



Morning Alert - Thursday, July 26, 2018

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## HEADLINES

### Morning news

Most networks led with reports on Typhoon Jongdari, which is expected to make landfall in the Kanto region over the weekend. TBS led with a report on the enrollment of the children of a MEXT official to Tokyo Medical University through backdoor admissions.

Top stories in national dailies included the Defense Ministry's estimate that the deployment of two Aegis Ashore land-based missile batteries will likely cost 400 billion yen, double the initial estimate (Yomiuri); planned talks between President Trump and European Commission President Juncker (Sankei); the results of a Nikkei survey showing that 43.9% of Japan's major corporations are planning to spend record amounts on research and development in fiscal 2018 (Nikkei); the Japan Housing Finance Agency's stricter conditions for loans for the construction of rental housing (Asahi); and a story about an elderly couple in Okayama Prefecture who died in the recent floods (Mainichi).

## INTERNATIONAL

### President Trump reportedly appreciates DPRK's apparent moves to dismantle missile test site

Wednesday evening's Asahi, Yomiuri, and Nikkei reported on remarks made by President Trump in Kansas City, Missouri, on Tuesday, during which he commented on a report released by 38 North saying that new satellite imagery indicates that the DPRK has begun dismantling key facilities at the Sohae satellite launching station. The papers wrote that the President reportedly said that he "appreciates" the apparent move by North Korea, adding that nuclear talks with Pyongyang are going "very well." The papers added that Secretary of State Pompeo reportedly said on Tuesday that North Korea's reported activity at the satellite launching station is consistent with the commitment made by Chairman Kim at his summit with President Trump in Singapore on June 12. Yomiuri wrote

that Chief Cabinet Secretary Suga commented on North Korea's possibly starting to dismantle the missile test site by saying that Japan hopes that the move will lead to concrete actions toward denuclearization.

### **German foreign minister expresses hope to increase cooperation with Japan**

Asahi, Yomiuri, and Sankei reported on a speech delivered by visiting German Foreign Minister Maas in Tokyo on Wednesday, in which he expressed Germany's hope to increase cooperation with Japan in promoting free trade and multilateral cooperation. Maas also held bilateral talks with Foreign Minister Kono and the two issued a joint statement expressing their nations' determination to uphold the rules-based international order. Nikkei reported on the German official's meeting with Prime Minister Abe at the Kantei, during which the premier reportedly stressed that the Japan-EU FTA demonstrates the two parties' will to uphold free trade.

## **SECURITY**

### **Cost of Aegis Ashore battery deployment may reach 400 billion yen**

Yomiuri led with a report claiming that the Ministry of Defense is estimating that the cost of deploying two Aegis Ashore batteries could increase to 400 billion yen, double the initial quotation.

Yomiuri and all other national dailies reported that on Wednesday the ministry announced the postponement of the planned invitation of tenders for geological surveys at candidate sites for the deployment out of consideration for local communities' concerns. Asahi wrote that the Defense Ministry's plan to deploy two Aegis Ashore batteries in Akita and Yamaguchi Prefectures has been delayed due to the local concerns. The paper also wrote that although Defense Minister Onodera said last year that the per-unit cost of the batteries would be around 80 billion yen, his ministry later revised the estimate to about 100 billion yen. The paper wrote that Onodera, however, effectively retracted his earlier estimate by saying at a news conference on Tuesday that he has never spoken about the cost estimate for the Aegis Ashore batteries. The paper wrote that there is a view within the ministry that the total cost of deploying the two Aegis Ashore units and related facilities, including radar, could rise to 500 billion yen.

### **U.S., Japan, other nations conduct multilateral drills to prevent WMD trafficking**

Asahi and Sankei wrote that maritime exercises based on the Proliferation Security Initiative, a global effort that aims to stop trafficking of weapons of mass destruction, were held in waters off the Boso Peninsula in Chiba Prefecture on Wednesday, with the participation of 25 nations, including the United States, Japan, South Korea, and Australia. Asahi wrote that this was the fourth time for Japan to host the annual multilateral drills.

## **ECONOMY**

### **Japan aims to arrange new trade talks with U.S. in August**

Sankei claimed that Japan will make efforts to hold the first meeting of its new bilateral talks on “free, fair, and reciprocal” trade with the United States in August or later. The paper speculated that holding the first meeting in late July, as originally envisaged by Tokyo, became difficult because Washington has been preoccupied with trade issues involving Europe and China. The paper conjectured that Japan is planning to urge the United States to rethink its plan to impose additional auto tariffs and to reconsider returning to the TPP.

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