
 **JAPAN MEDIA
HIGHLIGHTS**

Morning Alert - Wednesday, July 18, 2018

The following information reflects the reporting of the cited news media and does not reflect the opinions of the U.S. Embassy in Tokyo. Japan Media Highlights is intended for USG use only and should not be forwarded. Visit the website [here](#). For more information, contact TokyoMATT@state.gov.

HEADLINES

Morning news

NHK and TV Asahi continued to report on the heat wave scorching Japan. NTV led with a report on the ongoing efforts to find people still missing after the record rainfall in western Japan last week. TBS reported on the abnormal weather around the globe. Fuji TV gave top play to a report on an incident in which molten rock crashed through the roof of a sightseeing boat off Hawaii's Big Island.

All national dailies except Nikkei led with the official signing in Tokyo yesterday of an economic partnership agreement (EPA) between Japan and the EU.

ECONOMY

Japan, EU seal free trade deal

All papers gave prominent coverage to the signing of a Japan-EU EPA, underscoring that the free trade arrangement is the largest of its kind, accounting for 30% of global economic output and 40% of world trade. The two sides will seek swift parliamentary endorsement to effectuate the accord by the end of next March. Japan is expected to phase out import levies for 94% of trade items while the corresponding figure for the EU is 99%. Although the GOJ estimates that the free trade deal will boost the nation's GDP by 1%, or 5 trillion yen, and add 200,000 jobs, the dailies predicted that the local agriculture, fisheries, and forest industries will be hit hard due to the planned removal of duties on many European products.

According to Asahi, the two sides separately signed the Japan-EU “Strategic Partnership Agreement” to deepen mutual collaboration in such areas as security, financial policy, and freedom of the seas and in space.

Japan, EU eager to conclude EPA to counter protectionism

All papers wrote that the Trump administration’s “America First” trade policy prompted Tokyo and Brussels to cut a bilateral free trade deal quickly, with Asahi explaining that the two partners chose to put off discussions on a provision concerning investor-state dispute settlement, which had been a major sticking point, in order to prioritize a swift conclusion. In a post-signing press conference, Prime Minister Abe, flanked by EU President Tusk and European Commission President Juncker, said: “The conclusion clearly signals the commitment by Japan and the EU to be global leaders in free trade.” The premier also said: “Nothing good comes from protectionism.” EU President Tusk was quoted as saying: “We stand together to counter protectionism.” According to the dailies, Japanese business leaders, including Keidanren Chairman Nakanishi, sat in on the signing ceremony to express the business community’s strong support for the Japan-EU EPA. Nakanishi stressed that tit-for-tat tariffs destroy economies and that it is important to create momentum against protectionism.

The Abe administration reportedly expects that Washington will be tempted to return to a multinational trade arrangement in response to the conclusion of the TPP11 and the Japan-EU EPA since only American products will be subject to high duties when imported to Japan. Asahi wrote that although the EU is keen to take a concerted approach with Tokyo in dealing with the Trump administration’s metal and auto tariffs, Japan is hesitant because it does not want to clash head on with the Trump administration on the trade front joint on account of the North Korea issue. Noting that Japan and the U.S. plan to start cabinet-level negotiations for a ‘free, fair, and reciprocal’ (FFR) trade deal in the near future, Yomiuri quoted an unnamed senior GOJ official as saying: “We will not be able to deflect U.S. trade pressure. We will be forced to make concessions” in the FFR talks.

While pointing out that the Europeans are also keen to seek free trade deals with Latin American and Oceanian countries, Nikkei wrote that Japan and the EU are alarmed by the growing presence of China, which is rapidly deepening trade ties with foreign governments across the globe, because its state-orchestrated economic and trade management are not necessarily compatible with free trade.

SECURITY

MOD likely to request record defense budget

Nikkei wrote that the Defense Ministry's request for spending in FY2019 to be filed with the Finance Ministry in late August will probably be the largest ever, as much as 5.3 trillion yen, due to the need to enhance missile defense systems to counter North Korea's weapons of mass destruction and to strengthen capabilities to defend the Nansei Islands from potential Chinese aggression. The Trump administration's pressure to purchase more American defense hardware is reportedly another factor that will probably drive up the nation's defense budget. The article noted that while the ruling LDP's defense clique advocates doubling the annual defense expenditure to 2% of GDP, the GOJ is cautious about the idea.

INTERNATIONAL

Suga comments on North Korea's alleged covert uranium enrichment program

Sankei highlighted a regular press conference on Tuesday by Chief Cabinet Secretary Suga, during which he commented on a local media story claiming that Secretary of State Pompeo accused North Korea of covertly operating a uranium enrichment facility when he visited Pyongyang earlier this month. The government spokesman said: "We are gathering and analyzing intelligence on North Korea's nuclear development with great interest.... We are committed to pressing North Korea to take concrete steps toward denuclearization in coordination with the U.S. and other relevant parties."

SOCIETY

Japanese mother ordered to return son to father in U.S.

Mainichi wrote that the Nagoya High Court on Tuesday ruled in favor of a Japanese man living in America and ordered his Japanese wife to return their American-born son to him since it was illegal for her not to comply with an earlier court verdict ordering the minor's repatriation based on the Hague Convention on the Civil Aspects of International Child Abduction. The minor was reportedly brought to Japan by his mother without the father's consent in 2016. Nikkei and Sankei ran similar stories.



**JAPAN MEDIA
HIGHLIGHTS**