



Morning Alert - Thursday, January 4, 2018

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HEADLINES

Morning news

NHK gave top play to a report on a fire that broke out in an apartment in Nagasaki on Wednesday, killing two children. TV Asahi led with reports on the reopening of a phone line installed at Panmunjom between South Korea and North Korea on Wednesday. TBS reported on the increasing tension over North Korea. NTV led with a report that Aoyama Gakuin University won the annual Tokyo-Hakone intercollegiate men's "ekiden" road relay for the fourth straight year. Fuji TV reported on New Year's celebrations around the world.

Lead items in national papers included an alleged secret meeting between the U.S. and North Korea in Beijing early last month, a GOJ plan to amend laws to make it easier for local governments to sell public infrastructure facilities, the results of a survey of business executives pointing to strong corporate sentiment, and a plan by the World Health Organization to classify videogame addiction as "gaming disorder."

INTERNATIONAL

U.S., DPRK held secret talks in Beijing in December

Sankei led with the disclosure by several GOJ sources that persons connected to the USG including John Merrill, the former chief of INR's Northeast Asia Division at the State Department, met secretly with North Korean officials in Beijing in early December and may have discussed conditions for the resumption of bilateral dialogue and what form it should take. The session took place in the form of a "track 1.5" dialogue attended by government officials and private-sector experts. The daily also claimed that according to the same sources, during a security dialogue between Canada and Japan

held in Ottawa in early December, Canadian representatives urged Tokyo to ease its pressure on the North and underscored the importance of dialogue by saying: "Pressure alone is problematic. It may trigger an unforeseen development... We must negotiate with North Korea. We've been discussing this with the U.S. government."

Noting that Secretary of State Tillerson mentioned "unconditional dialogue" with Pyongyang in his speech on Dec. 12 soon after these two developments, the daily suspected that a pro-dialogue camp within the Trump administration led by DOS diplomats is trying hard to seize the initiative in establishing communications with North Korea. The daily wrote that the Canadian government will host a UN Command ministerial meeting on North Korea in Vancouver on Jan. 16, projecting that since Secretary Tillerson is the primary advocate of this conference, the pro-dialogue bloc is likely to lead the discussions. The paper added that the conference might not make much progress due to the schism between the pro-dialogue camp and the hardliners.

Inter-Korean border hotline reopened after about two years

All papers reported from Seoul that a telephone hotline installed at Panmunjom between South Korea and North Korea was reopened yesterday and representatives of the two governments' representatives exchanged greetings on the line for about 20 minutes for the first time in almost two years. Pointing out that DPRK leader Kim Jong Un had ordered the line to be reopened earlier in the day, the articles said Pyongyang is keen to display the conciliatory line toward its southern neighbor that Kim highlighted in his New Year's message wishing for the success of the PyeongChang Winter Olympics. The papers said the recent overture by North Korea is likely to lead to the realization of a bilateral meeting by working-level officials, speculating that Pyongyang is poised to seize the initiative in setting the agenda for inter-Korean dialogue. The DPRK will probably call for the cancellation of the planned joint drill between the U.S. and South Korea customarily held in February in exchange for its sending a team to the Olympics.

In a related development, most papers took up a teleconference held on Wednesday between Secretary of State Tillerson and his ROK counterpart Kang, during which the Korean minister explained Seoul's rapprochement with North Korea. In reply, the Secretary reportedly called for close bilateral coordination. He also reportedly called for denuclearization to be given top priority. According to a source involved in the two nations' relations cited by Asahi, although Washington has not objected to inter-Korean dialogue, it has asked Seoul to ensure that such communications do not undermine the bilateral alliance. Specifically, the U.S. has urged South Korea not to heed any request from the North for the cancellation of annual U.S.-ROK joint exercises.

SECURITY

GOJ to launch SDF headquarters for cyber and space defense

Yomiuri wrote that the GOJ plans to create an SDF headquarters responsible for ensuring cyber and space defense, noting that the unit will be under the direct command of the defense minister and will be given status equivalent to the ASDF Air Defense Command and MSDF Self Defense Fleet. Personnel will be drawn from all three SDF branches and the existing Cyber Defense Group. The envisaged Space Defense Group will be supervised by the new headquarters.

Okinawa “inflated” tourism revenue to downplay economic benefits of U.S. bases

Sankei claimed that the Okinawa prefectural government has used an inflated figure for tourism revenue in an economic report and compared this figure with revenue from U.S. military bases. The daily contended that this resulted in underestimating the local economy’s reliance on U.S. installations and allowed base critics, including Governor Onaga and the two major Okinawa papers, to make the erroneous argument that U.S. military facilities constitute the “greatest hurdle” to local economic development and that the local economy is not dependent on American bases.

ECONOMY

UK considering joining TPP

Yomiuri and Nikkei took up a Financial Times report claiming that the British government is mulling the idea of taking part in the TPP-11 after its departure from the EU is finalized, speculating that London is anxious to mitigate Brexit’s adverse effects on its economy by ensuring access to the Asia-Pacific market. British officials are reportedly ready to hold talks with New Zealand and Australia within several months. Yomiuri expressed doubt about whether the current 11 members will embrace the participation of a state that is geographically removed from the Asia-Pacific.

