



Morning Alert - Tuesday, January 30, 2018

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HEADLINES

Morning news

NHK gave top play to reports that on Monday the Financial Services Agency ordered Coincheck, a Tokyo-based cryptocurrency exchange, to improve its business operations after 58 billion yen worth of NEM virtual money was stolen by hackers. Commercial networks led with reports that snowfall is forecast for the Kanto region from Thursday to Friday of this week.

Major front-page stories in national dailies included updates on the theft of cryptocurrency on Coincheck, Prime Minister Abe's apology at the Diet yesterday over a senior GOJ official's heckling about U.S. military helicopter incidents, a plan by the Japan Meteorological Agency to step up monitoring of volcanic activity nationwide, and a GOJ idea to tap "inactive savings" at commercial banks for use by NPOs to serve public interests.

SECURITY

Tight race expected in Nago

Asahi front-paged its projections for the mayoral election to be held in Nago, Okinawa, this Sunday, based on the results of a public opinion poll and a field survey. According to the paper, incumbent Mayor Inamine is competing neck and neck with his rival Toguchi, who is backed by the LDP and the Komeito party. Support for the incumbent is strong among the elderly while younger voters tend to favor Toguchi. According to the opinion poll taken jointly with a local broadcaster, some 63% of Nago residents expressed opposition to the FRF initiative off Camp Schwab. Those who are negative about the relocation plan are inclined to endorse Inamine. When asked the dominant issues in the election campaign, 41% said Futenma relocation and 39% said local economic revitalization.

Other papers carried Kyodo's projection pointing to a similar trend. Yomiuri published its own forecast, asserting that Inamine is slightly ahead of his rival and that some 20% of voters remain undecided.

Abe apologizes for vice minister's jeer about helicopter mishaps

All national papers highlighted remarks at the Diet on Monday by Prime Minister Abe, who apologized for then-Cabinet Office Senior Vice Minister Matsumoto's heckling at the parliament last week in relation to a recent series of unscheduled landings by U.S. military aircraft in Okinawa. The premier said: "I offer my deepest apologies to the people of Okinawa.... The government is committed to doing its utmost to reduce the burden on Okinawa." The prime minister reportedly offered an apology swiftly in order to prevent the incident from having a negative effect on the mayoral race in Nago. According to Asahi, the opposition bloc is upping the ante by claiming that Matsumoto's gaffe represents the Abe administration's disregard of Okinawa.

U.S. military conducts unannounced inspections of helicopters

Mainichi reported on the disclosure at the parliament on Monday by Defense Minister Onodera that his ministry was informed by the U.S. military that it has conducted unannounced inspections of helicopter units in relation to the two unscheduled landings by AH-1 helicopters in Okinawa earlier this month. The minister reportedly underscored that the Japanese side needs to independently verify the effectiveness of aircraft inspections and maintenance performed by the U.S. military.

Chinese military plane enters Japan's ADIZ

National papers took up a Defense Ministry announcement yesterday that ASDF fighter jets scrambled in response to a PLA reconnaissance aircraft's entry into Japan's air defense identification zone (ADIZ) over the East China Sea and the Sea of Japan. The Chinese airplane did not violate the nation's territorial airspace. The same PLA spy plane reportedly entered South Korea's ADIZ on the same day.

ECONOMY

Abe comments on President Trump's remarks on TPP

All national dailies except Asahi focused on Prime Minister Abe's statement at the parliament on Monday regarding President Trump's recent remarks indicating Washington's possible return to the TPP. Abe said: "I welcome [the President's remarks].... However, an agreement has already been reached. As it was crafted with great care, we consider it to be optimal. As a result, we currently have no plans to modify it." He added that he would like to learn the true meaning behind the President's words.

China's "economic aggression" prompts Washington's shift on TPP

Sankei's Washington-based columnist Komori claimed that President Trump has made a policy shift and is now looking to rejoin and/or renegotiate the TPP in the belief that the regional free trade framework may be effective in deterring China's "economic aggression." As evidence of this

assertion, the journalist cited recent remarks made to the Wall Street Journal by Treasury Under Secretary for International Affairs David Malpass, who reportedly stated that one of the key factors that have changed the President's views on the trade pact is that "China's economic aggression has intensified globally." The senior official also stated that one factor prompting the administration to look into joining some form of TPP again was "greater understanding of the economic aggression from China." The columnist quoted President Trump as saying in a speech in Davos "that the U.S. will no longer turn a blind eye to unfair economic practices, including massive intellectual property theft, industrial subsidies, and pervasive state-led economic planning," conjecturing that the President had China in mind.

INTERNATIONAL

Foreign Minister Kono to attend international security conference in Germany

Yomiuri claimed that Foreign Minister Kono is likely to take part in the Munich Security Conference in mid-February so as to urge the participants to step up pressure on North Korea. It would be the first time for a Japanese foreign minister to attend the conference in four years.

Senior Japanese diplomat discusses DPRK with Chinese official

Yomiuri and Sankei reported from Beijing that MOFA Asian and Oceanian Affairs Bureau Director General Kanasugi held talks with Kong Xuanyou, Chinese vice foreign minister and special representative on Korean Peninsula affairs. They agreed to enforce UN Security Council resolutions on the DPRK thoroughly with the goal of realizing the denuclearization of the Korean Peninsula. The Japanese official held a separate meeting with another Chinese diplomat and agreed to make arrangements for Premier Li to visit Japan for a trilateral summit with South Korea.

Russia appoints new envoy to Japan

Yomiuri wrote from Moscow that President Putin has decided to tap Russian Ambassador to Indonesia Mikhail Galuzin as the next envoy to Japan, explaining that the new ambassador is very knowledgeable about Japan and can speak Japanese fluently as he has previously served in Japan for a total of 15 years. Other papers ran similar stories.