



Morning Alert - Monday, August 13, 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 gave top play to a report that a 30-year-old man arrested on charges of attempted sexual assault on Aug. 8 escaped from a detention cell in Osaka on Sunday evening and is still at large. NTV and TV Asahi led with reports that Japanese soccer player Keisuke Honda has assumed the post of general manager of Cambodia's national soccer team. TBS led with updates on the scandal involving the chairman of the Japan Amateur Boxing Federation. Fuji TV aired the final round of the World Golf Championships-Bridgestone Invitational.

There were no papers this morning due to press holiday in Japan.

ECONOMY

No deal reached in Lighthizer-Motegi trade talks

All Sunday papers reported on the first round of "FFR" (free, fair, and reciprocal) trade talks, asserting that they ended in Washington on Friday without producing any concrete achievements. According to the papers, Economic and Fiscal Policy Minister Motegi and USTR Lighthizer agreed to expand bilateral trade, but did not reach a consensus on specific issues such as potential U.S. auto tariffs and U.S. access to Japan's agricultural market. They decided to hold their next round of talks in September. Motegi told the press afterward: "I think both sides agreed on the basic direction of finding ways to promote trade between the U.S. and Japan.... As the talks have just begun, we didn't make decisions on individual issues. We will be deciding how to address outstanding issues while pursuing measures to promote trade between the U.S. and Japan." With regard to the possibility of the U.S. imposing auto tariffs, the Japanese minister said: "I told Mr. Lighthizer that building confidence is indispensable. We agreed to continue discussions based on a relationship of

mutual trust.”

Motegi reportedly turned down a request from Lighthizer to hold bilateral trade negotiations by reiterating Japan’s hope for the U.S. to return to the TPP. According to the papers, the Japanese minister called on the Trump administration not to impose additional tariffs on Japanese cars, but Lighthizer did not make a definite reply to the Japanese request. The two officials reportedly agreed to enhance mutual coordination in dealing with trade issues involving China, such as intellectual property violations and state-owned enterprises. They also agreed to promote WTO reforms.

Yomiuri claimed that Lighthizer was not as confrontational as Japanese officials had expected and reportedly did not mention the term FTA during the talks. The daily attributed his conciliatory approach to his preoccupation with more pressing issues, such as renegotiation of NAFTA and trade talks with China and the EU. Nikkei opined that as Lighthizer’s current policy priority is renegotiating NAFTA, he may have decided not to put too much pressure on Japan this time. Both papers projected, however, that Lighthizer might step up the pressure in the September session, as President Trump might urge him to produce quick deliverables ahead of the midterm elections in November.

Mainichi claimed that Japan may eventually be pushed into tight corner, projecting that Washington is bound to ratchet up the pressure on the agricultural front since the Trump administration needs to mollify U.S. farmers who are reportedly worried about losing access to the Chinese market due to the escalation of tit-for-tat tariffs and concerned about their products being at a disadvantage in Japan on account of the TPP and the Japan-EU EPA. Sankei opined that Japan has no effective tools to head off U.S. trade pressure, noting that even if Japan puts forward such ideas as increasing Japanese corporate investment in the U.S. and imports of American LNG and defense equipment, the Trump administration might still not ease the pressure on Tokyo.

Asahi, Nikkei, and Mainichi claimed that Japan appears optimistic that the U.S. will not impose additional auto tariffs on Japanese vehicles at least for the time being, speculating that Motegi’s use of the phrase “mutual trust” in the post-meeting press availability indicates the U.S. probably will not invoke higher auto tariffs as long as bilateral consultations are underway. Noting that prior to the talks some Japanese officials had been worried that the U.S. side might threaten to level additional auto tariffs if Japan rejected a U.S. call for an FTA, Nikkei quoted a GOJ source as saying that “progress was made” on the matter. Sankei and Yomiuri claimed that Motegi was not able to obtain an assurance from Lighthizer that Japanese autos would be exempted from potential tariffs. Yomiuri conjectured that GOJ officials are still concerned that Washington will eventually use auto tariffs as a tool to press Japan to open its farm market or conclude a bilateral FTA in the event that the FFR talks become prolonged.

INTERNATIONAL

Top DPRK diplomat vows to maintain nuclear expertise

All Saturday morning papers reported that during a recent meeting with the Iranian parliamentary speaker in Tehran, North Korean Foreign Minister Ri reportedly said: “We are moving forward with denuclearization. However, since we know that the U.S. will continue to be hostile to the DPRK, we will maintain our nuclear expertise. As we are pursuing economic development, we need to guarantee our security.” The papers speculated that by hinting that the DPRK will continue to develop nuclear weapons, the senior DPRK official was trying to counter the U.S.’s persistent calls for complete denuclearization.

DOS spokesperson says U.S. in frequent contact with DPRK

Saturday morning’s Mainichi highlighted the disclosure by State Department Spokesperson Nauert that the U.S. has “conversations virtually every day, every other day or so” with North Korea by phone or email. As for President Trump’s alleged offer for Secretary Pompeo to return to Pyongyang for talks with Chairman Kim on denuclearization, Nauert reportedly said she had no such travel plans to announce.

Foreign Minister Kono dismisses media report on talks with top DPRK diplomat

Saturday’s Sankei took up press remarks on Friday by Foreign Minister Kono, who categorically denied a recent Yomiuri report claiming that during a brief conversation on the sidelines of a recent ASEAN-related conference in Singapore earlier this month, Kono told North Korean Foreign Minister Ri that Japan is ready to hold dialogue. Kono stressed that the report is “completely false.”

Japanese citizen detained in North Korea

All Sunday papers reported that a Japanese videographer in his 30s has been in the custody of local security authorities in North Korea since early August, noting that he apparently entered the country with the help of a Chinese travel agency. According to Asahi, the man was allegedly apprehended while traveling with several other people in the western city of Nampo. As there is a military port located in Nampo, the daily speculated that he was detained on suspicion of espionage. While noting that the GOJ is asking the DPRK government to release the man quickly, the papers conjectured that the Kim regime may be planning to use the detainee as a card in negotiations with the GOJ.

South Korean companies accused of smuggling DPRK coal

All papers except Asahi reported on Saturday that three South Korean companies have been found to have illegally imported North Korean coal worth a total 6.6 billion won on seven different occasions last year in violation of UN sanctions resolutions. The companies reportedly falsified customs documents to make it appear the coal was from Russia. The ROK authorities reportedly identified the smuggling based on information provided by the U.S.

Research institute on comfort women launched in South Korea

All Saturday dailies wrote from Seoul that South Korea's Ministry of Gender Equality and Family on Friday established a research center on the comfort women issue, saying that it is headed by a local scholar who has been calling for the nullification of the comfort women agreement with Japan. The GOJ reportedly filed a request with the ROK Foreign Minister on Thursday for the entity to be operated in a manner that will not run counter to the spirit of the bilateral pact.

In a related development, Asahi and Mainichi reported that a MOFA blue-ribbon commission tasked with drawing up recommendations for developing Japan-ROK relations held its first meeting on Friday, explaining that the launch of the panel was spearheaded by Foreign Minister Kono, who believes that Tokyo needs to improve its ties with Seoul in order to better deal with North Korea. The taskforce is expected to issue its recommendations in October.

Japan, China considering issuing new “political document” on bilateral relations

Sunday's Yomiuri reported on the 40th anniversary of the signing of the Treaty of Peace and Friendship between Japan and China on Sunday, speculating that the two governments are exploring the possibility of issuing a new “political document” highlighting “mutual trust” and “the two nations’ roles in global economic development” when Chinese President Xi visits Japan next year probably on the margins of the G20 summit in Osaka in June. By issuing such a document, which would be the fifth of its kind, Tokyo and Beijing are aiming to reinforce the steady improvement of mutual relations. The daily conjectured that China is keen to stabilize its ties with Tokyo in order to counter what it views as the Trump administration's protectionist trade policy. Nikkei ran a similar story, adding that some Japanese officials are cautious about the idea of issuing such a document if it is drafted in a manner that would draw Japan into a new world order orchestrated by China.

SECURITY

U.S., Japanese defense chiefs speak by phone

Saturday morning's Yomiuri, Mainichi, and Sankei reported that Secretary of Defense Mattis and Defense Minister Onodera spoke by phone on Friday and agreed to press North Korea to dismantle all of its weapons of mass destruction and ballistic missile programs in a complete, verifiable, and irreversible manner. The two ministers reportedly confirmed cooperation in curbing China's maritime push and in deploying Aegis Ashore batteries in Japan.

Large rally held in Okinawa to protest FRF initiative

Sunday's Mainichi and Asahi reported that a large demonstration was held in Naha on Saturday in protest of the Abe administration's plan to move forward with the FRF construction off Camp Schwab. According to the organizers, as many as 70,000 people gathered to express their support for the late Governor Onaga's campaign pledge never to allow a new U.S. base to be built in the Henoko area. While mourning the death of their “defiant” leader, the participants reportedly vowed to step up their opposition to the Futenma relocation plan. In remarks to the assembled protestors, Vice Governor

Jahana stressed that the prefectural government will decide whether or not to rescind the landfill permit in a cool-headed manner while respecting Onaga's strong determination.

Survey: 12 governors call Okinawa's base burden "excessive"

Saturday's Asahi reported that according to the results of a survey conducted by a civic group, 12 out of 46 prefectural governors (all the prefectures except for Okinawa) believe the base burden borne by Okinawa is "excessive." In addition, the governors of five prefectures said the burden on Okinawa should be reduced. The leaders of Shizuoka, Shiga, and Tottori expressed support for the late Governor Onaga's opposition to the Futenma relocation plan.

POLITICS

Ishiba declares candidacy for LDP presidential election

All weekend papers reported that former LDP Secretary General Ishiba held a press conference on Friday and announced his plan to seek the LDP presidency. He stressed that he will pursue "honest, fair, and humble" politics with the simmering public criticism of Prime Minister Abe's handling of the Kake and Moritomo Gakuen scandals in mind. Since Abe has already secured the support of over 70% of LDP lawmakers for his reelection bid, the prevailing view is that Ishiba has little chance to win the September race. However, since his popularity is believed to be relatively strong among rank-and-file party members especially in the countryside, the dailies said the Ishiba camp is hoping to court support from highly popular Chief Deputy Secretary-General Koizumi so that the two can campaign together across the nation to galvanize his supporters.

