



Morning Alert - Friday, September 1, 2017

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HEADLINES

Morning news

Most broadcasters led with reports saying Japan's national soccer team has qualified for the World Cup for the sixth straight time after defeating Australia 2-0 on Thursday. TBS led with a report on the increasing tension over North Korea.

Main front-page items in national papers included the Japanese national soccer team's victory, yesterday's Japan-UK summit in Tokyo, Toshiba's failure to select a buyer for its semiconductor division, and the Democratic Party presidential race today.

SECURITY

Japan, U.S. conduct joint aerial training off Kyushu

All papers reported that two ASDF fighters conducted a joint drill with six U.S. military aircraft, including two B-1B bombers, off Kyushu on Thursday afternoon, with the training constituting part of the "tangible pressure" on North Korea that Defense Minister Onodera and Defense Secretary Mattis agreed to apply when they spoke by phone yesterday. According to the stories, USMC F-35 stealth fighters participated in this type of training for the first time.

MOD to seek largest defense budget ever

All papers wrote that the Defense Ministry plans to seek some \$47.5 billion in budget allocation for FY2018, up 2.5% from the current year, noting that the defense expenditure is bound to increase sharply as the nation is preoccupied with countering North Korea's nuclear and missile development and China's maritime push. The ministry is expected to seek an appropriation for the introduction of the "Aegis Ashore" batteries, although the concrete amount has not been specified. Asahi wrote that MOD is seeking some \$130 million for introducing Global Hawk UAVs, noting that although the

ministry at one point conducted a review of the planned procurement due to the high cost, it decided in the end to go ahead with the purchase based on the assessment that the drones are indispensable for intelligence gathering in regions far from Japanese shores.

In a related story, Tokyo Shimbun attributed the soaring defense budget to the Pentagon's "Foreign Military Sales" (FMS) program, explaining that under the arrangement, Japan has been forced to purchase American defense hardware at "the price offered."

Osprey to undergo repairs in Saga

Tokyo Shimbun wrote that a U.S. military C-130 cargo plane landed at Saga Airport last night and unloaded two sets of engines and other equipment, noting that repair work will be performed starting today on the grounded MV-22 Osprey.

Dugong "vanishes" from waters off Camp Schwab

Asahi carried a prominent inside-page article saying that one of the three dugongs that were spotted by the Okinawa Defense Bureau several years ago has not been seen for two years along the shore of the main island of Okinawa, including off Camp Schwab. Environmentalists suspect that the endangered mammal may have "disappeared" as a result of the ongoing FRF construction work. But the defense bureau says the project has had no negative effects on the dugong.

INTERNATIONAL

Japan, U.S. to seek stronger economic sanctions on North Korea

All papers wrote that the U.S. and Japan are looking to enact an additional UN Security resolution to penalize North Korea for the missile launch earlier this week, projecting that the two nations may propose such steps as a ban on petroleum exports, a prohibition against the import of North Korean textiles, and tighter controls on DPRK workers. Chief Cabinet Secretary Suga told the press on Thursday that restricting oil and oil product exports to the DPRK is a possibility. However, Russia and China are likely to oppose the idea. The papers said Tokyo and Washington are poised to push the idea despite objections by Moscow and Beijing based on the assessment that they may be forced to take a tougher approach to Pyongyang in the face of strong criticism of North Korea by a growing number of UN members.

Japan, UK to seek greater Chinese cooperation to restrain DPRK

All papers took up yesterday's summit between Prime Minister Abe and his visiting British counterpart May, at which the two agreed to enhance cooperation to deter North Korea's provocations through passing a new sanctions resolution at the Security Council and urging China to exercise its influence to rein in the defiant neighbor. During post-meeting media availability, May stressed the importance of adopting a new resolution by saying: "Condemnation is not sufficient. Actions are important."

The two leaders issued a joint statement welcoming London's greater security commitment in East Asia, centering on the deployment in the South China Sea of a new aircraft carrier that will debut in 2020 to conduct joint training with the U.S. Navy and the MSDF to hold Beijing's maritime advancement in check. The carrier Queen Elizabeth may also take part in America's "freedom of navigation operations." Noting that PM May was given an opportunity to attend a special session of Japan's National Security Council on Thursday, the dailies said the episode symbolized the strong security partnership between Tokyo and London. Sankei said the UK appears to be placing more emphasis on Japan than China in conducting diplomacy in East Asia.

On the economic front, Abe and May reportedly affirmed pursuing a bilateral FTA and minimizing Brexit's adverse effects on Japanese companies in the UK

MOFA seeks funding for PR campaign touting Japanese business contributions in U.S.

Mainichi wrote that MOFA plans to ask for some \$13.6 million in funding in the FY2018 budget in order to play up contributions made by Japanese companies in America by airing commercial videos and organizing seminars. The initiative has been devised with President Trump's focus on creating jobs in the "Rust Belt" in mind.

ECONOMY

Aso-Pence meeting will likely be canceled

Fuji TV reported this morning on the finding that a meeting between Deputy Prime Minister Aso and Vice President Pence scheduled for next week in Washington will likely be canceled. The network said although Aso was expected to visit Washington on September 4, several GOJ officials disclosed that arrangements are being made to cancel his visit due to the tense situation in North Korea. The network said Minister Aso and the Vice President were supposed to exchange views on the upcoming U.S.-Japan Economic Dialogue and Japan's safeguard measures imposed on U.S. frozen beef.

Safeguard on U.S. frozen beef imports has had minimal adverse effects

Asahi wrote that despite the imposition of emergency 50% tariffs on frozen American beef imports starting on Aug. 1, wholesale and retail prices have not soared thus far because products were stocked in high volume in advance. However, local importers may eventually be prompted to turn to chilled American beef or Aussie beef in anticipation of a rise in frozen U.S. product prices. The daily added that the U.S. is bound to take issue with Japan's beef safeguard in the planned economic dialogue in October, projecting that the Trump administration may not only demand the elimination of the emergency import restriction mechanism but also a drastic cut in import duties on U.S. beef.

POLITICS

Maehara forecast to be next Democratic Party leader

All papers reported on today's Democratic Party presidential election, predicting that former Foreign Minister Maehara is likely to prevail over former Chief Cabinet Secretary Edano because a large majority of incumbent party Diet members and candidates to be fielded in the next general election support the conservative politician. The dailies said attention is being paid to whom Maehara will select as secretary general, speculating that he may ask Edano to assume the portfolio in order to play up party unity.

AMBASSADOR

Ambassador Hagerty presents credentials to Emperor

Yomiuri ran a brief story on Ambassador Hagerty's presentation of his credentials to Emperor Akihito on Thursday, quoting him as telling the press afterward: "The visit to the Imperial Palace was a unique honor that I will treasure for a lifetime." The Ambassador also said the United States' commitment to defending Japan by employing all means is ironclad. NHK carried a similar story on Thursday, quoting the Ambassador as saying: "Our alliance is ironclad and the U.S. commitment to defend Japan to the full range of U.S. military capabilities is unwavering."

