



Morning Alert - Wednesday, January 3, 2018

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HEADLINES

Morning news

Most TV networks led with stories on the anticipated traffic congestion today due to people returning home after the New Year's holidays, while TBS led with a proposal from the South Korean government on holding dialogue with North Korea next week.

Major front-page items in national papers included DPRK leader Kim Jong Un's New Year message on his nuclear program and the possibility of dialogue with South Korea, the Abe administration's decision to support Hitachi's plan to construct a nuclear plant in the UK, and UNESCO's plan to conduct a comprehensive review of its Memory of the World program aimed at preventing member states from engaging in "political football" when discussing items for inclusion in the registry.

INTERNATIONAL

DPRK leader remains defiant toward U.S., makes overtures to ROK

All Wednesday papers reported extensively on North Korean leader Kim Jong Un's New Year message warning the United States that his country's nuclear capabilities are now complete and the nuclear launch button is always on his desk. By emphasizing his regime's nuclear power status, the DPRK leader appeared anxious to deter U.S. military strikes. At the same time, Kim voiced his wish for the success of the PyeongChang Winter Olympics, suggested the possibility of sending North Korean athletes to the sporting event, and underscored the importance of improving inter-Korea relations which he referred to as "frozen."

Noting that this was the first time for the DPRK leader to show willingness to hold dialogue with Seoul since the launch of the Moon administration last May, the papers said Kim is eager to drive a wedge into the U.S.-ROK alliance by capitalizing on the South Korea leader's conciliatory approach

to his northern neighbor. Nikkei said Kim's soft attitude toward the South perhaps reflects his frustration with the mounting international pressure orchestrated by the United States, speculating that he is probably aiming to use South Korea to break free from the tightened noose.

South Korea responds quickly to Kim Jong Un's positive remarks

All dailies highlighted President Moon's remarks on Tuesday welcoming Kim Jong Un's recent overtures, noting that Seoul on the same day proposed holding a meeting by senior officials of North and South Korea at Panmunjom on Jan. 9 to discuss North Korea's participation in the upcoming Olympic Games. Yomiuri said the offer constituted an "immediate response" from the Moon administration to Kim's overtures that were apparently intended to widen the schism between Washington and Seoul. Although South Korean officials stressed that Seoul closely consulted with the U.S. and other partners regarding the proposal, the dailies projected that the Kim regime may ask Seoul to cancel the planned annual U.S.-ROK exercise that is customarily held in February in return for its athletes' attendance at the Olympics. Asahi voiced concern that Seoul might abandon the trilateral partnership with Tokyo and Washington in response to the DPRK overtures. The paper pointed out that President Moon's negative assessment of the 2015 comfort women pact has already strained ties with Japan and that the Trump administration is not necessarily pleased with South Korea's eagerness to improve ties with China.

President Trump comments on Kim Jong Un's New Year message

All papers took up a tweet posted by President Trump apparently in response to the North Korean leader's New Year message. The U.S. leader said: "Sanctions and 'other' pressures are beginning to have a big impact on North Korea.... Rocket man now wants to talk to South Korea for first time. Perhaps that is good news, perhaps not - we will see!" Mainichi separately took up a comment on Kim's message from an unnamed DOS official in charge of press affairs, who stressed the importance for South Korea, the United States, and others to take a concerted approach toward North Korea. The daily interpreted this as Washington's desire to step up pressure on the DPRK in coordination with South Korea, Japan, and other partners, adding that attention will be focused on whether the Trump administration decides to conduct training with South Korea in February as planned or to postpone the joint exercise.

Seoul mayor calls for renegotiation of comfort women accord

Nikkei wrote from Seoul on remarks made on a local TV show on Tuesday by the Seoul mayor, who said renegotiation of the 2015 comfort women agreement with Japan "cannot be avoided." The politician strongly criticized the pact by saying that some of its elements gave the impression that the South Korean government was speaking on behalf of the Japanese people.

ECONOMY

GOJ to extend debt guarantees to encourage nuclear plant exports to UK

Mainichi gave top coverage to Hitachi's plan to build an atomic energy plant in central Britain, noting that the GOJ is expected to offer full debt guarantees to the Japan Bank of International Cooperation, Mizuho Bank, and other major Japanese lenders that have jointly decided to finance almost half of the \$27 billion project. The government-affiliated Development Bank of Japan also plans to finance the massive initiative along with the British government, Chubu Electric Power Co., and other Japanese companies. The article explained that the Abe administration is very keen to back this overseas business scheme by actively helping to enlist financial and other support from the Japanese business community with the ultimate goal of maintaining the nation's nuclear engineering expertise in view of the paramount difficulty in building new nuclear plants at home. In an accompanying piece the paper said the project has already triggered controversy in the UK and expressed concern that Japanese taxpayers will be forced to cover the loss if it is derailed.

