister Yun in Bonn today to affirm trilateral coordination in dealing with continued provocations by the DPRK. This will be the first time for Kishida to meet with his South Korean counterpart since last September.

Nikkei said Japan is aiming to step up its “diplomatic offensive” toward the two Asian neighbors by capitalizing on its strong bonds with the U.S. that were confirmed recently by Prime Minister Abe and President Trump. Kishida may press ROK’s Yun to remove the comfort woman statue from in front of the Japanese Consulate General in Busan by possibly mentioning that the U.S. is hoping for rapprochement between Tokyo and Seoul. According to the article, Seoul is alarmed that although the U.S. leader has already met with the Japanese premier twice and affirmed the strong bilateral alliance, it has not yet been able to establish solid communications with the new U.S. administration. The paper also predicted that Kishida may take a harder line in his meeting with his Chinese counterpart on the South China Sea issue since the GOJ successfully obtained the Trump administration’s commitment to defend the Senkaku Islands.

## **ECONOMY**

### **Aso projects U.S.-Japan “economic dialogue” to take place in April**

Yomiuri took up remarks made at the parliament yesterday by Deputy Prime Minister Aso, who predicted that the first session of the U.S.-Japan economic dialogue may be held in Japan as early as April. According to the politician, Vice President Pence, who will co-chair the discussion, may visit Japan around that time in response to an invitation extended to him ahead of his inauguration by a private-sector Japanese organization. However, Aso also projected that few tangible results will be produced in the first meeting due to delayed preparations on the part of the U.S.

Sankei reported on a separate comment by Abe at the Diet regarding his meeting with Treasury Secretary Mnuchin, quoting him as saying: "Our first talks will probably be held in Germany in March" on the sidelines of the G20 finance ministerial conference.

### **Automakers dismiss demands for wage hikes, cite uncertainty of U.S. trade policy**

Mainichi wrote that local auto manufacturers are negative about responding to their labor unions' demands for higher wages in the ongoing "spring labor offensive" on account of the uncertain business outlook for the U.S. market. Corporate managers are apprehensive that U.S. trade policy is still elusive under the Trump administration.

### **Wealth concentration picking up momentum in Japan**

Tokyo Shimbun led with data compiled by Nomura Research Institute pointing to accelerated wealth concentration in Japan, noting that 2% of the population possesses 20% of the nation's wealth. According to the daily, the number of households whose financial assets exceeded 100 million yen, or about \$900,000, increased by 50%, or 400,000, to about 1.22 million from 2011 to 2015 mainly owing to high stock prices resulting from "Abenomics." Income disparity has also grown between corporate executives and regular workers.

## **POLITICS**

### **Opposition to demand resignation of defense minister**

Most papers reported in front- or inside-page articles that four opposition parties, including the Democratic Party and the Japanese Communist Party, agreed yesterday to demand the resignation of Defense Minister Inada. They plan to hold her accountable for not disclosing in a timely manner the daily reports filed by the SDF engineering battalion currently deployed in South Sudan for UN peacekeeping operations that describe the "combat" that took place there last summer between the government and rebel forces. They took issue with the cabinet minister's failure to swiftly obtain information from her deputies on the discovery of the documents in question that were initially believed to have been destroyed. The opposition bloc also concluded that she is not qualified to serve as the top defense official on account of her "poor explanations" on the subject at the Diet.

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