



Chapter 2

Japan's Foreign Policy by Region

1. Asia and Oceania

The Asia-Oceania region is home to many of the emerging countries. The region has been driving world growth and has been increasing its global presence. Realizing affluence and stability throughout Asia-Oceania is indispensable for Japanese peace and prosperity. In economic terms, the region has been supported by abundant human resources and has consequently achieved a high rate of growth. Of the world population of 7 billion, approximately 3.4 billion people live within East Asia Summit (EAS) member nations⁴ (excluding the U.S. and Russia), which is 49.2% of the world's population.⁵ The combined nominal GDP of ASEAN members, China and India grew by a factor of four over the last 10 years⁶ (world average growth was a factor of two). It is expected that with the expanding middle class, purchasing power will soar. Total exports and imports of EAS members excluding the U.S. and Russia is US\$10 trillion, making it the second largest market behind the EU at US\$12 trillion. 44.2% of these exports and imports are intra-regional,⁷ illustrating the close economic ties between the nations and their advanced economic interdependence. In recent years, driven by foreign investment led by Japan, tight-knit supply chains that extend across the entire region are being established. Encouraging strong growth, capturing the huge demand for infrastructure and tapping into the purchasing power of the large middle class in the region will also bring affluence and vitality to Japan.

On the other hand, the security environment

surrounding Japan within the Asia-Oceania region continues to prove increasingly challenging. North Korea engages in provocation such as missile launches and a nuclear test; modernization of military forces of the countries in the region is being modernized while their maritime operations have become more active; and tensions within the region over maritime issues, including the issues in the South China Sea, are growing. Furthermore, there are other issues hindering the stable growth of the region, including developing financial markets, environmental pollution, tight food and energy supplies and aging populations.

The strategic environment within the region is undergoing significant change as illustrated. This gives greater importance to Japan's efforts to strengthen cooperation with nations throughout the region. In its effort to play an active role in ensuring the peace and prosperity of the region, Japan will strengthen its cooperative relationship with neighboring countries while also enhancing the Japan-U.S. alliance. To this end, Japan will drive regional cooperation. Efforts will not be limited to bilateral relationships and will extend to trilateral partnerships such as Japan-China-the ROK, Japan-U.S.-ROK, Japan-U.S.-Australia, as well as other frameworks including Japan-ASEAN, ASEAN+3⁸, EAS, and APEC.

As mentioned above, the importance of strengthening the Japan-U.S. alliance as a diplomatic

⁴ ASEAN (members: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Vietnam, Laos, Myanmar, Cambodia), Japan, China, the Republic of Korea (ROK), India, Australia, New Zealand.

⁵ World Bank

⁶ The International Monetary Fund (IMF) Direction of Trade Statistics May 2012

⁷ IMF Direction of Trade Statistics May 2012

⁸ Regional cooperative framework for ASEAN members, Japan, China and the ROK.

linchpin for the purpose of ensuring the peace and prosperity of the Asia-Pacific region continues to heighten and it is from this perspective that Japan welcomes the United States' rebalancing toward the Asia-Pacific. It is crucial that Japan and the U.S. work together to allow rules rather than force to govern the region. Through this, Japan strives to fulfill its responsibility of ensuring the peace and prosperity of the region.

China has cultivated a strong relationship with Japan in a broad range of fields, such as culture and human exchanges, and is an important neighbor of Japan. In recent years, the rapid economic development of China has helped increase its presence in the international community in various fields. Relations with China are one of Japan's most important bilateral relationships and it is imperative that both countries seek a Mutually Beneficial Relationship Based on Common Strategic Interests from broad viewpoints by cooperating and exchanging in a practical manner. The year 2012 marked the 40th anniversary of the normalization of diplomatic relations between Japan and China and almost 670 commemorative projects were carried out through the year. However, the situation over the Senkaku Islands had a serious impact on the Japan-China relationship in 2012. Furthermore, in February 2013, an incident occurred in which a fire-control radar was directed to a Japan Self-Defense Forces' vessel by a Chinese navy vessel.

The Senkaku Islands are clearly an inherent part of the territory of Japan, in light of historical facts and based upon international law and the islands are under the valid control of Japan. There exists no issue of territorial sovereignty to be resolved concerning the Senkaku Islands. Japan conducted surveys of the Senkaku islands beginning in 1885 through which it confirmed that there was no trace of having been under the control of the Qing Dynasty of China and then formally incorporated the Senkaku islands into the territory of Japan in January 1895. Later, with the permission of the Japanese Government, enterprises, such as the manufacturing of bonito flakes, were conducted on the island and many Japanese citizens resided on the islands. After World War II the Senkaku Islands were placed under the administration of the U.S. in keeping with the San Francisco Peace Treaty. During this period, China and Taiwan did not make any objections.

An academic investigation conducted by the UN

Economic Commission for Asia and the Far East (ECAFE) in 1968 indicated the possible existence of untapped petroleum in the East China Sea, consequently drawing attention to the Senkaku Islands. Later, after 1970, China and Taiwan began making their own assertions on territorial sovereignty over the Senkaku Islands. In December 2008, the Chinese Government intentionally had two vessels intrude into Japanese territorial waters surrounding the Senkaku Islands for an extended period of time. Furthermore, following the incident in September 2010, where there was a collision between a Chinese fishing vessel and a Japan Coast Guard vessel within the Japanese territorial water off the Senkaku Islands, the Chinese Government began to have their vessels frequently enter waters surrounding the Islands. Additional intrusions into Japanese territorial waters also occurred on numerous other occasions.

On September 11, 2012, the Japanese Government acquired ownership, from a Japanese private citizen, of three of the Senkaku Islands, consequently making the islands state-owned property. In response, the Chinese Government, based on its own assertions, intensified its claims and unilaterally drew territorial baselines, submitted a coordinate and marine chart of the claimed baselines to the UN, gave own "names" to them and published a "white paper," among other efforts, to propagate its claims to the international community. Furthermore, with the exception of periods of severe weather, Chinese vessels have traversed within the waters surrounding the Senkaku Islands almost daily with more than twenty separate occasions of territorial water intrusions between September 11, 2012 and the end of that year. These frequent violations have persisted ever since. Immediately after the acquisition of three of the Senkaku Islands, a large scale of anti-Japan demonstrations broke out throughout China. A large amount of physical damage, including acts of violence against Japanese nationals and destruction of assets of Japanese companies and Japan's diplomatic establishments, was incurred by the demonstrations.

Japan cannot by any means tolerate the behavior of the Chinese Government, based on their own claims. At the same time, Japan will maintain its calm and firm stance in addressing the issues surrounding the Senkaku Islands. Japan is ready to continue communication with China in order to alleviate tensions.

Taiwan is an important partner and has close economic ties and active people-to-people exchange with Japan. In line with the 1972 Japan-China Joint Communique, Japan-Taiwan relationship has continuously been maintained on the basis of working relations at non-governmental level while developing working cooperation to promote closer economic ties.

Making the most of the frequent high-level dialogues held due to the 40th anniversary of the establishment of Japan-Mongolia diplomatic relations in 2012, Japan will strive to strengthen the mutually beneficial and complementary relations in order to develop a "Strategic Partnership," which is a common diplomatic goal of the two countries. This effort will include enhancing economic and other bilateral relations and strengthening cooperation within the region and broader international arena.

The ROK is Japan's most important neighboring country, which shares fundamental values and interests, such as democracy and market economy. In August 2012, President of the ROK Lee Myung-Bak landed on Takeshima, Shimane Prefecture. The Government of Japan maintains a consistent position that Takeshima is clearly an inherent territory of Japan, in light of historical facts and based upon international law. Japan intended to resolve the Takeshima issue in a peaceful manner based upon international law. Japan will continue to make efforts to build future-oriented and multi-layered relations with the ROK in the light of the current situation in East Asia.

Since Kim Jong-Il, Chairman of the National Defense Commission (NDC) passed away, in December 2011, North Korea has established a succeeding regime led by Kim Jong-Un, the First Chairman of the NDC. North Korea conducted missile launches in April and December 2012 in violation of the UNSC Resolutions, as well as a nuclear test in February 2013 which is another violation of the Resolutions. North Korea's nuclear and missile development remains a threat not only to the region but also to the entire international community. Japan will continue to closely coordinate with countries concerned including the U.S., the ROK, China and Russia in urging North Korea to take concrete actions toward denuclearization and

other goals in compliance with the Six-Party Talks Joint Statement and the relevant UNSC Resolutions. As for Japan-North Korea relations, at the Japan-North Korea Government-level Consultations in November 2012, wide-ranged discussion took place concerning issues of interest of either party including the abductions issue. However, following North Korea's announcement in December to launch a missile, Japan communicated its intention to North Korea to postpone the second Consultations. Japan will continue working in close coordination with countries concerned toward a comprehensive resolution of the outstanding issues of concern such as the abductions, nuclear and missile issues.

ASEAN countries have been increasing their presence within the region, Due to their strong economic development and other factors. As a dialogue partner of ASEAN,⁹ Japan has been working to strengthen relations with each of the member nations based on the longstanding friendly relations. Among ASEAN countries, Indonesia is the only G20 member, and as a core member of ASEAN. The country has been playing a more important role in promoting the stability and prosperity of the region. Indonesia has always been an important country for Japan as a resource supplier, market and investment destination. Moreover, Japan and Indonesia have recently been cooperating beyond the framework of bilateral relations as strategic partners that together address regional and broader international issues.

Led by President Thein Sein, Myanmar has been advancing its efforts to achieve democratization, national reconciliation and economic reforms. In order to assist the country's reform efforts, Japan is providing support, particularly for (1) the improvement of people's livelihoods; (2) human resources and institutional development; and (3) an infrastructure-sector. On January 31, 2013, Japan implemented its arrears clearance operation for Myanmar. Moving forward, as a longstanding friend of Myanmar, Japan will continue to assist the country in a wide range of areas, including providing assistance to ethnic minorities, while following the progress of the reform efforts.

Australia and New Zealand are important partners of Japan within the region and share our fundamental values. The two countries have been

⁹ ASEAN exchanges views on regional affairs and important fields of cooperation with dialogue partners with which ASEAN has an extensive and constant cooperative relationship. There are currently ten ASEAN dialogue partners consisting of nine countries (Japan, the United States, Australia, New Zealand, Canada, Republic of Korea, India, China and Russia) and one region (EU).


Column

Elephants Visited Us from Laos!:

Children Living in the Earthquake Affected Areas Meet Japan-Lao Goodwill Elephants

In the aftermath of the Great East Japan Earthquake, Japan received much heartwarming assistance from all over the world, including Laos. In this column we introduce one example of this help where elephants visited the affected areas all the way from Laos.

As Laos used to be known as the kingdom of Lan Xang, which means one million elephants, elephants have been special animals which are close to Lao life. Even today an elephant festival is held annually in Xaignabouli Province, the largest habitat of elephants in Laos. The festival attracts many tourists from both within and outside of Laos.

The safari parks in Ichinoseki City, Iwate Prefecture; Nihonmatsu City, Fukushima Prefecture; and Nasu City, Tochigi Prefecture had long contemplated loaning elephants from Laos. Then, on March 11, 2011 the Great East Japan Earthquake struck. They said that immediately after the earthquake they were uncertain whether bringing elephants from Laos was really a good idea. However, most of the staff of the safari parks pruned to be supportive for putting through this idea when they discussed it. They felt that the earthquake was all the more reason for bringing the elephants to Japan, so that children from the affected areas could meet elephants and experience the wonder of nature and be filled with hope and joy. Although many of the staff themselves had been affected by the earthquake, they resumed efforts to bring elephants from Laos because they wanted to bring smiles to the faces of the affected children.

Safari Park staff made visits to Laos on a number of occasions, explaining their plan to everyone they met one by one, and completed the required procedures in an unfamiliar country. The Lao Government understood their passion and determination to look after the elephants well, and granted permission for the animals to be loaned to the safari parks as part of their support for the affected areas.

The Ministry of Foreign Affairs has given support in this process by providing consultation services at the embassy in Laos. In the hope that this initiative by the people of the affected region will be widely recognized, that the elephants from Laos will bring dreams and joy to the children of the affected area, and that they will provide an opportunity to further deepen the relationship between Japan and Laos, the Ministry decided to give the elephants the title of "Japan-Lao Goodwill Elephants". It is extremely rare for the Government to grant animals a title such as this as if they were human "goodwill ambassadors" but this is the result of the passion of the staff in change of the Japan-Laos relations.

All the procedures, such as obtaining the necessary permits, were completed, but those involved in the project were still anxious. This was because elephants had never before been transported between Laos and Japan by air, and nobody knew how to move forward. Despite this, thanks to efforts by persons related to transport and the Lao Government, the elephants arrived safely at Narita Airport on September 27, 2012.

On October 19, 2012, the introduction ceremony of the elephants and the conferral ceremony of the title of Japan-Lao Goodwill Elephants were held at the safari park in Nihonmatsu City, Fukushima Prefecture. Six elephants came from Laos and all of them attended the ceremony. Two elephants will be introduced to each of the three safari parks, which are located in Iwate Prefecture; Nasu City, Tochigi Prefecture; and Fukushima Prefecture, where they will be living with elephant trainers from Laos.

Many students from local kindergartens and primary schools, in addition to Nihonmatsu City staff members were invited to the ceremony. All of the children took turns feeding the elephants bananas, and having elephant rides. The children all had big smiles with excitement. The adults at the ceremony were also very pleased and the day ended in cheerful and joyous spirit.

It is our hope that these elephants, a symbol of friendship and good will between Japan and Laos, will leave smiles on the faces of children from the affected areas and encourage the whole affected communities.



Children meeting the elephants (in Nihonmatsu City, Fukushima Prefecture)



Bridging Japan and Laos: "Japan-Lao Goodwill Elephant"

Takuya Sasayama
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working with Japan in addressing regional and global issues. In addition to the deepening complementary economic ties with Australia, which include trade and investment, Japan and Australia have been steadily strengthening the relationship in security area as strategic partners which work together for the peace and stability of the international community. The 60th anniversary of diplomatic relations between New Zealand and Japan presented the two countries with an opportunity to reaffirm the ties of the two countries. Furthermore, the relationship of the two countries saw further advancement, as Japan and New Zealand agreed on further liberalization of air travel based on the Air Services Agreement and revision of the tax treaty.

Many of the Pacific Island nations are friendly toward Japan and are important partners of Japan in the context of cooperation within the international community and in the supply of fisheries and mineral resources. In Okinawa in May 2012, the Sixth Pacific Islands Leaders Meeting (PALM 6) was held for the first time in three years. The leaders issued the Okinawa “Kizuna” Declaration, which confirmed the cooperation of the participating nation members, particularly in five areas, including response to natural disasters.

With a large population of approximately 1.6 billion and its geopolitical importance, South Asia has been increasing its weight in the international arena, while many countries in the region continue high economic growth. Japan will further strengthen its economic relations with countries in the region, with which Japan traditionally has a friendly and cooperative relationship, and continue to cooperate on their own efforts in such areas as national reconciliation as well as promotion and consolidation of democracy. Japan has been striving to further strengthen relations with India, with which Japan established the Strategic and Global Partnership in 2006 and share such values as democracy and the rule of law, in a wide range of areas, including in the field of security, economy and people-to-people exchanges. With regard to Pakistan, which has a key role in counter-terrorism, Japan will continue cooperation with the country while encouraging its own efforts towards the peace and stability of the region and the entire international community.

In addition to strengthening the above mentioned bilateral cooperative relations, it is important that Japan utilizes various multilateral and regional cooperative frameworks. Japan, together with China

and the ROK, promotes cooperation between the three countries. In May 2012, China hosted the fifth Japan-China-ROK Trilateral Summit, where the three nations agreed that they will strengthen their relationship in a wide range of fields, such as trade and investment, environment and energy, people-to-people and cultural exchanges, and maritime cooperation.

Furthermore, Japan understands that the leadership of the increasingly integrated ASEAN in driving regional cooperation is extremely important for the stability and prosperity of the entire East Asia region. For this reason, Japan places importance on its relationship with ASEAN in the context of regional cooperation. In July 2012, a Japan-ASEAN Foreign Ministers’ Meeting was held and it was agreed that the ASEAN-Japan Commemorative Summit Meeting will be held in Japan in 2013 to mark the coming 40th anniversary in 2013 of the commencement of Japan-ASEAN cooperation. Furthermore at the Japan-ASEAN Summit Meeting in November 2012, it was agreed that the leaders will discuss at the Commemorative Summit the medium to long-term vision for the strengthening of Japan-ASEAN cooperation.

In January 2013, Prime Minister Abe and Minister for Foreign Affairs Kishida visited ASEAN countries, which were their first official international visits. During the visits they confirmed that they will take the occasion of the 40th Year of ASEAN-Japan Friendship and Cooperation to further strengthen cooperative relations. Prime Minister Abe announced the five principles of Japan’s ASEAN Diplomacy while in Indonesia.

Prime Minister Noda attended the 7th EAS held in November 2012 with the determination to develop the EAS into a leaders-led forum that reconfirms common principles and basic rules in the region, and leads to tangible cooperation in areas including politics and security. At the meeting, discussions took place on the topics of regional and international affairs, including issues concerning North Korea and the South China Sea, in addition to discussions concerning cooperation in maritime affairs, connectivity, low-carbon growth and disaster management.

The Mekong region has been achieving remarkable growth, whereas, the region also faces problems like intra-regional disparities. A new cooperation policy, the Tokyo Strategy 2012 for Mekong-Japan Cooperation, was formulated at the Fourth Mekong-Japan Summit held in April 2012. The new policy focuses on three pillars of enhancing Mekong connectivity, developing together, and ensuring human security and environmental sustainability. On this occasion, Japan

also announced the provision of 600 billion yen in ODA over three years beginning in 2013. Furthermore, at the Fifth Mekong-Japan Foreign Ministers' Meeting held in July the same year, the Mekong-Japan Action Plan for realization of the "Tokyo Strategy 2012" was adopted.

In the interest of improving intra-regional disparities within Southeast Asia, Japan supports the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA).¹⁰

The Bali Democracy Forum (BDF) has been annually held by Indonesia since 2008 as a ministerial-level meeting, however the forum in 2012 was held at summit-level for the first time. More and more

countries join the forum year by year, and in 2012, representatives of more than 80 countries and regions, including 12 summit-level representatives joined the forum, reflecting its status as an important international forum that promotes democratization within the region. Japan has been proactively assisting the initiatives of Indonesia by, for instance, providing support for the hosting of seminars on democratization.

Furthermore, Japan will drive its efforts to support the South Asian Association for Regional Cooperation (SAARC) in strengthening intra-regional connectivity and to promote personal exchanges with them.

2. North America

Japan and the United States are allies sharing fundamental values and strategic interests. The Japan-U.S. Alliance, with the Japan-U.S. Security Arrangements at the core, has brought peace and prosperity to Japan and the Far East for more than 60 years since the end of the World War II. The Alliance is the linchpin of Japan's diplomacy and security, and plays an important role in maintaining the stability and prosperity not only of the Asia-Pacific region but also of the whole world.

Japan and the United States have worked closely together on various levels including summit and ministerial ones. Both countries have promoted cooperation not only on bilateral issues but also on such issues as the response to Asia-Pacific regional situations including North Korea, assistance to Afghanistan and the Iranian nuclear issue.

The Japan-U.S. Alliance is becoming even more important as the Asia-Pacific region faces diverse challenges amid the dramatically changing international situation and its security environment has become more and more severe. In April 2012, the two countries announced the "U.S.-Japan Joint Statement: A Shared Vision for the Future," in which both leaders confirmed the significance of the alliance in the present situation and a vision for future Japan-U.S. relations in the long term. Furthermore, in February 2013, Prime Minister Abe visited the United States and held a summit meeting with President Obama. The meeting highlighted the strong ties of the Japan-U.S. Alliance both to the Japanese nationals and to the world and made it clear that Japan and the United States would cooperate hand in hand for

the peace and stability throughout the world.

As reaffirmed repeatedly at the summit and foreign minister's meetings in the past, Japan and the United States have deepened discussions on their policies to further strengthen the alliance, particularly in the areas of security, economy, and cultural and people-to-people exchanges. Japan welcomes the United States' rebalancing toward the Asia-Pacific, since such policy will contribute to the stability and prosperity of the region. Japan will cooperate closely with the United States so that both countries will play a leading role in forming order of the region, using frameworks such as the EAS and APEC. Moreover, Japan and the United States will continue to work together closely at various levels, on such issues as Afghanistan and the Iranian nuclear issue, sharing their roles and responsibilities.

Japan and Canada are partners within the Asia-Pacific region who share fundamental values. At the same time, both countries are members of the G8 and closely cooperating together on a wide range of fields including politics, economy, security and culture.

In March 2012, the Japan-Canada Summit Meeting was held in Tokyo, where the Joint Announcement of Outcomes was released. The leaders pledged to continue bilateral efforts in the fields of economic partnership, security cooperation, and people-to-people exchanges. Furthermore, the first round of negotiations for the Japan-Canada EPA was held in November the same year.

¹⁰ Initiatives undertaken by Brunei (B), Indonesia (I), Malaysia (M), and Philippines (P) that target under-developed islands.

Marking the Centennial Anniversary of the Gifting of Cherry Blossom Trees from Japan to the United States

The year 2012 marked the centennial anniversary of the gifting of cherry blossom trees from Japan to the United States. In 1912, as a result of the efforts of Helen Herron Taft, the wife of then President William Howard Taft, and Yukio Ozaki, the then Mayor of Tokyo, as many as 3,000 cherry blossom trees were planted in Washington, D.C. Since then, the trees have bloomed every spring for 100 years as a symbol of the friendship and goodwill between Japan and the United States. A number of events are held each year during the cherry blossom season, with many people from both within and outside of the United States visiting the area to admire the cherry blossom along the Potomac River. In 2012, in celebrating this centennial, a big anniversary event was held to affirm and to further develop the friendly relationship between Japan and the United States with tremendous supports including those from private companies.

Various events were held across the United States as part of this anniversary event. In Washington, D.C. the National Cherry Blossom Festival was held over five weeks from the end of March, with a total of 1.5 million visitors making their way to this grand event. The event included performances by artists representing Japan. MISIA and Hideki Togi performed at the opening ceremony while AKB48 performed on stage.

Furthermore, with the attendance of First Lady Michelle Obama, the honorary chair of the National Cherry Blossom Festival, a tree planting ceremony commemorating the centenary was held at the end of March. Similar ceremonies also took place in 36 cities across the United States at around the same time.

The Japan-U.S. Cherry Blossom Festival was also held in Tokyo. Speeches were given by Koichiro Gemba, Minister for Foreign Affairs and Kurt Tong, Deputy Chief of Mission of the U.S. Embassy in Tokyo, and music was performed by the JASDF Central Band and the USAF Band of Pacific-Asia.

The year 2012 truly marked a historical centennial milestone for Japan and the United States' friendly relations. In Washington, D.C., the Japanese Embassy, National Cherry Blossom Festival, Inc. and other related organizations are working together for the spring cherry blossom festival every year toward the next 100 years of friendship, renewing appreciation for predecessors who achieved sending these cherry blossom trees to the United States 100 years ago.

Mutual understanding between Japanese and U.S. citizens nurtured through cultural and people-to-people exchange serves as the foundation for the Japan-U.S. Alliance. It is a very important part of Japan's foreign policy that we commit ourselves to this type of events which provide an opportunity for both citizens to reaffirm the importance of the Japan-U.S. relations, reflecting on their bilateral history of cultural exchange, and give thought to the future of the Japan-U.S. Alliance.



The Tidal Basin along the Potomac River in Washington, D.C., known for its rows of cherry blossom trees provided by Japan. (Image provided by NCBF)



Tree planting ceremony by the US Military Japan Alumni Association in Washington, D.C.

3. Latin America and the Caribbean

Latin America and the Caribbean region has a combined GDP of US\$5.6 trillion (2.5 times as large as ASEAN's) and a population of approximately 590 million. While many economies in the world are struggling, it is expected that this region will achieve economic growth of approximately 3.1% in 2012 (the global economic growth is expected to be 2.2%), which will contribute to further increasing of its presence in the global economy. Furthermore, per capita income of the region has doubled over the past 10 years, and the region has been drawing mounting interest as a large market with a middle class of more than 152 million people and as a producer of mineral resources, including rare metals, energy and food. In addition to its growing presence in economic terms, the consolidation of democracy in Latin America and the Caribbean has given the region greater voice in the international community.

Assisted by the bond between the 1.7 million Japanese descendents, or "Nikkeis," living in the region, and the 280,000 "Nikkeis" living in Japan, Japan and Latin America and the Caribbean have traditionally maintained very friendly relationship. In light of this friendship, Japan has developed closer ties by supporting the consolidation of democracy and economic development in Latin America and the Caribbean. Today, Latin America and the Caribbean have come to be important partners of Japan in the international community, sharing fundamental values such as democracy and market economy. In order to further advance its relationship with Latin America and the Caribbean, Japan has been engaging in diplomacy toward countries in the region with a focus on the four following pillars: (1) strengthening economic relations with the region; (2) supporting the stable development of the region; (3) advancing cooperation in the international arena; (4) promotion of Japanese values in the region.

In terms of strengthening economic relations, Japan has been making efforts to create a better business environment for Japanese companies operating in the region through the development of legal frameworks such as EPAs, investment

agreements and tax treaties, and through consultations with local national governments. Furthermore, given the demand for infrastructure within the region as a result of economic development, Japan has been actively developing infrastructure in the region that employs Japanese technology. Additionally, Japan has been working to secure a stable supply of resources and food from the region through the development of stronger cooperative relationships with resource and food rich countries.

In order to achieve stable development of Latin America and the Caribbean, it is critical to resolve persistent issues of poverty and social disparity that the countries in the region are facing. Japan has been proactively supporting the various governmental efforts to find solutions to these problems by way of financial and technical means to help each of the countries achieve sustainable economic development.

There are 33 countries in Latin America and Caribbean region and together they have a significant voice over international institutions such as the UN, where decisions are made by a majority vote. In addressing issues that the international community faces such as environmental pollution and climate change, nuclear disarmament and non-proliferation, and the UNSC reforms, Japan has been collaborating and cooperating with Latin American and Caribbean countries.

Japanese descendents, or "Nikkeis," have gained respect in Latin America and the Caribbean for their diligence and contribution to economic development, and are thus important diplomatic assets for Japan. "Nikkeis" are highly appreciated by the people by Latin America and the Caribbean, contributing to the pro-Japanese sentiment in the region. Japan has been striving to gain understanding of Japanese values through Japanese diplomatic missions overseas (Japanese embassies and consulates-general) in its effort to further foster affinity toward Japan in Latin America and the Caribbean.

4. Europe

Japan and Europe share fundamental values such as democracy, human rights, rule of law and market economy, and Europe is a partner playing leading roles toward peace and prosperity of the international community together with Japan. Europe has tremendous economic power with more than 25% of the world's GDP and the capacity to arouse international opinion against the backdrop of influences through its major media outlets and think tanks as well as power of its languages, cultures and art. European nations also have a strong presence in a number of international fora. Two of the five permanent members of the UNSC are European nations (the UK and France), and the G8 members also include four European countries (the UK, France, Germany and Italy) and one organization (the EU). In addition, other European nations and international organizations, such as the North Atlantic Treaty Organization (NATO), have been increasing their presence and influence by leveraging their individual advantages. Therefore, strengthening the relations between Europe and Japan is crucial for effectively addressing an array of global issues, such as global economy, non-proliferation of weapons of mass destruction, the fight against terrorism, energy security, and climate change, and achieving Japan's policy goals amid the global environment in which the power balance is shifting due to the rise of emerging countries.

With such recognition, Minister for Foreign

Affairs Gemba visited France, the UK and Germany in October 2012 during which he extensively exchanged views with his counterparts on the outstanding issues of the international community. Additionally, Japan attempted to strengthen its relations with Europe through such occasions as visits of European leaders, including the UK Prime Minister Cameron, and international conferences, such as the G8 Summit Meeting in May, the UN General Assembly in September and the Ninth Asia-Europe Meeting (ASEM 9) in November 2012.

With regard to the economy, in order to tackle the European sovereign debt crisis, which was the largest risk factor to the global economy, Europe has advanced its efforts to address mid to long-term structural issues, such as the Fiscal Union, the Banking Union and economic growth, in addition to taking short-term measures to stabilize the financial markets. Japan has been proactively supporting European efforts by, for instance, continuously purchasing European Financial Stability Facility (EFSF) bonds and European Stability Mechanism (ESM) bonds, and by announcing in the early stage its intention to contribute to the increase of the International Monetary Fund (IMF) resources, which later helped form the agreement by the other countries to follow suit.

Furthermore, citizen-level exchanges in a wide range of fields, including culture, have helped Japan and Europe maintain a close relationship.

5. Russia, Central Asia, and the Caucasus

In the midst of the greatly changing strategic environment of the Asia-Pacific region, pursuing stronger cooperation with Russia in various fields and strengthening overall Japan-Russia relations serve Japan's national interest. With this understanding, talks at various levels took place in 2012, including two summit meetings and four foreign ministers' meetings which included reciprocal visits by foreign ministers.

Especially in the field of security, Mr. Nikolai Patrushev, Secretary of the Security Council of the Russian Federation, visited Japan in October. Upon his visit, Mr. Patrushev and Minister for Foreign Affairs Gemba signed a memorandum between the Ministry of Foreign Affairs of Japan and the Security Council of the Russian Federation through

which both sides confirmed their intent to strengthen dialogue and cooperation in security-related matters. In economic terms, First Deputy Prime Minister Shuvalov visited Japan in November and co-chaired the Japan-Russia Intergovernmental Committee on Trade and Economic Issues together with Minister Gemba. It was concurred that the two countries will advance cooperation across various fields, such as cooperation in the Far East/Siberia regions, as well as in the wide fields of energy, energy saving, medical care, modernization and innovation, transportation, and agriculture. Japan also interacted with Russia in various other ways, including the visit of His Holiness Kirill, Patriarch of Moscow and All Russia to Japan.

There still remains a wide gap between Japan

and Russia on their positions concerning the issue of the Northern Territories, which is the main pending issue between the two countries. However, Japan and Russia continued talks at various levels, such as the summit level, foreign minister level and vice-minister level. The Japanese Government is determined to vigorously negotiate with Russia so as to resolve the Northern Territory issues and conclude a peace treaty.

Countries in Central Asia and Caucasus,¹¹ which have abundant natural resources such as oil and natural gas, are situated in a geopolitically strategic location that bridges Asia, Europe, Russia and the

Middle East. The importance of this region is on the rise also in the context of efforts to stabilize Afghanistan and addressing crucial issues in the international community such as preventing the spread of terrorism, illicit drugs, and illegal armaments.

Against the backdrop of the fact that Year 2012 marked the 20th anniversary of diplomatic relations between these countries and Japan, Japan advanced initiatives to further strengthen the relationship with those countries through frequent visits of key officials and foreign ministers' meetings within the framework of the "Central Asia plus Japan" Dialogue.

6. The Middle East and North Africa

The Middle East and North African region (hereafter referred to as "Middle East region") is situated in a geopolitically important location that connects Europe, Sub-Saharan Africa, Central Asia and South Asia. The region sits on a major international maritime route for international commerce, and is important as it supplies energy resources, including oil and natural gas, to the world. On the other hand, the area is facing a number of issues that lead to instability within the region, such as Middle East Peace Process, the Iranian nuclear issue, and the reconstruction of Afghanistan and Iraq. The resolution of these issues is of great importance not only for the peace and stability of the region, but also for Japan which imports more than 80% of its crude oil from the region, and also for the international community as a whole.

Following the major transformation in 2011, known as the Arab Spring, the long time governments have collapsed, and political reform is in progress in some Middle Eastern countries. On the other hand, some countries are still in a state of turmoil, such as Syria where persecution of citizens and civil unrest persists. In response to this situation, Japan has been providing assistance by, for instance, participating in the Deauville Partnership, which was launched at the G8, for the purpose of boosting efforts made by the respective countries in the region, which are currently transitioning to democracy.

As for Afghanistan, it is a point of concern whether the country will be able to achieve self-reliance and stability after the withdrawal of the U.S.

and other nations' forces. Japan has been playing a greater role in the area of reconstruction assistance to Afghanistan. For instance, in July 2012, Japan hosted the Tokyo Conference on Afghanistan where a partnership for sustainable development of Afghanistan between the international community and the Afghan government was embodied.

Japan has always placed importance on Middle East region in terms of securing a stable supply of resources and energy. More recently, the region has been achieving stable economic development that is attributed to the rapidly growing young population, and consequently, the region has been increasing its international appeal as a consumer market and investment destination. Therefore, in order to strengthen economic and business relationships with these countries, Japan has been developing legal frameworks-such as EPAs, FTAs, investment agreements and tax treaties-that will become the foundation of these relationships, as well as building infrastructure in the region.

Furthermore, in recent years Japan has been striving to develop multi-layered relationships with Middle East region in a variety of fields that include renewable energy, science and technology, education, culture, and the environment. To this end, Japan intends to proactively participate in various dialogues and cooperation frameworks, including the Broader Middle East and North Africa (BMENA) Initiative, "Forum for the Future" ministerial meeting.

¹¹Central Asian countries: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan. Caucasus countries: Armenia, Azerbaijan and Georgia.

7. Sub-Saharan Africa

In recent years, many conflicts have been coming to end in Africa and compared to developed countries, Africa has been experiencing higher economic growth. However, in some region, conflicts continue and there are still great numbers of people suffering from poverty and infectious diseases.

Under such circumstances, Africa is becoming increasingly important for Japan's foreign policy from the perspectives that (1) it is Japan's duty as a responsible member of the international community to earnestly work toward the resolution of the various problems facing Africa; (2) it is strategically important for Japan to strengthen the economic relationship with Africa, which is endowed with abundant natural resources and a growing population and therefore a potentially huge market with sustained high rates of economic growth; and (3) the cooperation with African countries is essential to further address global issues such as UN Security Council Reform and climate change. From this perspective, Japan continued to proactively advance its foreign policies toward Africa, focusing mainly on (1) contributions to peace and stability, (2) expansion of development assistance, and promotion of trade and investment, and (3) response to global issues.

For peace and stability in Africa, Japan enhanced various cooperation with African countries in order

to consolidate peace in unstable regions, such as Sudan and South Sudan, Somalia as well as Mali. Also, in an effort to assist the democratization processes in Senegal, Ghana, Sierra Leone and Guinea-Bissau, Japan provided support for and monitored their elections. Furthermore, with the aim of contributing to the enhancement of the peacekeeping capabilities of Africa itself, Japan continued its support for the UN PKO training centers to foster peacekeepers in Africa.

In the area of expansion of development assistance and promotion of trade and investment, the Joint Mission for Promoting Trade and Investment to Africa led by Parliamentary Vice-Minister for Foreign Affairs Kato was dispatched to the Democratic Republic of the Congo and Zimbabwe in August and the Japanese Government aims to encourage business dealings with Africa through public private partnership.

Furthermore, the Japanese diplomatic mission in the Republic of Djibouti was upgraded to an embassy. Through this development, Japanese diplomatic foundations in the country, from where the Japan Self-Defense Forces are operating to counter piracy off the coast of Somalia and in the Gulf of Aden, has been strengthened.