



Morning Alert - Wednesday, April 5, 2017

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HEADLINES

BREAKING NEWS

NHK ran a news flash saying that South Korea's Yonhap News reported that North Korea launched a projectile toward the Sea of Japan this morning, adding that the South Korean military is collecting additional information. Kyodo News reported that a Japanese Defense Ministry official said that Pyongyang apparently fired a ballistic missile.

Morning News

NHK gave top play to a follow-up report on the terrorist attack in St. Petersburg on Monday. NTV and Fuji TV led with reports that Japanese figure skater Yuzuru Hanyu returned to Japan on Tuesday after winning his second world figure skating championship. Other items included a report that Reconstruction Minister Imamura lashed out at a reporter during a press conference on Tuesday over the remaining Fukushima evacuees.

Top stories in national dailies included former farm ministry officials' suspected involvement in bid-rigging (Asahi); the need for Tokyo Governor Koike to make a political decision on the fish market relocation to Toyosu (Mainichi); survey results showing that 53,000 children were unable to enter daycare centers in Tokyo and 20 large cities across Japan this spring (Yomiuri); Japanese retailers' growing use of bitcoin payments (Nikkei); and an airstrike in Syria on Tuesday that killed at least 100 people (Sankei).

INTERNATIONAL

U.S. House of Representatives passes bill to reinstate North Korea as terror sponsor

Mainichi ran a Kyodo report saying that the U.S. House of Representatives on Monday passed a bill that urges the State Department to reinstate North Korea as a state sponsor of terrorism. The bill gave a boost to the Trump administration's plans to increase pressure on Pyongyang. The House also adopted a resolution condemning North Korea's development of an intercontinental ballistic missile. The paper wrote that as the resolution also urges China to exercise its influence over the DPRK, it will send a warning to Beijing ahead of President Xi's meeting with President Trump later this week.

Japan to extend sanctions on North Korea for two years

Nikkei wrote that the ruling LDP and Komeito decided on Tuesday to approve the GOJ's plan to extend for two years its unilateral sanctions on North Korea that are set to expire on April 13. The GOJ will approve the plan at a cabinet meeting on Friday. The sanctions include bans on North Korean ships entering Japanese ports and trade with the DPRK.

Senior Japanese, Chinese diplomats discuss North Korea, improvement of ties

Most papers reported on a meeting of senior Japanese and Chinese diplomats held in Tokyo on Tuesday, during which Deputy Foreign Minister for Political Affairs Akiba and his Chinese counterpart Assistant Foreign Minister Kong agreed to cooperate in responding to North Korea's nuclear and missile development. With the 45th anniversary of the diplomatic normalization between Japan and China this fall in mind, Akiba expressed Japan's hope to improve its ties with China by expanding the positive aspects of the relationship and appropriately addressing outstanding issues. Kong said in response that there are both opportunities and challenges for the two nations and it is necessary for Tokyo and Beijing to improve their bilateral relationship in a sustainable manner. Concerning the possibility of holding bilateral talks between Prime Minister Abe and President Xi on the sidelines of the G20 summit in Germany in July, the two diplomats agreed to continue consultations on the matter.

Asahi wrote that although Japan and China agreed to conduct coordination in response to North Korea, it remains to be seen whether the two nations will be able to improve their ties in the near future because Beijing was strongly displeased with the United States' confirmation at the U.S.-Japan summit in February that the Senkaku Islands fall within the scope of Article 5 of the U.S.-Japan Security Treaty and a senior GOJ official's official visit to Taiwan in March.

Recalled Japanese ambassador returns to South Korea

All papers wrote that Ambassador Nagamine returned to Seoul on Tuesday evening for the first time since he was recalled in January in protest of the installation of a comfort woman statue in Busan. Nagamine told reporters upon arriving at a Seoul airport that he would like to meet with South Korea's Acting President Hwang and other senior officials at an early date to urge the South Korean

government to implement the Japan-ROK agreement on comfort women in accordance with instructions from Prime Minister Abe and Foreign Minister Kishida. A spokesperson for South Korea's Foreign Ministry said at a regular news conference on Tuesday that the ROK government plans to steadily implement the bilateral agreement. However, Nikkei pointed out that all of the candidates running in the May 9 presidential election are opposed to the Japan-ROK agreement on comfort women and Japan's request for the removal of the statue from in front of the Japanese Consulate General in Busan.

ECONOMY

U.S. trade deficit with Japan shrinks 14.6% in February

Mainichi ran a Kyodo story saying that the Department of Commerce announced on Tuesday that the United States' deficit in goods trade with Japan shrank 14.6% in February from the previous month to \$4.67 billion, partly due to a drop in imports of passenger cars. This was the second consecutive drop in the U.S. trade deficit with Japan. The paper wrote that the Trump administration may apply pressure on Japan to further reduce the trade deficit, speculating that Washington will raise the issue of trade imbalance at the upcoming U.S.-Japan economic dialogue in Tokyo in mid-April. Yomiuri and Nikkei ran similar stories, with Yomiuri projecting that the U.S. will place strong demands on Japan at the economic dialogue on auto trade and other issues.

No Japanese manufacturers bid on Toshiba's memory chip business

Nikkei wrote that no Japanese companies participated in the first round of bidding for Toshiba's semiconductor memory operations that was closed on March 29. Japanese firms are probably concerned that they would be required to invest huge amounts of capital if they acquired Toshiba's memory business. The situation is reportedly making METI officials nervous. About 10 companies participated in the first round of bidding for Toshiba Memory, including Western Digital of the U.S., South Korean chipmaker SK Hynix, and Taiwan's Hon Hai Precision Industry, as well as an American team comprising Broadcom and private-equity fund Silver Lake Partners that apparently offered around 2 trillion yen (\$18 billion). Although Japanese companies acknowledge the importance of Toshiba's semiconductor technology, they are concerned that keeping the memory business in operation would require investing hundreds of billions of yen each year.

