
 **JAPAN MEDIA
HIGHLIGHTS**

Morning Alert - Tuesday, August 7, 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

All networks gave top play to reports on Typhoon Shanshan, which is approaching Japan. The networks said the typhoon may hit the Kanto region as early as tomorrow.

Major front-page items in national papers included the Financial Services Agency's ongoing investigations into the legal compliance of regional banks, updates on the Tokyo Medical University's discrimination against female applicants, the reinstatement of U.S. sanctions on Iran, and the peace memorial ceremony in Hiroshima yesterday. Sankei briefly mentioned that Ambassador Hagerty attended the event, adding that it was the first time in three years for a U.S. ambassador to participate.

INTERNATIONAL

ASEAN Regional Forum statement fails to call for "irreversible" denuclearization

All papers reported on a chairman's statement released by the Singaporean government on Monday concerning the ASEAN Regional Forum foreign ministerial meeting held in Singapore over the weekend. According to the document, the participants urged North Korea to fulfill its commitment to complete denuclearization. However, the document stopped short of using such adjectives as "verifiable" and "irreversible," as well as the word "abductions," which were all included in last year's statement. The dailies speculated that

these words were probably omitted in response to the charm offensive staged by DPRK Foreign Minister Ri at the international confab, where he held talks with his counterparts of 11 nations.

Asahi speculated that in addition to opposition from North Korea and China, the Trump administration's decision to stop using the phrase "complete, verifiable, and irreversible denuclearization" (CVID) might have contributed to the apparent toning down of language on North Korea's denuclearization. Yomiuri added that the term "CVID" was also left out of a similar statement on the East Asian Summit foreign ministerial meeting, which the North Korean diplomat chose not to attend.

Abe expresses willingness to hold summit with Chairman Kim

All dailies wrote that during a press conference held in Hiroshima on Monday, Prime Minister Abe reiterated his desire to meet with DPRK leader Kim Jong Un by saying: "Eventually I'll need to meet with Chairman Kim in coordination with the international community in order to resolve the nuclear, missile, and abduction issues, and to build a new relationship with North Korea." Yomiuri speculated that Abe may be able to hold a meeting with Kim on the margins of an international economic conference in Vladivostok in September.

DPRK criticizes State Department, but not President Trump

All papers except Mainichi reported on a commentary published yesterday by a DPRK media outlet regarding the recent imposition of additional economic sanctions on North Korea by the Trump administration. The commentary reportedly criticized the State Department, the Treasury Department, and Congress for being "abnormally rude to a dialogue partner," but carefully avoided directly criticizing President Trump by saying: "This is different from the decision made by President Trump when he took a first historic step by successfully holding a U.S.-DPRK summit.... President Trump has repeatedly expressed gratitude for our goodwill gestures." Asahi suspected that the Kim regime is anxious to win the U.S. leader over to its side.

Foreign Minister Kono meets with Aung San Suu Kyi

All dailies said Foreign Minister Kono held talks with his Myanmar (Burma) counterpart Aung San Suu Kyi in Naypyidaw on Monday and conveyed Japan's support for the country's efforts to resolve the Rohingya crisis. In his second visit to the Southeast Asian nation in eight months, the top Japanese diplomat reportedly made it clear that Tokyo continues to take a soft approach, as opposed to the hard line taken by the U.S. and Europeans on the

humanitarian crisis. Yomiuri and Nikkei conjectured that Tokyo is avoiding taking a confrontational stance toward Myanmar in order to dissuade it from relying too much on China.

Japan lodges protest against Russia's deployment of fighter jets on disputed islet

Asahi, Sankei, and Mainichi reported on the disclosure by Chief Cabinet Secretary Suga yesterday that the GOJ has filed a protest with the Russian government against the deployment of Sukhoi Su-35s at an airport on Etorofu Island. The government spokesman expressed strong regret by saying that the deployment is not compatible with Japan's position.

ECONOMY

U.S. may use auto tariffs as tool to win concessions from Japan in trade talks

Sankei speculated that the USG will reportedly use the proposed auto tariffs as negotiating leverage to force Japan to make concessions in the upcoming "free, fair, and reciprocal" (FFR) trade talks. The article claimed that since President Trump appears to be confident that his proposal on imposing additional tariffs on foreign vehicles prompted the EU to agree to start consultations on the elimination of industrial tariffs and to expand imports of American agricultural products, his administration will probably try to employ this "successful model" in future trade negotiations with Tokyo. The paper conjectured that Washington may choose to go ahead with the proposed tariffs if the GOJ tries to procrastinate in the FFR talks.

In a separate piece, the daily explained that Japan probably will not be able to make concessions on agricultural trade ahead of the Upper House election next summer. According to the paper, the GOJ may put forward such ideas as importing additional American LNG and boosting corporate investment in the U.S. in a bid to head off U.S. pressure to seal a bilateral FTA.

Japanese auto makers "at a loss" over how to respond to potential U.S. auto tariffs

Sankei wrote that Japanese automakers are in a dilemma over the Trump administration's potential moves to impose higher tariffs on auto imports because passing the entire amount, which is estimated to be about 660,000 yen (approx. \$6,000) per unit, onto consumers would make their vehicles highly uncompetitive. If they choose to absorb the higher tariffs

themselves, their revenue will decline sharply. Although expanding assembly lines in the U.S. would probably be an effective step to forestall the tariffs, deciding to make additional investments overseas would not be easy. Increasing production at existing factories in the U.S. could be another potential option, but employing additional American workers may be difficult due to a labor shortage arising from robust economic growth in the U.S. The article predicted that while Japanese automakers would have no choice but to raise prices if the tariffs were leveled as proposed, they would run into difficulties deciding the extent to which the additional cost should be borne by American consumers.

SECURITY

Okinawa rejects request for postponement of hearing on landfill permit withdrawal

Asahi reported that the Okinawa prefectural government dismissed on Monday a request filed by the Okinawa Defense Bureau for postponing a hearing on Governor Onaga's plan to rescind the landfill permit for FRF construction off Camp Schwab and decided to hold it on Aug. 9 as originally planned. According to the paper, the governor is set to officially withdraw the permit ahead of Aug. 17, when the Defense Ministry plans to begin the landfill work.
