



Morning Alert - Wednesday, February 28, 2018

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HEADLINES

Morning news

NHK led with a forecast for strong winds in western and northern Japan today. TBS led with a report that General Kim Yong-chol was accompanied by a Korean/English interpreter when he attended the closing ceremony of the PyeongChang Olympics. The network speculated that this was intended as a message to the U.S. saying the North is ready for talks. Other networks gave top play to the return of the Japanese Olympians from PyeongChang.

Major front-page stories in national dailies included the planned passage of the FY2018 budget at the Lower House today, a sharp decline in foreign direct investment by Chinese companies, new Federal Reserve Chairman Powell's first congressional testimony on Tuesday, and a GOJ plan to require the approval of local legislatures when opening casinos.

INTERNATIONAL

President Trump comments on talks with North Korea

Yomiuri reported on remarks made on Monday at the White House by President Trump on North Korea's apparent willingness to hold dialogue with the U.S. "They want to talk, and we want to talk also only under the right conditions," he was reported as saying. "Otherwise, we're not talking." The daily interpreted this comment to mean that Pyongyang needs to take steps toward denuclearization before engaging in talks with Washington.

Key U.S. diplomat in charge of Korean affairs to retire

All national dailies reported that Special Representative for North Korean Policy Joseph Yun will retire on March 2 "for personal reasons." The papers noted that since Yun has been seen as an advocate for dialogue with the DPRK, his retirement may have an impact on America's dealings with

North Korea at a time when the Kim regime has expressed interest in increasing communication with the Trump administration. Mainichi quoted State Department Spokesperson Nauert as saying in a statement that Secretary Tillerson “has reluctantly accepted his decision and wished him well.” She added: “We are sorry to see him retire but our diplomatic efforts regarding North Korea will continue based on our maximum pressure campaign to isolate the DPRK until it agrees to begin credible talks toward a denuclearized Korean Peninsula.”

Asahi wrote that this will be the second key post for Korean Peninsula affairs to become vacant, explaining that there is still no U.S. ambassador to South Korea after the appointment of Korean specialist Victor Cha to the post was withdrawn. Nikkei, pointing out that the nominee to the post of assistant secretary of state for East Asian and Pacific affairs has not yet been confirmed by Congress, said the formulation and implementation of U.S. policy toward Asia is still facing difficulties.

Another ship-to-ship transfer involving DPRK vessel spotted in East China Sea

All papers reported on the GOJ disclosure on Tuesday that an MSDF patrol plane spotted a DPRK tanker engaging in ship-to-ship cargo transfer with a Maldives-flagged vessel in international waters in the East China Sea on Saturday. This is the fourth such incident detected by the SDF this year. The GOJ notified the UN Security Council based on the assessment that the incident probably constitutes a violation of relevant sanctions resolutions.

In related stories, all national papers except Mainichi wrote that the GOJ and the USG are considering organizing an international conference to discuss measures against North Korea’s illicit trading at sea, projecting that South Korea, Australia, Singapore, France, and other nations will be invited. According to Asahi, the GOJ is hoping that these partners will divide the Western Pacific and the Indian Ocean into several zones so that they can each monitor one area. Sankei quoted Foreign Minister Kono as telling the press yesterday: “North Korea has shrewdly attempted to evade sanctions. Since it is necessary for the entire international community to firmly enforce the sanctions, we would like to cooperate with various countries in addition to the United States and South Korea.”

SECURITY

Okinawa governor to visit U.S.

Mainichi and Tokyo Shimbun reported that Okinawa Governor Onaga is planning to visit Washington from March 11 to call attention to his efforts to block the FRF construction off Camp Schwab. During his four-day stay in the U.S. capital, he is reportedly hoping to meet with USG and congressional officials to explain the heavy security burden borne by Okinawa. He will also sponsor a symposium on base issues featuring former Defense Secretary William Perry as a key guest speaker.

Chinese spy plane enters Japan’s ADIZ

All national papers took up a MOD announcement on Tuesday that a Chinese People's Liberation Army Y-9 reconnaissance aircraft entered Japan's air defense identification zone (ADIZ) off the Tsushima Strait between Kyushu and the Korean Peninsula. Although ASDF fighter jets scrambled in response, the Chinese plane did not intrude into Japan's airspace. The same Chinese aircraft reportedly entered South Korea's ADIZ east of the Korean Peninsula.

POLITICS

LDP heavyweight to embrace Abe's proposal on constitutional revision

All national dailies wrote that former Defense Minister Ishiba has apparently changed his stance and is now ready to accept Prime Minister Abe's idea to retain Paragraph 2 of Article 9 of the Constitution. The fact that Ishiba, who had previously advocated deleting the provision prohibiting the maintenance of war potential, now accepts its retention is likely to enable the ruling LDP to forge a party-wide consensus on the proposed constitutional amendment pursued by the premier. Ishiba, who is viewed as the ruling party's foremost defense expert, reportedly told the press yesterday that although he still strongly believes the provision should be deleted, "It is an obligation of a party member to follow a party decision once it has been made."

SOCIETY

GOJ committed to increasing female corporate executives

Nikkei front-paged a GOJ plan to express in its "corporate governance code" the importance of increasing the number of female corporate executives in a bid to ensure that more women will occupy senior management portfolios. In the non-binding guidelines on corporate governance that will be updated this spring, the Financial Services Agency will ask commercial enterprises with no female board directors to explain to stockholders, institutional investors, and other stakeholders the reasons for the absence of women in executive roles. According to Cabinet Office data, women only accounted for 3.7% of executives, including board members, auditors, and corporate officers, at listed companies in Japan last year. The corresponding figures were 34.4% for France, 23.2% for the U.K. and 17.9% for the U.S. in 2015.