
 **JAPAN MEDIA
HIGHLIGHTS**

Morning Alert - Tuesday, July 31, 2018

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HEADLINES

Morning news

NHK led with an update on Typhoon Jongdari, which is remaining stationary off Kyushu. Heavy rain is forecast for parts of Shikoku and Kyushu today. Most commercial broadcasters gave top coverage to reports on the Japan Boxing Federation's alleged misuse of subsidies.

Top stories in national dailies included a ruling by the Fukuoka High Court that the floodgates of a dike at Isahaya Bay in Nagasaki Prefecture should remain closed, favoring the state in a protracted legal battle over its land reclamation project that has been criticized by local fishermen (Asahi, Mainichi, Yomiuri); moves by major department stores and supermarket chains to improve employment conditions for part-time workers (Nikkei); and an announcement by Kyoto University on the launch of clinical trials using iPS cells to treat Parkinson's disease (Sankei).

INTERNATIONAL

Secretary Pompeo unveils U.S. plan to fund Indo-Pacific development

[Nikkei](#) front-paged a speech delivered by Secretary of State Pompeo at a business forum in Washington on Monday, during which he reportedly stated that the United States will establish a fund to support infrastructure development in the Indo-Pacific region. The paper conjectured that the fund is one of the pillars of the Trump administration's initiative to create

a “free and open Indo-Pacific” in response to China’s “One Belt, One Road Initiative.” Sankei also ran a report on the Secretary’s speech.

Defense Minister Onodera to visit India, Sri Lanka

Asahi wrote that Defense Minister Onodera is making final arrangements to visit India and Sri Lanka from Aug. 19-23. The paper wrote that he plans to discuss with Indian Prime Minister Modi and other leaders Japan’s defense cooperation with the two nations. The paper added that Onodera also plans to visit the Sri Lankan port of Hambantota, which is operated by China. The Japanese government is having MSDF vessels call at the port to restrain China’s turning it into a base.

SECURITY

Deployment of Aegis Ashore systems to reportedly cost 466.4 billion yen in total

All national dailies reported on the Defense Ministry’s announcement on Monday that the total cost of deploying two Aegis Ashore batteries will likely be about 466.4 billion yen, about 1.7 times higher than the initial estimate. The ministry originally estimated a cost of 80 billion yen per unit, but now expects that it will be around 134 billion. The ministry also said it will need an additional 195.4 billion yen per unit to run and maintain the systems for the first 30 years after the deployment. The papers wrote that the ministry has decided to use the state-of-the-art Solid State Radar (SSR) produced by Lockheed-Martin for the missile defense system and that its original plan to begin operating the batteries in fiscal 2023 will likely be delayed until fiscal 2025 or later. Defense Minister Onodera reportedly told the press on Monday the deployment of the system will drastically increase Japan’s ballistic missile defense capabilities.

Yomiuri wrote that the Defense Ministry decided to use the Lockheed Martin SSR to increase Japan’s capability to intercept ballistic missiles amid lingering concerns over the possibility of a ballistic missile attack by North Korea. The paper wrote that in response to concern about the ballooning cost of deploying the Aegis Ashore system, the ministry plans to provide detailed explanations about its significance.

Japan launches seventh Aegis ship

Asahi wrote that the Ministry of Defense held a launching ceremony for the MSDF’s seventh Aegis destroyer, “Maya,” on Monday in Yokohama. Maya is the first MSDF ship to be equipped with Cooperative Engagement Capability (CEC), a real-time sensor netting system for vessels and aircraft. The ship will be put into commission around March 2020.

The paper speculated that the deployment of the CEC-equipped vessel is intended to further promote the SDF's cooperation with the U.S. military. Yomiuri and Sankei ran similar reports.

Ginowan mayor expresses intention to run in Okinawa gubernatorial election in November

Mainichi and Nikkei wrote that Ginowan Mayor Sakima officially accepted in Naha on Monday the LDP Okinawa chapter's request for him to run in the Okinawa gubernatorial election slated for Nov. 18. The papers interpreted the acceptance as a de facto announcement of Sakima's candidacy for the governorship. Mainichi wrote that while expressing his resolve to make utmost efforts for the future of Okinawa, Sakima refrained from making explicit comments on Futenma relocation to Henoko. Nikkei quoted him as saying that it will not be enough to simply settle the issue of returning the land used by the U.S. military as it is necessary for Okinawa to have a broad vision for its development.

Police press charges against wife of U.S. serviceman in Aomori for hit and run

The Aomori-based Too Nippo newspaper posted a Kyodo report on its website on Monday evening saying that Aomori Police on Monday pressed charges against the wife of a U.S. service member belonging to Misawa AB on suspicion of seriously injuring a female pedestrian in a traffic accident and fleeing the scene in Misawa at around 6:05 p.m. on March 1. The Misawa Police have been investigating the case with the cooperation of the base. NHK aired a similar story, and Hokkaido Shimbun, Sankei, and Tokyo Shimbun posted the same Kyodo story on their websites.

ECONOMY

JETRO chief comments on alleged U.S. auto tariffs

Yomiuri wrote that Japan External Trade Organization (JETRO) Chairman Ishige commented on the United States' alleged plan to impose additional tariffs on auto imports at a news conference on Monday, quoting him as saying that it is necessary for Japan to keep making efforts through various channels to urge the United States not to impose the tariffs. The paper wrote that Ishige expressed concern that such tariffs would have a major impact on Japan's auto industry.

Brazilian official expresses interest in four-way South America FTA with Japan

Monday evening's Nikkei wrote that Brazilian Undersecretary General for Economic and Financial Affairs Ronaldo Costa Filho told the paper in Tokyo last week that it would be possible to agree by the end of this year to launch negotiations on an EPA between Japan and the Mercosur South American trade bloc involving Brazil, Argentina, Uruguay, and Paraguay.

