

Chapter 2

Japan's Foreign Policy that Takes a Panoramic Perspective of the World Map

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Section 1

Asia and Oceania



Overview

General Overview

The Asia-Oceania region is home to many of emerging countries and is blessed with an abundance of human resources. It is a world growth center and has been enhancing its presence. Of the world's population of 7.2 billion,¹ approximately 3.4 billion live in East Asia Summit (EAS) member states² (excluding the United States and Russia). This represents 48.1% of the world's population.³ The combined nominal gross domestic product (GDP) of the Association of Southeast Asian Nation (ASEAN) member states, China, and India grew 340%⁴ over the last ten years, as compared with the world average of 100%. Total exports and imports of EAS member states (excluding the United States and Russia) is US\$10.7 trillion, making it the second largest market behind the European Union (US\$11.6 trillion). Of these exports and imports, 58.5%⁵ are intra-regional, illustrating the close economic ties between these nations and their

high degree of economic interdependence. As the middle class expands, overall purchasing power is expected to rise sharply. This will support strong economic growth within the region, and the huge demand for infrastructure and massive purchasing power of this large middle class will also help to bring renewed affluence and vitality to Japan. Realizing affluence and stability throughout Asia and Oceania is indispensable for Japan's peace and prosperity.

Meanwhile, the security environment surrounding Japan within the Asia-Oceania region is becoming increasingly severe. North Korea continues its nuclear and missile development and engages in provocation; countries in the region are modernizing their military forces in a manner that lacks transparency, and are trying to change the status quo by force or coercion; and tensions within the region are growing over maritime issues, including issues in the South China Sea.

¹ State of World Population 2014 Report.

² ASEAN (member states: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Viet Nam), Japan, China, the ROK, India, Australia, and New Zealand.

³ World Bank (WB) World Development Indicators.

⁴ WB World Development Indicators.

⁵ International Monetary Fund (IMF), Direction of Trade Statistics.

Other factors hindering the stable growth of the region include immature financial markets, environmental pollution, limited supplies of food and energy, and aging populations.

Japan-U.S. Alliance

The Japan-U.S. Alliance is the linchpin of Japan's diplomacy as the security environment in the Asia-Pacific region has become increasingly severe. Japan welcomes the United States' continued rebalancing towards the Asia-Pacific, since such policy will contribute significantly to the stability and prosperity of the region. When President Barack Obama of the United States visited Japan in April 2014, the two leaders confirmed the Japan-U.S. Alliance's leading role in ensuring a peaceful and prosperous Asia-Pacific. Japan will continue to work closely with the United States to further contribute to the peace and stability of the world.

China

In recent years, China has achieved rapid economic development while facing a variety of social and economic challenges, and has significantly enhanced its presence within the international community in various fields. The entire international community, including Japan, welcomes the development of China as a responsible, peace-loving nation. However, China's moves to strengthen its military capabilities without sufficient transparency, and its increased maritime activities, are causing concern in the entire region.

Japan and China are neighbors across the East China Sea. They have an inseparable relationship characterized by close economic

relations and people-to-people and cultural exchanges. In 2014, the number of Chinese travelers to Japan surpassed the 2 million mark for the first time and reached 2.409 million. The number of Chinese visitors has set a monthly record for 16 consecutive months since September 2013.⁶ At the same time, there are a number of political and social differences between the two countries, and precisely because they are neighbors it is inevitable that frictions and confrontations occasionally occur.

In 2014, a variety of efforts were made to improve Japan-China relations. Exchanges of views between Minister for Foreign Affairs Fumio Kishida and Minister of Foreign Affairs Wang Yi were realized on the margins of ASEAN-related foreign ministers' meetings in August and the United Nations (UN) General Assembly session in September. On November 7, the Japanese and Chinese Governments released "Regarding Discussions toward Improving Japan-China Relations." On the 8th, a Japan-China foreign ministers' meeting was held for the first time in two years and two months on the sidelines of the Asia-Pacific Economic Cooperation (APEC) Ministerial Meeting in Beijing. On the 10th, a Japan-China summit meeting was realized for the first time after two years and six months on the occasion of the APEC Economic Leaders' Meeting. These meetings served as a first step for the two countries to improve their relations by reaffirming the basic principles of a "Mutually Beneficial Relationship based on Common Strategic Interests."

⁶ Japan National Tourism Organization (JNTO) press release, January 20, 2015.

Based on such progress, there has been a gradual resumption of dialogues and cooperation between the two countries, and the bilateral relationship is gradually working towards improvement. However, even after the Japan-China summit meeting, China has continued to unilaterally attempt to change the status quo in the East China Sea, including intrusion by Chinese Government vessels into Japanese territorial waters around the Senkaku Islands. From January through the end of December 2014, Chinese Government vessels intruded into Japanese territorial waters 32 times (involving a total of 88 vessels). The Senkaku Islands are an inherent part of the territory of Japan, in light of historical facts and based upon international law. Indeed, they are under the valid control of Japan. The Government of Japan will continue to deal with the situation with resolute determination to defend Japan's territorial land, sea, and airspace.

Japan and China share responsibilities for peace and stability in the region and the international community. Stable Japan-China relations are essential, not only for the people in the two countries, but also for the peace and stability of the Asia-Oceania region. Based on the concept of the "Mutually Beneficial Relationship based on Common Strategic Interests," the Government of Japan will promote the development of Japan-China relations from a broad perspective through continued dialogues and cooperation at various levels.

Taiwan

Taiwan is an important partner with which Japan has intimate people-to-people exchanges

and close economic ties. With regard to cultural exchanges, a special exhibition of the Palace Museum was held at the Tokyo National Museum from June to September 2014 and at the Kyushu National Museum from October to November 2014. In line with the 1972 Japan-China Joint Communiqué, the relationship between Japan and Taiwan is maintained through working relations at the non-governmental level, with emphasis on promotion of working cooperation to achieve closer bilateral ties.

Mongolia

In 2014, following on from the previous year, Japan and Mongolia actively carried out high-level exchanges. In July, the two countries reached an agreement in principle in the negotiations of the Japan-Mongolia Economic Partnership Agreement (EPA). Japan will continue to further strengthen the mutually beneficial and complementary cooperation in wide-ranging areas, including economic cooperation, to deepen the "Strategic Partnership."

Republic of Korea

Japan and the Republic of Korea (ROK) are most important neighboring countries to each other, and their good relationship is essential for peace and stability in the Asian-Oceanian region. In 2014, the two countries have deepened communication at various levels such as the Japan-U.S.-ROK summit meeting and two Japan-ROK foreign ministers' meetings, with the aim of improving their relations, aware of the importance of cooperation towards the 50th anniversary of the normalization of relations in 2015. In recent years, the people of Japan and the ROK have

steadily deepened and expanded their mutual understanding and interaction, while economic relations remain very close. Despite the fact that the two countries face difficult issues, in light of the current situation in the East Asia, Japan will continue to make steady efforts toward building future-oriented and multi-layered relations with the ROK through the efforts of both countries in every field, including politics, economy, and culture from a broader perspective.

North Korea

North Korea continues its efforts to consolidate the regime centered on Kim Jong-Un, the First Chairman of the National Defense Commission. In February 2013, North Korea conducted a nuclear test, and in 2014, North Korea repeatedly conducted missile launches. North Korea's nuclear and missile development poses a serious threat to the entire international community. Japan will continue to closely coordinate with countries concerned, including the United States, the ROK, China, and Russia, strongly urging North Korea to refrain from any further provocation, and to take concrete actions toward denuclearization and other goals in compliance with the Six-Party Talks Joint Statement and the relevant UN Security Council resolutions. With regard to Japan-North Korea relations, Japan-North Korea Government-level Consultations were held in March 2014, for the first time in one year and four months. On the occasion of the Consultations in May, North Korea promised to conduct comprehensive and full-scale investigations on all Japanese nationals, including victims of abduction, and commenced the investigations in July. The Government of

Japan, under its policy of “dialogue and pressure” and in accordance with the Japan-DPRK Pyongyang Declaration, will continue to work in close coordination with other countries concerned toward the comprehensive resolution of the outstanding issues of concern, such as the abductions issue, as well as nuclear and missile issues.

Southeast Asian Countries

Against the backdrop of their high rates of economic growth, Southeast Asian countries have been assuming a greater importance and presence in the Asia-Oceania region. Japan has been working to strengthen relations with each of the ASEAN member states, based on a longstanding history of friendly relations. In 2014, Prime Minister Shinzo Abe visited Singapore in May and Myanmar in November. In addition, other high-level exchanges were maintained through frequent visits to ASEAN member states by Foreign Minister Kishida and other Cabinet members. The strategic environment of the Asia-Oceania region has changed in recent years, and in order to achieve peace and prosperity in the region, Japan will continue to reinforce its dialogue and cooperation with Southeast Asian countries in the fields of politics and security. Moreover, as a growth center for the 21st century and as a region that will see the establishment of the ASEAN Community in 2015, Southeast Asia continues to attract attention as a promising investment destination and trade partner. Hoping to capture a share of the vitality of this region to revitalize the Japanese economy, the Government of Japan supports the development of the infrastructure and investment environment and backs up the

expansion of Japanese companies into this area. Japan is also working to reinforce people-to-people and cultural exchanges. In 2014, Japan further promoted friendly relations with the Southeast Asia region by celebrating the milestone 60th anniversary of the establishment of diplomatic relations between Japan and Myanmar and the 30th anniversary of the establishment of diplomatic relations between Japan and Brunei. Furthermore, youth exchanges were organized through programs such as JENESYS 2.0. The Government of Japan also implemented measures to attract visitors to Japan from Southeast Asian countries, including easing visa requirements for visitors from Indonesia, the Philippines, Viet Nam, and Myanmar.

Oceanian Countries

(1) Australia and New Zealand

Australia and New Zealand are important partners of Japan in the Asia-Oceania region sharing the same basic values. The two countries have also been working with Japan to address regional and global issues. In recent years particularly, Japan-Australia relations have been defined as a “special relationship,” reflecting its rapidly advancing. The two countries are strategic partners that work together for the peace and stability of the international community. Japan-Australia cooperative relations have steadily deepened in the areas of security and defense. As for economy, the Japan-Australia Economic Partnership Agreement (EPA) entered into force in January 2015, further enhancing the mutually complementary economic relations, including trade and investment. Japan and New Zealand have maintained friendly

relations for many years. On the occasion of the summit meeting in July 2014, the leaders issued a joint press release on enhancing the bilateral cooperation, confirming the further advancement of the “Strategic Cooperative Partnership” between the two countries.

(2) Pacific Island Countries and Region

Japan has deep historical ties with its neighboring countries and region in the Pacific with which it shares the Pacific Ocean. They are also important partners of Japan in the areas of international cooperation and the supply of fisheries and mineral resources. Japan has further strengthened its relations with the Pacific Island Countries and region including through the Pacific Islands Leaders Meeting (PALM), the Pacific Islands Forum (PIF) Post-Forum Dialogue, and mutual high-level visits. In July 2014, Prime Minister Abe made the first official visit to Papua New Guinea by a Japanese Prime Minister in 29 years. In addition, Prime Minister Abe held for the first time a Japan-Pacific Islands Leaders Meeting during the UN General Assembly session in September, where the leaders affirmed their cooperation in the lead-up to the Seventh Pacific Islands Leaders Meeting to be held in Iwaki City, Fukushima Prefecture in May 2015.

South Asia

South Asia is situated in a geopolitically important region at the intersection of Asia, the Middle East, and Africa. Many countries in this region continue to register high economic growth, and young people make up a significant proportion of the region's vast population of about 1.6 billion. This has drawn attention to the economic potential of the region which is

becoming increasingly important in the international arena. On the other hand, many countries in the region continue to face challenges such as poverty, democratic consolidation, and terrorism, and achieving political stability remains a key issue for these countries. In addition, these countries are vulnerable to natural disasters including earthquakes. Japan will further strengthen its economic relations with countries in the region such as India with which Japan has had traditionally friendly and cooperative relations, enhance connectivity within the region and between the region and neighboring ones, and promote the strengthening of cooperation in the international arena. Likewise, Japan will continue to support efforts to address the challenges confronting each country, such as national reconciliation and democratic consolidation.

Measures on the Comfort Women Issue

The Government of Japan has sincerely dealt with issues of reparations, property and claims pertaining to the war, including the comfort women issue, under the San Francisco Peace Treaty, and through bilateral treaties, and other international agreements. These issues have been legally settled with the parties to these treaties, agreements and instruments. From the perspective of facilitating feasible remedies for the former comfort women, the Government and people of

Japan collaboratively established the Asian Women's Fund (website of Asian Women's Fund [Digital Museum]: <http://www.awf.or.jp/>), through which they provided "atonement money" and carried out various medical and welfare projects. Successive Prime ministers sent letters expressing "apologies and remorse" directly to each former comfort woman.

In 2014, various events took place regarding the comfort women issue. The ROK continues to request that Japan deal with this issue. However, the position of the Government of Japan is that this issue should not be turned into a political or diplomatic problem. The Government of Japan will continue to make its utmost effort to gain the understanding of Japan's position, the earnest and sincere efforts it has made, and the facts.

Former Deputy Chief Cabinet Secretary Nobuo Ishihara, the head of working-level officials at the time of the drafting of the Kono Statement, testified at the House of Representatives Budget Committee hearing on February 20.⁷ Following the testimony, in response to a question in the Diet, the Government of Japan established a study team to understand what actually occurred and release the findings with regard to the process leading to the drafting of the Kono Statement. The study team conducted a study and released its study findings in June.⁸

In August, a major Japanese newspaper

⁷ Testimony by former Deputy Chief Cabinet Secretary Ishihara: (1) no post factum corroborating investigation was conducted on the result of the hearings of former comfort women that is said to have served as the basis of the Kono Statement; (2) there is a possibility that in the drafting process of the Kono Statement, the language was compared and coordinated with the ROK side; and (3) as a result of announcing the Kono Statement, problems of the past between Japan and the ROK were once settled, but have recently been brought up again by the ROK Government, and it is extremely regrettable that the good intentions of the Government of Japan at that time are not being recognized.

⁸ Details of Exchanges Between Japan and the Republic of Korea (ROK) Regarding the Comfort Women Issue: From the Drafting of the Kono Statement to the Asian Women's Fund (Study Team on the Details Leading to the Drafting of the Kono Statement etc.) Report, http://japan.kantei.go.jp/96_abe/documents/2014/_icsFiles/afiedfile/2014/06/20/JPN_ROK_EXCHANGE.pdf

retracted some of its past articles, based on their judgment that testimony of taking away forcibly comfort women was a fabrication, and also admitted its confusion between comfort women and volunteer corps members.

Strengthening Regional Cooperation

As described above, the strategic environment surrounding the Asia-Oceania region is changing rapidly, and it is becoming critically important for Japan to cooperate and strengthen its relations with the countries of this region. While continuing to strengthen the Japan-U.S. Alliance, Japan will play an active role in promoting peace and prosperity in the region by reinforcing its relations of trust and cooperation with its partners in Asia-Oceania and elsewhere. In addition to strengthening bilateral cooperation, Japan also makes proactive use of trilateral arrangements for dialogue, such as Japan-China-ROK, Japan-U.S.-ROK, Japan-U.S.-Australia, and Japan-U.S.-India arrangements, as well as larger multilateral frameworks, such as Japan-ASEAN, ASEAN+3, East Asia Summit (EAS), APEC, ASEAN Regional Forum (ARF), and others. With regard to the trilateral cooperation among Japan, China, and the ROK, concrete initiatives of working-level cooperation continued to make steady progress. Furthermore, at the ASEAN+3 Summit held in Myanmar in November, Prime Minister Abe expressed his hopes of holding a Japan-China-ROK foreign ministers' meeting at an early date and linking it to the holding of a summit meeting.

Japan considers ASEAN's further integration and central role in promoting regional cooperation as being critically important for the stability and prosperity of the entire East

Asia region. In this regard, Japan places great importance on its relationship with ASEAN in the context of regional cooperation, and is helping to promote the integration of ASEAN. The Japan-ASEAN relationship, which was elevated to new heights following the Commemorative Summit in 2013, was further deepened through the Japan-ASEAN Ministerial Meeting in August 2014 and the Japan-ASEAN Summit in November of that year, and other occasions, in the four areas presented in the Vision Statement on ASEAN-Japan Friendship and Cooperation: Partners for Peace and Stability (political and security); Partnership for Prosperity (economics and economic cooperation); Partners for Quality of Life (new socio-economic issues); and Heart-to-Heart Partners (people-to-people exchanges). Japan has been working cooperatively with the rapidly growing Mekong region since 2008 on issues such as narrowing gaps between early and late-developing ASEAN member states, and enhancing connectivity in the Mekong region. During the Sixth Mekong-Japan Summit in November 2014, discussion took place on the development and future direction of Japan-Mekong cooperation, and the leaders concurred that the next summit will be held in Tokyo in July 2015.

At the Ninth EAS held in November 2014, Prime Minister Abe noted that the EAS should be strengthened as a premier forum of the region. In addition, the Prime Minister proposed that the EAS in 2015, which marks its tenth year, be identified as a commemorative summit and that the secretariat function of the EAS be strengthened, in order to expand the political and security issues that the EAS deals

with and to further reinforce the organization. At the Ninth EAS, discussions were held on maritime security, cooperation with low carbon growth and infrastructure investment in Asia,

as well as the regional and international situation, including issues related to North Korea and the South China Sea.

1 Korean Peninsula

(1) North Korea (including the abductions issue)

Under its policy of “dialogue and pressure,” the Government of Japan has been continuing various efforts to realize its basic policy of seeking to normalize its relations with North Korea, through comprehensively resolving outstanding issues of concern with North Korea, such as the abductions, nuclear and missile issues, as well as settlement of the unfortunate past in accordance with the 2002 Japan-DPRK Pyongyang Declaration, while working closely with relevant countries, including the U.S., the ROK, China, and Russia.

A. Domestic Affairs and Economy

(a) Domestic affairs

Three years have passed since the death of Kim Jong-Il, Chairman of the National Defense Commission (NDC), in 2011. North Korea’s regime centered on Kim Jong-Un, the First Chairman of the NDC, continues despite some changes in personnel (particularly in the military).

Key personnel announcements in 2014 included the reappointment of Kim Yong-Nam as President of the Presidium of the Supreme People’s Assembly and Pak Pong-Ju as Premier, as well as the appointment of former “ambassador” to Switzerland Ri Su-Yong as Foreign Minister and Kang Sok-Ju as Secretary

of the Worker’s Party of Korea (WPK). In addition, it emerged that Hwang Pyong-So had replaced Choe Ryong-Hae as Director of the General Political Bureau of the Korean People’s Army (KPA).

At a plenary meeting of the Central Committee of the WPK held in 2013, a “byungjin policy” which simultaneously pursues economic construction and the build-up of nuclear armed forces was adopted and First Chairman of the NDC Kim Jong-Un referred to the accomplishment of this policy in his New Year Address on January 1, 2014.

(b) Economy

North Korea is said to be undergoing intense economic hardship, and the rebuilding of its economy is regarded as an issue of the utmost importance. The Economic Development Zone Law was enacted in 2013 and the decision was taken to establish economic development zones in each of North Korea’s provinces. A new Ministry of External Economic Affairs was established in June 2014 and North Korea has embarked on efforts to attract foreign investment. First Chairman of the NDC Kim Jong-Un has mobilized the KPA to undertake a number of large-scale construction projects, including the development of the Masikryong

Ski Resort.

North Korea's economic growth rate in 2013 was 1.1% (Bank of Korea estimate), and it appears that it still faces structural problems across all industries, including lack of money and energy, antiquated production equipment, and outdated technologies. Despite an overall rise, cereal production output is still thought to be low, and North Korea's food situation is still considered to be in a difficult situation.

North Korea's economic relations with China continue to grow, demonstrating a marked economic reliance on China. In 2013, the value of North Korea's trade with China rose to approximately 6.54 billion US dollars (Korea Trade-Investment Promotion Agency (KOTRA) estimate), accounting for almost 75% of North Korea's entire external trade.

B. Security Issues

(a) Recent developments

Although Japan and other members of the international community strongly demanded self-restraint, North Korea twice went ahead with the launch of a missile purported to be a "satellite," in April and December 2012, and is still continuing nuclear and missile development, conducting the third nuclear test in February 2013 (see (b) below). In addition, North Korea has repeatedly engaged in provocative actions in response to routine U.S.-ROK joint military exercises. In March 2014, North Korea conducted maritime firing drills in the waters to the north of the Northern Limit Line (NLL). Some of the shells fell in the

waters on the ROK side, south of the NLL, and the ROK fired back.

(b) The current status of nuclear and missile development

In 2014, North Korea repeatedly referred to the possibility of conducting nuclear tests, issuing a statement in March that suggested it might conduct another nuclear test¹. Moreover, North Korea launched ballistic missiles in March, June, and July; in response, in March and July, the President of the United Nations (UN) Security Council stated in agreed "elements to the press" that Council members condemned the missile launches as a violation of relevant UN Security Council resolutions.

North Korea's ongoing nuclear and missile development is a grave threat not only to the region, but also to the international community as a whole. Japan will continue to work closely with relevant countries, including the U.S., the ROK, China, and Russia, strongly urging North Korea to refrain from any acts of provocation and to take concrete steps toward denuclearization, in accordance with the Six-Party Talks Joint Statement and successive UN Security Council resolutions.

C. Japan-North Korea Relations

(a) Japan-North Korea consultations

In 2014, taking the opportunity of the two rounds of Japan-North Korea Red Cross Talks held in March, the Governments of Japan and North Korea held an exchange of views at the director level, at which the participants agreed

¹ Statement by the Foreign Ministry (March 30, 2014). Criticizing the joint military exercises involving the U.S. and the ROK, it said, "We would not rule out a new form of nuclear test for bolstering up our nuclear deterrence."

to coordinate the resumption of talks between the two sides. Subsequently, on March 30 and 31, Japan-North Korea Government-level Consultations took place for the first time in approximately 16 months. At that meeting, both sides exchanged views in a sincere and candid manner concerning a wide range of outstanding issues of interest, and agreed to continue consultations.

From May 26 to 28, Japan-North Korea Government-level Consultations were held in Stockholm, with both sides engaging in an intensive, earnest and candid discussion concerning a wide range of outstanding issues of interests, informed by the previous round of consultations in March. As a result of these consultations, North Korea made a commitment to conducting comprehensive and full-scale investigations on all Japanese nationals, including the abductees, while Japan decided that it would lift part of its unilateral measures against North Korea at the point of time when North Korea establishes its Special Investigation Committee and begins its investigations. Moreover, Japan urged North

Korea to refrain from the nuclear and missile development and from provocative acts liable to increase tensions on the Korean Peninsula and in the region, and called on North Korea to comply with the Japan-DPRK Pyongyang Declaration, relevant UN Security Council resolutions, and the Six-Party Talks Joint Statement.

At the Japan-North Korea Government-level Consultations (in Beijing) on July 1, North Korea explained the details of the Special Investigation Committee, including its organization, structure, and key members, while Japan questioned North Korea thoroughly to ascertain whether the Committee had been granted appropriate authority to investigate all institutions. In addition, Japan strongly urged North Korea to respond sincerely to the requests of the international community concerning the missile issue. On July 4, North Korea announced the launch of investigations on all Japanese nationals, including the abductees, and Japan lifted part of its unilateral measures against North Korea².

- 2 (1) Lifted restrictions on travel between Japan and North Korea (a. Lifted the general prohibition on the entry of North Korean nationals, the general prohibition on reentry by employees of North Korean authorities in Japan after visiting North Korea, and the advice to Japanese nationals to refrain from visiting North Korea. b. North Korean nationals that apply to enter Japan to be screened appropriately and in detail on a case by case basis. (Persons designated as subject to the travel ban imposed by UN Security Council resolutions will still not be permitted to enter Japan.)
- (2) Lifted restrictions on the amount of money requiring notification of the export of means of payments and report on the money transfer (a. The sum (lower limit) for which a report must be made in the event of payments to natural persons with an address or residence in North Korea or corporations or other groups with their main office there to be restored to ¥30 million from the current ¥3 million. b. The sum (lower limit) for which notification must be made regarding the export of means of payment to North Korea to be restored to ¥1 million from the current ¥100,000.)
- (3) Entry into Japanese ports of North Korea flagged ships for humanitarian purposes (a. Cabinet decision that, in the event that North Korea flagged ships enter Japanese ports for the purpose of transporting humanitarian supplies, it will be recognized as falling under special circumstances and be viewed as an exception to measures prohibiting the entry of specified ships into port prescribed in Article 6 (1) of the Act on Special Measures concerning Prohibition of Entry of Specified Ships into Ports. b. Only humanitarian supplies (food, medical supplies, clothing, etc.) to be used by individuals in North Korea to be permitted to be loaded onto vessels entering Japanese ports. (The total ban on exports still stands.) c. Even if entry into a Japanese port is permitted, activities other than the loading of humanitarian supplies approved in advance (embarkation/disembarkation of passengers, unloading of supplies, etc.) will not be permitted. The Cargo Inspections Act and laws and procedures relating to the entry of vessels into ports will still be applied as normal.) Measures including the embargo on exports to North Korea, the embargo on imports from North Korea, and the ban on chartered flights to/from North Korea remain in place, and Japan continues to steadily implement various measures based on UN Security Council resolutions, in partnership with other relevant countries.

On September 29, a Meeting between the Diplomatic Authorities of Japan and North Korea was held (in Shenyang), in order to receive an explanation from North Korea concerning the current status of the investigations. North Korea explained the implementation of its commitment at the Japan-North Korea Government-level Consultations in May and described the investigation being conducted by the Special Investigation Committee. As well as asking questions, Japan strongly urged North Korea to expeditiously conduct the investigations and to swiftly notify Japan of the result. Japan also conveyed its intense concern about the nuclear and missile issues.

Representatives of the Japanese government were dispatched to Pyongyang in order to clearly convey in person to the key members of the Special Investigation Committee from October 28 to 29 the Japanese Government's position that the abductions issue is the most important, and to receive a direct explanation from the Special Investigation Committee concerning the current status of the investigations. During the talks with the Special Investigation Committee, the North Korean side explained that it intended to pursue more in-depth investigations from new angles, without dwelling on the outcomes of past investigations, while the Japanese side repeatedly stressed that the abductions issue is the most important, urging the Committee to expedite the investigations and report on its findings without delay.

(b) Initiatives focused on the abductions issue

To date, the Government of Japan has

identified 12 separate incidents, involving a total of 17 Japanese abductees, 12 of whom have not yet returned home. North Korea claims that 8 of these 12 have died and that it is unable to confirm that the other 4 ever entered its territory, but as no convincing explanation of this claim has been provided, Japan continues to work toward the resolution of this issue on the assumption that all of the abductees whose whereabouts are unknown are still alive. As well as being a critical issue concerning the sovereignty of Japan and the lives and safety of Japanese citizens, abduction by North Korea constitutes a universal issue among the international community as a violation of basic human rights. Based on the basic recognition that the normalization of diplomatic relations with North Korea is impossible without a solution to the abductions issue, Japan has positioned its resolution as one of its most important foreign policy issues. Accordingly, it strongly urges North Korea to ensure the safety of all abductees and their immediate return, to provide a full account of all the abduction cases, and to hand over the perpetrators (for details of Japan-North Korea consultations, see section (a) above).

(c) Strengthening partnerships with the international community towards the resolution of the abductions issue, etc.

Japan takes all possible opportunities to raise the abductions issue and other issues involving North Korea, including at summit meetings, foreign-ministers' meetings, and international conferences, and has succeeded in gaining the understanding and cooperation of other countries.

At the Japan-U.S. summit meeting during President Obama's visit to Japan in April 2014, Japan and the U.S. confirmed that Japan, the U.S., and the ROK would continue to work closely on the North Korean nuclear issue. On the abductions issue, President Obama expressed his support for Japan

Furthermore, Japan, the U.S., and the ROK held a trilateral summit meeting in Hague in March, followed by a foreign ministers' meeting in Naypyidaw, Myanmar in August, at which all three countries affirmed the importance of even closer cooperation on issues involving North Korea.

Via such means as the joint statements issued at the time of the Japan-UK Summit Meeting in May and the Japan-Australia Summit Meeting in July, other countries have also affirmed their willingness to call on North Korea to address, without delay, the humanitarian concerns of the international community, including the abductions issue.

Furthermore, the Summit Declaration issued at the G7 Summit in Brussels in June strongly condemned North Korea's continued development of nuclear and missile programs and urged it to address human rights violations, including the abductions issue. In addition, at the Asia-Europe Meeting in October, the abductions issue was mentioned

in the Chair's Statement for the first time, and it was also referred to in the Chairman's Statements of the East Asia Summit and the ASEAN+3 Summit, which took place in November. At the UN, the Commission of Inquiry on Human Rights in the DPRK (COI)³ released its final report in February, comprehensively detailing gross violations of human rights in North Korea in multiple areas, including the abductions issue⁴. In March, the Human Rights Council adopted the Resolution on the Situation of Human Rights in the DPRK that was tabled by Japan and the EU (for the seventh time in seven consecutive years). This resolution is stronger than resolutions adopted in past years, reflecting the content of the COI report. In December, the Resolution on the Situation of Human Rights in the DPRK was adopted by majority vote at the UN General Assembly (for the tenth time in ten consecutive years) with 62 co-sponsors, the largest number ever⁵. In response, on December 22 (New York time), the UN Security Council decided to add "the situation in the Democratic People's Republic of Korea" to the list of issues of which the Security Council is seized for the first time, conducting comprehensive discussions about the North Korean situation, including the human rights situation.

Working closely with relevant countries,

³ Established in March 2013 by a resolution of the UN Human Rights Council in order to investigate human rights violations, including the abductions issue in North Korea. It was established for a period of a year.

⁴ This report found that North Korea's human rights violations constitute "crimes against humanity" and recommended that North Korea take concrete actions, as well as requested further action by the international community and the UN. It recorded the facts of the abductions issue and acknowledged the abductions and the situation in which abductees were placed as crimes against humanity that are still ongoing. In addition, it recommended that North Korea provide information about the abductees and allow them and their descendants to return to their countries of origin.

⁵ Condemning North Korea's systematic, widespread and gross violations of human rights, and describing specific human rights violations, as well as acknowledging the COI report's finding that "crimes against humanity" are being committed in North Korea, the resolution strongly urges North Korea to end all human rights violations, including the abductions issue. Moreover, it encourages the Security Council to consider the recommendations of the COI and to take appropriate action, including through consideration of referral of the situation in North Korea to the International Criminal Court (ICC) and consideration of the scope for effective targeted sanctions against those who appear to be most responsible for acts that the COI has said may constitute crimes against humanity.

Japan is implementing measures against North Korea based on UN Security Council resolutions⁶, and continues to call on North Korea to fully implement relevant UN Security Council resolutions. (For details of UN initiatives, see Chapter 3, Section 1. 8 Human Rights, A. Initiatives within the UN.)

D. Initiatives by Other Countries

Regarding the relationship between the U.S. and North Korea, the latter opposes routine U.S.-ROK joint military exercises; when Ulchi-Freedom Guardian⁷ was held in August, a spokesman for the Foreign Ministry issued a statement (dated August 18) emphasizing that “[a]s long as the nuclear war maneuvers go on to stifle [North Korea] by force, it will put its self-defensive counteraction on an annual and regular basis.” On the other hand, in 2014, North Korea released three U.S. citizens that it had been detaining.

In December, announcing that it had sufficient information to conclude that the North Korean authorities were responsible for

the cyber attacks on Sony Pictures Entertainment⁸, which had produced a movie on the subject of the assassination of the First Chairman of the NDC Kim Jong-Un, the U.S. condemned North Korea⁹. In January 2015, the U.S. issued an Executive Order concerning measures against North Korea, extending the scope of sanctions.

At Dresden, Germany in March 2014, ROK President Park Geun-Hye called on North Korea to renounce its nuclear development and unveiled her vision for north-south relations, centering on humanitarian aid, infrastructure support, and the expansion of exchange¹⁰. On the other hand, in statements such as the “Crucial Proposals to the S. Korean Authorities” issued by the NDC on January 16, North Korea proposed to the ROK the halting of all acts of provoking and slandering the other side and the cessation of all military and hostile acts, including U.S.-ROK joint military exercises, in order to improve north-south relations¹¹. In October, North Korea dispatched a team of athletes to the Asian Games in

⁶ Based on the UN Security Council resolution 2087, which was adopted in response to the December 2012 missile launch, Japan has had measures in place since February 6, 2013, including a freeze on the assets of four individuals and six entities designated in the resolution. In addition, further measures have been in place since April 5, based on UN Security Council resolution 2094, which was adopted in response to the February nuclear test. These include (1) a freeze on the assets of another three individuals and two entities; (2) a requirement for Japanese financial institutions, etc. to refrain from establishing correspondent relationships with North Korean financial institutions; (3) the denial of permission for North Korean financial institutions to establish branches in Japan and for Japanese financial institutions to establish branches in North Korea; and (4) the denial of permission for aircraft suspected of carrying prohibited items to take off from, land in, or overfly Japanese territory. In July 2014, in response to the naming by the UN Security Council of one additional entity subject to asset freezing and other measures, Japan imposed asset freezing, etc. on that entity.

⁷ An annual joint military exercise to improve the readiness of U.S. and South Korean military forces.

⁸ Confidential data was leaked on November 24, 2014 after Sony Pictures Entertainment suffered a cyber attack. On December 16, a group believed to have been involved in the cyber attack warned that it would launch terrorist attacks against cinemas showing “The Interview”, a U.S. movie about the assassination of First Chairman of the NDC Kim Jong-Un.

⁹ While maintaining that the cyber attack had been committed by (North Korea’s) supporters or sympathizers, North Korea asserted in a statement issued by the NDC’s Policy Department (December 21, 2014) that “[t]he NDC of the DPRK highly estimates the righteous action taken by the ‘guardians of peace,’ though it is not aware of their residence.”

¹⁰ Regarding the nuclear issue, President Park stated that if North Korea made the decision to forgo its nuclear program, South Korea would offer active support, including for its much-needed membership in international financial institutions and attracting international investment. Moreover, a “Northeast Asia Development Bank” could be created to spur economic development in North Korea and in surrounding areas. In April, North Korea (the Committee for the Peaceful Reunification of the Fatherland) criticized this speech, stating that unification based on forcing one side to submit to the other was unacceptable.

¹¹ On June 30, the NDC published “Special Proposal to S. Korean Authorities,” in which it requested that the ROK cease slandering North Korea and engaging in hostile military acts.

Incheon and a delegation of three high-rank officials, led by Hwang Pyong-So, Director of the General Political Bureau of the KPA, made a surprise visit to the ROK in order to attend the closing ceremony. However, North Korea subsequently reacted angrily to the air drop of propaganda leaflets criticizing the North Korean regime by a private group from the ROK, and the north-south dialogue that had been agreed upon did not take place.

Although the number of government and party level exchanges between China and North Korea has dwindled since the days of Kim Jong-Il, trade between China and North Korea is growing. In August, talks took place between the Chinese and North Korean foreign ministers, at which they discussed matters of mutual interest.

The number of visits of high-ranking government officials between Russia and North Korea are increasing; in November, Choe Ryong-Hae, Presidium member of the Political Bureau and Secretary of the Central Committee of the WPK, visited Russia as a special envoy of the First Chairman of the

NDC Kim Jong-Un and handed over the personal letter from Kim Jong-Un to President Putin. In terms of economic relations, the amount of trade in 2014 was approximately 923.4 million US dollars, 11.4% down from the previous year.

E. Other Matters

Defectors who have fled from North Korea have to be kept in hiding, to avoid being rounded up by the authorities in the countries where they are staying and forcibly repatriated to North Korea. The Government of Japan is addressing the protection and support of these North Korean defectors, in light of the purpose of the North Korean Human Rights Violation Act, taking into account a comprehensive range of factors, including humanitarian considerations, the safety of those concerned, and relations with the countries in which these defectors reside. Relevant Japanese ministries and agencies are working together closely to promote measures aimed at helping those defectors accepted by Japan to become settled here.

(2) Republic of Korea

A. Situation in the Republic of Korea

(a) Domestic affairs

In 2014, entering her second year as president, Park Geun-Hye launched her Three Year Plan for Economic Innovation at her New Year press conference, announcing her vision of ushering in “an era of happiness for the people.” In addition, she announced that she would lay the foundations for opening up a time of unification on the Korean Peninsula, as

a prerequisite for ushering in “an era of happiness for the people.”

At the beginning of 2014, President Park continued to enjoy the stable approval ratings seen the previous year, but these fell after the sinking of a passenger ferry (the Sewol) in April. After the accident, President Park’s administration undertook a cabinet reshuffle and a reorganization of personnel at the presidential Blue House, due to problems

associated with responsibility for the response to the accident¹².

Local elections and by-elections were held in June and July. Having been forced into a harsh election battle by the backlash that followed the ferry sinking, the ruling Saenuri Party nevertheless maintained its ascendancy¹³ over the opposition New Politics Alliance for Democracy¹⁴.

However, due in part to the leaking of a confidential Blue House document¹⁵, President Park's approval ratings began to fall once more in November.

(b) Foreign policy

Advocating diplomacy based on "trust and principle", President Park's priority is to gain support for the "Northeast Asia Peace and Cooperation Initiative¹⁶" and the "Trust-Building Process on the Korean Peninsula¹⁷." The theme of the country's foreign policy in FY2014 was diplomacy to build trust in order to usher in a "new era on the Korean

Peninsula" of peaceful unification, and President Park continued to engage in proactive summit diplomacy in 2014¹⁸.

The Park administration's foreign policy continued to be focused on the U.S. and China, maintaining the trend seen in the previous year. The second U.S.-ROK summit since President Park's inauguration took place when President Obama visited the ROK in April 2014. At these talks, the U.S. and the ROK issued a joint fact sheet expressing a shared commitment to responding to issues concerning North Korea and affirming their strong alliance.

With regard to the ROK's relationships with China, there was a period of tension as a result of the establishment of the Air Defense Identification Zone (ADIZ) in the East China Sea by the Ministry of National Defense of the People's Republic of China in November 2013, but six summit meetings between the two countries have taken place since President Park's visit to China in June 2013 and they

¹² Prime Minister Chung Hong-Won announced that he would resign to take responsibility for the response to the sinking of the passenger ferry, but he remained in his post after several nominees withdrew their candidacy. In addition, replacements for the chief of the National Directorate of Security, five Blue House senior secretaries and eight secretaries were appointed to take responsibility for dealing with the accident and promote the Three Year Plan for Economic Innovation. The Cabinet was also reorganized (from 17 ministries, 3 lower-level ministries, and 18 agencies to 17 ministries, 5 lower-level ministries, and 16 agencies), with changes including the abolition of the Korea Coast Guard and the National Emergency Management Agency, and the establishment of the Ministry of Public Safety and Security and the Ministry of Personnel Management, and the creation of a new post of Deputy Prime Minister for Education, Society and Culture.

¹³ In the local elections, the ruling Saenuri Party won 8 of the 17 metropolitan mayoral and gubernatorial posts, including those in Gyeonggi Province, Busan, and Incheon, while in the by-elections it took 11 seats in the 15 electoral districts, securing enough seats for a majority in the National Assembly.

¹⁴ The New Politics Alliance for Democracy was formed in March 2014 through the merger of the New Political Vision Party being set up by independent National Assembly member Ahn Cheol-Soo with the Democratic Party, with the goal of achieving regime change in the next presidential elections in 2017. Ahn and Kim Han-Gil, Chairman of the Democratic Party, were appointed as joint chairpersons, but they resigned to take responsibility for the party's performance in the July by-elections.

¹⁵ An incident in which reports emerged of an internal Blue House report alleging that Chung Yoon-Hoi, who was President Park's Chief of Staff during her time as a National Assembly member, had interfered in state affairs, including matters relating to Blue House personnel. Prosecutors launched an investigation because, in the wake of the reports, Blue House insiders had instructed that the leak of the documents be investigated.

¹⁶ This initiative seeks to create a framework for multilateral dialogue in Northeast Asia, starting by launching dialogue and cooperation in fields where this is possible and building up trust, with a view to extending this cooperation to other fields, including security.

¹⁷ This initiative aims to develop north-south relations, establishing peace on the Korean Peninsula and laying the groundwork for Korean unification, by means of building trust between the two Koreas based on a solid foundation of security.

¹⁸ In 2014, President Park continued to engage in proactive summit diplomacy, holding summit meetings during her visits to Switzerland and India in January, and the Netherlands and Germany in March. She also held summit meetings during subsequent visits to the U.S., the United Arab Emirates, Central Asian countries, and Canada.

succeeded in maintaining good relations as a whole. In July 2014, President Xi Jinping made a state visit to the ROK and the two leaders issued a joint statement. Moreover, economic relations between the ROK and China are strengthening, with a substantive agreement on an ROK-China FTA being announced at the China-ROK summit held during the APEC meeting in November.

(c) Economy

In 2014, the ROK recorded a real GDP growth rate of 3.3%, up from the previous year's rate of 3.0%. Its exports were worth approximately 572.7 billion US dollars in total, up 2.3% compared with the previous year, while its imports totaled around 525.6 billion US dollars, up 1.9% on the previous year, giving it a trade surplus of approximately 47.2 billion US dollars.

In terms of domestic economic policy, President Park used her New Year press conference to announce a "Three Year Plan for Economic Innovation", in which she set the targets of raising the potential growth rate to over 4%, achieving an employment rate of 70%, and ensuring that the annual per capita gross national income exceeds 30,000 US dollars. In the field of international trade, the ROK continues to actively promote FTAs, officially signing an FTA with Canada in September and announcing substantive agreements on FTA negotiations with New Zealand and China in November, and with Viet Nam in December¹⁹.

B. Japan-ROK Relations

(a) Bilateral relations

The ROK is Japan's most important neighbor and good Japan-ROK relations are essential in ensuring the peace and stability of the Asia-Pacific region. Affirming the importance of cooperation in the lead-up to 2015, which marks the 50th anniversary of the normalization of diplomatic relations between Japan and the ROK, the two countries have worked in partnership on a variety of regional and global issues, including peacebuilding, nuclear disarmament and non-proliferation, and poverty, not to mention issues involving North Korea. Although difficult issues do exist between Japan and the ROK, it is important for both sides to make steady efforts toward building future-oriented and multi-layered relations from a broader perspective.

On March 25, 2014, the Japan-U.S.-ROK Trilateral Summit Meeting took place during the Nuclear Security Summit (at The Hague, the Netherlands), which marked the first time in which Prime Minister Abe had met President Park in person. At the meeting, the



Prime Minister Abe (right), President Obama (center), and President Park (left) at the Japan-U.S.-ROK Trilateral Summit Meeting (March 25, The Hague; Source: Cabinet Public Relations Office)

¹⁹ In addition, its FTA with Australia entered into force in December 2014.

leaders affirmed the importance of closer collaboration among the three countries on matters concerning East Asian security, with a primary focus on issues involving North Korea.

In addition, at talks on August 9 between the foreign ministers of Japan and the ROK during the ASEAN Foreign Ministerial Meeting and related meetings (in Naypyidaw, Myanmar), Foreign Minister Kishida and Foreign Minister Yun Byung-Se engaged in a constructive exchange of opinions aimed at achieving progress in the Japan-ROK relations and agreed to continue to ensure close communication at a variety of levels. Taking the opportunity of the UN General Assembly session (in New York), further talks between the two foreign ministers were held on September 26, during which they reaffirmed the importance of maintaining and deepening high-level political dialogue between Japan and the ROK, as well as confirming once more that both sides would strive to ensure that the 50th anniversary of the normalization of diplomatic relations between Japan and the ROK could be celebrated in 2015 amid a positive atmosphere.

Proactive communication is being built up at various levels with a view to achieving progress in relations between Japan and the ROK. Examples include the 13th Japan-ROK Vice-Ministerial Strategic Dialogue, which was held in Tokyo on October 1, as well as several rounds of director-general-level consultations that have been held to discuss a wide range of issues involving the two countries.

(b) Exchange

Mutual understanding and exchange between the people of Japan and the ROK are steadily deepening and broadening. Due in part to measures put in place by the Governments of Japan and the ROK to enhance the environment for exchange between the citizens of their countries²⁰, the number of people traveling between the two countries each year has grown from around 10,000 at the time that diplomatic relations were normalized to approximately 5.04 million in 2014²¹. In Japan, K-pop and Korean television series attract a wide audience of all ages, while Japanese manga, anime, novels, and other forms of Japanese culture are becoming popular in the ROK.

The Nikkan Koryu Omatsuri (Japan-Korea Festival), a cultural exchange event held annually in both Japan and the ROK, took place in 2014 for the 10th time²². The festival was held in Seoul on September 14, with the theme “10th Anniversary: The Festival that Brings Dreams to Life,” and in Tokyo on September 27 and 28, with the theme “Two Days that Bring Hearts and Minds Together as One.” Attended by approximately 50,000 and 60,000 people respectively, the events in the two cities attracted larger crowds than the previous year.

Since the end of March 2013, approximately 4,400 Japanese and South Korean young people have participated in the “JENESYS 2.0” which is a youth exchange program between

²⁰ The Exemption of Temporary Visitors' Visa for Nationals of the Republic of Korea in place since 2006 has been extended indefinitely. In addition, the quota for the issue of visas under the Japan-ROK working holiday scheme was increased in 2011 from 7,200 to 10,000.

²¹ Number of visitors in 2014 Visitors from the ROK to Japan: 2.76 million (figures published by the Japan National Tourist Organization (JNTO)); visitors from Japan to the ROK: 2.28 million (figures published by the Korea Tourism Organization (KTO)).

²² The Nikkan Koryu Omatsuri was held in Seoul between 2005 and 2008, but has been held in both Seoul and Tokyo since 2009.

Japan and the Asia-Oceania region.

The year of 2015 marks the 50th anniversary of the normalization of diplomatic relations between Japan and the ROK, so the Government of Japan will take this opportunity to promote initiatives aimed at further deepening and widening exchange between Japan and the ROK, including youth and other generation-specific exchange, as well as cultural and sporting exchange.

(c) Takeshima dispute

Regarding a dispute between Japan and the ROK concerning the territorial sovereignty over Takeshima, Japan has consistently held the position that Takeshima is indisputably an inherent part of the territory of Japan, in light of historical facts and based on international law. Japan has been mobilizing various media to keep the rest of the world informed about Japan's position on the Takeshima dispute²³. Furthermore, Japan has lodged repeated protests against the ROK over such matters as landing on the island by members of the ROK's National Assembly and others, the ROK's holding of military exercises, and the construction of buildings. Japan will continue its tenacious diplomatic efforts in order to settle the Takeshima dispute in a peaceful manner, in accordance with international law.

(d) Other issues

Japan has been addressing the comfort women issue in good faith. The issues of property and claims between the two countries, including the comfort women issue, have already been settled legally²⁴. However, in order to facilitate feasible remedies to the former comfort women, the Government and people of Japan collaboratively established the Asian Women's Fund, which provided funds for medical and welfare projects and "atonement money." In addition, letters have been sent to the former comfort women by successive Prime Ministers, expressing "apologies and remorse". Nevertheless, the ROK does not regard the issue as settled and continues to demand that Japan take further steps to address it. The Government of Japan believes that this matter should not be turned into a political or diplomatic issue and will continue to do its utmost to gain understanding for its position and the earnest and sincere efforts that it has made.

With regard to matters arising from the judicial decisions in the ROK concerning the "requisitioned civilians" from the Korean Peninsula²⁵, the problems concerning property and claims between Japan and the ROK were settled completely and finally through the Agreement on the Settlement of Problem

²³ Since October 2013, videos, flyers, and pamphlets concerning Takeshima have been published on MOFA website and are currently available in 11 languages (Japanese, English, Korean, French, German, Spanish, Portuguese, Arabic, Russian, Chinese, and Italian). [<http://www.mofa.go.jp/mofaj/area/takeshima/index.html>]

²⁴ Under Article II (paragraph 1) of the Agreement on the Settlement of Problem concerning Property and Claims and on the Economic Cooperation between Japan and the Republic of Korea, stipulates that "the problems concerning property, rights, and interests of the two Contracting Parties and their nationals and concerning claims between the contracting Parties and nationals,...is settled completely and finally."

²⁵ Some civilians of the ROK said to have been subjected to "forced requisition" by predecessor companies of Nippon Steel & Sumitomo Metal Corporation and Mitsubishi Heavy Industries, Ltd. during World War II, when the Korean Peninsula was under Japanese rule, brought claims for the payment of compensation and unpaid wages against the two companies. The Seoul High Court found in favor of the plaintiffs against Nippon Steel & Sumitomo Metal Corporation on July 10, 2013, and the Busan High Court ruled against Mitsubishi Heavy Industries, Ltd. on July 30, with both courts ordering the respective defendants to compensate the plaintiffs. Other similar lawsuits have been brought in the ROK.

concerning Property and Claims and on the Economic Cooperation between Japan and the Republic of Korea²⁶, so Japan will continue to deal appropriately with these issues on that basis.

The indictment by the ROK prosecutors of the Sankei Shimbun's former Seoul bureau chief is deplorable both from the perspective of freedom of expression and of the press and from the standpoint of relations between Japan and the ROK. Accordingly, the Government of Japan will continue to request an appropriate response to this matter on the part of the Government of the ROK.

Other than these issues, Japan is providing as much support as possible from a humanitarian perspective in a wide range of fields, including in regard to the issue of the remains of people originally from the Korean Peninsula²⁷, support for ethnic Koreans in Sakhalin²⁸, addressing the issue of atomic bomb survivors living in the ROK²⁹, and helping Hansen's disease patients admitted to sanitariums in the ROK³⁰.

Moreover, Japan and the ROK have engaged in several rounds of discussions concerning such matters as negotiations over the demarcation of the Exclusive Economic Zone (EEZ).

C. Japan-ROK Economic Relations

Japan and the ROK continue to maintain close economic relations. The total value of trade between Japan and the ROK in 2014 was approximately 8.99 trillion yen; Japan is the ROK's third-largest trading partner and the ROK is Japan's third-largest trading partner. The ROK's trade deficit with Japan fell by approximately 4.7% compared with the previous year to around 1.92 trillion yen (Trade Statistics of Japan, Ministry of Finance). In terms of the value of investment between Japan and the ROK, Japanese direct investment in the ROK totaled approximately 2.49 billion US dollars (down 7.5% from the previous year) (figures published by the ROK Ministry of Trade, Industry and Energy), making Japan the ROK's second-largest source of foreign direct investment. Direct investment in Japan from the ROK totaled approximately 410 million US dollars (down 40.6% from the previous year) (figures published by the Export-Import Bank of Korea).

Thus, Japan and the ROK are important trade and investment partners for each other and progress is being made in forging new cooperative relationships between the two countries. For example, as well as the integration of supply chains in the manufacturing sector, Japanese and South

²⁶ As per Footnote 25.

²⁷ The issue of the return of the remains of people originally from the Korean Peninsula which were left in Japan after the end of World War II. Japan is steadily repatriating the remains whose return has been requested by the Government of the ROK and which are able to be returned.

²⁸ For various reasons, before the end of World War II, the people from the Korean Peninsula traveled to what was then known as Minami Karafuto (South Sakhalin), but were compelled to remain there for a long time after the war ended under the de facto rule of the Soviet Union, without being given the opportunity to return to the ROK. The Government of Japan is providing such people with support to enable them to return home temporarily or permanently, and also to visit Sakhalin.

²⁹ The issue of the provision of support to those who were exposed to the atomic bombs while living in Hiroshima or Nagasaki during World War II and subsequently went to live overseas. To date, Japan has provided support in the form of the Atomic Bomb Victim Health Handbook and allowances based on the Atomic Bomb Survivors' Assistance Act.

³⁰ People who were admitted to Hansen's disease sanitoriums built overseas by Japan before the end of the war had demanded the payment of compensation in accordance with the Act on Payment of Compensation to Inmates of Hansen's Disease Sanatorium. The Act was revised in February 2006, allowing compensation to be paid to those formerly resident in sanitoriums overseas for the first time.

Korean companies are undertaking joint initiatives focused on expansion into other countries.

Economic partnership between Japan and the ROK is vital in order to further strengthen these close economic relations between the two countries, as well as ensuring that both Japan and the ROK can play a leading role in regional economic integration in Asia. Based on this understanding, Japan continues to strive to achieve progress in negotiations concerning a Japan-China-ROK Free Trade Agreement (FTA) and the Regional Comprehensive Economic Partnership (RCEP).

In addition, at the 13th Japan-ROK High-level Economic Consultation held in January 2015, in order to further strengthen economic

relations between Japan and the ROK, the two countries exchanged opinions concerning a wide range of subjects, including the economic climate in Japan and the ROK and economic relations between them, as well as the global economic situation and cooperation within multilateral and regional frameworks.

Regarding the restrictions on imports of Japanese marine products imposed by the Government of the ROK³¹, Japan has taken various opportunities to request that the ROK abolish these restrictions without delay, based on scientific evidence. To this end, a committee of experts from the ROK visited Japan to conduct surveys in December 2014 and January 2015.

31 (1) A ban on imports of 50 varieties of marine product from 8 prefectures, including Fukushima, has been extended to cover all marine products from those 8 prefectures. (2) If even trace amounts of cesium or iodine are detected in marine products from areas other than those 8 prefectures, an additional certificate for other radioactive material is requested.

 Column

Exchanges between Japan and the Republic of Korea through “JENESYS 2.0”: Essays by Exchange Students in Commemoration of the 30th Anniversary of the Establishment of the Japan-Korea Cultural Foundation

Naoya Nemoto, 1st Grader at Fukushima Prefectural Iwaki High School

Due to frequent exposure to news coverage on the territorial dispute between Japan and the Republic of Korea (ROK), many Japanese people nowadays have an unfavorable emotion towards the ROK. In fact, I myself had a somewhat biased view towards the ROK before participating in this study program in the ROK.

Once I arrived at a school in the ROK, I was able to engage in positive interactions with the local students in classes and sports despite the language barrier by using simple words and body language. To my surprise, Korean students were very kind to me and active. During the exchange program, irrespective of prevailing negative public opinions, we understood each other's culture, history and values.

Through this program, my impression of the ROK improved. I still keep in touch with my Korean friends, and I have been passing on my experience in the ROK to as many people as possible. I think it is a good idea for young generations to gain experiences that help expand their worldview. I believe that such training is vital to foster insightful people who will eventually contribute to improving international relations.

Baeg Ha-Won, 2nd Grader at Yongin Foreign Language High School Affiliated with Hankuk University of Foreign Studies

I have been interested in Japan since my childhood, and now I am studying Japanese at high school. When I was a 1st grader, I participated in a trade planning contest in Hong Kong with high school students from around the world, and I met Japanese high school student participants. I talked to them with excitement, but they looked tense as they seemed to have the idea that Koreans were not fond of Japanese. As we started talking about each other's culture, however, we became more open and engaged in friendly interactions. Since then, I have been exchanging emails with them, and when I think of Japan, I immediately think of them.

Many people in these two countries have bad feelings toward each other due to historical and diplomatic issues. Politics and diplomacy are like a thin thread that easily breaks and entangles. Once a thread is entangled, it is difficult to untangle it. However, you can always fix an entangled thread by simply retying it.

Similarly, when bilateral relations become hostile, it takes a lot of effort to restore a friendly relationship. In this view, efforts only by the two governments may be insufficient to achieve stable ROK-Japan relations. I believe that the most vital approach to this issue is to mend the negative perception that the people of the ROK and Japan hold toward each other by boosting civilian exchanges between the two countries.



Students cooking bibimbap in a hands-on event (in the ROK, March 29; Source: Japan-Korea Cultural Foundation)



Trip to Changdeok Palace (in the ROK, March 29; Source: Japan-Korea Cultural Foundation)

2 China and Mongolia, etc.

(1) China

A. Situation in China

(a) Economy

In 2014, China's nominal GDP totaled 63.6 trillion yuan, while its real GDP growth rate was 7.4% (the target set by the Government of China for the real GDP growth rate was around 7.5%).

With the pace of China's economic expansion slowing down, the Government of China took steps to shore up the economy, including increasing tax incentives for small and medium-sized enterprises (SMEs) (April 2014) and reducing the bank rate (November 2014).

At the Central Economic Work Conference in December, Chinese leaders pointed out that the Chinese economy was currently in a transition phase to a "new normal," moving from high growth to medium-to-high growth and from quantitative expansion to qualitative development/improvement. Specific changes cited included the diversification of consumption, the saturation of traditional industries, a reduction in international competitiveness due to rising labor costs, oversupply, and a decrease in the workforce due to the aging of the population. Chinese leaders then stressed the importance of greater emphasis on the market in economic policy, the promotion of structural reform, and innovation in adapting to the "new normal." They affirmed that in 2015, they would continue to implement the policies of "making progress while ensuring stability" and "proactive fiscal and prudent monetary policies."

Moreover, at an executive meeting of the State Council in December, Chinese leaders decided to establish pilot free trade zones in Tianjin, Fujian, and Guangdong, to build on the achievements of the China (Shanghai) Pilot Free Trade Zone, a trial project that was established in 2013 to attract foreign investment by easing restrictions on finance and investment within the zone.

2015 marks the final year of the 12th Five-Year Plan, so attention will focus on the degree to which China can move forward with reforms of its economic system, while maintaining a certain level of economic growth.

(b) Domestic affairs

In March 2014, the 2nd Plenary Session of the 12th National People's Congress was held in Beijing. Following the adoption of basic policies for reform at the Third Plenary Session of the 18th Central Committee of the Communist Party of China (Third Plenum) the previous fall, Premier Li Keqiang announced in the Report on the Work of the Government his powerful resolve to pursue reform, using such expressions as "great determination" and "break...vested interests."

In October, the Fourth Plenary Session of the 18th Central Committee of the Communist Party of China (Fourth Plenum) was held in Beijing. The Plenum adopted the "Decision on Major Issues Concerning Comprehensively Deepening Rule of Law", emphasizing that China will aim to achieve the "rule of law with

Chinese characteristics” while maintaining the principle of “leadership by the Communist Party of China (CPC).”

To date, Xi Jinping and his leadership team have repeatedly voiced their alarm about rampant corruption within China, and numerous corrupt senior officials within the party, government, and state-owned enterprises have been exposed. In March 2014, the Chinese authorities decided to investigate Xu Caihou (former Vice Chairman of the Central Military Commission). In June, he was expelled from the party for serious breaches of discipline and prosecutors decided to file a case with judicial authorities on charges of bribery.

Reports that Zhou Yongkang (formerly a member of the Central Politburo Standing Committee under the leadership of Hu Jintao, with authority over security and law enforcement) was under house arrest emerged as early as December 2013; at the end of July 2014, the Central Commission for Discipline Inspection decided to investigate him with a view to bringing a case against him. Moreover, in December, the CPC Central Committee decided to expel him from the party and to file a case with judicial authorities on the grounds of violating “the Party’s political discipline,” taking large sums in bribes, abuse of power, leaking state and party secrets, and involvement in prostitution.

In terms of the social climate, Chinese human rights lawyers and intellectuals were detained ahead of the 25th anniversary of the Tiananmen Square incident on June 4. In addition, ethnic Uyghurs were responsible for attacks that caused indiscriminate casualties

near Kunming Station in Yunnan Province (March) and in Kashgar in the Xinjiang Uyghur Autonomous Region (July), and a bombing occurred in the autonomous region’s Bayingolin Mongol Autonomous Prefecture in September.

In Hong Kong, criticizing the decision taken at the end of August by China’s National People’s Congress concerning reforms of the system for electing Hong Kong’s chief executive as effectively making it impossible for pro-democracy candidates to stand, students and pro-democracy groups began a protest (“Occupy Central”) at the end of September, occupying major thoroughfares for two and a half months.

(c) Foreign policy

Although tensions emerged in China’s relationships with neighboring countries over the South China Sea in 2014, it demonstrated a noticeably proactive approach on the diplomatic front, holding large international conferences such as the Conference on Interaction and Confidence-Building Measures in Asia (CICA) Summit and the APEC Economic Leaders’ Meeting, and making moves toward the establishment of the Asian Infrastructure Investment Bank (AIIB).

In May, China hosted the CICA Summit in Shanghai; in his keynote address, President Xi Jinping described his vision for “common, comprehensive, cooperative and sustainable security” and presented the concept of “security in Asia that is ultimately safeguarded by all people of Asia.”

In July, President Xi attended the BRICS Summit in Brazil and expressed his wish that

the BRICS Development Bank, whose establishment was agreed at the summit, be based in Shanghai. In October, a ceremony was held in Beijing for the signing of the Memorandum of Understanding (MOU) on Establishing the AIIB, which had been advocated by President Xi.

On the other hand, developments that caused tensions with neighboring countries included a confrontation at sea between Vietnamese and Chinese vessels in May, which stemmed from China's oil drilling activities near the Paracel Islands in the South China Sea. In addition, following the 2013 initiation of arbitration proceedings by the Government of the Philippines over the South China Sea, the Government of China published a position paper in December 2014, stating that it did not accept the arbitration and would not participate in it.

In November, China hosted the APEC Economic Leaders' Meeting in Beijing, where the "Beijing Declaration on Fighting Corruption" was adopted at China's own initiative. Moreover, at the U.S.–China summit held after the APEC meeting ended, the two countries agreed on two measures as a confidence-building mechanism between their respective defense authorities, as well as together announcing numerical targets for the reduction of greenhouse gas emissions.

At the end of November, after all of 2014's major diplomatic events had ended, the Central Conference on Work Relating to Foreign Affairs was held in Beijing. In his important address to the conference, President Xi said, "China should develop a distinctive diplomatic approach befitting its role of a

major country," stating that China should "stick to our development path, social system, cultural tradition and values."

(d) Military and security affairs

China continues to increase its already-high defense expenditure, with the 2014 national defense budget growing by 12.2% (2014 budget figure) compared with actual expenditure the previous year. At the same time, although the intention behind the increase is unclear, as no explanation has been provided in the form of a detailed breakdown of expenditure, it is believed to be extensively and rapidly bolstering its military capacity, with a primary focus on nuclear and missile capabilities, as well as its navy and air force. More specifically, in 2012, the Chinese Ministry of National Defense officially announced the commissioning of its Liaoning aircraft carrier, and there is also information to suggest that it is currently building a domestically produced aircraft carrier.

Moreover, China is continuing its unilateral attempts to change the status quo, by such means as the November 2013 establishment of the Air Defense Identification Zone (ADIZ) in the East China Sea, as well as incidents in May and June 2014, in which Chinese military aircraft approached Self-Defense Forces (SDF) aircraft. Since such actions are a matter of common concern within the region, Japan intends to work in partnership with relevant countries to ensure that China acts within the framework of international order based on the rule of law.

B. Japan–China Relations

(a) The situation surrounding Japan–China relations

Japan and China are neighbors across the East China Sea. They have an inseparable relationship characterized by close economic relations and people-to-people and cultural exchanges. At the same time, they have numerous political and social differences, so friction and disputes inevitably arise between them on occasion, precisely because they are neighbors. Based on the attitude that individual points of contention should not be allowed to affect their relationship as a whole, Japan and China agreed in 2006 on building a “Mutually Beneficial Relationship based on Common Strategic Interests.” Since then, the leaders of the two countries have repeatedly affirmed that they will promote a “Mutually Beneficial Relationship based on Common Strategic Interests.”

2014 was a year in which numerous initiatives were undertaken to improve Japan–China relations. In May, the Japan–China Parliamentarians’ Friendship League visited China and held talks with Zhang Dejiang, Chairman of the National People’s Congress. Thereafter, the number of key figures traveling between the two countries increased, primarily for the purpose of exchange among parliamentarians. Also in May, Minister of Economy, Trade and Industry Toshimitsu Motegi visited China to attend the APEC Meeting of Ministers Responsible for Trade, during which he held talks with Chinese Minister of Commerce Gao Hucheng. In June, Minister of Land, Infrastructure and Transport Akihiro Ota visited China and held talks with

Vice Premier Liu Yandong. An informal meeting of the new 21st Century Committee for Japan–China Friendship was held in Nagasaki in the same month, attended by a delegation of Chinese members led by Tang Jiaxuan, President of the China–Japan Friendship Association. A candid and constructive discussion of various outstanding issues of concern to Japan and China took place at the meeting.

Amid these various exchanges and dialogues, the two countries took the opportunity presented by the ASEAN Foreign Ministerial Meeting and related meetings in Myanmar in August to hold an informal meeting between foreign ministers Fumio Kishida and Wang Yi. A similar informal meeting between the foreign ministers of Japan and China took place during the UN General Assembly session in September and positive progress was made in improving relations between the two countries.

On November 7, the governments of Japan and China issued a statement entitled “Regarding Discussions toward Improving Japan–China Relations” and, when the APEC Ministerial Meeting was held in Beijing the following day, the Japan–China Foreign Ministers’ Meeting



The Japan–China Foreign Ministers’ Meeting (November, Beijing)

took place for the first time in around 26 months. On November 10, during the APEC Economic Leaders' Meeting, the Japan–China Summit Meeting was held for the first time in approximately two and a half years. These talks were the first step toward returning the relationship between the two countries to the starting point of a “Mutually Beneficial Relationship based on Common Strategic Interests” and improving relations further.

Nevertheless, Chinese government vessels continued to make incursions into Japanese territorial waters around the Senkaku Islands, even after the Japan–China Summit Meeting. The first incursion by Chinese government vessels into Japanese territorial waters off the Senkaku Islands took place in December 2008, and China made repeated incursions into Japanese territorial waters in 2014, sending government vessels into the waters surrounding the Senkaku Islands 32 times over the course of the year (88 vessels in total).

The Senkaku Islands are indisputably an inherent part of the territory of Japan in light of historical facts and based upon international law. Indeed, the Senkaku Islands are under the valid control of Japan. Consequently, there exists no issue of territorial sovereignty to be resolved concerning the Senkaku Islands. Since 1885, Japan conducted repeated investigations and, having confirmed that there were no traces to suggest that the islands were under the control of the Qing dynasty, incorporated them into Japanese



Prime Minister Abe and President Xi shake hands at the Japan–China Summit Meeting (November 10, Beijing; Source: Cabinet Public Relations Office)

territory in January 1895. Subsequently, with the permission of the Government of Japan, numerous Japanese citizens settled on the Senkaku Islands, where they engaged in business activities such as the manufacture of dried bonito flakes. After World War II, the Senkaku Islands were placed under the administration of the U.S. by the San Francisco Peace Treaty.

From 1895, when Japan obtained territorial title over the Senkaku Islands by lawful means under international law, until the 1970s, when the islands became the focus of attention after it was suggested that there might be oil reserves in the East China Sea, China did not raise any objections to Japan's sovereignty over the Senkaku Islands¹. Moreover, China has never explained why it did not contest Japan's sovereignty over the islands.

The Government of Japan will continue to deal with the situation with resolute determination to defend Japan's territorial

¹ Chinese documents compiled in the 1950s and 1960s have been found that show the Senkaku Islands as part of Japanese territory. For example, MOFA has published on its website a map published in China in 1969, which marks the Senkaku Islands as Japanese territory and appears to have been compiled on the premise that the Senkaku Islands are Japanese territory [http://www.mofa.go.jp/mofaj/area/senkaku/pdfs/senkaku_.pdf].

land, sea, and airspace. We have repeatedly used diplomatic channels to lodge strong protests and request the withdrawal of Chinese vessels. In May and June, there were incidents in which Chinese military aircraft approached SDF aircraft. Japan strongly urged China not to engage again in such dangerous acts, which could lead to an accident.

Japan has urged China to swiftly start the operation of a maritime communication mechanism without delay, in order to avoid unforeseen consequences. In September, the second round meeting of the Japan–China High-Level Consultation on Maritime Affairs took place and the two sides reached a shared view in principle to resume consultations for the early implementation of a maritime communication mechanism between the defense authorities of the two countries. In addition, the leaders of the two countries confirmed at the Japan–China Summit Meeting that working-level discussions would continue.

Japan and China share responsibility for the peace and stability of the region and the entire international community. Stable Japan–China relations are essential not only to the citizens of both countries, but also to the peace and stability of the Asia-Pacific region as a whole. Accordingly, based on the concept of the “Mutually Beneficial Relationship based on Common Strategic Interests,” the Government of Japan will promote the development of Japan–China relations from a broad perspective through continued dialogues and cooperation at various levels.

(b)The issue of Chinese coral vessels in the seas close to Japan, including around the Ogasawara Islands

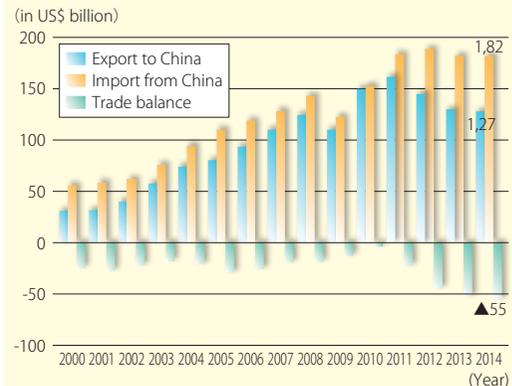
Since mid-September 2014, many vessels believed to be Chinese coral vessels morefound in the seas close to Japan, including around the Ogasawara Islands. In light of the fact that they operated illegally, the Government of Japan raised largely the maximum fine for illegal operations by foreign fishing vessels, in order to maximize the deterrent effect of the fine. In addition, the Fisheries Agency, the Japan Coast Guard, and other relevant ministries and agencies worked together to strengthen efforts to crack down on foreign fishing vessels, including by implementing measures via the supplementary budget. In addition, Japan repeatedly expressed its concerns to China via diplomatic channels, requesting that steps be taken to prevent recurrence. At the Japan–China Foreign Ministers’ Meeting on November 8, Foreign Minister Kishida expressed concern over the matter and stated that it is important to enhance the effectiveness of controls in China and that he wants to strengthen cooperation between the relevant authorities of the two countries. In response, Foreign Minister Wang Yi announced that China is also taking the necessary measures. Moreover, at the 15th Japan–China Joint Committee on Fisheries held in Dalian in December, the two sides agreed that Japan and China would continue to enforce a staunch crackdown and would strengthen all possible measures to eradicate poaching by Chinese coral vessels, including severe penalties for offenders.

(c) Japan–China economic relations

Japan and China maintain close and mutually dependent economic relations in such areas as trade and investment. The value of trade between the two countries (excluding Hong Kong) in 2014 was approximately 309.2 billion US dollars and China retained its status as Japan's biggest trading partner for the eighth consecutive year. In addition, according to Chinese statistics, Japan was China's second-largest source of foreign direct investment (approximately 4.33 billion US dollars in 2014).

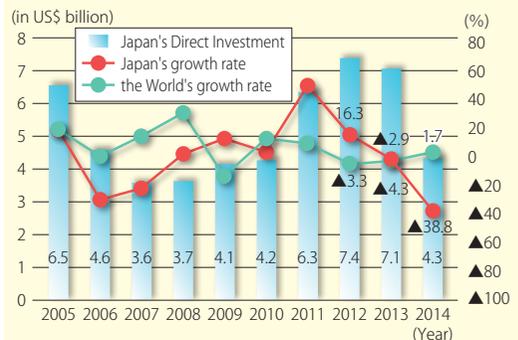
Amid the tensions that have beset Japan–China relations since 2012, Japanese direct investment in China fell by 38.8% in 2014 compared with the previous year, due also in part to domestic factors such as the rise in labor costs in China. However, exchange and dialogue in economic fields have continued and Ministerial-level dialogue aimed at a rapprochement has resumed. Moreover, exchange at the private sector level has been flourishing, with visits being made to China by delegations from such groups as the Japan Association of Corporate Executives and the Japan-China Economic Association. At the end of December, the Japan–China Energy Conservation Forum, which involves members of the public and private sectors in both Japan and China, took place in Beijing for the first time in two years, and was attended by State Minister of Economy, Trade and Industry Yosuke Takagi. At this forum, Japanese and Chinese participants exchanged opinions on a wide range of subjects relating to energy conservation and the environment, and agreements on various cooperation projects were signed.

Change in Japan's Value of Trade with China



Source: Ministry of Finance and Japan External Trade Organization (JETRO)

Change in Japan's Direct Investment to China



Note: The data for 2008 and beyond include what is known as tax haven investment.

Source: Ministry of Commerce of the People's Republic of China.

The issue of the use of chicken that was past its use-by date, which broke out in China in July, also attracted considerable attention in Japan. In August, a working-level meeting under the Japan-China Food Safety Promotion Initiative was held in Beijing on this matter. The Japanese contingent asked the Chinese representatives to find out the truth without delay, and the two sides engaged in a frank exchange of opinions concerning the measures required to ensure food security.

At the 15th Japan–China Joint Committee on Fisheries in December, the two sides discussed the issue of Chinese coral vessels

and agreed on specific measures to preserve and manage resources in the East China Sea.

(d) Promoting mutual understanding at the private sector level

a. Current state of people-to-people exchanges between Japan and China

A total of approximately 5.13 million people engaged in people-to-people exchanges between Japan and China in 2014 (with around 2.41 million people visiting Japan and around 2.72 million visiting China). While the number of visitors to Japan increased by around 1.09 million (+82.6% from the previous year), reaching the highest level ever, the number of visitors to China fell by around 160,000 (-5.6% from the previous year).

b. Youth exchange between Japan and China

In 2014, around 1,500 Chinese young people, including high school and university students, were invited to Japan under JENESYS 2.0. As well as gaining first-hand experience of Japanese culture and life through various exchanges and tours, the Chinese young people who visited Japan had the opportunity to meet with Japanese youngsters, gaining a deeper understanding of each other and engaging in a lively exchange of views concerning such matters as the future shape of Japan-China relations.

c. Exchange in various fields

A diverse array of people from a variety of levels and fields from China have been invited to Japan, with the aim of building and strengthening a wide range of relationships.

These include central and local government leaders, people with a degree of influence in the worlds of government, business, the public sector, and academia, the leaders of the future, and opinion leaders. These exchanges have helped to build good relations between the visitors and relevant Japanese figures, as well as promoting an accurate understanding of Japan.

d. The New 21st Century Committee for Japan-China Friendship

The new 21st Century Committee for Japan-China Friendship was established to enable experts from Japan and China to engage in wide-ranging discussions and provide the



An exhibition of calligraphy by Japanese and Chinese students (April 13; Source: Japan-China Friendship Center)



Kanazawa University students get to know university students from China (June 20; Source: Japan-China Friendship Center)

heads of government of both countries with proposals and reports, in order to further develop Japan–China relations in the 21st century (Japanese chairman: Taizo Nishimuro, Advisor, Toshiba Corporation; President and CEO, Japan Post Holdings Co., Ltd. Chinese chairman: Tang Jiaxuan, former State Counselor). In 2014, the committee held an informal meeting in Nagasaki in June, followed by its fourth formal meeting in China (Beijing and Xi'an) in December (the first formal meeting for around 38 months). At the meetings, participants engaged in a frank and lively discussion concerning such matters as the improvement and development of Japan–China relations, and together acknowledged the importance of improving popular sentiment in both countries and ensuring cooperation between Japan and China in a wide range of

fields.

(e) The issue of abandoned chemical weapons

Based on the Chemical Weapons Convention (CWC), the Government of Japan has been undertaking the destruction of abandoned chemical weapons in China. Mobile destruction facilities are being used to destroy such weapons in Shijiazhuang, Hebei Province and Wuhan, Hubei Province. In addition, test destruction operation began in December 2014 at Haerbaling, Dunhua City Jilin Province, where the largest number of abandoned chemical weapons is buried. Steady progress is being made in the destruction of these abandoned chemical weapons, with approximately 38,000 having been destroyed by the end of 2014².

(2) Taiwan

A. Internal Affairs

The approval ratings of the administration of Ma Ying-jeou, which entered the third year of its second term in May 2014, continued to fall and the Kuomintang lost many important posts in the large-scale local elections held on November 29. The Cabinet resigned en masse to take responsibility, while President Ma Ying-jeou resigned as Chairman of the Kuomintang.

The economy is gradually recovering and the real GDP growth rate rose 3.74% against

the previous year in 2014 (preliminary results), due in part to domestic demand in the form of private sector consumption and fixed capital investment.

B. Cross-Strait Relations and Foreign Affairs

Cross-strait relations improved rapidly after Ma Ying-jeou's administration came to power in 2008. Previously, this improvement was primarily focused on economic relations, as represented by the Economic Cooperation

² Approximately 52,000 chemical weapons belonging to the Imperial Japanese Army that were abandoned in China have been discovered to date over an extensive area ranging from Heilongjiang Province in the north to Guangdong Province in the south. In addition, it is estimated that between approximately 300,000 and 400,000 such weapons are buried at Haerbaling, Dunhua City Jilin Province. As well as conducting joint surveys with the Chinese authorities, the Government of Japan is undertaking excavation and recovery projects in each region and destroying the weapons discovered, with the cooperation of the Government of China.

Framework Agreement (ECFA), but new developments were seen in 2014, such as the visit to China by Wang Yu-chi, Minister of Taiwan's Mainland Affairs Council, in February and the visit to Taiwan by Zhang Zhijun, Minister of the Taiwan Affairs Office of China's State Council, in June. On the other hand, opposition to cross-strait rapprochement was seen, with Taiwanese students and other citizens opposed to the Cross-Strait Service Trade Agreement occupying the Legislative Yuan from March to April.

C. Japan–Taiwan Relations

The relationship between Japan and Taiwan is maintained on the basis of working relations at the non-governmental level, in accordance with the 1972 Joint Communiqué between Japan and China. For Japan, Taiwan is a crucial partner and an important friend, with which it shares basic values in the form of freedom, democracy, basic human rights, and the rule of law, as well as close economic relations (Taiwan is Japan's fifth-largest trading partner, while Japan is Taiwan's second-largest trading partner) and people-to-people exchanges (the number of short-term visitors traveling between Japan and Taiwan reached an all-time high of approximately 4.4

million in 2014).

Against this background, working relations between Japan and Taiwan are deepening and in 2014, the Interchange Association, and the Association of East Asian Relations signed cooperation arrangements covering a variety of fields, including the development of tourism initiatives and the peaceful use of nuclear energy. Moreover, in June, the two associations set up the Japan–Taiwan Economic Partnership Committee, a framework for cross-cutting discussion of economic relations between Japan and Taiwan.

Cultural exchanges between Japan and Taiwan are also flourishing: a special exhibition of items from the Palace Museum was held from June 24 until September 15 at the Tokyo National Museum and from October 7 until November 30 at the Kyushu National Museum, and was very well received.

Taiwan also asserts its own claim to the Senkaku Islands and there have been moves by civilian activists to land on the islands, as well as cases in which vessels belonging to the Taiwanese authorities have passed through the waters surrounding the Senkaku Islands. However, none of these situations have escalated to the extent where they affect Japan–Taiwan relations in general.

(3) Mongolia

A. Domestic Affairs

In October 2014, the opposition Mongolian People's Party submitted a resolution demanding the dismissal of Prime Minister Norov Altankhuyag on the grounds of economic mismanagement by the Altankhuyag

administration, among other reasons. Supported by some influential members of parliament from the Democratic Party, the resolution was passed and the Altankhuyag Cabinet resigned en masse in November. Chimed Saikhanbileg, who served as Cabinet

Secretary in the Altankhuyag Cabinet, was appointed to succeed him as Prime Minister. The main ruling party, the Democratic Party held talks with all of the political parties with seats in the parliament and decided to form a cabinet via a grand coalition that also includes the Mongolian People's Party, the largest opposition party. The structure of the government was reorganized into 15 ministries and 19 ministers, and the Saikhanbileg Cabinet was inaugurated in December. In his policy speech, acknowledging the critical situation facing the Mongolian economy, Prime Minister Saikhanbileg announced policies that put the economy first and stated that he aimed to create "a government that can make decisions quickly."

Having experienced double-digit GDP growth for several years, reaching a growth rate of 17.3% in 2011, the Mongolian economy has slowed in response to a slump in resource prices and a fall in foreign direct investment. The economic growth rate in 2014 was 7.8% (preliminary results published by the National Statistical Office of Mongolia).

B. Japan–Mongolia Relations

Japan aims to continue to develop friendly relations with Mongolia, with which it shares fundamental values in the form of freedom and democracy, as well as a market economy.

High-level exchanges continued to flourish in 2014, following on the previous year. Including telephone talks, Prime Minister Abe and President Tsakhiagiin Elbegdorj held talks on four occasions in 2014. In particular, at

the summit that took place in July when President Elbegdorj visited Japan to attend the Mongolia–Japan Business Forum co-hosted by the Japan Business Federation (Keidanren) and the Government of Mongolia, the two leaders announced that they had reached an agreement in principle of the negotiations concerning the Japan–Mongolia Economic Partnership Agreement (EPA) and agreed on the importance of strengthening cooperation in the field of the economy, in order to further reinforce their Strategic Partnership. Moreover, as well as proposing the "ERCH Initiative Plus" to promote Mongolian exports and industrial diversification, Prime Minister Abe announced his intention to provide Mongolia with assistance in formulating medium- to long-term economic policy through support measures including the dispatch of economic advisers, in response to a request from the Mongolian side.

Furthermore, the Japan–Mongolia Mid-term Action Plan for a Strategic Partnership formulated in 2013 is being steadily implemented, with multilevel dialogue taking place between the diplomatic authorities of both countries. As well as the Foreign Ministers' Meeting between Fumio Kishida and Luvsanvandan Bold that took place at the ASEAN Foreign Ministerial Meeting and related meetings in August, the First Japan–Mongolia Strategic Dialogue took place at the vice-ministerial level in Tokyo in June, while the Second Japan–Mongolia Politico-Military Consultations was held in December.

3 Southeast Asia

(1) Brunei Darussalam

Brunei Darussalam has attained a high economic level and put in place generous social welfare on the back of its abundant natural resources.

Japan and Brunei Darussalam have maintained a good relationship for many years, underpinned by its stable supply of liquefied natural gas (LNG). 2014 marked the 30th anniversary of the establishment of diplomatic relations between Japan and Brunei Darussalam. It was a year in which the relationship between the two countries deepened even further, through such initiatives

as the creation of a logo and the minting of a commemorative coin to mark this anniversary. Interaction between young people flourished via the JENESYS 2.0 youth exchange project and the Ship for Southeast Asian Youth Program. In addition, various other proactive initiatives were implemented, including programs focused on promoting Japanese cuisine and other aspects of Japanese culture in Brunei Darussalam, and a cultural exchange program involving musicians from both countries.

(2) Indonesia

Amid political stability provided by the Yudhoyono administration, which held power for two terms, Indonesia has maintained steady growth and has begun to make its presence felt as an emerging economic power. The elections that take place every five years were held in 2014, with the general election (to elect members of the legislature) in April and the presidential election in July taking place successfully. In October, President Susilo Bambang Yudhoyono stepped down after ten years in office, having reached the constitutionally mandated two-term limit. He was replaced by Joko Widodo, formerly the Governor of the Special Capital Region of Jakarta, who was inaugurated as the 7th President of Indonesia on the basis of the results of the presidential election in July. In

his inaugural address, President Joko announced that it was time for the Indonesian people to work together in a spirit of unity towards an Indonesia that is politically sovereign, economically self-sufficient, and culturally resilient. At the East Asia Summit in November, he announced his vision for Indonesia as a maritime country positioned as the World Maritime Axis.

In terms of Japan's relations with Indonesia, talks at the summit and ministerial levels have continued to flourish since the previous year and the Government of Japan has been in communication with the new administration in Indonesia. Taking the opportunity offered by the APEC Leaders' Meeting in November, the Japan-Indonesia Summit Meeting was held, the first such meeting since President Joko's

inauguration. Prime Minister Abe and President Joko shared the view that Japan and Indonesia should further enhance relations between their two countries under the new administration and to bring cooperation initiatives in the maritime field to fruition. When Foreign Minister Kishida visited Jakarta in August, he held talks with President-elect Joko and Foreign Minister Marty Natalegawa. In addition, he took the opportunity of the APEC Ministerial Meeting in November to hold a Foreign Ministers' Meeting with

Minister of Foreign Affairs Retno Marsudi, the first such meeting since the Indonesian Foreign Minister took up her new post. The two ministers shared the view that they will further strengthen the Strategic Partnership between their countries and to undertake cooperation in the maritime field.

Exchanges also flourished in a variety of other forms. For example, in September, President Yudhoyono visited Japan to attend a ceremony in which he was conferred with an honorary doctorate by Ritsumeikan University.

(3) Malaysia

Under the slogan "1Malaysia (People First, Performance Now)," the Najib administration is steadily implementing the Government Transformation Programme, the New Economic Model, the Tenth Malaysia Plan, and the Economic Transformation Programme, which had been announced in 2010. Through these, the Government of Malaysia is promoting harmony between ethnic groups, administrative reform, and improved welfare among the population as a whole. Aiming to join the ranks of developed countries by 2020, Malaysia is promoting deregulation and liberalization to increase international competitiveness, and the domestic economy maintains stable growth, underpinned by investment and domestic consumption. Malaysia will serve as Chair of ASEAN in 2015.

In terms of Malaysia's relations with Japan, following on from the previous year, when the leaders of the two countries made reciprocal visits, Prime Minister Najib Razak visited Japan again in 2014, this time to attend an

international seminar organized by the private sector in May. During this visit, he held a summit meeting with Prime Minister Abe. The two leaders took the opportunity of the meeting of the leaders of ASEAN member states and associated nations in November to hold more talks, at which they agreed to further deepen the good cooperative relationship that exists between their nations.

In terms of economic affairs, the two countries continue to maintain a close cooperative relationship: Japan is Malaysia's largest investor and 1,400 Japanese companies have established bases there.

Under the Look East Policy, which is the foundation of the good bilateral relationship between Japan and Malaysia, approximately 15,000 people have undertaken periods of study or training in Japan to date. Now known as the Look East Policy 2.0, deliberations concerning the quality of the Look East Policy are underway in Malaysia, examining such matters as the expansion of the fields of

overseas study. Moreover, cooperative endeavors are being undertaken with a view to establishing the Malaysia–Japan

International Institute of Technology (MJIIT) as a base for Japanese-style engineering education in the ASEAN region.

(4) Philippines

In the Philippines, President Benigno Aquino entered the fifth year of his term of office. Although temporarily affected in June and July by a scandal over the misuse of the Priority Development Assistance Fund¹ and mounting criticism² of the Disbursement Acceleration Program³, President Aquino's approval ratings continued to be high, reaching 63% in a December survey. Moreover, although the impact of the previous year's Typhoon Haiyan (Yolanda) can still be seen, the Philippine economy continues to do well.

Regarding the Mindanao Peace Process, the Government of the Philippines and the Moro Islamic Liberation Front (MILF) signed a comprehensive peace agreement in March and the legislative process required to establish a new autonomous government by June 2016 is underway. When U.S. President Barack Obama visited the Philippines in April, the two countries signed the Enhanced Defense Cooperation Agreement, which seeks to further strengthen the cooperative relationship between the military forces of both countries.

In terms of the country's relations with Japan, talks at the summit and foreign ministerial levels have continued to flourish since the previous year. As well as holding a summit meeting when President Aquino

visited Japan in June to attend a seminar on Mindanao peacebuilding, Prime Minister Abe also held talks with him in November during the meeting of the leaders of ASEAN member states and associated nations in November. At these talks, the two leaders agreed to further strengthen the Strategic Partnership between their countries. Foreign Minister Kishida held talks with Secretary of Foreign Affairs Albert del Rosario on a total of three occasions, in April and November, exchanging opinions concerning the regional situation.

In 2013, the Philippines initiated arbitration proceedings in accordance with the United Nations Convention on the Law of the Sea, due to its dispute with China over the issue of territorial rights in the South China Sea. In March 2014, it submitted a written statement to the court of arbitration, summarizing its claims. Japan issued a statement via the Foreign Press Secretary, supporting the Philippines in its efforts to use procedures prescribed by the United Nations Convention on the Law of the Sea to resolve the dispute peacefully under international law, as this would help to maintain and expand international order based on the rule of law within the region.

¹ A discretionary fund granted to members of Congress.

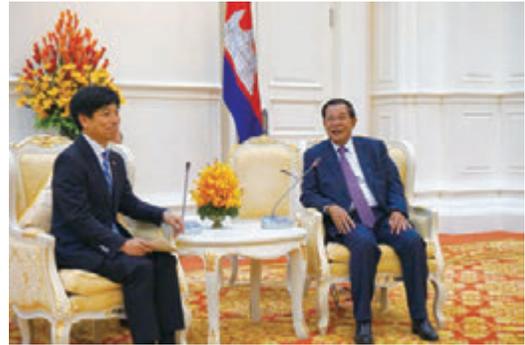
² In July, the Supreme Court ruled that some of the measures implemented on the basis of the program were unconstitutional.

³ A policy permitting budget execution that cuts across the boundaries between administrative bodies.

(5) Cambodia

Cambodia holds the key of both improving connectivity in the Mekong region and remedying intraregional inequality, and is located in a strategic position in the Southern Economic Corridor. With the aim of joining the ranks of upper-middle income countries by 2030, it is promoting development policies with a primary focus on strengthening governance.

Japan actively assisted Cambodia in its peace process in the latter half of the 1980s and continued to offer active cooperation focused on reconstruction and development thereafter, so the two countries enjoy good relations. In 2014, efforts were made to further strengthen the Strategic Partnership between Japan and Cambodia, following the upgrading of the relationship by the leaders of the two countries the previous year. When Foreign Minister Kishida visited Cambodia in June, where its government expressed anew its support for Japan's Proactive Contribution to Peace. Moreover, the two foreign ministers agreed to work together on cooperation to consolidate democracy in Cambodia, including through support for electoral reform. They also agreed to strengthen economic diplomacy and put in place an environment conducive to the establishment of direct flights between the two countries (substantial agreement on the Air Services Agreement), as well as cooperating on issues in the regional and international arenas. In September, Japan-Cambodia Politico-Military Dialogue took place. In January 2015, the Air Services Agreement was signed in the



Parliamentary Vice-Minister for Foreign Affairs Nakane pays a courtesy visit to Cambodian Prime Minister Hun Sen (January 15, Cambodia)

presence of the Parliamentary Vice-Minister for Foreign Affairs Kazuyuki Nakane, during his visit to Cambodia.

Moreover, Cambodia is serving as the coordinating country for ASEAN-Japan until the summer of 2015, so Japan and Cambodia continued to liaise on various matters concerning ASEAN in 2014.

With regard to domestic affairs, the standoff between the ruling and opposition parties over the results of the 2013 National Assembly election (lower house election) continued, but the ruling and opposition parties finally agreed to break the political deadlock in July 2014. Once the opposition Cambodia National Rescue Party took their seats in the National Assembly, parliamentary democracy was reinvigorated, with the opposition party asking questions to the Cabinet members in the assembly. The legislation required for electoral reform is due to be put in place, so that the 2017 local elections and the 2018 lower house elections can take place in a fairer manner.

(6) Singapore

Although Singapore's political regime led by the People's Action Party (PAP) remains stable, changes in the political awareness of the people have been seen in recent years. In addition, the Government of Singapore is moving to address issues of major public concern; for example, it has embarked on a partial reform of its hitherto-proactive policy on the acceptance of foreign nationals. In his speech on Singapore's National Day in 2014, Prime Minister Lee Hsien Loong cited as key issues the enhancement of education systems other than university education, the expansion of support for elderly people (those who founded the country) and those on low incomes, and the improvement of housing conditions. In addition, Singapore is embarking upon generational change, moving forward with the promotion of leadership candidates among the younger generation, which is known as the "fourth generation."

In terms of relations with Japan, there continued to be a steady stream of visits by key figures in both directions, following on from the previous year. In May, Prime Minister Abe visited Singapore for the second consecutive year; as well as using his keynote address at the Shangri-La Dialogue to inform a wide-ranging audience from the international

community about Japan's security policy, he held a summit meeting with Prime Minister Lee Hsien Loong, at which they agreed to further strengthen cooperation between their countries. The two leaders also held talks during the G20 Summit in November. Minister for Foreign Affairs and Minister for Law of Singapore K. Shanmugam, visited Japan in October and held a Foreign Ministers' Meeting with Foreign Minister Kishida, during which the two agreed to further enhance collaboration towards the 50th anniversary of the establishment of diplomatic relations between the two countries in 2016.

With regard to economic affairs, many Japanese companies have established regional headquarters in Singapore and partnerships between companies from both countries have been emerging in fields such as infrastructure. Moreover, the two countries have been undertaking a joint technical cooperation programme for developing countries through the Japan-Singapore Partnership Programme for the 21st Century (JSPP21). Intellectual and cultural exchanges between the two countries are also flourishing; for example, the Japan-Singapore Symposium was held in November, with the participation of government officials and experts from the private sector.

(7) Laos

Laos is a landlocked country that is crucial to improving connectivity in the Mekong region, as it shares a border with China, Myanmar, Thailand, Cambodia, and Viet Nam.

Its economic development had been retarded by these geographic constraints and past civil war, but in recent years it has been aiming to achieve economic development by improving

connectivity, for example, through the establishment of intraregional logistics hubs that take advantage of its location in the center of the Indochinese Peninsula. A single-party state, the domestic situation in Laos is generally stable, under the rule of the Lao People's Revolutionary Party. Regarding economic affairs, it maintains steady economic growth driven by its electric power and mineral resources, achieving a GDP growth rate of 7.6% (2013/14 Lao fiscal year, Lao Ministry of Planning and Investment).

Japan–Lao relations have traditionally been good and they maintain a comprehensive partnership. In particular, there has been growing interest in Laos on the part of Japanese companies of late, so economic exchanges between the two countries are flourishing, encompassing not only the development cooperation seen hitherto, but also private sector investment. For example, the Japan External Trade Organization (JETRO) opened an office in Laos in July 2014. Moreover, the Air Services Agreement was



State Minister for Foreign Affairs Mitsuya shakes hands with Prime Minister Thongsing Thammavong of Laos (June 4, Laos)

signed in January 2015, in the presence of Parliamentary Vice-Minister for Foreign Affairs Nakane, during his visit to Laos. The aim of this agreement is to further promote people-to-people exchanges between the two countries. Furthermore, as 2015 marks the 60th anniversary of the establishment of diplomatic relations between Japan and Laos, the two countries set up a liaison committee, which undertook various preparations for the lavish celebrations to commemorate this landmark year.

(8) Myanmar

Since making the transition to a civilian government in 2011, Myanmar has been undertaking various reforms under the rule of President Thein Sein, including democratization, national reconciliation, economic reform, and strengthening of the rule of law. Some additional initiatives aimed at domestic reform were seen in 2014, ahead of the general election due to take place in 2015, which will be a major turning point in the country's domestic affairs. These included the

establishment of the Constitutional Amendment Implementation Committee to review the amendment of the Constitution, and dialogue aimed at achieving a truce between the government and ethnic minorities.

Myanmar is located in a geographically strategic position between China and India, so it has tremendous development potential. Moreover, the people of Myanmar are well-disposed toward Japan overall, so Japanese companies are very interested in the country.

In light of this situation, Japan hopes that its support for Myanmar's development endeavors will enable the country to develop into one that contributes to the prosperity and stability of the region as a whole. In particular, 2014 was a symbolic year for the friendly relationship between Japan and Myanmar, as it marked the 60th anniversary of the establishment of diplomatic relations between the two countries, with an array of exchange events taking place. Moreover, Myanmar served as Chair of ASEAN in 2014, the first time that it had occupied the role since its accession to ASEAN in 1997.

It was amid this situation that Foreign Minister Kishida made official visits to Myanmar in March and August 2014. In November, having been to Myanmar the previous year, Prime Minister Abe again visited the country, this time to attend the meeting of the leaders of ASEAN member states and associated nations. During this visit, the Prime Minister announced that both the public and private sectors in Japan would support the reform efforts being made by the Government of Myanmar. All of this helped to enhance dialogue and the cooperative relationship between the two countries as they celebrated the 60th anniversary of the establishment of diplomatic relations, with a view to further development of Japan–Myanmar relations in the future. In July, the Japan–Myanmar Investment Agreement

entered into force; this is Myanmar's first investment treaty based on full-scale liberalization. With regard to development cooperation, during Prime Minister Abe's 2013 visit, he announced the provision of Japanese ODA loans worth 51 billion yen and grant aid and technical cooperation worth a total of 40 billion yen. By the time of the March 2014 visit by Foreign Minister Kishida, all of this assistance had either been implemented or an exchange of notes concerning the assistance had been signed. Moreover, between April and the Leaders' Meeting in November, Japan announced the provision of additional Japanese ODA loans totaling 124.2 billion yen. Furthermore, reconciliation with ethnic minorities, which has been an unresolved issue since the country's independence, is essential to reform in Myanmar. Accordingly, under Japan's doctrine of making a "Proactive Contribution to Peace" based on the principle of international cooperation, Ministry of Foreign Affairs (MOFA) is working in partnership with Yohei Sasakawa, Special Envoy of the Government of Japan for National Reconciliation in Myanmar, to support the peace process between the Government of Myanmar and the country's ethnic minorities. In January 2014, the Government of Japan announced that it was prepared to provide 10 billion yen in support over the next five years, depending on progress in the peace process.

(9) Thailand

Located at the heart of the Mekong region, Thailand is one of the major countries of

Southeast Asia and has a Strategic Partnership with Japan. As a result of investment over

many years, a large number of Japanese companies do business in Thailand and the country has become absolutely crucial to the Japanese economy as a key role in global supply chains.

With society deeply divided between those who support former Prime Minister Thaksin Shinawatra, who was ousted from power as a result of the 2006 coup d'état, and those who condemn him, demonstrations and violence continued to affect government functions and civic life in 2013 and 2014. In response, the Thai military launched a coup d'état in May 2014, with the aim of bringing the situation under control. The military administration installed a handpicked legislature and interim Cabinet, and the process of drafting a new constitution has begun, but concerns have been expressed both within the country and overseas concerning the ongoing imposition of martial law, restrictions on freedom of speech, and the suppression of human rights. Moreover, although the roadmap set out by the military administration for returning the country to civilian rule envisages that the new constitution will be enacted in 2015 and that this will be

followed by parliamentary elections, there are many uncertain factors.

Building on the close relationship between the Imperial family and the royal family, interaction between Japan and Thailand takes place at a variety of levels, including political and economic exchange. To support efforts to stabilize Thailand and return it to civilian rule, as well as deepening relations between the two countries, Japan-Thailand Summit Meetings took place in October 2014 during the 10th Asia-Europe Meeting (ASEM) Summit and in November during the meeting of the leaders of ASEAN member states and associated nations. In addition, the Japan-Thailand Foreign Ministers' Meeting took place in September during the UN General Assembly, and Prawit Wongsuwan, who holds the posts of both Deputy Prime Minister and Defense Minister, visited Japan in November.

As a result of Japan's launch in 2013 of a visa waiver for short-term visits by Thai nationals, the number of Thai visitors to Japan in 2013 as a whole rose to approximately 450,000, up by more than 70% from the previous year.

(10) Viet Nam

Located next to sea lanes in the South China Sea and sharing a long border with China, Viet Nam is a geopolitically important country. In addition, it has the third-largest population in Southeast Asia and is experiencing a surge in the number of those in middle-income brackets, making it a key market for the future. With the aim of becoming an industrialized country by 2020, Viet Nam is striving to attract foreign

capital by developing infrastructure and improving the investment environment, and is also promoting reforms focused on the disposal of bad loans and the restructuring of state-owned enterprises. It seems that Viet Nam has overcome the stagnation that has beset the domestic economy since the latter half of the 2000s.

With regard to domestic affairs, members of

the Cabinet and other officials faced a confidence vote in the National Assembly in November 2014, following a similar vote the previous year. Moreover, besides a constitutional amendment adopted by the National Assembly in 2013 put in place a new provision stipulating that the Communist Party of Vietnam (CPV) shall submit to the supervision of the people and is accountable to the people for its decisions, a vote of confidence in the leadership of the CPV was conducted for the first time in its history at the 10th Plenary meeting of 11th Party Central Committee. These moves are seen as demonstrating that the CPV is aware of the importance of securing the support of the populace.

Tensions emerged in the relationship between China and Viet Nam over China's placement of an oil rig in the South China Sea (in water off the Paracel Islands) in May 2014. It appears that Viet Nam retains a sense of caution towards China, even though the rig

was removed in July.

In terms of relations with Japan, President Truong Tan Sang made a state visit to Japan in March 2014, during which the two countries agreed to upgrade their bilateral relationship to that of an "Extensive Strategic Partnership." Moreover, there were numerous reciprocal visits by the leaders and Cabinet members of both countries, helping to deepen relationships of trust at the political level. In July, Foreign Minister Kishida visited Viet Nam for the 6th Meeting of the Japan-Viet Nam Cooperation Committee. At the meeting, both sides agreed to enhance cooperation in fields including agriculture, the development of supporting industry, energy, and human resource development. In addition, Japan announced that it would provide used vessels and related equipment to enhance Viet Nam's maritime law enforcement capabilities.

Japan is Viet Nam's largest donor of Official Development Assistance (ODA) and its second-largest source of investment.

(11) Timor-Leste

As the first new sovereign state of the 21st century, Timor-Leste has achieved peace and stability with the support of the international community and has been engaged in nation-building based on democracy under the leadership of President Taur Matan Ruak and Prime Minister Xanana Gusmão. Currently, the country is in transition from post-conflict reconstruction to full-scale development under the Strategic Development Plan (long-term guidelines for development strategy until 2030) formulated in 2011. In July 2014, the

summit of the Community of Portuguese Language Countries (CPLP) was held in its capital, Dili, marking the first time Timor-Leste hosted an international conference.

Japan continues to provide comprehensive support for Timor-Leste's efforts as it moves from the post-conflict reconstruction into full-scale development, while continuing to work closely with Timor-Leste in the international arena as well. In addition, Japan supports Timor-Leste's goal of a smooth accession to ASEAN, including through

assisting in human resource development towards the achievement of its goal.

High-level visits between the two countries continue to flourish. From Japan, State Minister for Foreign Affairs Norio Mitsuya visited Timor-Leste in May. From Timor-Leste, Minister of Public Works Gastão Francisco de Sousa and Minister of Agriculture and

Fisheries Mariano Assanami Sabino visited Japan in April. In addition, First Vice President of the National Parliament Adriano do Nascimento, and two commissions from the National Parliament visited Japan and had an exchange of views with senior members of the Government of Japan.

Activities by the Japan Disaster Relief Team in response to the Disappearance of a Malaysia Airlines Plane

— First Dispatch of the Japan Coast Guard's Gulfstream V Aircraft —

On 8 March 2014, the whereabouts of a Malaysia Airlines plane (flight MH370) became unknown. In response to the request of the Malaysian government, on 11 March, Japan decided to dispatch Japan Disaster Relief (JDR) Team. This team comprises members from the Ministry of Foreign Affairs, Ministry of Defense, Japan Coast Guard, and JICA.

This article will feature the activities undertaken by the Japan Coast Guard's Gulfstream V aircraft, which was dispatched for the first time under the framework of JDR. Between 12 March and 4 April, Japan Coast Guard dispatched a Gulfstream V aircraft with a total of 28 personnel to conduct search efforts. During this period, the team worked hard to look for the missing aircraft from bases in Kuala Lumpur (Malaysia) and Perth (Australia), conducting two searches in waters east of the Malay Peninsula, four searches in waters south of Indonesia's Java Island, and five searches in waters west of Perth in Australia. Unfortunately, these searches did not turn up any signs of the missing aircraft.

Search and rescue efforts in Malaysia included cooperating and collaborating with staff of the Aeronautical Rescue Coordination Centre (ARCC) to decide on the search area that Japanese aircraft would take charge of, as well as the boarding of two staff members from the Malaysian Maritime Enforcement Agency on the Japan Coast Guard aircraft to conduct searches jointly. Activities were carried out in close cooperation with the local agencies.

Activities by the Japanese representatives were widely covered by the local and overseas press in Malaysia and Australia, and the team received expressions of gratitude for their support activities wherever they went. (For example: From ARCC, "We are happy that an all-Japan team has come to our assistance." From airline agents, "We are honored to receive Japan's assistance in the search activities.") The local governments also expressed their gratitude toward these activities.

Last but not least, I would like to thank the Japanese Embassy, Consulate General, the JICA office, and many other people for their support, as well as the all-Japan JDR team for their excellent teamwork. It is also my earnest wish that the missing Malaysia Airlines aircraft will be found as soon as possible.



Gulfstream V moves from Malaysia to Australia (26 March, Subang Airport, Malaysia)



Joint searches with staff of the Malaysian Maritime Enforcement Agency in the Gulfstream V aircraft



Prime Minister Abbott of Australia encouraging the commanding officers from the respective countries

Hideo Tojo,
Administration Division, Guard and Rescue Department, Japan Coast Guard
(Advance Team of the Japan Disaster Relief (JDR) Team)

4 South Asia

(1) India

Located in a geopolitically important region at the center of the Eurasian continent, between Southeast Asia and the Middle East, India is an emerging economic power with a huge market, home to the second-largest population in the world, as well as having Asia's third-largest economy, with an immense demand for infrastructure. Moreover, as the world's largest democracy, it shares universal values with Japan, in the form of democracy and the rule of law.

In May, the ruling Indian National Congress party suffered a crushing defeat in the general election; the Bharatiya Janata Party (Indian People's Party; BJP) won an historic victory with a working majority and Narendra Modi, Chief Minister of Gujarat, was elected as the new Prime Minister.

In terms of economic affairs, as well as a rise in share prices, consumption and production at last began to recover in FY2014, due in part to a sense of anticipation regarding Prime Minister Modi, so the prospects for the domestic economy are beginning to look brighter. On January 30, 2015, it was announced that the GDP growth rate for FY2014 was forecast to be 7.4% higher than the previous fiscal year.

With regard to foreign affairs, Prime Minister Modi demonstrated his desire for improved relations with other South Asian countries, inviting the leaders of neighboring countries to attend his inauguration ceremony. India is also seeking to enhance its relationships with other

major countries, holding summit meetings with Japan, the U.S., and China, among others, and its influence is growing in the international arena.

With regard to relations with Japan, Prime Minister Abe visited India in January 2014, when, as well as holding a summit meeting with Prime Minister Singh, he became the first Japanese prime minister to be the guest of honor at India's Republic Day celebrations. In September, having put together his administration, Prime Minister Modi visited Japan, making his first bilateral visit to a country outside South Asia since his inauguration. During this visit, he held a summit meeting with Prime Minister Abe, at which the two leaders agreed to upgrade the relationship between Japan and India to that of a Special Strategic and Global Partnership. While in Japan, Prime Minister Modi also visited Kyoto, where he had an unofficial dinner with Prime Minister Abe. The two leaders also held another summit meeting during the G20 Summit in Brisbane (Australia) in November. During this series of summit meetings, Japan and India affirmed the importance of strengthening their cooperative relationship in a variety of fields, including politics and security, economics and economic cooperation, people-to-people exchanges, and regional and global issues. In particular, in the field of economics, the two countries announced a joint target of doubling both Japanese direct investment in India and the number of

Japanese companies expanding into India over the next five years. Moreover, in January 2015, making his first foreign visit since his reappointment in December, Foreign Minister

Kishida went to India and held the Japan-India Foreign Ministers' Strategic Dialogue with External Affairs Minister Sushma Suwaraj.

(2) Pakistan

Pakistan occupies a strategic position, linking Asia with the Middle East; not only are its political stability and economic development of tremendous significance and influence for regional stability and growth, but it is also the most important country in the international fight against terror. Moreover, with a population of approximately 180 million, it has immense economic potential. However, worsening security due to terrorism by Islamist extremists continues to be one of the most important challenges for the Sharif administration, along with the need to address the country's electricity shortages and other aspects of its economic stagnation, as well as the parlous state of its public finances.

With regard to security, since his inauguration, Prime Minister Nawaz Sharif has consistently pursued dialogue with the Tehrik-i-Taliban Pakistan (TTP), but following an attack by the TTP on Karachi's international airport in June, he launched a clean-up operation by Pakistan's army in North Waziristan and other areas. The TTP and other armed insurgents have responded to this with repeated reprisals, massacring over 130 children in an attack on a school in Peshawar in December. Prime Minister Sharif has stepped up the military operation to eradicate terrorism, so the security situation is unpredictable for the time being.

In terms of politics, some members of the opposition launched large-scale protests against the government in August, over alleged fraud in the 2013 general election. Although these eventually subsided in December, the prolonged nature of the anti-government protests affected the current administration's progress with initiatives aimed at improving security and achieving economic reform.

On the foreign policy front, strengthening relationships with the new administrations in India and Afghanistan is a key issue. With regard to India, although there were signs of a rapprochement, with Prime Minister Sharif being invited to Indian Prime Minister Modi's swearing-in ceremony, border skirmishes between the Indian and Pakistani armies in Kashmir have been intensifying since August, so relations have cooled. In the case of Afghanistan, given the withdrawal of the International Security Assistance Force (ISAF) from Afghanistan at the end of 2014, it is vital for both countries to work together to improve security in the border region.

Regarding the economy, although structural reforms have been underway since September 2013 under an IMF program, the pace of economic reform has slowed, due in part to the impact of August's mass protests against the government. Macroeconomic indicators are

improving overall, but the economic growth rate for FY2014 is forecast to remain at around 4.3%.

Japan backs the efforts of the Sharif administration to reform the economy and

public finances and to improve security, and intends to continue supporting these reform efforts so that Pakistan can achieve stable development as a moderate Islamic state.

(3) Bangladesh

Bangladesh, about 90% of whose population is Muslim, is a democratic nation located on the Bay of Bengal, so it is of great geopolitical importance as a point of intersection between India and ASEAN.

With regard to domestic politics, a general election was held for the first time in five years in January 2014, but the opposition boycotted the elections, so the ruling Awami League won a resounding victory and Awami League leader Sheikh Hasina was reappointed as Prime Minister. In 2015, triggered by the first anniversary of the elections boycotted by the opposition, the conflict between the ruling and opposition parties has intensified and security is deteriorating.

On the economic front, although Bangladesh is among the ranks of the least-developed countries, it is achieving steady economic growth, maintaining growth rates of around 6% thanks to its strong export trade, which is mainly focused on textiles. Moreover, with a population of more than 150 million, it is attracting attention both as a production base with an abundance of cheap, high-quality workers and as a potential market with a high demand for infrastructure development. As such, the number of Japanese companies that have expanded into Bangladesh has grown from 61 (2005) to 223 (January 2015). On the

other hand, overseas remittances from those who have emigrated overseas and from migrant workers are a crucial source of foreign currency, accounting for just under 10% of nominal GDP. In addition, problems in ensuring a stable supply of electricity and natural gas and the need for infrastructure development are obstacles to investment by foreign companies.

With regard to the relationship with Japan, Foreign Minister Kishida visited Bangladesh in March and held the Japan–Bangladesh Foreign Ministers’ Meeting with Foreign Minister Abul Hassan Mahmood Ali. Moreover, the prime ministers of the two countries made reciprocal visits within a short period, with Prime Minister Hasina paying an official visit to Japan in May and Prime Minister Abe visiting Bangladesh in September. In particular,



Prime Minister Abe gives a speech at the Bangladesh–Japan Business Forum (September 6, Bangladesh; Source: Cabinet Public Relations Office)

Prime Minister Abe was accompanied on his trip to Bangladesh by numerous figures from the business community, making it a visit that symbolized the development of economic relations between the two countries. As a result of the Second Japan–Bangladesh Summit Meeting, the two countries decided to engage in close cooperation via a Comprehensive Partnership based on their shared values of peace, democracy, human rights, and the rule of law.

The Prime Minister announced that, under this partnership, Japan would provide Bangladesh with up to 600 billion yen in aid

over the next four to five years, mainly in the form of Japanese ODA loans. In addition, he confirmed Japan's cooperation in promoting the Bay of Bengal Industrial Growth Belt (BIG-B), an initiative aimed at improving infrastructure development and regional connectivity. Furthermore, Prime Minister Hasina said that, in light of her country's very friendly bilateral relationship with Japan, Bangladesh would support Japan's candidature in the election of the non-permanent members of the UN Security Council in 2015, withdrawing its own candidature.

(4) Sri Lanka

Located in a strategic position on sea lanes in the Indian Ocean, Sri Lanka is a traditionally pro-Japanese country that is attracting attention because of this geopolitical and economic importance.

With regard to domestic affairs, national reconciliation has been a key issue since the end of the civil war in 2009⁴, and is a matter of considerable interest to the international community as well. The Government of Sri Lanka is employing a diverse range of methods to promote national reconciliation, including the steady implementation of the recommendations made in the report by the Lessons Learnt and Reconciliation Commission, which aims to achieve a political solution to ethnic issues.

In December 2014, President Mahinda

Rajapaksa decided to hold presidential elections. President Rajapaksa was defeated in the presidential elections on January 8, 2015 by opposition unity candidate and former Minister of Health Maithripala Sirisena, who was then inaugurated as the new President. After his inauguration, President Sirisena appointed United National Party leader Ranil Wickremesinghe as the new Prime Minister. While the new administration aims to implement reforms, including investigating corruption and amending the constitution to reduce presidential powers, it has also announced its intention to introduce domestic measures while engaging in dialogue and cooperation with the international community, with a view to achieving national reconciliation.

On the economic front, Sri Lanka has

⁴ The LTTE, an anti-government militant group with membership drawn from the Tamil ethnic minority, who mainly live in the north and east of Sri Lanka, engaged in a civil war with the government for more than 25 years, from 1983 until 2009, with the aim of achieving the secession and independence of the northern and eastern regions.

maintained an economic growth rate in excess of 7% in recent years and recorded per capita GDP of 3,280 US dollars in 2013, with further high growth anticipated in light of the country's geopolitical importance and its access to the Indian market.

With regard to relations with Japan, in September, Prime Minister Abe became the first Japanese prime minister to visit Sri Lanka

for 24 years; at a summit meeting during his visit, the two leaders agreed to develop the relationship between their countries into a "New Partnership between Maritime Countries." Prime Minister Abe was accompanied on his trip by numerous businesspeople and a business forum took place, making the visit an opportunity to strengthen economic relations between Japan and Sri Lanka.

(5) Nepal

Following the 2006 conclusion of the Comprehensive Peace Agreement, the 1st Constituent Assembly was convened in 2008, but efforts to pass a constitution ran into difficulties due to conflict between the major political parties. A new administration was inaugurated in February 2014 and discussions aimed at passing the constitution continued, but due to ongoing conflict between the various parties within the Constituent Assembly concerning such matters as the introduction of a federal system and the governance system, it was not possible to pass the constitution by the original deadline of January 22, 2015.

Japan and Nepal have traditionally enjoyed friendly relations, not only because Japan was the biggest donor to Nepal for many years, but also due to interaction in a range of areas, including relations between the Imperial family and the former royal family, as well as exchanges in the field of mountaineering. Through assistance with elections and the development of the legal system, Japan is providing support for efforts to ensure that democracy becomes firmly established in Nepal.



Japan–Nepal Foreign Ministers' Meeting (October 8, Tokyo)

In October, Foreign Minister Mahendra Bahadur Pandey visited Japan and held the Japan–Nepal Foreign Ministers' Meeting with Foreign Minister Kishida, at which the two foreign ministers agreed to set up a political dialogue between the Ministries of Foreign Affairs of their countries. Moreover, Japan announced ongoing support for initiatives to ensure that democratization becomes firmly established in Nepal, and the two sides agreed to promote further cooperation in a range of fields, including infrastructure development, disarmament and nonproliferation, people-to-people exchanges, disaster prevention, and reform of the UN Security Council.

(6) Bhutan

In 2008, Bhutan made the transition from absolute monarchy to constitutional monarchy and initiatives aimed at ensuring that democratization becomes firmly established are currently being implemented under the Tobgay administration. Using Gross National Happiness (GNH) as an indicator of how well the country is running, the government is tackling the issues pointed out in the 11th Five-Year Plan (which ends in 2018), which were economic independence, food production, and the reduction of the youth unemployment rate.

With regard to relations with Japan, the 2011 state visit to Japan by the King and Queen of Bhutan was the catalyst for the

flourishing of exchanges between Japan and Bhutan in a variety of fields and at a range of levels. In June, Prime Minister Tshering Tobgay paid an official visit to Japan, becoming the first Bhutanese prime minister to visit at the invitation of the Government of Japan since the establishment of diplomatic relations between the two countries in 1986. He held the Japan-Bhutan Summit Meeting with Prime Minister Abe, at which the two leaders agreed to strengthen friendly relations between their countries in a diverse range of fields, including matters in the international arena, as well as setting up a dialogue between their respective Ministries of Foreign Affairs at the director general level.

(7) The Maldives

The Maldives, an island nation in the Indian Ocean, is achieving economic growth mainly in the fisheries and tourism industries, which account for approximately 30% of GDP. In 2011, it graduated from the ranks of the least-developed countries, with per capita GDP rising to approximately 6,600 US dollars (2013). On the domestic front, parliamentary elections were held in March, in which the majority of the seats were won by the ruling party, President Abdulla Yameen's Progressive Party of Maldives, helping to stabilize the foundations of government.

In terms of relations between Japan and the Maldives, in April, President Yameen made the first official visit to Japan by a Maldivian president since the establishment of diplomatic relations between the two countries in 1967. While in Japan, he held the Japan-Maldives Summit Meeting with Prime Minister Abe, during which President Yameen announced that his country would adopt the Japanese standard for terrestrial digital broadcasting. This is the first case of the Japanese standard being adopted in South Asia.

1. Introduction

Japan is working proactively on strengthening relations with India, the 3rd largest economic power in Asia, and the biggest democracy in the world. This column introduces dynamic development of Japan-India relations.

2. Political and Security Fields

Since it was decided to build the “Japan-India Global Partnership” in 2000, Japan has been engaged in strengthening relationship with India. The annual summit meeting, in which the leaders visit each other’s countries almost every year, plays a central role in strengthening it. Recently, Prime Minister Shinzo Abe visited India in January 2014, becoming the first Japanese Prime Minister to be invited as the chief guest to India’s Republic Day Celebrations, and after assuming his position as the Prime Minister of India in May, Narendra Modi visited Japan in September, choosing Japan as the first non-neighboring destination. With this strong trusting relationship between the two leaders, cooperation in politics and security field is increased. For instance, bilateral dialogues such as the vice minister/secretary level “2+2” dialogue, the trilateral bureau-chief-level meeting of Japan, India and the United States, and bilateral and trilateral joint military exercises are the examples of active cooperation and interaction.



Prime Minister Narendra Modi and Prime Minister Shinzo Abe feeding carp at the State Guest House's lake in Kyoto (August 30th, Kyoto; Source: the Cabinet Public Relations Office)

3. Economic Field

Japan is making efforts to build a strategic economic relationship with India based on the recognition that there is still plenty of room for improving economic relations between Japan and India, Asia’s second and third largest economies. For instance, the Japan-India Comprehensive Economic Partnership Agreement went into effect in 2011, and Japan is cooperating in building large-scale infrastructure by yen loans and promoting investment from Japanese companies.

4. Science and Technology, Culture and People-to-People Exchange Fields

Japan and India are expanding cooperation in a wide range of fields such as life sciences, fundamental physics and space industry. During Prime Minister Narendra Modi’s visit to Japan in September, they decided to promote cooperation in cutting edge area, and in October, the Japan-India Joint Committee on Science and Technology Cooperation was held.

Mutual understanding of cultural aspects is also improving, for example, through the celebration of the 60th anniversary of the establishment of diplomatic relationship between Japan and India in 2012, and university-level and local government-level exchanges are also expanding. It’s also expected that people-to-people exchange will increase even more with the introduction of the issuance of multiple entry visas for short-term stay for nationals of India in July 2014.

5. Conclusion

Japan will continue to make efforts towards strengthening its relations with India so that they, as special partners, can contribute to peace, stability and prosperity in Southwest Asia and the entire international community.

5 Oceania

(1) Australia

A. General Overview

In Australia, the Coalition (Liberal Party and National Party) won the September 2013 federal election, defeating the Labor Party and returned to power after six years in opposition. Liberal Party leader Tony Abbott was appointed as prime minister.

Sharing fundamental values and strategic interests, Japan and Australia are strategic partners in the Asia-Pacific region. In particular, in recent years, the relationship between the two countries has been defined as a “special relationship” and has been developing rapidly, along with cooperative relations in the fields of security and defense. In 2014, Japan and Australia held seven summit meetings and five foreign ministers’ meetings. Prime Minister Abbott visited Japan in April, and Prime Minister Abe visited Australia in July, where the two leaders issued a joint statement entitled “Special Strategic Partnership for the 21st Century.” In addition, the two leaders held talks on many occasions of international



Japan–Australia Foreign Ministers’ Meeting (June 11, Tokyo)

conferences, including the UN General Assembly in September and the ASEAN-related Summit Meetings in November. Moreover, Foreign Minister Kishida and Australian Foreign Minister Julie Bishop held talks on such occasions as the ASEAN-related Foreign Ministerial Meetings in August and the APEC Ministerial Meeting in November. The Japan–Australia EPA entered into force in January 2015 and the mutually complementary economic relations including trade and investment are being strengthened further.

B. Security Cooperation

Security and defense cooperation between the two countries has been developing rapidly. Up to 2013, developments in this area included the Japan–Australia Joint Foreign and Defense Ministerial Consultations (2+2) and other bilateral consultations on regular basis; the Japan–Australia Acquisition and Cross-servicing Agreement, which promotes cooperation between the two countries in such areas as joint exercises, UN peacekeeping operations,



Japan–Australia Summit Meeting (July 8, Australia; Source: Cabinet Public Relations Office)

and overseas disaster relief operations; and the conclusion of the Japan–Australia Information Security Agreement, which stipulates the procedures required to protect confidential information exchanged by the Japanese and Australian governments that needs to be safeguarded for reasons of national security.

In June 2014, the fifth round of 2+2 consultations took place for the first time since the inauguration of the respective administrations of Prime Minister Abe and Prime Minister Abbott. During the meeting, the two countries confirmed the substantive conclusion of negotiations on an agreement concerning the transfer of defense equipment and technology. Ministers also discussed preparations for joint research on marine hydrodynamics as an initial area of science and technology cooperation.

Moreover, when Prime Minister Abe visited Australia in July, the two leaders signed the Agreement between the Government of Japan and the Government of Australia concerning the Transfer of Defence Equipment and Technology, which will contribute to deepened cooperation between the two countries through joint research, development, and production of defense equipment and technology. In addition, they agreed to commence negotiations with a view to concluding an agreement to facilitate joint operations and exercises.

In November, when Prime Minister Abe attended the G20 Summit in Brisbane, the Japan–Australia–U.S. Summit Meeting took place for the first time in seven years, with Prime Minister Abbott and President Obama. At the meeting, the three leaders expressed

their commitment to deepening the trilateral partnership among Australia, Japan and the U.S. to secure a peaceful, stable, and prosperous future in the Asia-Pacific region. More specifically, they affirmed that the three countries would undertake cooperation in fields including joint exercises, maritime security, peacekeeping, humanitarian assistance and disaster relief, and defense equipment and technology.

C. Economic Relations

Mutually complementary economic relations between the two countries are developing steadily, primarily in the form of exports of Japanese manufactured goods and imports of Australian resources and agricultural products. Most notably, the Japan–Australia EPA entered into force in January 2015, after the series of negotiations which began in 2007. In the future, it is anticipated that the economic relationship between the two countries will become even stronger, through liberalization and facilitation of trade in goods and services, as well as increased opportunities for investment. Specifically, enhanced cooperation is expected in a wide range of fields, including food supply, energy and mineral resources, the movement of natural persons, competition and consumer protection, intellectual property, and government procurement.

The two countries also cooperate closely within the WTO and other multilateral frameworks, as well as in negotiations over broader regional economic partnerships, such as the Trans-Pacific Partnership Agreement (TPP) and the Regional Comprehensive Economic Partnership (RCEP).

D. Cultural and People-to-People Exchange

Australia has pro-Japanese foundations, with the world's fourth-largest number of people studying Japanese and more than 100 sister city relationships with municipalities in Japan. In 2014, a pilot program called the New Colombo Plan was launched in Japan by Prime Minister Abbott during his visit in April. This plan aims to increase knowledge of the Asia-Pacific region and to enhance people-to-people exchanges as well as university ties through overseas study or internships involving Australian undergraduates. It is expected that this will be the catalyst for further strengthening the bilateral cultural and people-to-people exchanges in the future.

E. Cooperation in the International Community

Both countries are strengthening cooperation at various levels, in order to play a proactive role for the stable development of the region. In 2014, they engaged in even closer cooperation within regional cooperation frameworks such as G20, EAS, and APEC.

Moreover, having been elected as a two-year term non-permanent member of the UN Security Council in 2013, Australia enhanced cooperative relations with Japan in 2014. Japan and Australia will continuously facilitate close communication about cooperation within the UN, including the Security Council reform.

(2) New Zealand

A. General Overview

The National Party won the general election that took place in New Zealand in September 2014, with Prime Minister John Key winning a third consecutive term in office.

As partners in the Asia-Pacific region who share fundamental values including democracy and a market economy, Japan and New Zealand have maintained good relations for many years. In particular, in 2013, the foreign ministers of Japan and New Zealand issued a joint statement on a strategic cooperative partnership, laying the foundations for further strengthening the relationship between the two countries.

B. Bilateral Relationship

In July 2014, Prime Minister Abe paid a visit to New Zealand, the first visit to the country

by a Japanese prime minister in 12 years. The two leaders issued a joint press release on enhancing cooperation between the two countries, in which they confirmed that Japan would strengthen its bilateral cooperation with New Zealand, its strategic cooperative partner in the Asia-Pacific region, in areas including the economy, security and defense cooperation, and people-to-people exchanges, as well as cooperating on issues involving the region and the international community as a whole.

Other high-level reciprocal visits also flourished in 2014. In February State Minister for Foreign Affairs Mitsuya visited New Zealand to attend a memorial service commemorating the third anniversary of the Christchurch earthquake. In May, Trade Minister Tim Groser visited Japan and held talks with Foreign Minister Kishida, where the

two ministers affirmed that they would enhance cooperation focused on the establishment of economic rules in the Asia-Pacific region, including the TPP agreement and the RCEP.

Furthermore, while attending the APEC Ministerial Meeting in Beijing in November, Foreign Minister Kishida held talks with Foreign Minister Murray McCully, at which they affirmed their commitment to further strengthening the Strategic Cooperative Partnership between the two countries.

C. Economic Relations

Japan and New Zealand have a mutually complementary economic relationship. The Sixth Conference on the Japan–New Zealand Partnership in Food and Agriculture was held in December 2014, attended by government officials and companies from both countries. At the conference, discussions focused on the potential for cooperation in agricultural fields, including dairy and livestock farming.

The two countries also cooperate closely within the WTO and other multilateral frameworks, as well as in negotiations over broader regional economic partnerships, such as the TPP agreement and the RCEP.

D. Cooperation in the International Community

While further enhancing cooperation in such regional cooperative frameworks as the Pacific Islands Leaders Meeting (PALM), the EAS, and the ASEAN Regional Forum (ARF),

the two countries play a proactive role in supporting regional stability and development, including through initiatives focused on economic development in Afghanistan and in Pacific Island countries and regions.

Moreover, New Zealand has been elected as a non-permanent member of the UN Security Council for the 2015-2016 term, so the two countries will continue to maintain a cooperative relationship within the UN, including in regard to matters concerning Security Council reform.

E. People-to-People Exchange

In 2014, another 280 or so Australian and New Zealand high school and university students visited Japan as part of the JENESYS 2.0 youth exchange program. They visited Tokyo and provincial cities and gained a deeper understanding of Japan through interaction with Japanese high school and university students.

In addition, support for establishing networks among existing sister cities has been enhanced, with the objective of promoting mutual understanding among young people. Furthermore, in the field of sport, the Government of New Zealand commenced a new initiative called Game on English, which combines rugby training with English language education for Japanese students. The launch ceremony for the program was held during Prime Minister Abe's visits to New Zealand in July, with both prime ministers in attendance.

(3) Pacific Island Countries

A. General Overview

Pacific Island countries and regions, which share the Pacific Ocean with Japan, have deep historical ties with Japan and are important partners in terms both of cooperation in the international community and the supply of natural resources. Japan's relationships with Pacific Island countries and regions are being further enhanced by its hosting of the Pacific Islands Leaders Meeting (PALM) and participation in the Pacific Islands Forum (PIF) Post-Forum Dialogue, as well as high-level visits in both directions.

B. The Pacific Islands Leaders Meetings (PALMs)

Japan has hosted PALM every three years since 1997. Japan has been building close cooperative relationships with through candid discussion at summit-level on common challenge faced by the Pacific Island countries associated with their small size and land distribution over a wide area, their distance from international markets, and the fact that they are vulnerable to environmental changes including natural disasters and climate change. The PALM has been held six times to date, with the Seventh Pacific Islands Leaders Meeting (PALM 7) due to take place in Iwaki City, Fukushima Prefecture in May 2015.

Moreover, since 2010, Japan has also hosted a PALM Ministerial Interim Meeting in the subsequent year of the PALM, with the participation of foreign minister level from the Pacific Island countries, in order to follow up on the previous PALM and undertake

consultations ahead of the next PALM.

In December 2014, 13 young administrative officials in charge of disaster prevention policy from the Pacific Island countries were invited to Japan, and they took part in meetings in Tokyo and Iwaki City, Fukushima Prefecture with representatives of relevant ministries and other organizations.

C. High-Level Visits

In July 2014, Prime Minister Abe visited Papua New Guinea for the first time as Japanese prime minister in 29 years. The leaders of the two countries issued a joint statement confirming that they would develop their long-standing friendly and cooperative relationship into a comprehensive partnership for regional stability and prosperity. In terms of economic relations, exports of liquefied natural gas (LNG) from Papua New Guinea to Japan began in June 2014, contributing not only to Papua New Guinea's economic growth, but also to the diversification of Japan's sources of energy supply.

In 2014, Christopher Loeak, President of the Republic of Marshall Islands, and Emanuel Anny Mori, President of the Federated States of Micronesia, visited Japan and held talks with Prime Minister Abe in February and November respectively. Moreover, Tommy Remengesau, Jr., President of Palau, visited Japan in December and held talks with Prime Minister Abe. During this meeting, Prime Minister Abe expressed his gratitude to Palau for its cooperation with the preparations for the visit to Palau by Their Majesties the

Emperor and Empress of Japan, which is due to take place in 2015. In addition, he affirmed that he would cooperate with his fellow co-chair of PALM 7, President Remengesau, to ensure the success of the meeting.

Furthermore, in February, State Minister for Foreign Affairs Mitsuya visited Tonga and paid a courtesy call on Prime Minister Siale'ataongo Tu'ivakanō. In September, Parliamentary Vice-Minister for Foreign Affairs Takashi Uto visited Papua New Guinea and the Solomon Islands, where he held talks with key figures in the governments of both countries, including Papua New Guinea's Minister for Foreign Affairs and Immigration Rimbink Pato and Prime Minister Gordon Darcy Lilo of the Solomon Islands. In October, Parliamentary Vice-Minister for Foreign Affairs Nakane visited Palau as a special envoy of the Prime Minister to attend a ceremony to mark the 20th anniversary of the country's independence.

D. Relationship with the Pacific Islands Forum (PIF)

In July 2014, the PIF Post Forum Dialogue took place in Palau, attended by the member countries of the PIF (14 Pacific Island countries, Australia, and New Zealand), along with major donor countries such as Japan, the U.S., China, and France. Parliamentary Vice-Minister for Foreign Affairs Seiji Kihara represented Japan, attending as a special envoy of the Prime

Minister. During this meeting, Parliamentary

Vice-Minister Kihara stated that Japan and the Pacific Island countries are partners who share the Pacific Ocean and announced that, as a fellow island nation, Japan intended to undertake cooperation aimed at the sustainable development and use of the ocean and its resources. Moreover, he requested the leaders to participate in and cooperate for PALM 7. Parliamentary Vice-Minister Kihara also took this opportunity to hold talks with President Remengesau of Palau, Prime Minister Tuilaepa Sailele of Samoa, Prime Minister Toke Talagi of Niue, President Mori of the Federated States of Micronesia, and Marshall Islands Health Minister Phillip Muller.

E. The Fiji Situation

After a military coup d'état in 2006, Fiji was suspended its membership of the PIF and the commonwealth, and it has been called for taking steps toward democratization. In September 2014, the first general elections since the coup d'état were held, taking place in a fair and democratic manner. Japan dispatched election observers to the Multinational Observer Group (MOG) to contribute to ensuring that the election took place peacefully. This general election was a crucial step toward ensuring that democracy was firmly consolidated in Fiji. Japan will continue to support Fiji's efforts to promote democratization and achieve economic development.

Close Japan-Australia Relations

— Special Relationship between the Two Leaders Viewed from the Eyes of an Interpreter —

In recent years, Japan and Australia have been building closer relations as strategic partners sharing basic values and strategic interests in the Asia-Pacific region. In this “special relationship”, so as defined at the July 2014 bilateral summit meeting between Japan and Australia, the two countries have not only deepened their economic ties including through the entry into force of the Japan-Australia Economic Partnership Agreement (EPA), but also advanced their security and defense cooperation at a rapid pace by putting into effect the Acquisition and Cross-Servicing Agreement (ACSA), Agreement on the Security of Information (ISA), and Agreement Concerning the Transfer of Defense Equipment and Technology.

Underlying such further advancement of Japan-Australia relations was the strong trust between Japanese Prime Minister Shinzo Abe and Australian Prime Minister Tony Abbott, who held meetings as many as seven times in 2014 alone. When I traveled to Australia as Prime Minister Abe’s interpreter in July 2014, I witnessed how close the relationship between the two prime ministers actually is. For example, during the time in Australia, the two leaders had dinner together in three consecutive evenings where Prime Minister Abe was treated with warm Australian hospitality. This is quite unusual for an overseas visit, as in most cases of the sort, national leaders join each other for a meal only once. Moreover, on the flight of the Australian government aircraft to Western Australia to visit a mine site in Pilbara, the two prime ministers had talks privately for more than three hours. The intimacy of this level gave me quite a challenge as an interpreter just to keep up with their conversation. Calling each other by their first names, they would cover a wide range of topics from Australian wines and cycling as Prime Minister Abbott’s hobby, to the history of their hometowns and work-related matters as both national leaders. They also frankly exchanged opinions on the world affairs and diplomatic issues of mutual importance, while giving each other advice in a way that looked as if they were a real family.

Every day during the visit was a test to my interpretation skills, as I would have to keep conscious of providing quick and accurate support to facilitate the up-tempo back-and-forth conversations between “Shinzo” and “Tony”, who were in a very close relationship of trust. Though it turned as an arduous and restless visit, it was a very rewarding experience for me as an interpreter to be able to feel firsthand the strong connection between the two prime ministers. I reckon my duty as an interpreter should be considered accomplished, if at all I was able to help add to their trust relationship in the end.



The author (left) interpreting for Japanese Prime Minister Abe (center) attending a National Security Committee security meeting together with Australian Prime Minister Abbott (right) while visiting Australia (July 2014)

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6 Regional and Inter-Regional Cooperation

Amid the ever-changing strategic environment of the Asia–Oceania region, achieving peace and prosperity in the region is one of Japan’s most crucial policy issues. From this perspective, Japan places a high priority on working with its neighbors to create a regional community underpinned by rules that

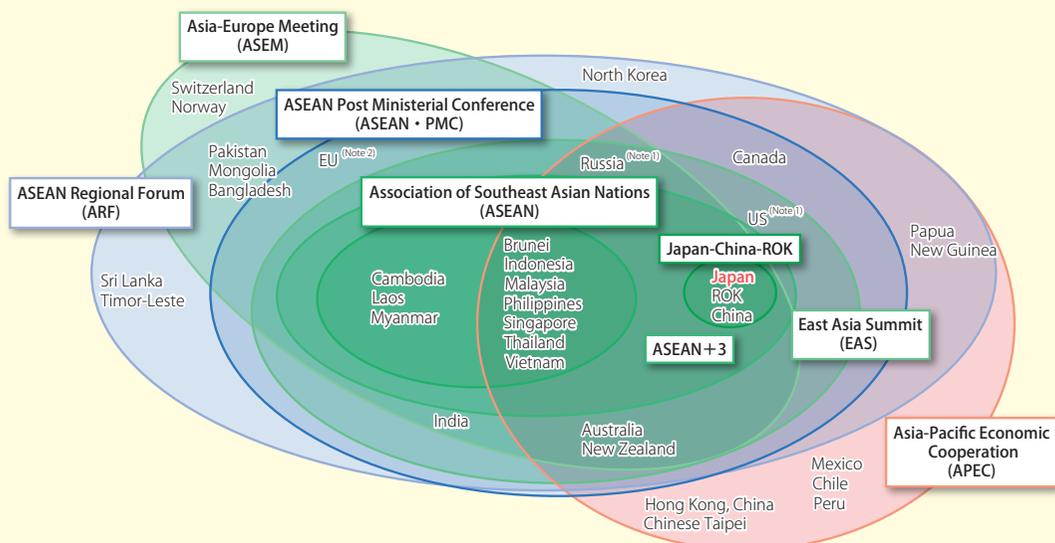
comply with international law and a free, open, and close-knit regional economy, making use of various regional cooperative frameworks, including Japan–ASEAN, EAS, ASEAN+3, and APEC, while maintaining the Japan–U.S. Alliance as the cornerstone of its foreign policy.

(1) The Association of Southeast Asian Nations (ASEAN)

ASEAN is making steady progress toward integration by such means as narrowing gaps within the region, ahead of the establishment of the ASEAN Community in 2015. In addition, multi-layered East Asian regional cooperation centered on ASEAN is developing through such frameworks as the EAS. On the economic front, as well as the establishment of the ASEAN Free Trade Area (AFTA), a network

of free trade agreements (FTAs) with ASEAN at its core is being created through the conclusion of FTAs with Japan, China, the ROK, and India, among others. Comprehensive and high-level negotiations concerning a Regional Comprehensive Economic Partnership (RCEP) have been underway since 2013 and participants are aiming for their completion by the end of 2015.

List of Major International Frameworks in the Asia-Pacific Region



Note 1 : Officially joined EAS since 2011.

Note 2 : Both the European Union and the 27 EU member countries are the members of the ASEM.

ASEAN accounts for approximately 8.6% of the world's population. Although its GDP is approximately 3.2% of the global total, it has achieved high economic growth rates over the last decade. As its political and economic importance as the world's growth center increases, other countries are proactively embarking on efforts to enhance relations with ASEAN.

With regard to issues concerning the South China Sea, tensions in the area have heightened as a result of confrontation between Chinese and Vietnamese vessels in May 2014, triggered by China's establishment of oil rigs in the maritime area close to the Paracel Islands. In response, "serious concerns" over the situation in the South China Sea were expressed at the ASEAN Summit Meeting and Foreign Ministers' Meetings in May, with members

indicating their intention to take a unified stand in addressing the issue. There have been several rounds of consultations between China and ASEAN, with a view to formulating a code of conduct (COC) for the South China Sea, but despite some progress, including an agreement to set up a hotline between China and ASEAN and to conduct a tabletop exercise concerning rescue at sea, there is no prospect of a final agreement as yet. Moreover, the Philippines has initiated arbitration proceedings under the UN Convention on the Law of the Sea (UNCLOS) and is exploring ways to settle a dispute peacefully, under international law. Maintaining and enhancing the unity of ASEAN is vital to the stability and prosperity of the region, so greater support on the part of Japan and other countries outside ASEAN is required.

(2) Japan–ASEAN Relations

ASEAN is the motive force behind a variety of regional cooperation initiatives underway in East Asia, so achieving a more stable and prosperous ASEAN is absolutely essential to the stability and prosperity of the region as a whole. Based on this recognition, Japan has announced that it will actively support efforts to establish the ASEAN Community in 2015 and to achieve even deeper integration thereafter, while steadily implementing the Vision Statement on ASEAN–Japan Friendship and Cooperation and the Joint Statement that were both adopted at the 2013 ASEAN–Japan Commemorative Summit Meeting.

Having reached new heights following the 2013 Commemorative Summit Meeting, Japan–

ASEAN relations were further enhanced in the following four fields set out in the Vision Statement, through such meetings as the Japan–ASEAN Foreign Ministers' Meeting (in Naypyidaw, Myanmar) in August 2014, as well as the 17th Japan–ASEAN Summit Meeting



17th Japan–ASEAN Summit Meeting (November 12–13, Naypyidaw, Myanmar; Source: Cabinet Public Relations Office)

(in Naypyidaw, Myanmar) in November that year.

In relation to “Partners for Peace and Stability” (covering the field of politics and security), Prime Minister Abe explained to ASEAN Japan’s initiatives from the policy of “Proactive Contribution to Peace” based on the principle of international cooperation, including the Cabinet Decision on Development of Seamless Security Legislation. Many of the ASEAN member countries welcomed this initiative. Moreover, the first Japan–ASEAN Defense Ministers’ Round Table Meeting was held in 2014 (in Bagan, Myanmar). With regard to maritime cooperation, Prime Minister Abe explained that Japan will continue to cooperate in such areas as Japan–ASEAN joint exercises, human resource development, and safety of navigation, and announced that Japan will support capacity building in the area of maritime security and safety for around 700 personnel over the next three years. Furthermore, the ASEAN–Japan Joint Declaration for Cooperation to Combat Terrorism and Transnational Crime was adopted and the participants agreed to further promote cooperation in this field.

In relation to “Partners for Prosperity” (covering the field of economics and economic cooperation), Prime Minister Abe said that, through ODA and JAIF 2.0⁵, Japan will continue to support the establishment of the

ASEAN Community, including support for enhancing ASEAN Connectivity⁶ and narrowing gaps within the region. In addition, he announced that Japan will promote “people-centered investment” in order to enhance support for high-quality infrastructure development in ASEAN. Moreover, consultations between the relevant authorities commenced concerning the Japan–ASEAN Air Services Agreement.

In terms of “Partners for Quality of Life” (covering the field of new economic and social issues), Prime Minister Abe announced that as part of the ASEAN–Japan Health Initiative, Japan aims to support human resource development for 8,000 people over the next five years, in order to promote health, prevent illness, and improve the standard of medical care. In addition, Japan will continue to promote the Package for Strengthening ASEAN–Japan Disaster Management Cooperation, including support provided via the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA CENTRE).

With regard to “Heart-to-Heart Partners” (covering the field of people-to-people exchanges), Japan is steadily implementing a variety of exchange and assistance programs in ASEAN, via such initiatives as JENESYS 2.0⁷, the WA Project⁸, and Sport for Tomorrow⁹.

⁵ Prime Minister Abe announced that Japan would contribute 100 million US dollars to the Japan–ASEAN Integration Fund (JAIF), to support activities as part of the Vision Statement and Implementation Plan adopted at the 2013 ASEAN–Japan Commemorative Summit Meeting.

⁶ An ASEAN initiative aimed at the development of cross-border infrastructure, such as railways and roads, and the standardization of customs procedures and other institutional aspects, in order to facilitate distribution and the movement of people, thereby increasing economic unity within the region.

⁷ JENESYS2.0 is a youth exchange program which involves approximately 30,000 youth from the Asian and Oceanian region. This program was implemented in March 2013 in order to revitalize the Japanese economy by promoting potential interests towards Japan, increasing visitors to Japan, and at the same time, promoting global understanding on Japan’s strengths and attractions as well as Japanese values, including Cool Japan.

The Mekong region, etc.

Economic development in the Mekong region (Cambodia, Laos, Myanmar, Thailand, and Viet Nam) is vital to the stability and prosperity of the ASEAN region as a whole, as it will help to narrow regional development gap and promote regional integration. In recent years, the Mekong region has been achieving remarkable growth, as infrastructure development has been progressing and economic activity has flourished, but the regional development gap remains a challenge.

Japan regards the Mekong region as a priority area for economic cooperation, it is striving to (1) enhance connectivity, (2) achieve economic development, and (3) ensure human security and environmental sustainability based on the “Tokyo Strategy 2012” for Mekong-Japan Cooperation. In 2014, the Seventh Mekong-Japan Foreign Ministers’ Meeting and the Sixth Mekong-Japan Summit

Meeting were held in Myanmar in August and November respectively. At these meetings, the leaders discussed the progress of Mekong-Japan cooperation and the direction that it should take in future, and agreed to hold the next summit meeting in Tokyo in July 2015.

Since many international organizations and countries are supporting the Mekong region coordination among donors is vital in order to ensure greater efficiency. As well as participating in the Friends of Lower Mekong (FLM) meetings led by the U.S., Japan is collaborating with the OECD’s Southeast Asia Regional Programme. Moreover, in December, the Fifth Meeting of the Japan-China Policy Dialogue on the Mekong Region was held in Beijing in December 2014, the first time in three years, and both sides exchanged views concerning their cooperative endeavors in the Mekong region.

(3) The East Asia Summit (EAS) (Participating Countries: 10 ASEAN Nations + Japan, China, the ROK, Australia, New Zealand, India, the U.S., and Russia)

Launched in 2005, the EAS is an important regional forum, with its objectives are to facilitate candid dialogue among leaders on issues of importance to the region and the international community, and to use the leadership of the participating heads of governments to advance specific cooperative initiatives targeting issues of common concern

in the region. Along with the 18 participating countries, many other democratic nations take part in the EAS as partner countries. It is expected that it will contribute to share fundamental values within the region, including democracy and the rule of law, as well as to help strengthen international rules concerning trade and investment.

8 A project being implemented between 2014 and 2020, which will involve more than 1,000 artists and cultural experts in dialogue and exchange programs, as well as sending more than 3,000 Japanese Language Partners to ASEAN nations to assist local educators in supporting those studying the Japanese language.

9 An initiative designed to promote the value of sport and promote the Olympic Movement to people of all ages – especially the young people who will be the leaders of tomorrow – to achieve a better future worldwide, targeting more than 10 million people in more than 100 countries, including developing countries, over the seven years from 2014 to 2020.

The year 2015 will mark the 10th anniversary of the establishment of the EAS. To date, Japan has proposed that (1) the EAS should be strengthened as the region's premier forum; (2) the 2015 meeting, which will mark the 10th anniversary of the EAS, should be regarded as a commemorative summit, in order to expand its focus on political and security issues and further reinforce the organization; and (3) the secretariat function of the EAS should be strengthened.

At the EAS Foreign Ministers' Meeting (in Nay Pyi Taw, Myanmar) held in August, participants discussed cooperation within the EAS, as well as regional and international situations, including the South China Sea and North Korea. As well as setting out Japan's stance on the South China Sea and North Korea, Foreign Minister Kishida explained Japan's initiatives and ideas in regard to strengthening the EAS, maritime cooperation, low-carbon growth and disaster management. He stated that the South China Sea issue is a matter of concern to the international community as a whole, as it is directly linked to the peace and stability of the region. Moreover, he expressed his hopes for a peaceful resolution, based on the "Three Principles on the Rule of Law at Sea"¹⁰ set out by Prime Minister Abe at the Shangri-La Dialogue. Regarding North Korea, Minister Kishida stated that Japan's policy of aiming for a comprehensive resolution of outstanding issues of concern such as the abductions, nuclear and missile issues remains unchanged.

At the 9th EAS, held in Nay Pyi Taw in November, participants discussed EAS initiatives, as well as regional and international situations. While advancing Japan's proposals concerning the strengthening of the EAS, Prime Minister Abe stated that EAS should tackle urgent issues, namely ISIL (the Islamic State of Iraq and the Levant) (for further details, see Focus on page 20) and Ebola hemorrhagic fever, in order to contribute to the peace and prosperity of the region and the rest of the world. Regarding maritime security, he pointed out the necessity of maintaining and strengthening maritime order at sea based on the "Three Principles of the Rule of Law at Sea", and expressed his appreciation for convening of the Third Meeting of the Expanded ASEAN Maritime Forum (EAMF). In addition, he explained that Japan would contribute to improving energy efficiency worldwide by ensuring that thermal power generation, which remains a key power source, becomes as efficient and low-carbon as possible. Furthermore, he stated that Japan would promote public-private partnerships in order to meet Asia's infrastructure demand and would achieve high-quality growth by implementing people-centered investment. Regarding the regional and international situation, Prime Minister Abe first of all announced that in the first half of 2014, Japan would hold a High-Level Seminar on Peacebuilding, National Reconciliation and Democratization in Asia, as part of its "Proactive Contribution to Peace" based on the

¹⁰ The three principles set out in Prime Minister Abe's keynote address at the 13th Shangri-La Dialogue (in Singapore) in May 2014, namely (1) that states should make and clarify their claims based on international law; (2) that states should not use force or coercion in trying to drive their claims; and (3) that states should seek to settle disputes by peaceful means.

principle of international cooperation. As for the South China Sea issue, he stated that Japan endorses actions based on the “Three Principles on the Rule of Law at Sea,” and from this perspective, Japan strongly expected that the 2002 Declaration of Conduct (DOC)¹¹ would be fully implemented and that discussions concerning the Code of Conduct (COC) would be concluded promptly. Moreover, he noted that unilateral actions are continuing in the South China Sea, which are concerned by many countries, and emphasized that in under limited waters, coastal nations must honor the principle – established in international law –

that they are required to exercise self-restraint not to undertake unilateral actions that would cause a permanent physical change to the marine environment. Describing North Korea's nuclear, missile and proliferation activities as a real threat, Prime Minister Abe emphasized that proliferation activities through Southeast Asia should not be permitted, and that it is extremely important for the international society to solidly implement the UN Security Council resolutions, including on export controls, and to show a consistent and resolute position of not permitting North Korea to possess nuclear capabilities.

(4) ASEAN+3

The Asian financial crisis was the direct catalyst for the launch of ASEAN+3, with the first ASEAN+3 Summit taking place in 1997. It currently covers cooperation in 24 fields, including finance, agriculture and food, education, culture, tourism, public health, energy, and the environment. Covering an important region that accounts for approximately a quarter of the world's GDP, ASEAN+3 is positioned as a framework that not only supports ASEAN integration with a view to bringing the ASEAN Community to fruition, but will also contribute to the building of an East Asian Community as a long-term

goal.

In 2014, following the adoption of the ASEAN+3 Cooperation Work Plan (2013–17) at the 2013 Summit, ASEAN+3 members engaged in deeper cooperation based on the plan. There was particular progress with functional cooperation in a wide range of fields, including the signing of the Agreement Establishing ASEAN+3 Macroeconomic Research Office (AMRO)¹² and the provision of rice under the ASEAN+3 Emergency Rice Reserve (APTERR) Agreement. Moreover, as well as government initiatives, representatives of think-tanks and industrial sectors organized

11 The Declaration on the Conduct of Parties in the South China Sea (DOC) was announced at the 2002 ASEAN–China Summit (in Cambodia). In this declaration setting out the broad principles for resolving problems in the South China Sea, the parties:

- (1) Reaffirmed their commitment to the purposes and principles of the Charter of the United Nations, the 1982 UN Convention on the Law of the Sea, and other universally recognized principles of international law;
- (2) Reaffirmed their respect for and commitment to the freedom of navigation in and overflight above the South China Sea;
- (3) Undertook to resolve territorial disputes by peaceful means, in accordance with the principles of international law;
- (4) Reaffirmed that the adoption of a code of conduct (COC) in the South China Sea would further promote peace and stability in the region, and agreed to work towards the attainment of this objective.

12 An international organization that conducts regional economic and financial surveillance and analysis to facilitate the economic stabilization of the ASEAN+3 region, as well as supporting the implementation of the Chiang Mai Initiative (Footnote 13).

meetings.

At the 15th ASEAN+3 Foreign Ministers' Meeting (in Nay Pyi Taw) in August 2014, Foreign Minister Kishida talked about progress with functional cooperation in such areas as financial cooperation and food security, and stated that RCEP negotiations should be concluded by the end of 2015. Moreover, as well as stating that he wanted to strengthen forward-looking trilateral cooperation among Japan, China and the ROK, he pointed out that North Korea's nuclear activities and missile development constitute a threat to the international community. In addition, he requested the cooperation of the other countries in relation to the abduction issue.

At the 17th ASEAN+3 Summit (in Nay Pyi Taw), which took place in November, the assembled national leaders discussed the direction of functional cooperation and the regional and international issues. In particular, in the field of financial cooperation, they discussed the need to ensure that the AMRO enters into force promptly, as well as the

reinforcement of the financial safety net resulting from the strengthening of the functions of the Chiang Mai Initiative Multilateralization (CMIM)¹³. Prime Minister Abe (1) explained Japan's contributions to date in such areas as providing rice assistance to Laos and the Philippines, and efforts to ensure mobility and quality assurance in higher education, as well as its involvement in financial cooperation; and (2) stated that, based on the recommendations from private sector experts made in the East Asia Vision Group II report, Japan would make contributions in such areas as cooperation in the field of higher education and the improvement of public health services. Furthermore, he requested the relaxing and lifting of restrictions on imports from Japan.

Regarding the international and regional situations, Prime Minister Abe requested the understanding and cooperation of the other countries in relation to North Korea's nuclear and missile issues as well as the abductions issue.

(5) Japan–China–ROK Trilateral Cooperation

Trilateral cooperation among Japan, China and ROK continues to play an important role in promoting exchange and mutual understanding among the three countries that enjoy geographical proximity and share historical ties. Furthermore, as economies that play a major role in the world economy and serve as the motive force driving the prosperity

of the East Asian region, trilateral cooperation among Japan, China and the ROK continues to be vital in efforts to tackle various issues in the international community. To this end, trilateral cooperation among Japan, China and the ROK has been promoted in a wide range of fields to date. In 2014, as well as ministerial meetings in the fields of the environment, logistics, public

¹³ A framework used where countries are unable to repay loans in foreign currency, in order to prevent a chain of financial crises expanding throughout the region. Under this framework, currency swaps are used to provide short-term loans in U.S. dollars that are then paid back in local currency.

health, and culture, steady progress continued to be seen in areas of practical cooperation, with a trilateral tabletop exercise in disaster prevention and a trilateral cyber security meeting taking place, as well as the 5th round of negotiations on a FTA among Japan, China and the ROK. In addition, a trilateral senior Foreign Affairs Officials' Consultation was held in September, hosted by the ROK.

At the ASEAN+3 Summit in Myanmar in

November, Prime Minister Abe said that he would like to see a Japan–China–ROK Trilateral Foreign Ministers' Meeting taking place as promptly as possible leading to a Trilateral summit, as neither meeting had been held since 2012. In light of these developments, it is anticipated that trilateral cooperation among Japan, China and the ROK will be promoted further.

(6) Asia-Pacific Economic Cooperation (APEC)

Consisting of 21 countries and regions (economies), including those in the Asia–Oceania region, APEC promotes regional economic integration and intra-regional cooperation among the member economies on a voluntary basis. The Asia-Pacific region is positioned as the world's growth center, so strengthening cooperation and relationships of trust in the economic realm in this region is absolutely crucial if Japan is to achieve further development.

At the 2014 APEC Economic Leaders' Meeting, which was held in Beijing and chaired by China, discussions took place concerning three priority areas: advancing

regional economic integration; promoting innovative development, economic reform and growth; and strengthening comprehensive connectivity and infrastructure development. At the meeting, the Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP (Free Trade Area of the Asia Pacific) was formulated and an agreement was reached concerning the APEC Connectivity Blueprint for 2015–2025, which sets out concrete actions for enhancing connectivity in the APEC region by 2025 (for further details, see Chapter 3, Section 3. 3 Participation in International Standard-Setting Activities (4) Asia Pacific Economic Cooperation (APEC)).

(7) The Asia–Europe Meeting (ASEM)

Since its establishment in 1996 as the only forum for deepening dialogue and cooperation between Asia and Europe, ASEM has addressed political, economic, and cultural issues through summits and ministerial meetings.

With Croatia and Kazakhstan taking part



10th ASEM Summit (October 16–17, Milan; Source: Cabinet Public Relations Office)

for the first time, the 10th ASEM Summit, which was held in Milan (Italy) in October 2014, brought together the leaders of 51 Asian and European countries and 2 organizations under one roof to discuss economic and financial issues, global challenges, and international and regional situations.

At the summit, Prime Minister Abe explained that both economic and fiscal reform is essential in order for Asia and Europe to become engines driving the global economy, and describes the steady results being achieved in Japan via the “three arrows” policy. In addition, he announced that Japan would make further contributions to tackling global challenges, such as disaster risk reduction and climate change. Furthermore, referring to cooperation with Asia and Europe based on Japan’s policy of making a “Proactive Contribution to Peace,” he explained Japan’s thinking and stances on the North Korea issue and maritime security. The Chair Statement issued at the summit explicitly referred to

“maritime security” and “the abduction issue” for the first time.

In addition, the 11th Finance Ministers’ Meeting was held in Italy in September; based on the theme “A New Strategic Alliance to Create Sustainable and Profitable Growth,” ministers discussed the prospects for the economies of Asia and Europe, as well as the role of regional financial arrangements¹⁴, among other matters. In October, the 6th Culture Ministers’ Meeting was held in the Netherlands; focusing on the theme of creative industries, participants exchanged opinions concerning topics that included initiatives by each country and the cultivation of creative industries.

In addition, a conference on disaster risk reduction was held within the ASEM framework in the Philippines in June; as co-host, Japan’s contributions included assisting with the preparation of the document summarizing the outcomes.

(8) The South Asian Association for Regional Cooperation (SAARC¹⁵)

The significance and importance of SAARC is being looked at afresh from the perspective of regional connectivity. In November 2014, the first SAARC Summit for three years was held in Kathmandu (Nepal), and the Kathmandu Declaration was adopted. The declaration advocates deepening regional integration for

peace, stability, and prosperity in South Asia by strengthening cooperation in fields such as trade, investment, finance, energy, and security. Attending the summit as an observer, Japan announced that it will continue to contribute to the enhancement of integration and connectivity within the SAARC region.

¹⁴ Frameworks such as the Chiang Mai Initiative (Footnote 13), aimed at swiftly and effectively addressing any sudden financial instability that could occur.

¹⁵ A comparatively loose regional cooperative framework involving South Asian nations. The region has a total population of approximately 1.6 billion and GDP totaling around US\$2 trillion. The eight member countries are India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, the Maldives, and Afghanistan. In addition, Japan, China, the U.S., the ROK, Iran, Mauritius, the EU, Australia, and Myanmar take part as observers. The SAARC Charter stipulates that the objectives of SAARC are to promote the welfare of the people of South Asia and to accelerate economic, social, and cultural development through cooperation. Its secretariat is based in Kathmandu (Nepal).

Japan has participated in SAARC as an observer since 2007 and is endeavoring to strengthen relations with the body via cooperation encompassing a wide range of

fields. Japan has made a particular contribution to energy cooperation within the region, holding seven energy symposiums to date.

Special
FeatureAsian Efforts towards National Reconciliation and
Dispute Resolution

1. Asian Efforts towards National Reconciliation and Dispute Resolution

Under the policy of “Proactive Contribution to Peace” based on the principle of international cooperation, Japan deploys a proactive diplomacy towards peace, stability and prosperity of, not only Japan, but also the Asia-Pacific region and the international community. Particularly, in the Asian region, Japan proactively contributes to the national reconciliation and democratization of Myanmar, the peace in Mindanao, in the Philippines, the peace in Sri Lanka, etc. This article will feature the part of this contribution.

〈Support toward reconciliation with ethnic minorities in Myanmar〉

Making reconciliation with the ethnic minorities groups, a concern since the independence of the country, is essential to development of Myanmar. The Ministry of Foreign Affairs of Japan (MOFA), along with Mr. Yohei Sasakawa, Special Envoy of the Government of Japan for National Reconciliation in Myanmar, is supporting the dialogue and trust-building between Myanmar's government and the ethnic minorities that haven't reached a cease-fire agreement yet. In order to consolidate peace in Myanmar, MOFA, through a support to ethnic minorities around 10 billion yen over five years announced in 2014, etc., is implementing supporting measures, according to the stage of the peace-building process, aiming the achievement of national reconciliation in Myanmar and welfare improvement in conflict-affected areas.



People related to Minority Groups aided by Japan and the Japanese Ambassador to Myanmar, Higuchi.

The consolidation of democracy is essential to make progress in national reconciliation. MOFA is backing democratic reforms being implemented by the government of Myanmar, through support to the media, improvement of the Civil Service competence, legislation development, etc.

〈Peacebuilding in Sri Lanka〉

Since independence, as ethnic conflicts escalating, Sri Lanka had been undergoing a civil war for almost 26 years since 1983 between the government and the Liberation Tigers of Tamil Eelam (LTTE), an antigovernment armed group calling for separate and independent state in the northern and eastern regions. In 2009, the government armed forces have neutralized LTTE and the civil war ended. However, the country is now facing an extremely important period in which it must deal with national reconciliation, including every ethnic and religious group toward the consolidation of peace.

Since the government of Japan has appointed Mr. Akashi Yasushi, the former Under-Secretary-General of the United Nations, as a Representative of the Government of Japan in order to contribute to the consolidation of peace in Sri Lanka on the occasion of the cease-fire agreement of 2002, the country has participated proactively in peace process, by facilitating peace negotiations and holding Reconstruction and Development Conferences. After the end of the civil war in 2009, aiming perpetual peace and sustainable development, while taking into consideration the balance between ethnic groups, Japan continues backing up efforts to achieve national reconciliation in Sri Lanka, through a comprehensive support, including handling of humanitarian needs such as supports to resettlement of internally displaced persons and mine-clearing activity, and improvement of infrastructure in conflict-affected regions.

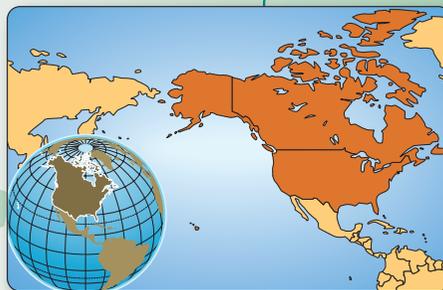
2. In the Future

In this way, under the policy of “Proactive Contribution to Peace” based on the principle of international cooperation, Japan is making efforts to share universal values such as freedom, democracy, human rights, and the rule of law, and also to realize the human security¹. Japan intends to continue proactively supporting efforts towards national reconciliation and dispute resolution in Asia.

¹ Approach according to which, we should focus on each individual, and encourage the sustainable individual self-reliance and social development through protection and empowerment, in order to protect the people from broad and serious to survival, daily life and dignity and to realize their rich potentials.

Section 2

North America



Overview

United States

Japan and the United States are allies sharing fundamental values and strategic interests. The Japan-U.S. 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 welcomes the United States' rebalancing toward the Asia-Pacific as it contributes to the stability and prosperity of the region. The two countries will cooperate closely in order to play a leading role in creating order in the region.

In April 2014, U.S. President Barack Obama made the first state visit to Japan by a U.S. President in 18 years. On the occasion of this visit, the Japanese and U.S. leaders issued the U.S.-Japan Joint Statement. In the Joint Statement, the leaders praised and welcomed respective policies – Japan's "Proactive Contribution to Peace" and the U.S. rebalancing toward the Asia-Pacific, noting that both contribute to the peace and stability of the region, and affirmed the Japan-U.S. Alliance's leading role in ensuring a peaceful and prosperous Asia-Pacific. In the annex to the



President Obama and Prime Minister Abe at the Japan-U.S. summit meeting (April 24, Tokyo; Source: Cabinet Public Relations Office)

Joint Statement, "Leaders Statement on U.S.-Japan Bilateral Exchanges," the two leaders identified the broad people-to-people exchange between Japan and the United States as a key pillar of the Japan-U.S. Alliance.

In 2014, close communication was maintained between Japanese and U.S. dignitaries: In addition to President Obama's visit to Japan, a Japan-U.S. Summit Meeting was held on the margins of the Group of Twenty (G20) Summit, and a Japan-U.S. foreign ministers' meeting was held on four occasions. Through these opportunities, Japan and the United States made a strong impression that they will work together in the Asia-Pacific region and jointly address urgent challenges facing the

international community by close cooperation in tackling global issues such as the Islamic State of Iraq and the Levant (ISIL) and the Ebola virus disease outbreak.

Canada

Japan and Canada are closely cooperating together on a wide range of fields including politics, economy, security and culture, as partners in the Asia-Pacific region, sharing fundamental values and as members of the Group of Seven (G7).

Prime Minister Shinzo Abe and Canadian Prime Minister Stephen Harper held summit meetings in March and November 2014. The

leaders exchanged views on bilateral relations including the Japan-Canada Economic Partnership Agreement (EPA) and the project to export Liquefied Natural Gas (LNG) to Japan from Canada, and the international situation. In July, Canadian Foreign Minister John Baird visited Japan. The Minister Baird held a foreign ministers' meeting with Foreign Minister Fumio Kishida and paid a courtesy call on Chief Cabinet Secretary Yoshihide Suga. The two sides affirmed the importance of promoting cooperation in wide-ranging areas including politics, security, economy and people-to-people exchanges.

1 United States

(1) Situation of the United States

A. Politics

In the situation where the U.S. Congress was being “divided,” reflecting that the majority parties were different in the Senate and the House of Representatives, President Obama delivered his State of the Union Address on 28 January, 2014, and regarded the year 2014 as “a year of action.” In the area of domestic affairs, he cited such issues as job creation for the middle-class, correction of disparities by raising the minimum wage and implementing tax reform, trade policy, climate change, immigration reform, and gun control as his priorities, and stated that he would not hesitate to exercise his executive powers if he did not obtain cooperation from Congress on his agenda. In the area of foreign policies, he made it clear that he would promote efforts on the Iranian nuclear issue, and also identified

other issues, such as counterterrorism, Syria, and the peace process in the Middle East, as his priorities. Furthermore, he reiterated the continuation of the U.S. rebalance policy toward the Asia-Pacific.

While the Obama Administration continuously worked on measures to improve the economy and employment, it produced little achievement with Congress and faced difficulties in staying in control of the government amid the accumulated challenges, including the flawed healthcare system for veterans provided by the Department of Veterans Affairs, a rapid increase of unaccompanied illegal immigrant minors from Latin America and the Caribbean, the situation in Ukraine and the Middle East, the Ebola outbreak, the Iranian nuclear issue, among others. President Obama was driven into such

a tough situation that his approval ratings had been in the low 40% since fall 2014, and without the improvement of such unfavorable situation, he had to face the midterm elections on November 4. As a result of the midterm elections, the Republican Party won in the election of the Senate and the House of Representatives as well as the gubernatorial elections, whereby the Republican became the majority in both the Senate and the House of Representatives at the 114th Congress started from January 2015. In general, the midterm election has an aspect of a vote of confidence in the president and the ruling party, and the Presidents' party tends to lose its seats in Congress. This election also followed suit, and although the U.S. economy and employment was showing signs of recovery, it was a difficult election campaign for the ruling Democrats, largely reflecting a lack of realization of such recovery as well as a high degree of dissatisfaction among voters with the circumstances surrounding the United States. Attention is currently focused on the future management of the government: how the Obama Administration will confront the Republicans ruling both the Senate and the House of Representatives and carry out the policies during the rest of the term.

After the mid-term elections, so-called a lame-duck session, attended by the members of the 113th Congress, was held from November 12 until the end of the second session of the

113th Congress. Attention was paid to how the Obama Administration and the Republican Party would cooperate with each other during the session the results of the midterm elections. Regarding immigration issue, on November 20, President Obama announced additional administrative measures including a three-year suspension of deportation measures for those satisfying certain conditions, but the Republicans broadly criticized the President. Furthermore, with regard to the Affordable Care Act, the House of Representatives filed a suit against the President alleging that the execution of the administrative authority announced by the President on November, 2013 was unconstitutional, which was one of the cases representing there was a persistent and severe confrontation between the parties. On the other hand, a certain degree of bipartisan cooperation in the case of the continuing budget resolution to be adopted by December 11, whereby both parties coordinated strenuously to a great extent in order to avoid the shutdown of the federal government agencies, which eventually led to the adoption of the omnibus appropriations bill for FY2015¹.

In addition, with regard to major domestic incidents, such as the shooting of a young African American by a Caucasian police officer in Ferguson, Missouri, and the release of a report by the Senate Intelligence Committee on CIA's detention and interrogation program,

¹ Twelve annual appropriations bills are drafted in accordance with each of the 12 spending areas in principle; however, the twelve appropriations bills may be packaged into one consolidated (omnibus) bill. In the deliberation for the appropriations bills for FY2015, in December 2014, the appropriations bill to fund the Department of Homeland Security, which is the executive agency for the administrative measures related to the immigration reform announced by President Obama, was passed as a continuing resolution through February 27, 2015, and the remaining 11 annual appropriations bills were enacted as the Consolidated Appropriations Act through the end of September 2015. The appropriations bill for the Department of Homeland Security was enacted in March 2015 after deliberations at newly convened Congress to the effect that the budget for the fiscal year ending September 30, 2015, is approved.

triggered public controversy at home and overseas.

B. Economy

(a) Current economic situation

The U.S. economy continued its consistent and moderate recovery in 2014. The real GDP (preliminary figures) in the fourth quarter (October–December) of 2014 increased 2.2% on a quarter-to-quarter basis. The unemployment rate had been improving and reached 5.5% in February 2015. While the U.S. economy is expected its continuing recovery, it is necessary to note possible influence of the move toward the monetary policy normalization.

(b) Economic policy

In the State of the Union Address in January 2015, regarding the economic policy, President Obama stated that the middle-class economy worked, mentioning achievements including economic growth, debt reduction and job creation, and pledged to make further efforts in executing policies for the middle-class such as improving labor environment rebuilding infrastructure and promoting exports, science, technology and R&D. Especially, with regard to trade policy, the President mentioned that while China wanted to write the rules for the world's fastest growing region, it should be the U.S. that should write those rules, and asked both parties to grant Trade Promotion Authority (TPA) to protect American workers, with strong trade deals from Asia to Europe that are just not free but fair.

Regarding the monetary policy, the Federal Reserve Board (FRB) scaled down the Quantitative Easing program 3 (QE3) since December 2013, which was introduced in 2012 and had directed to purchase U.S. Treasury Bonds and residential mortgage-backed securities, and FRB decided to end QE3 at the Federal Open Market Committee (FOMC) meeting in October 2014. As for a period to maintain the federal funds target rate (time axis), in March, taking into account a wide range of information, including measures of the labor market conditions, inflationary pressures, readings on the financial developments, the FOMC announced that it would be appropriate to maintain the current target range for a considerable time after the asset purchase program ended, when, in particular, the following two requirements were met: i) the projected inflation rate continues to run below the target rate of 2%, and ii) long-term inflationary expectations remain well anchored. In December, while acknowledging that the concept itself in modified wording was consistent with that in the previous statement, the FOMC changed the wording expressing that it could be patient in beginning to normalize the stance of monetary policy. In the FOMC in March 2015, the wording was changed to the statement that it would be appropriate to raise the target range for the federal funds rate when it has seen further improvement in the labor market and was reasonably confident that inflation would move back to the 2% objective over the medium term². Under these circumstances, the

² With regard to the change, it was estimated that the possibility of raising the interest rate at the FOMC meeting in April would be low.

timing for raising interest rates (the lifting of the zero-interest-rate policy) will be a focus of

attention in the future.

(2) Japan-U.S. Political Relations

Japan and the United States have strengthened the Japan-U.S. Alliance, which is the linchpin of Japan's diplomacy and security, by enhancing the relationship of trust and close coordination of policies at all levels including Summit and foreign ministerial level.

In February, 2014, Foreign Minister Kishida visited the United States and held meetings with John Kerry, Secretary of State, Susan Rice, National Security Advisor to the President, Chuck Hagel, Secretary of Defense and others their views on such issues as bilateral issues and situations in the Asia-Pacific region.

In April, Prime Minister Abe held a Japan-U.S. Summit Meeting with President Obama, who was visiting Japan as a state guest. On that occasion, Prime Minister Abe welcomed President Obama's visit to Asia, stating that the visit underlined the U.S. rebalance policy which emphasizes its engagement with the Asia-Pacific region. The two leaders mutually appreciated and welcomed respectively Japan's policy of "Proactive Contribution to Peace" and the U.S. rebalance policy, both contributing to peace and stability of the region, and confirmed a leading role of the Japan-U.S. Alliance in ensuring a peaceful and prosperous Asia-Pacific. With regard to security issues, Prime Minister Abe explained Japan's efforts, such as the establishment of the "Three Principles on Transfer of Defense Equipment and Technology" and the

deliberation made in the Advisory Panel on Reconstruction of the Legal Basis for Security. In response, President Obama expressed his welcome and support for such Japan's efforts. In addition, Prime Minister Abe stated that he would like to proceed with the construction for the relocation of Marine Corps Air Station (MCAS) Futenma promptly and steadily with strong determination, and requested the cooperation of the United States regarding the Agreement to Supplement the Japan-U.S. Status of Forces Agreement (SOFA) on Environmental Stewardship. In response, President Obama said that he would like to continue making efforts to reduce the impact on Okinawa while ensuring smooth operations of U.S. forces in Japan. With regard to the TPP, the two leaders fully shared the view that the TPP is strategically important, and in order to resolve the remaining issues between Japan and the United States taking the opportunity of this Japan-U.S. Summit Meeting, it was decided that Minister Amari in charge of Economic Revitalization and U.S. Trade Representative Froman will continue vigorous and sincere negotiations. Furthermore, regarding people-to-people exchanges, Prime Minister Abe explained that through 6,000 Japanese students will be sent to the United States by the support of the Japanese Government.

With regard to the situation in Ukraine, Prime Minister Abe stated that he values the

strong initiative that the United States had shown. He also stated that any attempts to change the status quo by force cannot be tolerated in the contemporary international community, and this is an issue not just for one region, but for the whole international community. Both leaders concurred to cooperate on the issue within the G7 members.

Regarding the Asia-Pacific regional situation, both leaders concurred on the importance that placing Japan and the United States at the core, two countries should maintain a free and open Asia-Pacific region in cooperation with relevant countries and engage China therein. Regarding China, Prime Minister Abe stated that it is important to clearly express oppositions to China's attempt to change the status quo by force and to demonstrate the robustness of the Japan-U.S. Alliance as well as the strong commitments of the United States to Asia. President Obama responded that Article 5 of the Japan-U.S. Security Treaty covers all the territories under the administration of Japan, and such territory includes the Senkaku Islands. President Obama also affirmed that the United States will oppose any unilateral action that seeks to undermine Japan's administration of the Senkaku Islands.

Regarding North Korea, both leaders concurred to continue to closely cooperate trilaterally among Japan, the United States, and the Republic of Korea (ROK) over the nuclear development by North Korea. Prime Minister Abe asked for President Obama's continued understanding and cooperation in relation to the abduction issue, to which President Obama expressed his support.

Furthermore, the two leaders exchanged views on the Japan-ROK relations and the situation in the Middle East, as well as global issues including the empowerment of women, nuclear security, and disarmament and nonproliferation. In addition, the Japan-U.S. joint statement ("Japan and the United States: Shaping the Future of the Asia-Pacific and Beyond" (for the details, see Chapter 3, "Japan-U.S. Security Arrangement," Section 1, Paragraph 2)) as well as the Fact Sheet (Japan-U.S. Global and Regional Cooperation) were issued.

In August, Foreign Minister Kishida, who was visiting Myanmar to attend the ASEAN-related Foreign Ministers' Meeting, held a meeting with Secretary of State Kerry. With regard to the situation in Ukraine, Minister Kishida introduced the result of his visit to Ukraine in July and explained the concrete support measures of Japan including the economic support up to 1.5 billion U.S. dollars that Prime Minister Abe launched in March. Minister Kishida and Secretary Kerry confirmed that Japan and the United States would work together and make a unified response with the G7 members as well. Secretary Kerry explained the recent targeted airstrikes by the United States in Iraq. In response, Minister Kishida said that Japan had heretofore supported the fight against terrorism by the Government of Iraq and the United States, and that he understands that the recent targeted airstrikes by the United States were carried out as part of such fight with the consent of the Government of Iraq. Furthermore, both ministers discussed North Korea, the situation in Gaza, and climate

change.

In September, during his visit to New York, Foreign Minister Kishida held a Japan-U.S. foreign ministers' meeting again with Secretary of State Kerry. Secretary Kerry said that the Japan and the United States were making progress on the coordination about regional affairs and global challenges, and expressed his appreciation for the role that Japan is playing in these issues. With regard to the situation in Iraq and Syria, Minister Kishida said that Japan supports the international community's fight against the ISIL and explained that Japan decided to provide additional support to Iraq and its neighbors. In response, Secretary Kerry appreciated Japan for its support in responding to the ISIL. Regarding the Ebola outbreak, Foreign Minister Kishida explained Japan's measures, and Secretary Kerry expressed his appreciation. The two foreign ministers further discussed the situation in Ukraine, the situation in Asia, the Iranian nuclear issue, and the review of the Guidelines for Japan-U.S. Defense Cooperation.

Also in September, Prime Minister Abe, visiting New York to attend the UN General Assembly, received a courtesy call from Vice President Biden. Vice President Biden appreciated Japan's recent efforts for the improvement of the Japan-ROK relations and Japan-China relations. In response, Prime Minister Abe introduced that Japan-ROK foreign ministers' meeting and Japan-China foreign ministers' exchange of opinion were held on the occasion of the United Nations General Assembly. Regarding the TPP, both sides confirmed that the top leaders of Japan and the United States would, while exercising

their leadership, give instructions to negotiators and continue with flexibility to make efforts for an early conclusion of the TPP negotiations.

In November, Foreign Minister Kishida held a Japan-U.S. foreign ministers' meeting with Secretary of State Kerry on the occasion of the APEC Ministerial Meeting held in Beijing. Minister Kishida said that Japan was accelerating its response to Ebola virus disease and explained Japan's initiatives including additional financial assistance amounting to up to 100 million US dollars. In response, Secretary Kerry said that Japan's assistance and leadership were excellent and would have an extremely significant impact, which he sincerely appreciated. With regard to North Korea, Minister Kishida explained that the dispatch of Japanese Government officials to Pyongyang in October. He further explained that Japan's policy of aiming at a comprehensive resolution of outstanding issues of concern, such as the abductions, nuclear and missile issues unchanged. Both ministers shared the view that they will continue to place importance on cooperation among Japan, the United States, and the ROK. Minister Kishida expressed his respect for Secretary Kerry's



Secretary of State Kerry and Foreign Minister Kishida at the Japan-U.S. foreign ministers' meeting (November 7, Beijing, China)

efforts to resolve the Iranian nuclear issue and the two ministers concurred that they will continue their close cooperation on this matter. In addition, the two ministers discussed countermeasures against the ISIL, the situation in Ukraine, and the TPP.

Also in November, Prime Minister Abe held a Japan-U.S. Summit Meeting again with President Obama on the occasion of the G20 Summit held in Brisbane, Australia. The two leaders concurred to advance security and defense cooperation on a broad range of fields, including the review of the Guidelines for Japan-U.S. Defense Cooperation. Prime Minister Abe announced that, subject to the

approval of the Diet, Japan intends to make a financial contribution up to 1.5 billion US dollars to the Green Climate Fund (GCF), while taking into consideration the pledges made by other countries. President Obama expressed his appreciation in response. Regarding the Japan-ROK relations, Prime Minister Abe said that he echoes with the comment by Ms. Park Geun-hye, President of the ROK, on realizing a Japan-China-ROK trilateral meeting, and that he intends to aim for an early realization of the meeting as well. President Obama responded by expressing his appreciation and expectation over the efforts to improve the Japan-ROK relations.

(3) Japan-U.S. Economic Relations

Close cooperation in the economic area between Japan, the third-largest economic power in the world, and the U.S., the largest of all, is also essential not only to vitalize the economies of both Japan and the U.S., and also to further strengthen the Japan-U.S. Alliance and grow of the global economy as a whole. From this perspective, two countries will continue to strengthen the bilateral trade and investment and promote cooperative relationships in various areas including energy.

With regard to the TPP negotiations as well as U.S.-Japan B parallel Negotiations on Motor Vehicle Trade and Non-Tariff Measures, both Japan and the U.S. identified a path forward on important bilateral issues in the U.S.-Japan Joint Statement in April 2014. Following the path identified, ministers and working-level officials have vigorously conducted negotiations. At the TPP Leaders Meeting held in Beijing in

November, it was shared among the Leaders that the end of the TPP negotiations was coming into focus, and at the subsequent Japan-U.S. Summit Meeting held in Brisbane, both countries shared the view that they would continue making further efforts for an early conclusion of the TPP. In order to develop new rules for trade and investment, both countries will continue to cooperate in the negotiations.

With regard to energy cooperation, amid the increasing demand for Liquefied Natural Gas (LNG) due to the shutdown of nuclear power plants in the aftermath of the Great East Japan Earthquake, diversification of suppliers is a pressing issue to secure stable and low-cost LNG, as Japan is dependent on other countries for almost all of LNG. To this end, the Government of Japan has taken advantage of high-level meetings, including summit-level, to

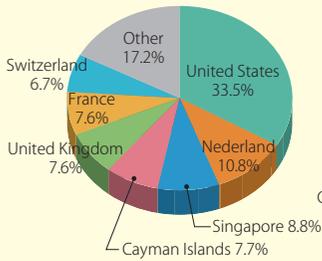
realize imports of LNG produced in the U.S. As a result, by September, the U.S. government approved exports of LNG as well as the construction and operational measures of all the LNG projects in the US in which Japanese

companies are involved and the export of U.S. LNG is expected to realize in FY2016³. In addition to the export of LNG, both Japan and the U.S. closely cooperate with each other in other areas. In December, U.S.-Japan Energy

Japan-U.S. Investment Relations

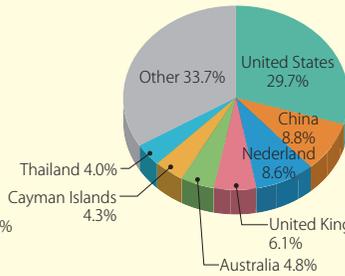
- The United States is the No.1 destination for direct investment from Japan and also the No.1 origin of investment in Japan.
- Relations between the two countries are very close in terms of direct investment.
- The promotion of investment in Japan remains as an issue. (Investment in Japan accounted for a mere 3.0% of the outward foreign direct investment balance of the US in 2012.)

Japan's inward foreign direct investment balance by region (2013)



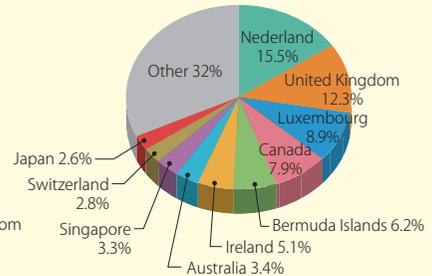
Source: Bank of Japan

Japan's outward foreign direct investment balance by region (2013)



Source: Bank of Japan

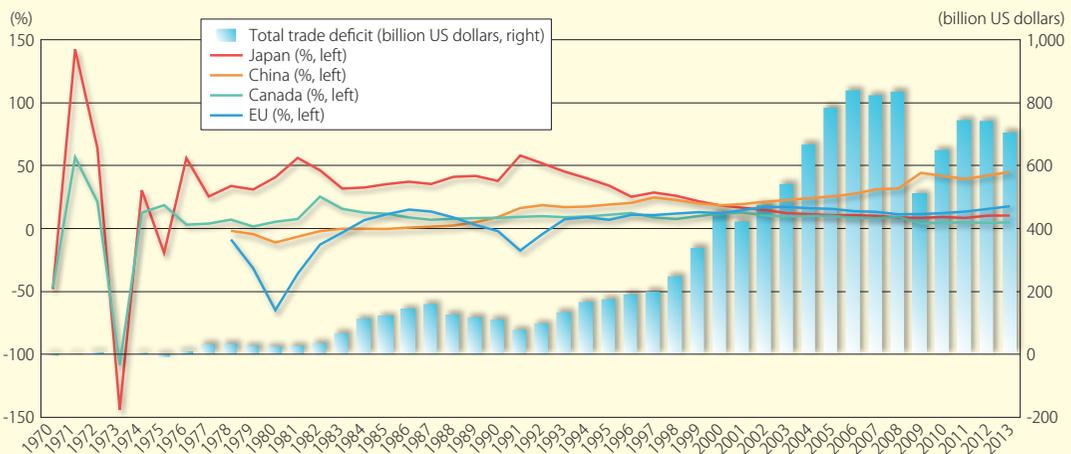
US's outward foreign direct investment balance by region (2013)



Source: The United States Department of Commerce

Decrease in the Ratio of Japan in the trade deficit of the United States

The ratio of the trade deficit with Japan gradually declined from 58.4% in 1991 to 8.8% in 2011. The ratio of the trade deficit with China has been gradually increasing, reaching 45.2% in 2013.



(International balance basis) Source: The United States Department of Commerce

³ In FY2016, the import, or purchase, from the Sabine Pass LNG project in Louisiana, which is led by a U.S. company, is expected. The import from the four LNG projects at Cameron in Louisiana, Freeport in Texas, Cove Point in Maryland, and Freeport Expansion in Texas are scheduled to start in order from FY2017.

Strategic Dialogue was held in Washington, D.C. and attended by representatives from MOFA, the Agency for Natural Resources and Energy of the Ministry of Economy, Trade and Industry, and the Ministry of Defense on the Japanese side, and the Department of State, the Department of Energy, and the Department of Defense on the U.S. side. The two delegations had fruitful discussions on topics including global energy and transportation, Japan-U.S. energy cooperation, and Asia gas market.

As a symbol of Japan-U.S. cooperation, Japan has proposed the introduction of the superconducting linear (maglev) technology to the Northeast Corridor of the U.S.. The innovative maglev technology may reduce travel time between Washington, D.C. and New York from more than two hours to approximately one hour, if put into practical use. At the Japan-U.S. Summit Meeting in April, Prime Minister Abe once again proposed the introduction of maglev technology to President Obama. Furthermore, Prime Minister Abe visited the Yamanashi Maglev Test Line with Caroline Kennedy, the U.S. Ambassador to Japan, and took a test ride together. At the reception of the 50th Anniversary of the Tokaido Shinkansen bullet train in October, Prime Minister Abe emphasized the advantages of the maglev technology to railway officials and others from

abroad, including the U.S.. In addition to such top-level sales activity, the Japanese Embassy in the U.S., with Kenichiro Sasae, Ambassador of Japan to the United States, in the lead, has aggressively publicized the significance of the introduction of the maglev technology through a seminar hosted by a think tank and other activities. In October, State Minister for Foreign Affairs Yasuhide Nakayama received a courtesy call from those engaged in marketing activity locally in the U.S., including Tom Daschle, a former U.S. Senator, and confirmed the progress in the introduction of the maglev technology.

In addition, when Prime Minister Abe visited New York in September, he attended a session and luncheon with officers and directors of the Council on Foreign Relations (CFR) and business leaders at the CFR office, and in his greetings at the Investment Japan Seminars hosted by the JETRO, Prime Minister Abe made remarks on the Japanese economy and the growth strategy and called for investment to Japan. In October, when Secretary of Commerce Penny Pritzker visited Japan with executives from 20 U.S. companies, Prime Minister Abe and Chief Cabinet Secretary Suga explained issues such as the growth strategy and the empowerment of women and called for investment in Japan.

2 Canada

(1) Situation of Canada

Prime Minister Harper had stably managed his government; however, approval ratings for

the ruling Conservative Party declined because of scandals over illicit receipt of allowances

involving several senators in 2013, among others. This situation continued in 2014, in which approval ratings became almost tied with those of the opposition Liberal Party.

A case of shootings in Ottawa on October 22, 2014, that claimed a life of a soldier of the Canadian Forces, shocked Canada as well as overseas.

In the area of diplomacy, Canada promotes diplomatic policies placing emphasis on fundamental values such as freedom, human rights, democracy, and rule of law as well as diplomatic policies leading to economic revitalization and the promotion of employment. Furthermore, Canada has chaired the Arctic Council for a two-year term since May 2013.

In the area of economy, Canada concluded the Comprehensive Economic and Trade

Agreement (CETA) negotiations with the EU in September, and signed the FTA with the Republic of Korea (ROK), which constitutes Canada's first FTA in the Asia Pacific region. In October, the FTA with Honduras and Foreign Investment Promotion and Protection Agreement with China came into effect. Furthermore, through the negotiations concerning the TPP, the Japan-Canada EPA, and the Canada-India FTA, Canada has made continuous efforts to expand trade with Asia as well as the American region.

With regard to the domestic economy, it shows signs of a wide-ranging recovery, and robust exports have had a positive effect on private-sector capital investment and the increase of employment.

(2) Japan-Canada Relations

In March 2014, Prime Minister Abe held a Japan-Canada summit meeting with Prime Minister Harper on the occasion of the Nuclear Security Summit held in The Hague in the Netherlands, and confirmed the steady implementation of agreed commitments made at the summit meeting in September 2013, such as the holding of the second Political, Peace and Security Subcabinet "2+2" Dialogue and flights to and from Haneda Airport by Air Canada. In addition, Prime Minister Abe expressed his expectations for the early realization of stable imports of reasonably priced LNG to Japan, and both leaders exchanged views on issues such as TPP negotiations and Japan-Canada EPA negotiations. Both leaders also held a summit

meeting in November on the occasion of the APEC Summit Meeting held in Beijing and exchanged views on such topics as bilateral relations and regional situations.

Furthermore, Foreign Minister Kishida held a foreign ministers' meeting with Foreign Minister Baird, who visited Japan in July, 2014, and exchanged views on such issues as bilateral relations, regional situations, TPP, and Japan-Canada EPA negotiations.

In March, 2014, the second Political, Peace and Security Subcabinet "2+2" Dialogue was held in Ottawa. In June, the 12th Japan-Canada Symposium on Peace and Security Cooperation, which is a dialogue between experts of the two countries with the attendance of both governments, as well as the 8th Japan-Canada

Politico-Military (PM) Dialogue were held in Tokyo.

In the area of economy, the 26th Japan-Canada Joint Economic Committee was held in January, and both countries exchanged their views on broad topics including Japan-Canada economic relationship, the two countries' trade policies, cooperation on resources and energy, as well as global economic issues. Furthermore, the 5th EPA negotiations meeting, the 6th EPA negotiations meeting and the 7th EPA negotiations meeting were held in March, July, and November respectively, in which significant discussions were conducted in the fields of services trade, investment, intellectual property, energy, minerals, and food. Canada's natural gas production is the fifth largest in the world, and a project of LNG export to Asia, in which several Japanese companies are involved, is in progress in the west although there has been no export record to Japan so far.

In addition, between Japan and Canada, a youth exchange project titled "KAKEHASHI



Prime Minister Harper and Prime Minister Abe at the Japan-Canada summit meeting (November 9, Beijing, China; Source: Cabinet Public Relations Office)

Project —The Bridge for Tomorrow—” has been implemented, in which 50 Canadian youth visited Japan while Japan dispatched 175 youth to Canada in 2014, bringing the total number of visiting youths to 200 and dispatched youths to 200 by March 2014.

As described above, efforts towards further strengthen bilateral relations in a variety of areas including politics, security, economy, and people-to-people exchanges are currently being made.

Section 3

Latin America and the Caribbean



Overview

Latin America and the Caribbean region is a key partner of Japan in terms of economy as well as building a better international community based on the rule of law. Although economic growth in the region has slowed since 2011 against the backdrop of falling product prices and the slowdown of major economies outside of the region, Latin America and the Caribbean has a combined GDP of 6 trillion US dollars (approximately 2.5 times larger than that of ASEAN) and a population of 600 million. The region is also a producer of mineral resources (including rare metals), energy, and food, and a significant number of Japanese companies have established operations there. Moreover, with “the rule of law” and democracy firmly established in nearly all the countries of Latin America and the Caribbean, the region possesses a growing presence in the international community. Japan and Latin America and the Caribbean have traditionally maintained a very friendly relationship. With approximately 1.78 million Japanese descendants, or “Nikkeis,” living in Latin America, the human and historical bonds

between Japan and the region run deep, while Japan has maintained economic ties with Latin America and the Caribbean as the Asia’s largest investor for a long time.

Given the importance of these factors, from late July to early August 2014, Prime Minister Shinzo Abe visited Mexico, Trinidad and Tobago, Colombia, Chile, and Brazil, and it was the first tour of Latin America and the Caribbean by a sitting Japanese Prime Minister in ten years. Prime Minister Abe presented his policy towards Latin America and the Caribbean in a speech entitled “Juntos!¹ Bringing infinite depth to Japan-Latin America and the Caribbean Cooperation.” In the speech, Prime Minister described three guiding principles of Japan’s diplomacy for Latin America and the Caribbean: (1) Progress together (strengthening economic relations); (2) Lead together (working together in the international arena); and (3) Inspire together (promoting people-to-people exchanges, cultural and sports exchanges, and other exchanges). In addition, Prime Minister conversed with parliamentarians of Japanese

¹ Juntos = “Together” in Portuguese.

descent as well as members of “Nikkei” organizations and Japanese companies operating in the region. The visit strengthened the relations between Japan and the region in all fronts, leaving the impression that “Japan has returned to Latin America and the Caribbean.” The Prime Minister was accompanied by an economic mission of over 250 people which has networked with members of the business community in each country.

In terms of strengthening economic relations, Japan has been taking steps to create a better business environment for Japanese companies operating in the region through establishing legal frameworks such as EPAs and investment agreements, as well as consultations with governments of partner countries. Furthermore, Japan is promoting development assistance that employs Japanese technology, as demand for urban transport and energy-related infrastructure within the region is expected to increase as a result of the region’s economic development. Japan has also been

working to enhance cooperative relationships with countries which have abundant resources and food, in order to secure a stable supply of resources and food from the region.

With regard to increasing cooperation in the international arena, Japan has been collaborating with Latin American and Caribbean countries in addressing various issues, such as sustainable growth, environmental issues and climate change, nuclear disarmament and non-proliferation, as well as UN Security Council (UNSC) reform. At the same time, Japan has been reinforcing cooperation and dialogue with regional organizations such as the Caribbean Community (CARICOM), which has influence in the international community.

In the area of people-to-people exchanges, Japan has strengthened networking at all levels, including inviting junior administrative officials and Japanese descendants from Latin America and the Caribbean to Japan, in addition to mutual visits by key officials.

1 Strengthening Relations and Cooperating with Latin America and the Caribbean Countries

(1) Strengthening Economic Relations

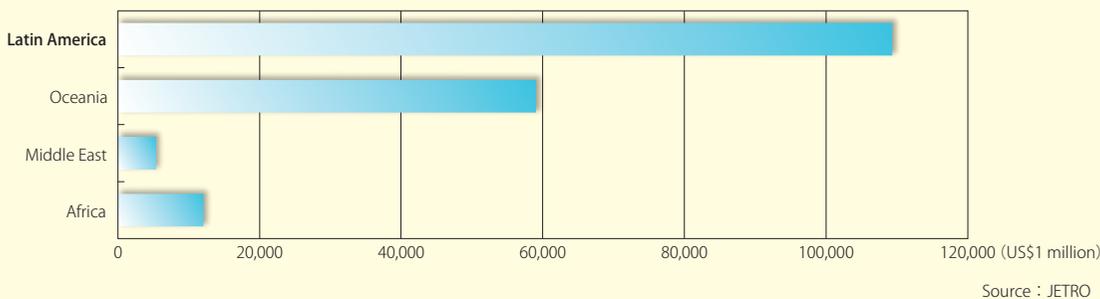
Latin America and the Caribbean region includes Brazil which has one of the world’s largest economy (7th in the world and a G20 member), Mexico (15th in the world and a G20 member), rapidly growing countries on the Pacific coast such as Colombia, Peru, Chile and Panama, and other countries with rich food and mineral resources such as Argentina (a G20 member) and Bolivia. The economic potential of the region is drawing world-wide

attention.

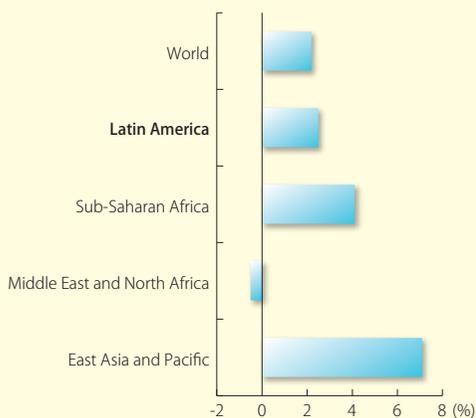
The growth of the region’s economy has been slowing down since 2011 due to the falling commodity prices and the economic slowdown of major countries outside the region, the amount of trade between Japan and the region has doubled in the last 10 years, and the number of Japanese enterprises conducting business in the region was 1,962 as of 2014.

Main Economic Indicators

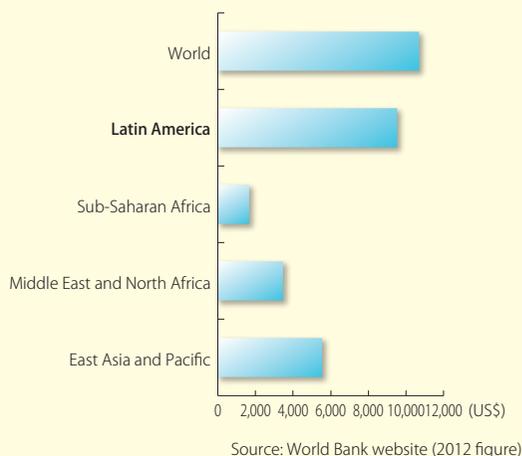
Japan's outward direct investment balance (end of 2013)



GDP growth



GNI per capita (current: US\$)



Japan values the region as economic partners to grow together, and the government of Japan and Japanese private sectors work in a unified fashion to promote and facilitate trade and investment relations between Japan and the region. The government of Japan is making efforts to strengthen economic relations with them, including promotion of Japanese companies' expansion into the region, through the promotion to establishment of

EPAs, investment agreements and other legal frameworks contributing to the trade acceleration and the improvement of the business environment for companies operation in the region as well as consultations based on those frameworks. Total of six Japan-Colombia EPA negotiation sessions were conducted in 2014 and the Japan-Uruguay Investment Agreement was signed in January 2015.

(2) Strengthening People-to-people Exchange

Their Imperial Highnesses Prince and Princess Akishino visited Peru and Argentina from January to February, and then Guatemala

and Mexico from September to October. Her Imperial Highness Princess Takamado visited to Brazil and Colombia in June.

The region where 1.78 million Japanese descendants live has close human and historical ties with Japan. Against this background, the government of Japan is strengthening people-to-people exchange with the region. In addition to the visit above mentioned by Prime Minister Abe to the region, the government has strengthened exchange at all levels with the region through invitation of young diplomats and Japanese descendants from the region and various exchange programs with Mexico, Cuba, CARICOM and Bolivia, for which 2014 represented a major milestone.



Their Imperial Highnesses Prince and Princess Akishino visiting the Ixchel Museum of Indigenous Textiles and Clothing in Guatemala City (Guatemala City, October 1; Source: AFP-Jiji Press)

(3) Contributing to Stable Development of Latin America and the Caribbean Countries

With the recognition that continued growth and political stability are the challenges for stable development of the region, Japan places emphasis on each country achieving stable economic growth through appropriate efforts to reduce poverty and social disparities while at the same time firmly maintaining democracy. For this purpose, Japan has been providing strong support through ODA and other schemes. In renewable energy development, industry infrastructure improvement and other fields that contribute to improvement of living standards including education and health care as well as continued economic growth of each countries in the region. Furthermore, Japan is promoting so-called

triangular cooperation with countries including Argentina, Chile, Brazil and Mexico to support other developing countries.

Japan has also conducted cooperation for disaster prevention with the region, which is vulnerable to natural disasters including hurricanes and earthquakes. Because the region is rich in biodiversity and have deep concern over the increase of natural disasters due to the climate change, Japan has also actively cooperated in the environmental field. In response to the severest drought in the past 10 years occurred in September in Honduras, 500,000 US dollars from ordinary contribution to the World Food Programme (WFP) was used for aid.

(4) Cooperation with Latin America and the Caribbean Countries through regional organizations

Various efforts for regional integration have been gradually progressing in the region. In order to strengthen collaboration to address

issues in the region and international society, Japan has been strengthening cooperation with the Pacific Alliance, the Forum for East

Asia-Latin America Cooperation (FEALAC), the Central American Integration System (SICA), Caribbean Community (CARICOM), the Union of South American Nations/Unión de Naciones Seramericanas (UNASUR), the Common Market of the South/Mercado Común del Sur (MERCOSUR), Community of Latin American and Caribbean States (CELAC) and Ibero-American Summit. With CARICOM, in particular, Japan held the first summit meeting in July and the 17th Japan-CARICOM consultation in October, marking 2014 as the Japan-CARICOM Friendship Year. The 4th

Ministerial-Level Conference held in November confirmed future strengthening of relations based on Japan's CARICOM policies that had been announced by Prime Minister Abe at the summit meeting ((1) Cooperation toward sustainable development including overcoming vulnerabilities particular to small island states, (2) Deeping and expanding bonds founded on exchanges and friendship and; (3) Cooperation in addressing challenges of the international community). Japan will continue to strengthen the cooperation with these regional organizations.



Prime Minister Abe visiting Colombia (Bogota, Colombia, July 28 to 30; Source: Cabinet Public Relations Office)

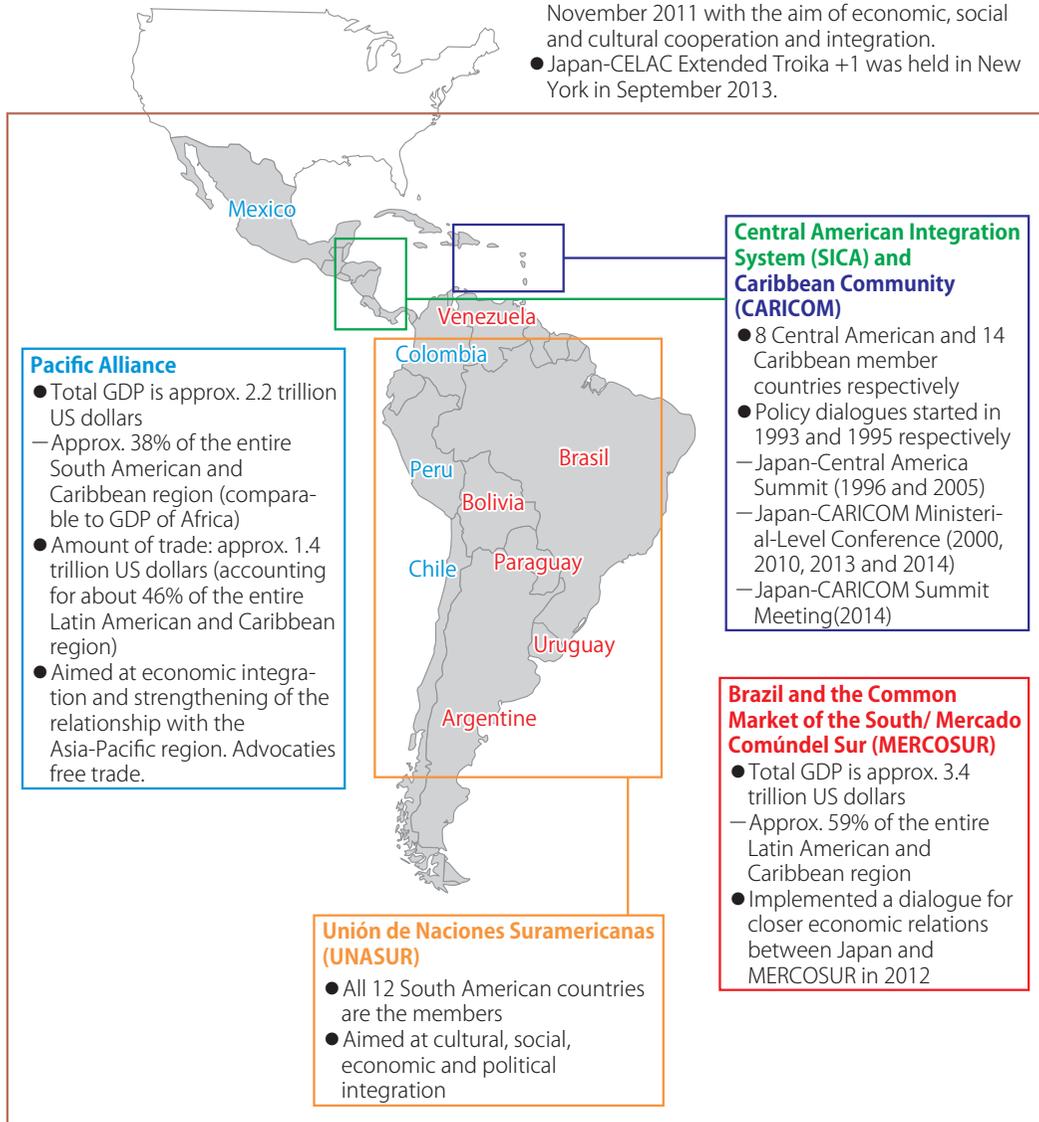


Japan-CARICOM Summit Meeting (Trinidad and Tobago, July 28; Source: Cabinet Public Relations Office)

Strengthening Relations with Progressing Regional Integration Regional Organizations in Latin America and the Caribbean

Community of Latin American and Caribbean States (CELAC)

- As a forum for dialogue for all 33 Latin American and Caribbean States, CELAC was established in November 2011 with the aim of economic, social and cultural cooperation and integration.
- Japan-CELAC Extended Troika +1 was held in New York in September 2013.



Pacific Alliance

- Total GDP is approx. 2.2 trillion US dollars
- Approx. 38% of the entire South American and Caribbean region (comparable to GDP of Africa)
- Amount of trade: approx. 1.4 trillion US dollars (accounting for about 46% of the entire Latin American and Caribbean region)
- Aimed at economic integration and strengthening of the relationship with the Asia-Pacific region. Advocates free trade.

Central American Integration System (SICA) and Caribbean Community (CARICOM)

- 8 Central American and 14 Caribbean member countries respectively
- Policy dialogues started in 1993 and 1995 respectively
- Japan-Central America Summit (1996 and 2005)
- Japan-CARICOM Ministerial-Level Conference (2000, 2010, 2013 and 2014)
- Japan-CARICOM Summit Meeting(2014)

Brazil and the Common Market of the South/ Mercado Comúndel Sur (MERCOSUR)

- Total GDP is approx. 3.4 trillion US dollars
- Approx. 59% of the entire Latin American and Caribbean region
- Implemented a dialogue for closer economic relations between Japan and MERCOSUR in 2012

Unión de Naciones Suramericanas (UNASUR)

- All 12 South American countries are the members
- Aimed at cultural, social, economic and political integration

Japan-CARICOM Relations —Attractiveness and Challenges of CARICOM—

The countries of the Caribbean Community (CARICOM), with the exception of Haiti which has a population of 10 million, have a small population, the total of which is around 7 million. Most of them are small island states. However, 12 out of 14 are English-speaking, democratic countries, who with their eloquence are highly active in the international community. Since January 2014, I have visited 12 CARICOM countries as the Ambassador special envoy for Japan-CARICOM Friendship Year, conveying Prime Minister Abe's messages to CARICOM leaders and exchanging views with them.



Japan and CARICOM

In spite of the geographical distance taking over 20 hour-flight from Japan, Japanese people may somehow feel at home in Caribbean region.

The first that we notice is the miniature gardens common in Japan and the sheer number of Japanese cars. Japanese cars are popular in the Caribbean because they have steering wheels on the right side and also because they are reliable.

In addition, we can enjoy fresh and good seafood in the Caribbean. The Fishery Complexes built with Japanese grant assistance have greatly contributed to the local economy, keeping ocean-fresh fish frozen and selling them, while developing human resources.



Fishery Complex in Saint Vincent

Severe environment surrounding CARICOM

Countless movies have been filmed on location in CARICOM countries, and in fact, the crystal blue sky, cobalt blue sea and white sand beaches are indeed even more beautiful in real life than in the movies. However, the reality is that the geographical and economic size of the countries poses many difficulties as an independent state.

A foreign minister of CARICOM member states said "For us, a natural disaster is a national disaster." In fact, a single hurricane could cause great damage equivalent to two years of GDP, or even a short-term heavy rain could cause great damage which, in Japan would amount to 70 to 80 trillion yen. Furthermore, due to limited farming land, they have no choice but to depend on food import. In addition, because most of its energy is provided by thermal power generation, fuel imports become a burden on their balance of payments and it deteriorates their fiscal conditions. In most of CARICOM member states, electricity is costly. For example, in Barbados, electricity bills for a typical family of four can reach up to 20,000 yen per month. Many CARICOM member states heavily depend on their tourism revenue, and their economic recovery after a big blow from the financial crisis of 2008 is still weak.



Meeting with President Ramotar of Guyana (at the time) (left)

In order to address challenges such as natural conditions and the impact of international economic crisis, assistance from the international community is vital. Japan has a major role to play especially in the areas such as disaster risk reduction, renewable energy and energy efficiency, and food production, as a country with experience and technology in these fields.

Ken Shimanouchi,

Ambassador special envoy for Japan-CARICOM Friendship Year

2 Situation of Latin America and the Caribbean Region

(1) Political situation

Presidential or general elections were held in El Salvador, Costa Rica, Panama, Colombia, Brazil, Bolivia, Antigua and Barbuda, Uruguay and the Commonwealth of Dominica in 2014 (for the details on changes of the government, see Figure “Major events in 2014 (by country/region)” on page 116 In Brazil where the Fédération Internationale de Football Association (FIFA) held the World Cup from June to July, a presidential election was held in October and President Rousseff was re-elected.

Regional integration organizations also held various high-level consultations including the 2nd CELAC summit at the end of January, the SICA summit in June and December, and the Ibero-American summit and UNASUR summit in December.

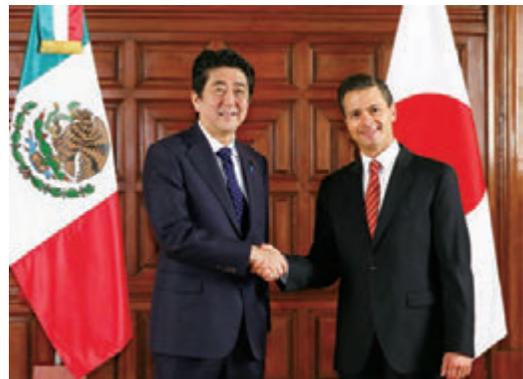
In December, restoring diplomatic relationships between the United States and Cuba was announced and the future developments draw attention.

(2) Regional economic conditions

The economic growth rate of the entire region was 1.1% in 2014, the lowest rate since 2009, but some countries recorded high growth including 6.0% of Panama and the Dominican Republic, 5.2% of Bolivia, 4.8% of Colombia and 4.5% of Nicaragua. On the other hand, the unemployment rate is relatively low (6.1%) and the correction of disparity is in progress with expansion of the middle class and a gradual decrease of poverty thanks to the stable growth of the economy even though the slowdown in 2014.

The growth rate of Brazil which has the largest economy in the region is expected to be 0.3% which is lower than the average rate of the region (1.1%). However, with the 2016 Olympic and Paralympic Games in Rio de Janeiro coming up, the country expects the expansion of domestic demand and revitalization of the economy mainly in the field of infrastructure

development. Mexico, which has the second largest economy in the region is also a gateway to the market of the Americas. Companies from around the world including Japan have been entering the country one after another mainly in automobile-related fields. The Peña Nieto administration has energetically been working on the reform of such long-standing issues as financial administration and energy so as to



Top-level talks between President Peña Nieto and Prime Minister Abe (Mexico, July 25; Source: Cabinet Public Relations Office)

revitalize the domestic economy and expand foreign investment.

The Latin America and the Caribbean region is a major global food supply area in the world and supplies silver, copper, zinc, iron ore, oil and other important resources. The region is a major production area of rare metals such as lithium whose demand is expected to increase greatly in the future for use in the batteries of electric vehicles, for example. In recent years, as major deposits site of shale gas, Argentina (the world's second largest estimated) and Mexico (the world's fourth largest) are attracting attention. Countries in the region have high potential in spite of some concerns including the economic condition of Venezuela with the world's top proved oil reserve, effects of commodity price volatility in the region and stronger government control of resources in some countries. Expansion of the Panama Canal is scheduled to be completed in 2015. The canal is expected to be a key point in world distribution continuously.



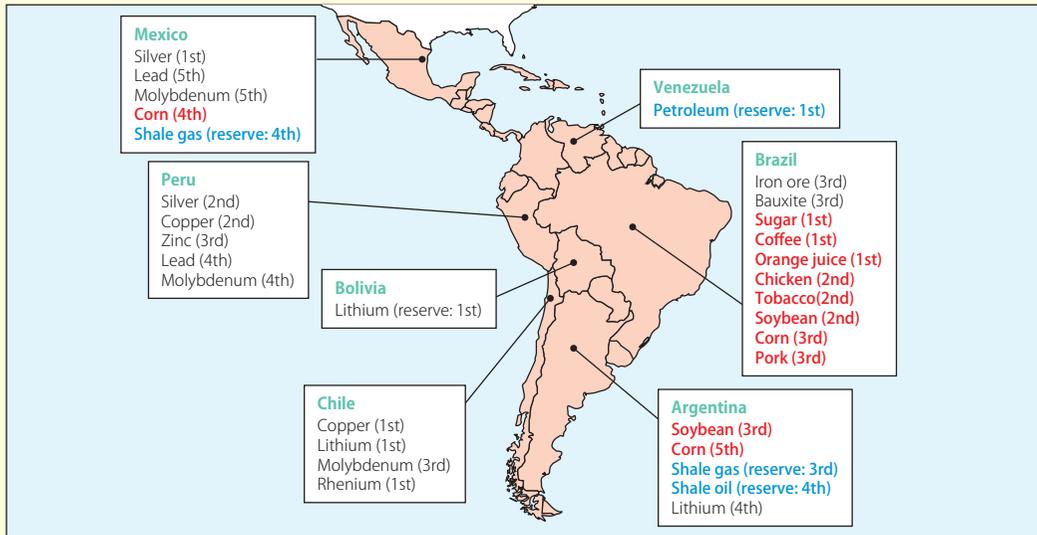
Top-level talks between President Rousseff of Brazil and Prime Minister Abe (Brazil, August 1; Source: Cabinet Public Relations Office)



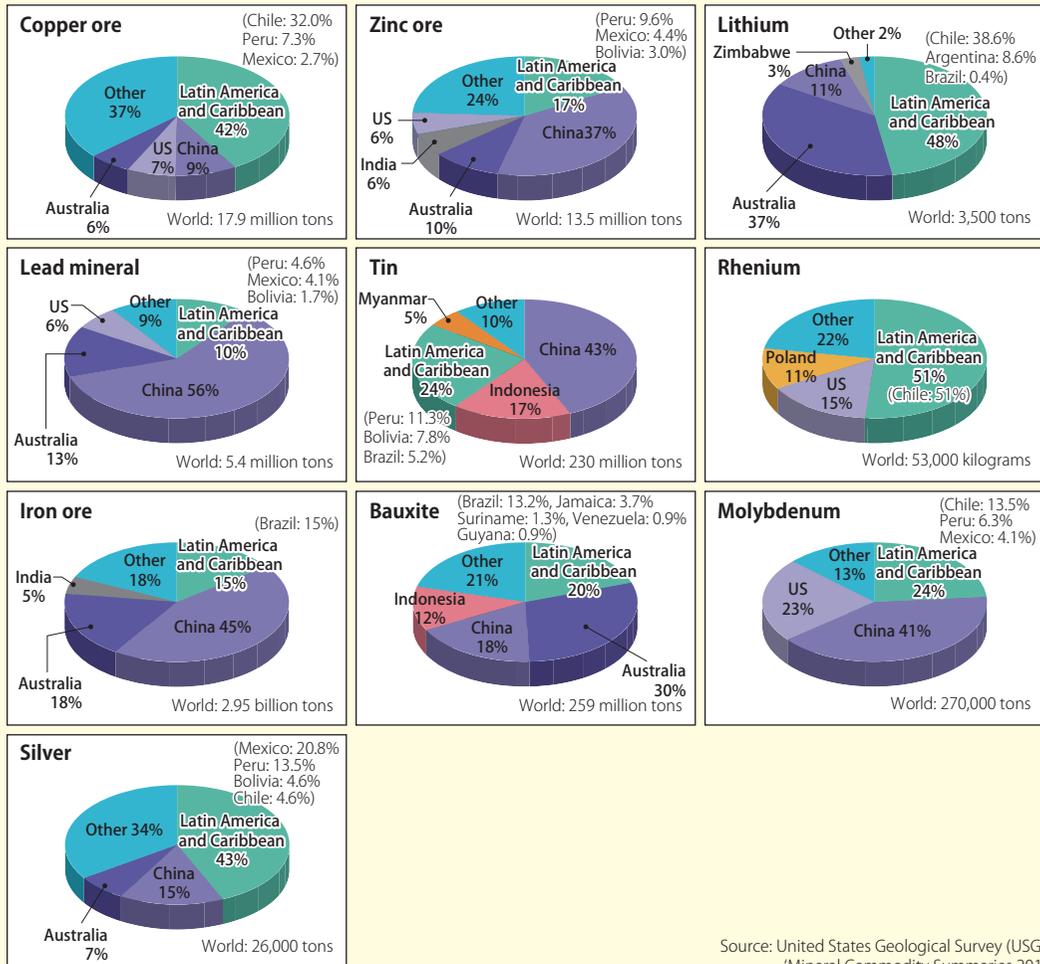
The Fourth Japan-CARICOM Foreign Ministers' Meeting (Tokyo, November 15)

The World's Leading Resource Suppliers

Mineral resources, energy and food (world ranking in parentheses)



Mineral Resources (Production) (Predicted value for 2013)



Source: United States Geological Survey (USGS) Mineral Commodity Summaries 2014

Major events in 2014 (by country/region)

Mexico (President Peña Nieto)

- Japan-Mexico Friendship Year (400th anniversary of the Hasekura Tsunenaga Mission's setting sail and landing in Mexico, 2013 and 2014)
- Prime Minister Abe's visit to Mexico (July)
- Visit by Their Imperial Highnesses Prince and Princess Akishino (October)

Central America

- Mr. Hernández inaugurated as President of Honduras (January)
- Mr. Álvarez De Soto, Minister of Foreign Affairs of Panama visits Japan (March)
- El Salvador: Presidential election held (March). Mr. Sánchez Cerén of the ruling party Farabundo Martí National Liberation Front (FMLN) becomes President (June)
- Costa Rica: Presidential election held (April). Mr. Solís of the Citizen Action Party (PAC) becomes President, giving birth to the first PAC government (May)
- Panama: Presidential election held (May). Mr. Varela of the opposing Panamenista Party becomes president (July)
- Japan-Panama Summit (in New York) (September)
- Visit by Their Imperial Highnesses Prince and Princess Akishino to Guatemala (September)

Colombia (President Santos)

- Presidential election held (June). President Santos of the Social National Unity Party reelected (August)
- Visit by Her Imperial Highness Princess Takamado (June)
- Prime Minister Abe's visit to Colombia, Japan-Colombia Summit (July)
- Japan-Colombia EPA negotiations (total of six negotiation sessions in 2014)

Peru (President Humala)

- Visit by Their Imperial Highnesses Prince and Princess Akishino (January)
- Japan-Peru Summit (in Beijing) (November)

Chile (President Bachelet)

- Presidential election held (December 2013). Ms Bachelet of the Socialist Party became President (March).
- Prime Minister Abe's visit to Chile, Japan-Chile summit (July)

Cuba (President of the Council of State Raúl Castro)

- The 400th anniversary of exchange between Japan and Cuba
- Cuba announces agreement to start discussion toward reconstruction of diplomatic relations with the United States (December)

CARICOM countries

- Antigua and Barbuda: General Election held. Opposition Antigua Labor Party (ALP) wins and party leader Browne becomes Prime Minister (June)
- Prime Minister Abe's visit to Trinidad and Tobago (July)
- The first Japan-CARICOM Summit Meeting (Trinidad and Tobago) (July)
- The 17th Japan-CARICOM consultation (Guyana) (October)
- The 4th Japan-CARICOM Ministerial-Level Conference (Tokyo) (November)
- Dominica: General election held (December). Ruling party (Dominica Labor Party) wins and Prime Minister Skerrett re-elected (December)

Brazil (President Rousseff)

- Visit by Her Imperial Highness Princess Takamado (June)
- FIFA World Cup held in Brazil (June to July)
- Prime Minister Abe's visit to Brazil and Japan-Brazil summit (July)
- President Rousseff of the Workers' Party reelected as result of presidential election (January, 2015)

Bolivia (President Morales)

- The 100th anniversary of establishing diplomatic relationships between Japan and Bolivia
- Visit by Parliamentary Vice-Minister for Foreign Affairs Ishihara (May)
- Presidential and parliamentary elections held (October). President Morales of the Movement towards Socialism (MAS) party reelected (January, 2015)

Paraguay (President Cartes)

- President Cartes visits Japan, meets with his Majesty the Emperor and attends Japan-Paraguay Summit (June)

Uruguay (President Mujica)

- Visit by Parliamentary Vice-Minister for Foreign Affairs Ishihara (May)
- Japan-Uruguay investment treaty negotiation (agreement in substance in November)
- Presidential election held (November). Former President Vázquez became President (March, 2015)

Argentina (President Fernández)

- Visit by Their Imperial Highnesses Prince and Princess Akishino (January)

The Active Roles of Nikkei Women in Brazil

—Is it True that Brazil is a Country of Powerful Women?

Japanese descendants or “Nikkei” across the world are contributing to the development of relationships between Japan and the respective countries in various ways. This article features Mrs. Chieko Aoki, who plays an active role as a leading female business proprietor of the hotel industry in Brazil, which has the largest Nikkei community in the world (having about 1.6 million Japanese descendants).

Since I immigrated to Brazil with my parents at the age of seven, and naturalized, I’ve spent almost entire life as a “Brazilian woman.” Today, I manage the Blue Tree Hotels, which was named after my family name, Aoki (literally means “blue tree”).

Female business proprietors like myself are not rare in Brazil. An old friend of mine, Luiza Trajano is one such woman. She is the owner president of a Brazilian electronics retail chain company that generates nearly 1 trillion yen sales annually. I am a member of a group known as “Mulheres do Brasil” (women of Brazil) which Luiza leads, and through the group, I work to provide support for the entry of women into society with cooperation from both the public and private sectors.

The first female president of Brazil, Dilma Rousseff is another important partner in this group as representing the public sector. Just the other day, with the aim of obtaining a “feminine perspective and uninhibited opinions”, 80 female business proprietors from this group were invited to the capital Brasilia for an exchange of views with three female Ministers about topics such as improving the standard of education in Brazil, fostering female business proprietors and executive officers, and approaches to philanthropic activities. Although our group comprises only women, it does not, by any means, represent any ideas of pitting ourselves against men. We work at the basis of feminine strength, which cultivate human resources and make good use of them aiming to improve the overall society of Brazil.

In Brazil, which has the world’s largest Nikkei community, Nikkei women also play active roles in various areas of society. Last August, when Prime Minister Shinzo Abe visited Brazil, I invited such active Nikkei women to my house for lunch with first lady Akie Abe (Since it was a rare opportunity, I served the Brazilian cuisine *feijoada* (a stew of black beans and pork). During the lunch gathering, we exchanged views about the movement of Brazilian active women into society.

It is often said that men enjoy competition, while women prefer harmony. Today, with the demise of an era of simply bashing our way forward, the women’s way of thinking which aims to “avoid competition, involve their fellows, and create better places all together” seems very important for world peace. It might be relevant to the Brazil’s history which is not so much related to wars that women are playing active roles in various parts of the country.

In Brazil, people say that the Japanese women rank first as the ideal woman that people wish to marry. I sincerely hope that Japanese women, who have such strong potential, can become a role model, as the most ideal image, for women all over the world by playing active roles both at home and in society.

The year 2015 marks the 120th anniversary of the establishment of diplomatic relations between Japan and Brazil. I think that there are many aspects of Brazil that can serve as a useful reference for the people of Japan, including this feature on supporting the active roles of women through public and private sector cooperation. I would be delighted to see more people get interested in Brazil and visit this country.

Muito obrigada! (Thank you!)

Chieko Aoki,
President and CEO of Blue Tree Hotels and Resorts



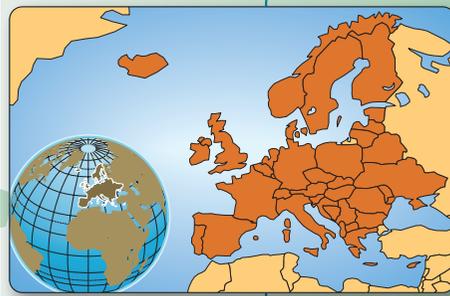
During the meal, President Rousseff (right) and myself (left) were absorbed with CEO Trajano’s talk about her successful diet...?!



Lunch gathering with the wife of Prime Minister Shinzo Abe and Japanese women active in Brazilian society

Section 4

Europe



Overview

Importance of Europe

Europe has considerable influence on international public opinion, underpinned by such factors as languages, cultural and artistic activities, and the powerful voice of major media, think tanks, and other institutions. From an economic perspective, the 28 member states of the European Union (EU) combined have a powerful presence, with their GDP altogether accounting for 24% of the world's total. As members of key bodies of international frameworks, such as the United Nations Security Council (UNSC) and the Group of Seven (G7), major European countries play an important role in international politics and the establishment of norms in the international community. Furthermore, Japan and Europe, sharing fundamental values and principles such as freedom, democracy, human rights, and the rule of law, play a leading role in striving for peace and prosperity of the international community.

Europe is critical for Japan's implementation of foreign policy that "Takes a Panoramic Perspective of the World Map." In addition to maintaining bilateral relations with each European country, it is important that Japan

further broadens Japan-Europe relations by strengthening cooperation with European regional institutions such as the EU, the North Atlantic Treaty Organization (NATO), and the Organization for Security and Co-operation in Europe (OSCE), and promoting collaboration with European regional frameworks, such as the Visegrad Group plus Japan (V4+Japan) and the Nordic-Baltic Eight plus Japan (NB8+Japan).

Diplomatic Relations with Europe

Based on this recognition, from the end of April to May 2014, Prime Minister Shinzo Abe visited the six countries of Germany, the United Kingdom, Portugal, Spain, France, and Belgium, and held talks with the leaders of each country, the EU, and NATO, among others. The Prime Minister also visited Europe on the occasions of the World Economic Forum Annual Meeting in January, the Nuclear Security Summit in March, the G7 Summit in June, and the 10th Summit of the Asia-Europe Meeting (ASEM10) in October. Foreign Minister Fumio Kishida visited Spain and France in the beginning of the year and Germany in September, and held talks with the foreign ministers of European countries on

various occasions. In January 2015, Foreign Minister Kishida visited France, Belgium, and the United Kingdom, and held talks with their foreign ministers, the new EU leadership, and the new NATO Secretary General. As these examples demonstrate, mutual visits at the leader's and foreign minister's levels took place very actively between Japan and European countries and institutions. These visits not only strengthened the relations between Japan and each country and institution, but also build relationships of trust at the Summit and foreign minister's level. Through these opportunities, understanding on Japan's stance and efforts was enhanced on a broad range of issues, including security, economic, and global issues. Furthermore, Japan and Europe advanced concrete cooperation. For instance, on the security front, since September, Japan and NATO, and Japan and the EU have carried out multiple joint counter-piracy exercises off the coast of Somalia and in the Gulf of Aden. In addition, security cooperation has been strengthened with the United Kingdom and France. On the economic front, five rounds of negotiations on the Japan-EU Economic Partnership Agreement (EPA) were held in 2014. At the Japan-EU Summit Meeting in November, the two leaders concurred on the acceleration of the negotiations, aiming to reach agreement in principle on the EPA during 2015. Japan pursued a broad array of cooperative activities with the EU and

countries throughout Europe in such fields as education, culture, and science and technology. Japan is striving to maintain a multi-layered and close relationship through communication of Japan's attractiveness and promotion of mutual understanding.

Situation in Ukraine

Japan has dealt with the crisis in Ukraine since February 2014 by placing a significance on the solidarity of the G7, based on Japan's position that it respects the rule of law, the sovereignty and the territorial integrity of Ukraine and never accepts unilateral attempts to change the status quo through force. Taking such opportunities as the Japan-Ukraine summit meetings in October and the Japan-Russia summit meeting in October and November, Prime Minister Abe directly called upon the leaders of both countries to fulfill the ceasefire agreement, among other measures. In connection with the situation in Ukraine, Japan introduced measures five times till the end of 2014, including suspension of the issuance of entry visas and the assets freeze to designated individuals. At the same time, based on the importance of (1) improving the economic situation, (2) restoring democracy, and (3) promoting national dialogue and integration, Japan has extended assistance to encourage Ukraine's efforts towards reforms. Japan will continue to place importance on solidarity of the G7 and play a proactive role towards a peaceful resolution of the situation.

1 Situation of European Region

(1) European Union

The European Union (EU) is a political and

economic unit consisting of 28 member

countries with a total population of about 500 million and producing about 24% of the world's GDP. Sharing basic values and principles with Japan, the EU is an important partner for Japan to tackle global issues.

Japan-EU Relations

In 2014, there was a major development toward strengthening Japan-EU relations in a comprehensive manner. In particular, five summit meetings were held during the year, which strengthened the close bonds of trust among the leaders.

Prime Minister Abe visited Brussels in May, and the 22nd Japan-EU summit was held for talks with President Van Rompuy of the European Council and President Barroso of the European Commission. They shared the view to promote concrete cooperation activities in the three fields of economy, security and global interests including realization of “a society in which women shine.” In the consultation, the leaders concurred on the importance of the early conclusion of the Japan-EU Economic Partnership Agreement (EPA) and Strategic Partnership Agreement (SPA), the negotiations of which started in 2013. At the Japan-EU Summit Meeting held during the G20 Brisbane Summit in November, they also shared the view to accelerate the negotiations, aiming to reach agreement in principle on the Japan-EU EPA during 2015.

In this context, five Japan-EU EPA and three Japan-EU SPA negotiations were held during 2014. In the area of security, there was progress in concrete collaboration between the EU's activities for a security sector reform in Mali and Niger and Japan's assistance for

them. In addition, a Japan-EU joint anti-piracy exercise was carried out off the Coast of Somalia and in the Gulf of Aden three times from October to November. The first Japan-EU dialogues on space policy and cyber were held also in October.

Furthermore, Prime Minister Abe met with President Van Rompuy of the European Council and President Barroso of the European Commission and exchanged opinions on Japan-EU relations and regional issues such as Ukraine taking the opportunity of the Nuclear Security Summit (Hague) in March, G7 Summit (Brussels) in June and the ASEM 10 Summit Meeting (Milan) in October. During the G20 Brisbane Summit in November, the Prime Minister Abe also talked with President Junker of the European Commission who had just taken office and exchanged opinions on Japan-EU relations and regional and international issues.

Foreign Minister Kishida met with EU High Representative for Foreign Affairs and Security Policy Ashton at the time of the Geneva 2 International Conference in January and had a telephone talks with her in April agreeing on Japan-EU coordination in Iranian nuclear and Ukraine issues. The Foreign Minister visited



The 22nd Japan-EU Summit (joint press conference) (Brussels, May 7; Source: Cabinet Public Relations Office)

Belgium in January 2015, met with the new leadership including EU High Representative for Foreign Affairs and Security Policy, Mogherini and agreed to promote Japan-EU relations while forging a relationship with the new leadership.

Recent development of the EU

A European Parliamentary election was held in 2014 renewing the EU regime with changes of two heads: President of the European Council and President of the European Commission. The election in May was the first European Parliamentary election where parties put up their candidates to the President of the European Commission. After coordination based on the election result, former prime minister Junker of Luxemburg assumed the presidency of the European Commission in November. Prime Minister Tusk of Poland was elected President of the European Council at the special meeting of the European Council held in August and took office in December. Toward expansion of European integration, accession negotiations with Serbia started in January and Albania was designated as a candidate in June. In terms of deepening of European integration, currency unification in particular, Lithuania became the 19th country to introduce the Euro in January 2015. On the other hand, Eurosceptic parties and candidates expressing caution or opposition against European integration took a leap in the European Parliamentary elections in some countries.

On the diplomatic front, the EU addressed various international challenges starting from EU3+3 consultation negotiations on the Iranian

nuclear issue and Ukraine issue. Concerning Ukraine, in particular, in response to “annexation” of Crimea and destabilization due to the separatist force in eastern Ukraine, the EU implemented a ban on travel and freezing of assets of specified individuals, sanctions in financial, defense and energy fields and other measures. For Ukraine, the EU provided political and financial support including deployment of a mission to security sector reform.

In the security area, the EU adopted a maritime security strategy and a framework for cyber defense policy toward strengthening of Common Security and Defense Policy (CSDP), and deployed a military mission to restore public order in Central Africa and a civilian mission to support the police of Mali.

In economy, a recovery trend continued in the EU as a whole but the tendency to low inflation became evident. In response, the European Central Bank (ECB) introduced negative interest and decided on the introduction of quantitative easing measures in January 2015. Spain and Portugal successfully exited the EU/IMF assistance program in January and May 2014, respectively. Greece and Cyprus for which assistance still continues issued government bonds for the first time in several years, but long-term interest rates have been rising again due to political instability in Greece since September. Efforts toward the Economic and Monetary Union have made steady progress including the start of bank supervision by the ECB in November.

(2) United Kingdom

The Cameron Administration is continuing efforts for fiscal construction. The UK economy is in good shape and faring well including the declining unemployment rate and the real growth rate estimated to be around 3% in 2014. On the other hand, its politics has reached a turning point. A referendum concerning independence of Scotland was held in September: the independence was rejected by 55% to 45%. Because three major parties including Liberal Democrats promised further transfer of power to Scotland before the voting, the country is now proceeding with the preparations for further devolution. Furthermore, the United Kingdom Independence Party won more seats than the two major parties, Conservative and Labor, in elections for the European Parliament held in May, and won the first seat in the British parliament in the House of Commons by-election held in October. If the ruling Conservative Party wins the general election in May 2015, a national referendum to ask whether to withdraw from or remain in the EU will be held by the end of 2017. The results and the future of the long-standing two-party system is worthy of attention. Prime Minister Abe visited the United Kingdom in May and met with Prime Minister Cameron. They agreed to cooperate in the security area, including the holding of a Foreign and Defense Ministers' Meeting and the starting of



Prime Minister Abe giving a speech at the welcome dinner held by the City (London, May 1; Source: Cabinet Public Relations Office)

negotiations toward conclusion of the Acquisition and Cross-Serving Agreement (ACSA). Cultural and economic exchanges were also strengthened during Prime Minister Abe's visit to United Kingdom, through agreeing on cooperation toward the Tokyo Olympic and Paralympic Games and Prime Minister Abe's attendance in a seminar to call for investment in Japan. Based on the results of the summit, Foreign Minister Kishida and Defence Minister Nakatani visited the United Kingdom to hold the first Japan-UK Foreign and Defense Ministers' Meeting, security and defense cooperation between the two countries was further strengthened. In addition, Lord Speaker D'Souza of the House of Lords visited Japan, on the invitation by the Ministry of Foreign Affairs in October 2014, and exchanged views with the Speaker of the House of Representatives and President of the House of Councilors of Japan.

(3) France

President Hollande is working for economic recovery and job creation while continuing

efforts for fiscal consolidation, but in its economic conditions have not been improved

with the unemployment rate exceeding 10%.

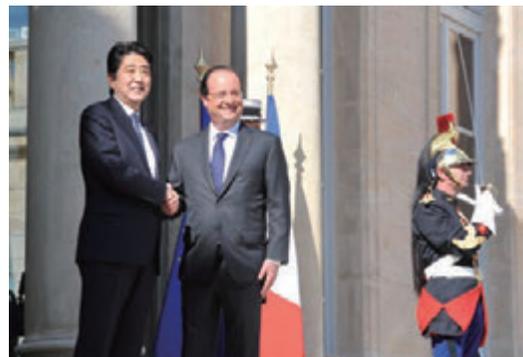
With the defeat of the ruling party (Socialist Party) in the local assembly member election in March 2014, Prime Minister Ayrault resigned and Prime Minister Valls was appointed. However, the ruling party experienced further defeats in the election to the European Parliament in May and the Senate election in September.

On the diplomatic front, France and Iraq jointly held “the Conference on Security and Peace in Iraq” attended by 24 countries and 3 organizations from around the world. France has been making active contributions to solve the Ukraine issue, Iranian Nuclear issue, terrorist attack in the Sahel region of Africa, Ebola hemorrhagic fever and other problems. Furthermore, France plays an important role in anti-terrorist measures including its participation in air strikes against the Islamic State in Iraq and the Levant (ISIL) in Iraq and holding international conferences on anti-terrorist measures inviting European countries and the United State in response to a shooting incidence in Paris in January 2015.

Foreign Minister Kishida and Defense Minister Onodera visited France in January 2014 to attend the first Foreign and Defence Ministers’ Meeting between the two countries and confirmed further strengthening of cooperation in the areas of security and defense. In May, Prime Minister Abe visited

France and had a summit with President Hollande. The leaders agreed to promote concrete cooperative activities in a range of area to promote the “exceptional partnership” of the two countries. On this occasion, the two heads participated in a Japanese food promotion event held in the Japanese Ambassador’s residence in France thus demonstrating the exchange of culinary cultures between the two countries.

Following the three foreign ministers’ meetings in 2014, Foreign Minister Kishida visited France in January 2015 and Minister of Foreign Affairs and International Development Fabius came to Japan in March to hold a foreign ministers’ meeting in each occasion. At these meeting held in 2015, the two ministers agreed to jointly tackle climate change and other challenges based on the strong relationship of trust built through the eight sessions in total.



Prime Minister Abe shaking hands with President Hollande (Elysee Palace (Presidential Palace), Paris, May 5; Source: Cabinet Public Relations Office)

(4) Germany

The third Merkel administration launched in 2013 based on the grand coalition of the Christian Democratic Union/Christian Social

Union (CDU/CSU) and Social Democratic Party (SPD) has been stably managing government affairs including start of the

introduction of a legal minimum wage. As 2014 marked the 25th anniversary of the fall of the Berlin Wall, a large-scale commemorative event to look back on the peaceful revolution was held in Berlin in December with the slogan of "Courage for Freedom." At the states level, a coalition administration of the Left, SPD and the Greens was installed in the State of Thuringen in December as a result of the state election, and the first Minister President from the Left took office.

On the diplomatic front, the country set forth the attitudes to actively contribute to the peace and stability of the international society and implemented assistance including provision of weapons to Kurds in northern Iraq. In response to the situation in Ukraine, Germany took over the G7 presidency in July six months ahead of schedule and has been leading the G7 response to the situation in Ukraine and discussion on the situation in the Middle East. In terms of economy, the country maintains a stable economy also after the

European debt crisis and has been increasing its political and economic influence not only in the EU but also in the international society.

As to its relations with Japan, Prime Minister Abe visited Germany in April, met with Chancellor Merkel and agreed to promote dialogues and cooperation in security, economic and social areas, regional situations and human/intellectual exchange. Furthermore, Foreign Minister Kishida visited Germany in September and met with Foreign Minister Steinmeier. The two ministers exchanged opinions on the relationship between the two countries, partnership in multilateral frameworks including for disarmament and non-proliferation and other matters. In addition to the above, the two countries had multiple summit and foreign ministers' meetings at the time of international conferences and other occasions, which deepened the trusting relationships between the leaders and foreign ministers and rapidly increased the closeness of the relationship between the two countries over the past year.

(5) Italy and Spain

In Italy, Prime Minister Renzi who took office in February is working on structural reform including amendment to the constitution and election law, Senate house reform and labor market reform. The country assumed the chair of the EU in the latter half of 2014 and held the 10th ASEM Summit in Milan in October. Prime Minister Abe had three meetings with Prime Minister Renzi including those held during his visit to Italy in June and October. Foreign Minister Kishida had a foreign ministers' meeting with Minister for

Foreign Affairs and International Cooperation Mogherini in September. The two countries will strengthen their cooperation toward the 150th anniversary of the establishment of the diplomatic relations in 2016.

The Rajoy administration of Spain has been working on fiscal and structural reform and its economy is making a gradual recovery though the unemployment rate for young people remains high. On the other hand, the approval ratings of the ruling party "Partido Popular (People's Party)" and the largest opposition

party “Spanish Socialist Workers’ Party (PSOE)” have declined due to the allegations of illegal fund operation and other factors. In June, King Juan Carlos I abdicated and Felipe VI succeeded to the throne. In Catalonia, a “non-binding vote” was held in November following the Supreme Court order to suspend execution of the referendum on independence of the autonomous community. Attention is to be paid to its future development and effect on other regions in Europe.

In relations with Japan, various commemorative events marking the “400th anniversary of exchanges between Spain and Japan were held up to July.” Prime Minister Abe met with Prime Minister Rajoy at his hometown



Prime Minister Abe, his wife and Prime Minister Rajoy smiling before Parador (national accommodation facilities) (Santiago de Compostela, Spain, May 4)

Santiago de Compostela in May and confirmed further promotion of cooperation in security and defense, tourism and other areas. Foreign Minister Kishida visited Madrid in January and met with Foreign Minister García-Margallo.

(6) Ukraine

In Ukraine, the large-scale anti-government rally started in November, 2013 against the decision to postpone of signing of the Association Agreement with the EU, and continued even after the beginning of 2014. In February, Yanukovich’s administration fell apart. As a result, pro-Russian groups in Ukraine started armed activities seeking separation from Ukraine. In Crimea, after government buildings, were taken over in March, “the referendum” for “incorporation” of Crimea into Russia was conducted, and Crimea was illegally “annexed” to Russia. Meanwhile the situation in eastern Ukraine has been destabilized by armed separatists since April, shooting down of the aircraft of Malaysia Airlines in July further escalated the international community’s concern over the situation in Ukraine. The presidential election in May and parliamentary election in

October gave birth to President Poroshenko, a government and parliaments, which took pro-European policies. However, the country is fraught with challenges including stabilization of the situation in the eastern region and overcoming of the serious fiscal conditions.

As to its relations with Japan, Parliamentary Vice-Minister for Foreign Affairs Makino, Foreign Minister Kishida and Minister for Economy, Trade and Industry Motegi visited Ukraine in June, July and August, respectively. The first Japan-Ukraine summit since the inauguration of the Abe administration was held in Milan in October and opinions were exchanged with focus on the situation in Ukraine and assistance to the country (for details of Japan’s assistance to Ukraine, see Special Feature on page 126).

Special Feature

Japan's Assistance to Ukraine

1. Significance of Japan's Assistance to Ukraine

The worsening situation of political distress and armed conflict in eastern Ukraine has many negative effects such as the exhaustion of the domestic economy¹, increase of internally displaced persons (IDPs) coming from eastern Ukraine and the Crimean Peninsula², insufficiency of social services, and destruction of important infrastructure such as schools and hospitals.

Regarding Ukraine's situation not only as a regional issue but rather an issue of the whole international community, Japan has been implementing a specific policy toward Ukraine. (See Chapter 2, Section 4 for details). From this point of view, in order to back up efforts by the Government of Ukraine towards reforms (fiscal reconstruction and institutional reforms) and stabilization, Japan is proactively assisting the country. The assistance is focused on 1) improving economic situation, 2) restoration of democracy, and 3) promotion of a nation-wide dialogue and national integrity.



Japanese aid being received at eastern Ukraine

2. Japan's Main Assistance to Ukraine

In March 2014, Prime Minister Shinzo Abe announced a financial aid up to 1.5 billion US dollars to Ukraine. After that, in cooperation with the G7 and international organizations, Japan is also steadily implementing additional assistance measures in a variety of fields such as humanitarian aid and dispatching Japanese election observers. In January 2015, Japan announced a financial aid of 300 million US dollars for economy stabilization, a new aid of around 16.6 million US dollars for recovery of eastern regions, and an additional financial contribution of 1.5 million euros to the OSCE Special Monitoring Mission to Ukraine (SMM). As a result, looking at the amount of financial aid given to Ukraine by country³, Japan has announced financial aid of largest scale (up to almost 1.83 billion US dollars⁴). The main assistance measures are as follows.

- (1) Assistance for improvement of the economic situation
 - Bortnychi Sewage Treatment Plant Modernization Project
 - The Fiscal Consolidation Development Policy Loan as a parallel lending with the World Bank
 - Nippon Export and Investment Insurance



Sheremeta, Minister of Economic Development and Trade of Ukraine, and Kishida, Minister for Foreign Affairs of Japan (on the left), signing a document related to the Fiscal Consolidation Development Policy Loan (July 17, Kiev)

¹ GDP growth rate in 2014: -6.5% (IMF estimate)

² 633,523 people (as of January 9, 2015, announced by the Office for the Coordination of Humanitarian Affairs (OCHA))

³ Based on announcements made after March 2014

⁴ As of January 20, 2015

(NEXI)'s credit line of trade insurance⁵

(2) Assistance for restoration of democracy

Japan dispatched Japanese experts and Japanese Embassy staffs as observers to the election observation missions organized by OSCE and the Office for Democratic Institutions and Human Rights (ODIHR) during the presidential election in May 2014 and parliamentary election in October 2014.

(3) Assistance for encouragement of a nation-wide dialogue for promotion of national integrity

- Assistance to OSCE project on national dialogue and missions monitoring human rights of ethnic minorities and for the Special Monitoring Mission to Ukraine (SMM).
- Assistance for internally displaced persons (IDPs) through international organizations such as the United Nations Children's Fund (UNICEF), the International Red Cross and International Federation of Red Cross (IFRC) (water, hygiene, shelter, etc.)
- Assistance through the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC) in response to the deterioration of the humanitarian situation in eastern regions (healthcare and procurement of relief goods other than food)
- Assistance in coordination with the United Nations Development Programme (UNDP) for early recovery of social services in eastern regions. (Restoration of schools, maternity hospitals, etc., and strengthening capacity of local authorities for providing services of social care)

〈"Being Part of the Election Observation Missions" (Shinkichi Fujimori, researcher at Hokkaido University Slavic-Eurasian Research Center)〉

I participated in the international election observation missions organized by the OSCE as an observer dispatched by the Government of Japan at the presidential election in May and the parliamentary election in October. The missions observed election process in Lviv Oblast in western Ukraine and Kirovohrad Oblast of central Ukraine respectively. On both occasions, I could feel the enthusiasm of the voters, willing to bring national stability and integrity through the elections. Observers from OSCE member states shared a strong belief in democracy, making me also feel that the implementation of free and democratic elections are the first step for Ukraine to be accepted by Europe and the international community.

We, Japanese, stood out among the observation mission, and were asked not only by the locals but also by other members of the observation mission about the reasons that brought us there, that gave me a good opportunity to explain the purpose and importance of Japan's assistance to Ukraine.



Opening of the ballot boxes at Kirovohrad Oblast, Oleksandriia (October 27)

⁵ Nippon Export and Investment Insurance (NEXI) will continue to undertake short-term trade insurance and build a credit line up to 30 billion yen for 2 years so as to support import of goods and services required for stabilization of the Ukrainian national life.

Other European Regions

In the light of the geopolitical importance of the Nordic Baltic region including the Arctic, Japan is working to strengthen its relations with eight Nordic Baltic countries (NB8) to solve issues common to Japan and NB8 including economic growth through innovation and support for active participation by women. Japan and NB8 held a summit, taking the opportunity of the ASEM Summit Meeting in October (Milan), and agreed to share knowledge on various challenges. They also confirmed their commitment to continuing the frank exchange of views on the increasingly severe security environment of Europe and East Asia.

Nordic-Baltic Eight (NB8)

[Benelux countries]

Belgium : Prime Minister Abe visited the country in May, met with Prime Minister Di Rupo and had an audience with His Majesty King Philippe. Due to the demise of former Queen Fabiola in December, Her Majesty the Empress of Japan attended her state funeral. Foreign Minister Kishida visited the country in January 2014, met with Deputy Prime Minister and Minister of Foreign Affairs Reynders and discussed strengthening bilateral relations toward the 150th anniversary of the establishment of diplomatic relations in 2016.

Netherlands : Following Prime Minister Abe who met with Prime Minister Rutte when attending the Nuclear Security Summit at Hague in March, Foreign Minister Kishida met with Foreign Minister Timmermans who attended the Eighth NPDI Ministerial Meeting at Hiroshima in April. They agreed to promote cooperation in disarmament and non-proliferation as well as economic exchange including agriculture. In October, His Majesty King Willem-Alexander and Her Majesty Queen Máxima paid a State Visit to Japan (see Special Feature on page 130 for details) and a foreign ministerial conference was held between Minister of Foreign Affairs B. Koenders who accompanied them and Foreign Minister Kishida.

Luxembourg : Their Royal Highnesses the Crown Prince Guillaume and Princess Stephanie, together with Deputy Prime Minister and Minister of the Economy Etienne Schneider, and business people visited Japan in October, which strengthened the relationship between the Imperial and the Grand Dual families as well as bilateral economic relations. At the occasion of the ASEM Summit in the same month Prime Minister Abe and Prime Minister Bettel met and, considering that Luxembourg was to take over the EU presidency in the latter half of 2015, shared the view to make efforts toward agreement in principle on Japan-EU EPA negotiations during this year.



Based on the agreement at 2013 V4+Japan summit, people-to-people exchange was promoted in 2014, being the Year of V4+Japan exchange. A goodwill Ambassador was appointed in each country and over 150 exchange events were carried out. Japan appointed as its Goodwill Ambassador Nao Matsushita, an actress and pianist who has a deep interest in music culture in the region through her music activities including Chopin of Poland and Liszt of Hungary. A documentary of her visit to V4 countries was broadcasted and her concerts were held (see the column on page 132 for details).

Visegrad Four (V4)

Portugal : Prime Minister Passos Coelho continues to work on fiscal reconstruction after the country's exit from financial assistance by the European Commission and IMF. In May, Prime Minister Abe visited the country as the first sitting prime minister of Japan to do so and agreed with President Cavaco Silva and Prime Minister Passos Coelho to promote security cooperation with a focus on ocean security.

Switzerland : The country took the Chairmanship of the Organization for Security and Co-operation in Europe (OSCE) and demonstrated leadership in Ukraine and other issues in 2014. As to Japan-Switzerland relations, commemorating the 150th anniversary of establishing diplomatic relations in 2014, various events were held in the two countries, President and Foreign Minister Burkhalter visited Japan in February and His Imperial Highness the Crown Prince visited Switzerland in June (see Special Feature on page 131 for detail).

Austria : Parliamentary Vice-Minister for Foreign Affairs Sonoura visited the country to attend the 2nd UN Conference on Landlocked Developing Countries (LLDC) in November.

[Nordic Countries]

Denmark : Prime Minister Thorning-Schmidt visited Japan in March and met with Prime Minister Abe. The two leaders agreed to promote innovation and cooperation in energy, life science, environment, gender and other areas and issued the "Joint Statement on the Establishment of a Strategic Partnership for Growth and Innovation." In May, Foreign Minister Kishida visited Denmark as the first minister of foreign affairs of Japan visiting the country in 29 years and met with Foreign Minister Lidegaard of Denmark.

Sweden : Foreign Minister Bildt visited Japan in February followed by the visit of the succeeding Foreign Minister Valstrom in December. They agreed with Foreign Minister Kishida to promote regional cooperation including strengthening of the relationship with the Nordic Baltic countries (NB8) as well as to promote science/technology and cultural exchange including the first Nobel Prize Dialogue.

Iceland : A Japanese Embassy in the capital city of Reykjavik opened in January and the first resident ambassador extraordinary and plenipotentiary was sent in July. Minister for Foreign Affairs Sveinsson visited Japan in November and held a foreign ministerial conference with Foreign Minister Kishida. Keeping in mind also the 60th anniversary of the establishment of diplomatic relations in 2016, the two foreign ministers agreed to promote cooperation in whale fishing, disaster prevention, the Arctic, climate change countermeasures and other issues of concern for the two countries.

[Baltic Countries]

Lithuania : Minister of Defense Olekas and Minister of Foreign Affairs Linkevičius visited Japan in February and March, respectively, and exchanged views on cooperation in peace building and dispute prevention in Afghanistan and other regions in addition to discussing cooperation in the energy sector in the three Baltic countries.

Estonia : Foreign Minister Paet and President Ilves visited Japan in January and March, respectively. They exchanged views on regional situations including Ukraine and security policies with their Japanese counterparts and agreed to promote bilateral cooperation in information communication and cyber security areas. Japan-Estonia cyber dialogue was held in December.

[Central and Eastern European Countries]

Central and Eastern European Countries marked the 25th anniversary of their democratization in 2014.

Poland : Prime Minister Abe sent his congratulations to the commemoration ceremony in July and his wife attended the 20th anniversary ceremony of the Manggha Museum of Japanese Art and Technology in Krakow in November.

Slovenia : Taking the opportunity of the OECD Ministerial Council Meeting held in Paris in May, Prime Ministers Abe and Bratušek met and confirmed the strengthening of bilateral relations and their cooperation in international society.

Hungary : Minister of Foreign Affairs and Trade of Hungary, Mr. Szijarto visited Japan and met with Foreign Minister Kishida in November following Prime Minister Orbán's visit to Japan in 2013.

Bulgaria : Marking the 55th anniversary of resuming diplomatic relations, the two countries' foreign ministers exchanged congratulations in September. Parliamentary Vice-Minister for Foreign Affairs Makino visited Bulgaria in February. In May, Vice President Popova visited Japan, paid a courtesy call to Prime Minister Abe and exchanged views with speakers from both houses. In these meetings, they discussed cooperation toward further deepening of bilateral relations.

GUAM

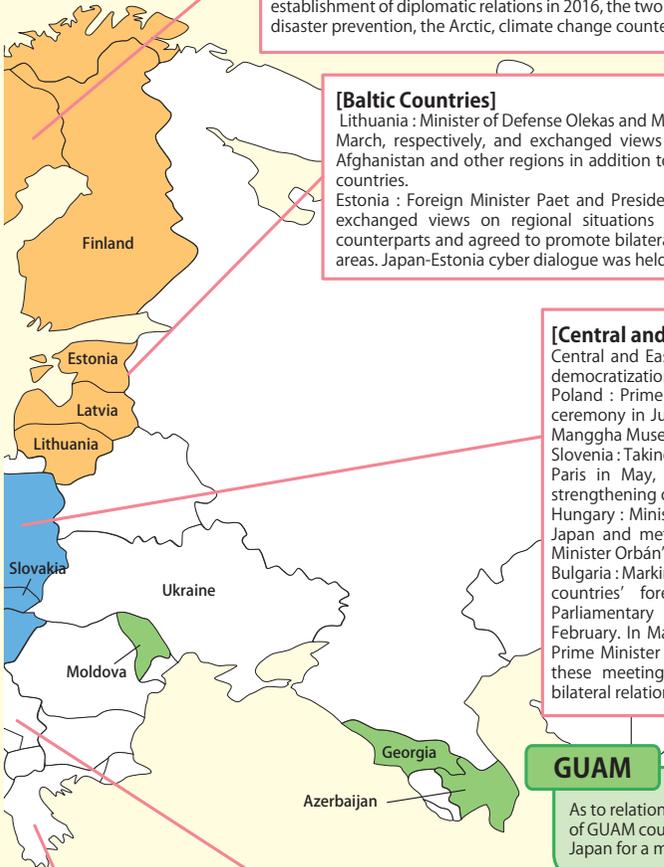
As to relations with GUAM, practitioners and experts of GUAM countries and the GUAM Secretariat visited Japan for a medical care workshop in February 2014.

[Western Balkan countries]

Taking a great deal of interest in peace and development in the Western Balkan region, which has an impact on the stability of Europe and the world, Japan actively conducted exchange visits with Western Balkan countries in 2014. Prime Minister Thachi of Kosovo and Prime Minister Gruevski of the Republic of Macedonia visited Japan in April and June respectively. At the summits with them, Prime Minister Abe stated that Japan would support their policy to join the EU. Furthermore, Minister of Justice Tanigaki visited Croatia in July and Mr. Ibuki, Speaker of House of Representatives, visited Bosnia and Herzegovina and Albania in August. They discussed judicial cooperation, inter-parliamentary exchange, etc. in addition to the strengthening of bilateral relations.

In May when a large-scale flood disaster occurred in Serbia, Bosnia and Herzegovina and Croatia, Japan provided the countries with emergency aid. Additionally, in July, Japan expressed its intention to provide 5 million Euro aid each to Serbia and Bosnia and Herzegovina for reconstruction from the disaster, and implemented aid exceeding the promised amount within 2014 for Serbia where steady efforts were made toward reconstruction. Japan implemented 2.34 million Euro aid within 2014 also for Bosnia and Herzegovina where efforts toward reconstruction was prone to delay due to the national election in October and for other reasons.

Greece : Because a president was not elected through the presidential election held at the end of December and its parliament was dissolved pursuant to the provision of the country's constitution, a general election was held in January 2015 leading to a power change



Special Feature

The Netherlands' Royal Couple Visits Japan

Do you know that the Japanese words *randozeru* (school bag) and *ponzu* (citrus-based vinegar) are words that mimic the pronunciation of the Dutch words?

The name “Yaesu,” in Tokyo, originated from the place where the house of Jan Joosten, a member of a Dutch ship crew in the Edo era was originally located. The interaction between Japan and the Netherlands has begun in 1600, when the Dutch vessel carrying Jan Joosten, *De Liefde*, drifted to the coast of Usuki in Oita Prefecture.

Over 400 years, the two countries have been deepened their relationship in various fields against the background of a long history of friendship. For example, the Netherlands is Japan's largest European investment source and destination, while many Japanese corporations are active in the Netherlands. The Netherlands, which ranks second in the world for the value of its agricultural exports, is also making effort to cooperate with Japan in the application of IT technologies to the agricultural sector.

In 2014, a new page was added to the history of Japan-Netherlands relations. His Majesty King Willem-Alexander and Her Majesty Queen Máxima paid a State Visit to Japan from October 28 to 31 and stayed in the country until November 2. On October 29, Tokyo Tower was beautifully lit up with the colors of the national flag of the Netherlands. The King, after his accession to the throne in 2013, chose Japan as the first country outside Europe to visit as a State Guest, and the Japanese Imperial Family and the Dutch Royal Family have kept a very close relationship up to this day. Since 1991, when he accompanied his mother, the Queen Beatrix, on her State Visit as the Crown Prince, the King has visited Japan many times. Also, in 2000, the year of the 400th anniversary of Japan-Netherlands relations, Their Majesties the Emperor and Empress of Japan visited the Netherlands as State Guests.

The King, together with the Queen, attended a State Banquet at the Imperial Palace as well as a dinner hosted by Prime Minister Abe and Mrs. Abe. They also participated in an event on initiatives for an ageing population, which is a problem confronting both countries, Japan-Netherlands cooperation toward the Tokyo 2020 Olympic and Paralympic Games, seminars that discussed energy and innovation, and other topics. The King and Queen commented that they hoped to strengthen cooperation in areas such as agriculture, renewable energy, and measures against declining birthrates and ageing populations. The King, who wished to further strengthen bilateral relations, was joined by Foreign Minister Koenders and Minister of Economic Affairs Kamp on an economic mission that comprised about 100 people, to enhance exchanges with Japanese corporations and local governments. Japan and the Netherlands have walked hand-in-hand over a long stretch of history, and the future is expected to open new possibilities for cooperation between the two countries.

The visit by Their Majesties the King and Queen of the Netherlands to Japan not only provided an opportunity to further strengthen friendly relations between the Royal and the Imperial Family, but also created a chance to open a new chapter toward the future in the long and extensive history of exchange between Japan and the Netherlands.



Their Majesties the King and Queen are welcomed by Their Majesties the Emperor and Empress at the Imperial Palace (October 29)



Meeting with Prime Minister Abe and Mrs. Abe at the State Guest House (October 30) (Source: Cabinet Public Relations Office)

150th Anniversary of the Establishment of Diplomatic Relations between Japan and Switzerland

Japan and Switzerland entered into diplomatic relations in 1864 before the Meiji Restoration. A mission led by Aimé Humbert, the President of the Federation of the Swiss Watch Industry, concluded the Treaty of Friendship and Commerce with Japan on February 6, 1864, after spending five months sailing across the sea and 10 months negotiating with Japan. Switzerland is the eighth country with which Japan established diplomatic relations following the United States, the United Kingdom, France, Russia, the Netherlands, Portugal and Germany. All of these seven countries that preceded Switzerland face the sea, already possessed navies at that time, and had well developed shipping industries. In consideration of the fact that Switzerland, a small landlocked country, lacked any of these characteristics, its early establishment of diplomatic relations with Japan is proof that Switzerland was very interested in Japan and had a strong desire to build a good partnership with Japan.

The year 2014 marks the 150th anniversary of the diplomatic relations between the two countries, and in this milestone year, Swiss President Didier Burkhalter visited Japan in February, and His Imperial Highness the Crown Prince of Japan visited Switzerland in June. Despite their busy schedule fulfilling their official duties to promote bilateral friendly relations, President Burkhalter visited Kamakura and Fujisawa where he learned about Japanese history and culture, while His Imperial Highness the Crown Prince visited various parts of Switzerland including the Bernese Oberland highlands, which are famous for the gorgeous Alps, situated in the Canton of Bern in the west part of the country where he experienced magnificent nature. Both national representatives took part in the long tradition of bilateral exchanges. Furthermore, they extended friendly relations by interacting with many people.

In addition to the visits by these leading figures, various events took place one after another throughout 2014. For example, during the Montreux Jazz Festival which is held every July, a Japan Day event was specially arranged, thanks to the courtesy of the Swiss partners. In Switzerland, moreover, musical performances were also presented by top Japanese pianists and violinists, *Nogaku* and *Bunraku* were performed, and many exhibitions were held. Through these activities, Japan was thus able to introduce Japanese culture, including many talented Japanese artists, Japanese tradition and history to the Swiss people.

In order to build friendly relations between two countries, people-to-people exchanges are vital. Currently, about 25,000 Swiss tourists visit Japan every year. For this number to increase, it is important to encourage more Swiss people to learn about Japan. Once a person gains knowledge of a new country, his or her interest in and motivation to visit that country may grow. The 150th anniversary project in 2014 provided a variety of opportunities for the Swiss people to become more familiar with Japan. From this point of view, 2014 turned out to be an extraordinary year in terms of promoting exchange between Japan and Switzerland.

Ryuhei Maeda,
Ambassador Extraordinary and Plenipotentiary,
Embassy of Japan in Switzerland



Students of the aikido club in Neuchâtel welcoming the His Imperial Highness Crown Prince of Japan (Source: EPA = Jiji)



Trains that display famous sightseeing spots in Japan are in operation across Switzerland (Source: Johannes Lüthy)

“V4 + Japan” Exchange Year 2014



The author at the Liszt Ferenc Memorial Museum (Budapest), May 2014

If I were to seek career in music, I definitely would want to visit the central European countries and cities where the composers I admire such as Chopin, Liszt and Smetana were born! That has been my dream since I was a little girl.

Recently, as a Goodwill Ambassador for the “V4 + Japan” Exchange Year 2014, I had an opportunity to visit Poland, the Czech Republic and Hungary. During the trip, my heart was filled with joy and I said to myself, “My dream has finally come true.” All the countries and cities I visited were shining and beautiful. The three countries also had many world heritage sites, which stimulated my interest and I even felt regret for having not visited these places before. It made a great impression on me that people in these places love music and art, which are a part of their lives, very deeply. Out of my

desire to convey the wonderful feeling I felt during these visits to the people of Japan in a tangible manner, I wrote music for the “V4 + Japan” titled “Shine — concerto for VISEGRAD —,” reflecting on my affectionate feelings toward Central Europe.

I had a really delightful time when I performed this piece at a live concert in November 2014, welcoming Anna Maria Jopek, the Polish Goodwill Ambassador, and Mate Kamaras, the Hungarian Goodwill Ambassador as the special guest performers. I felt a connection with them beyond national boundaries through music even though we spoke different languages.

I reconfirmed the joy of self-expression as I went through many new experiences and met many new people. I am truly thankful for having had such wonderful opportunities.

Next time, I would like to visit Central Europe privately.

Nao Matsushita,

“V4 + Japan” Goodwill Ambassador for the Exchange Year

2 Cooperation with European Regional Organizations

(1) Cooperation with the North Atlantic Treaty Organization (NATO)

NATO is a military alliance aimed at collective defense of its 28 member countries. The alliance also works on assistance to Afghanistan, anti-piracy measures off the coast of Somalia and other crisis management, prevention of conflict and stabilization after conflict outside the area in order to eliminate direct threats to the security of the territory and people of the member countries. The International Security Assistance Force (ISAF) that had been deployed in Afghanistan since 2001 pulled out of the country by the end of 2014 and a new mission started in January 2015 with the objective of supporting capacity building of Afghan security forces and others. Japan and NATO member countries are partners sharing basic values. Japan values cooperation with NATO for practice of Proactive Contribution to Peace. Prime Minister Abe visited NATO Headquarters in May 2014, met with then NATO Secretary General Rasmussen, and delivered a speech at the North Atlantic Council, as the second speech by a prime minister of Japan after seven years. In this speech, the prime minister stressed that Japan and NATO are “reliable natural partners” corroborated by concrete actions. Prime Minister Abe and Secretary General Rasmussen signed the Individual Partnership and Cooperation Programme (IPCP) identifying concrete areas of Japan-NATO cooperation and agreed to promote concrete cooperation with focus on anti-piracy measures and mainstreaming of the perspective



Joint press conference by Prime Minister Abe and Secretary General Rasmussen when the minister visited NATO Headquarters (Brussels, May 6; Source: Cabinet Public Relations Office)

of women based on the IPCP. To that end, a joint exercise of the JSDF and NATO Ocean Shield Operation forces for anti-piracy activities was implemented off the coast of Somalia and the Gulf of Aden after September and Japan dispatched female SDF personnel to NATO Headquarters in December for a two-year mission.

Japan cooperates with NATO also for stabilization of Afghanistan and its surrounding countries. Specifically, Japan supports healthcare and education activities of the Afghan National Army (ANA) through the NATO ANA Trust Fund and also contributes to unexploded bomb disposal in Tajikistan through the NATO Partnership for Peace (PfP). Foreign Minister Kishida visited Belgium in January 2015, met with Secretary General Stoltenberg who assumed the office in October, and confirmed promotion of cooperation between Japan and NATO.

(2) Cooperation with the Organization for Security and Co-operation in Europe (OSCE)

OSCE, which has 57 member countries from Europe, Central Asia and North America, is a regional security organization to prevent conflicts and build confidence in the region through a comprehensive approach. Japan has been involved in OSCE activities as an “Asian Partner for Co-operation” since 1992. OSCE has been playing an important role for stabilization of situations in Ukraine. Japan dispatched experts to the OSCE Election Observation Missions for Ukrainian presidential election in May and the Supreme Council election in October. Japan also financially supported the deployment of the OSCE National Dialogue Project in Ukraine and the OSCE Special Monitoring Mission to Ukraine. Masaharu Kono, Special Representative of the Government of Japan for the Middle East and Europe, attended the OSCE Ministerial Council held at Basel in December and presented Japan's contribution to OSCE activities. In June, OSCE-Japan Conference was held jointly



Foreign Minister Kishida speaking at Japan-OSCE Conference (Tokyo, June 16)

by the two parties to confirm that the security environment of Europe and that of Asia are inseparable, that the two regions are facing common global issues and that the two regions can learn much from each other and deepen cooperation. Japan also supports other OSCE activities including terrorism prevention by strengthening border management¹ through our contribution to Border Management Staff College and support to female entrepreneurs in Central Asia.

(3) Cooperation with Council of Europe (CoE)

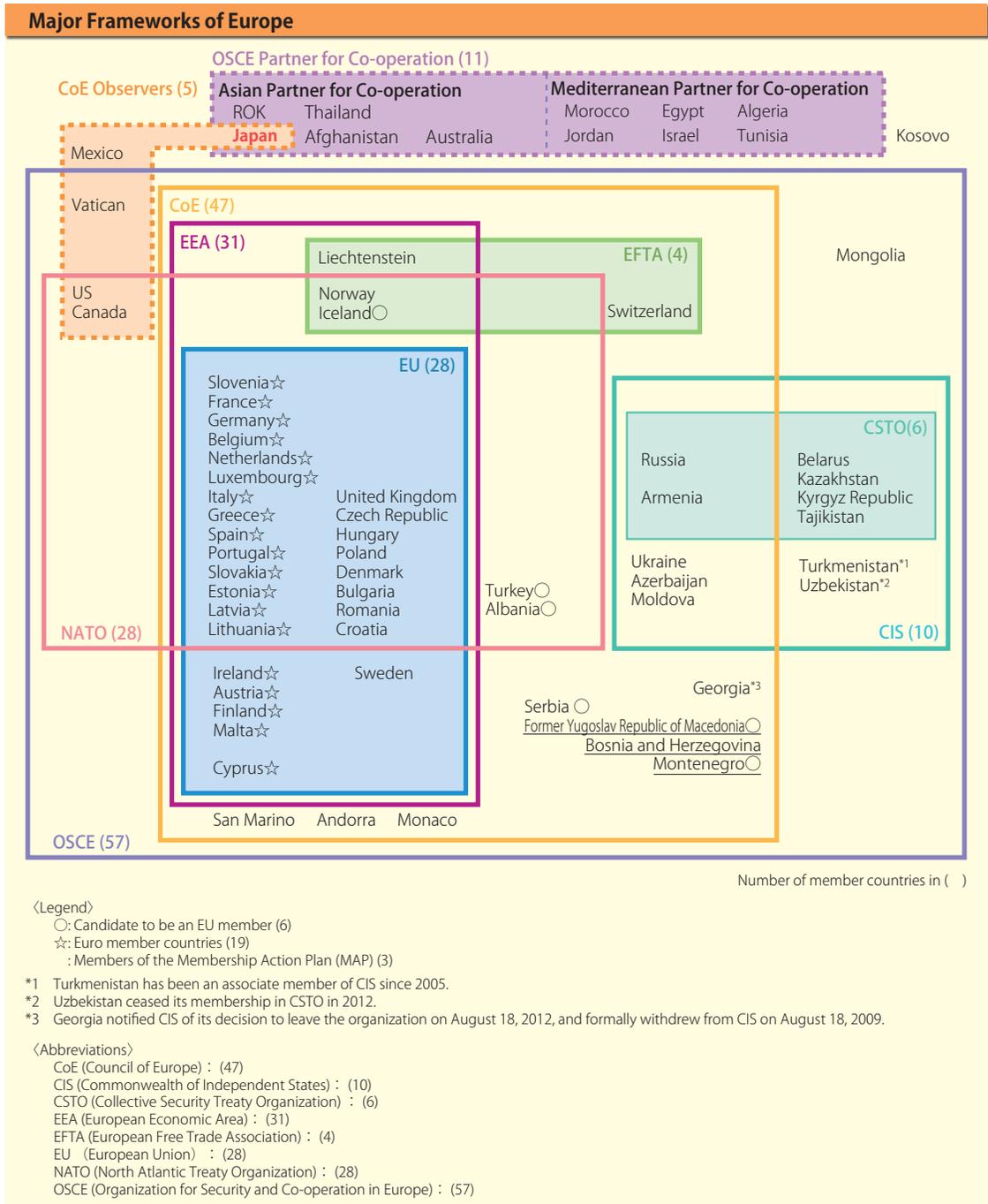
CoE is a regional organization of 47 member countries and fulfills an important role in establishing international standards in the fields of democracy, human rights and rule of law. As the only observer from Asia, Japan makes active contributions to various activities

of CoE. First, Japan financially supported and dispatched experts to the “Conference on Article 15 (of the Convention on Cybercrime) safeguards and criminal justice access to data”² (in Strasbourg) held in June. Japan also dispatched experts to the 3rd “World Forum

- 1 Border Management Staff College (BMSC) provides border administration leaders of OSCE member and partner countries with education and training on the latest concerns related to border administration, especially comprehensive approaches to ensure safety, democratization reform and action against cross-border threats. Since 2008, the college has provided 12 staff courses and 84 specialized training courses, seminars, workshops, etc. helping capacity building of a total of 2,057 people from 39 countries' various ministries and agencies involved in border administration.
- 2 Conference of officials of criminal justice and data protection authorities to discuss efficient ways to obtain electronic evidence necessary for investigation of crimes in cyberspace in line with rule of law and European Data Protection Regulations.

for Democracy” (in Strasbourg) held in November. In April, Japan further financially assisted CoE’s assistance to the Ukrainian

presidential election, etc. as part of support to restore democracy in Ukraine.



Section 5

Russia, Central Asia and Caucasasia



Overview

Given the rapidly changing strategic environment of the Asia-Pacific region, developing relations with Russia as Japan's partner in the region contributes to Japan's national interest. With such understanding, Japan made efforts to have political dialogues with Russia while taking into consideration the international situation, including the situation in Ukraine. In 2014, three summit meetings and one foreign ministers' meeting took place.

Given the deteriorating situation in Ukraine, Japan repeatedly called upon Russia to play a constructive role in improving the situation and implemented a series of measures against Russia, placing significance on solidarity of the Group of Seven (G7). Although Japan faced challenges in handling Japan-Russia relations, it steadily promoted exchanges and cooperation in respective fields while maintaining political dialogues.

In the field of security, Secretary General Shotaro Yachi of the National Security Secretariat (NSS) visited Russia. In addition, exchanges between defense authorities were carried out, such as a Japan-Russia joint search and rescue exercise. In the field of economic cooperation, many projects are in progress,

including in the fields of healthcare, urban environment, agriculture, and energy conservation, along with energy, a traditional key area of cooperation.

In 2014, more than 40 events in cultural and sports exchanges were held all over Japan and Russia under the framework of the "Japan-Russia Budo (Martial Arts) Exchange Year" agreed upon by the leaders of the two countries.

As for the Northern Territories issue, which is the greatest concern between Japan and Russia, negotiations were conducted at the vice-ministerial level talk in January and on other occasions, but there remains a wide gap in the basic positions of both countries. Through promoting overall Japan-Russia relations in every related field, Japan will energetically continue negotiations with Russia with a view to concluding a peace treaty, through the resolution of the Northern Territories issue.

Countries in Central Asia and the Caucasus are situated in a strategic geopolitical location that bridges Asia, Europe, Russia, and the Middle East, and have abundant natural resources such as oil, natural gas and minerals.

This region is adjacent to Afghanistan, from which the International Security Assistance Force (ISAF) withdrew in 2014. In this regard, the region remains important in the context of efforts to address key issues facing the international community such as the stability of the whole region including Afghanistan, the fight against terrorism, and measures to

counter illicit drugs.

Japan has promoted regional cooperation in Central Asia through the framework of the “Central Asia plus Japan” Dialogue. In 2014, which marked the 10th anniversary of the launch of the Dialogue, member countries agreed to strengthen practical cooperation.

1 Russia

(1) Situation of Russia

A. Internal situation in Russia

After the “annexation” of Crimea in March, President Putin won the overwhelming backing of public opinion with stronger nationalistic tendency. With this backing, incumbent heads of the local governments “endorsed” by the president and the ruling party the United Russia won a landslide victory in the nationwide local elections held in September.

On the other hand, restriction of freedom of speech and the press was further strengthened through legislations to restrict contents of information disseminated via the Internet and the media ownership ratio by foreign capital. Furthermore, legal changes to expand object range and strengthen the penalties in anti-terrorist/extremism laws and tighten supervision of financial activities of foreign entities were made one after another, in order to further enhancing the control of civil society.

As for the structure of the federal government, a “Ministry of Crimean Affairs” was newly set up in March followed by the establishment of a Ministry of North Caucasus

Affairs in May, and abolishment of Ministry of Regional Development was decided in September.

B. Russian Economy

In recent years, the Russian economy saw low growth influenced by the European economic situation, etc. The economy rapidly worsened due to the huge impact of falling international crude oil prices accompanied with the sanctions against Russia by the United States, EU and other nations in relation to Ukrainian situation in the latter half of 2014.

The ruble dropped by about 50% against the US dollar since the beginning of the year, falling over 20% in one day on December 16. Outflow of capital increased to 151.5 billion US dollars in 2014 which was around 2.5 times the amount of 2013. After the embargo on agricultural products, etc. was introduced in August as a countermeasure against the Western countries, inflation accelerated especially for food and the inflation rate reached 11.4% in 2014. In this situation, domestic investment and consumption declined,

and this made the growth rate as low as 0.6% in 2014.

C. Russian Diplomacy

Russia took countermeasures against the sanctions imposed by the United States, EU and other nations in relation to the Ukrainian situation including “annexation” of Crimea by Russia, which deepened the antagonism between Russia and the Western countries.

On another front, Russia continued to develop its strategic partnership with China by holding five summits and signing agreements and political documents for cooperation of natural gas, etc. The few

countries also cooperated in multilateral frameworks such as the Shanghai Cooperation Organization (SCO) and BRICS Summit Meeting.

Considering the countries of Commonwealth of Independent States (CIS) as the priority region for its foreign policies, Russia puts much efforts into their economic integration. In January 2015, Russia, Kazakhstan, Belarus, and Armenia launched the Eurasian Economic Community (EAEC). On the other hand, there were frictions with Ukraine, Georgia and Moldova that signed an association agreement with the EU.

(2) Japan-Russia Relations

A. Overview

Placing importance on the development of the Russian Far East and East Siberia, Russia is actively strengthening relations with the Asia-Pacific region that is a center of growth of the world economy. Developing relations with Russia as a partner in the Asia-Pacific region contributes not only to Japan's national interests but also to the peace and prosperity of the region as a whole. Japan and Russia have developed cooperative relations in various fields including security, economy and human exchange, whereas the Northern Territories issue restricts development of Japan-Russia relations. The government of Japan is strenuously working to resolve the issue and conclude a peace treaty with Russia.

B. Japan-Russia Relations and the Situation in Ukraine

In response to the deterioration of the situation in Ukraine (for the details, see Chapter 2, Section 4, page 125), Japan repeatedly urged Russia by various levels including the top level to play a constructive role toward a peaceful settlement. In March, April, July, September and December, five times in total, Japan took measures to suspend the issuance of entry visas and freeze assets, against the designated individuals, prohibit to issue securities in Japan by designated Russian Federation banks and restrict import of goods originating from Crimea. In response, Russia took “counter measures” including postponement of the vice-ministerial level consultation that was to be held in August and prohibition of entry of specified Japanese nationals. Although the situation in Ukraine

led to the difficult maneuvering in Japan-Russia relations as described above, Japan continued political dialogues including Japan-Russia summits during the ASEM Summit (Italy, October) and APEC Summit (Beijing, November) while steadily implementing cooperation in economy, security, culture and other respective fields.

C. The Northern Territories and Negotiation for a Peace Treaty

Northern Territories Issue is the greatest concern between Japan and Russia. Japan's position is that the four islands belong to Japan. The Government of Japan has been energetically continuing negotiations with Russia under its consistent policy of resolving the issue of the attribution of the four Northern Islands and concluding a peace treaty with Russia on the basis of the agreements and documents made by the two sides so far, such as the Japan-Soviet Joint Declaration of 1956, the Tokyo Declaration of 1993, the Irkutsk Statement of 2001, and the principles of law and justice.

When Prime Minister Abe visited Russia in April 2013, both leaders agreed to jointly give instructions to each country's Ministries of Foreign Affairs to accelerate the negotiations toward finding mutually acceptable solutions. Based on this agreement, generally honest discussions including historical and legal aspects of the Northern Territories issue were held at the vice-ministerial level consultation in Tokyo in January 2014. At the Japan-Russia foreign ministers' meeting held during the Munich Security Conference (Germany, February) and the Japan-Russia summit

meeting held during the visit of Prime Minister Abe to the Sochi Olympics opening ceremony, broad dialogues were conducted including on that issue. However, the situations in Ukraine overshadowed Japan-Russia relations. Russia's unilateral cancelling of the vice-ministerial level consultation scheduled in summer and others brought a difficult situation for Japan-Russia relations. Nevertheless, after a brief Japan-Russia summit (Italy, October) during the ASEM Summit Meeting, both leaders took enough time to make a honest exchange of views on the issue of concluding a peace treaty and agreed to start concrete preparation for President Putin's visit to Japan at an appropriate time in 2015 during the APEC Economic Leader's Meeting in Beijing.

Japan is actively working on projects contributing to improvement of atmosphere for resolution of the Northern Territories Issue, such as the four-islands exchange programme, free visits and visit to graves. Japan is also promoting cooperations such as disaster prevention and ecosystem conservation in adjacent areas of the two countries including the four Northern Islands.



Japan-Russia Summit (Beijing, November 9; Source: Cabinet Public Relations Office)

D. Japan-Russia Economic Relations

Japan-Russia economic relations have steadily expanded for the past several years but Japan-Russia trade volume in 2014 slightly fell to about 34.1 billion US dollars from the record high of the previous year (about 34.8 US dollars). Since Prime Minister Abe's visit to Russia in April 2013, economic cooperation between Japan and Russia has expanded in healthcare, urban environment, agriculture, energy conservation and other fields. The Government of Japan has been making regular efforts together with Japanese companies toward steady progress in Japan-Russia economic relations.

The trade and investment environment of Russia made some improvements through the country's accession to the WTO in 2012, but Japanese companies still face problems. Japan urges Russia for further improvement of this environment taking advantages of the frameworks for dialogue such as using the third meeting of "the Japan-Russia Working Group on institutional problems for improvement of the trade and investment environment" (Moscow, October), and the fourth meeting of the Russian-Japanese Advisory Council on modernization of the Russian economy (Vladivostok, December). In the energy field, the Sakhalin Project, an oil and natural gas project which Japanese companies participate in, is progressing. Japanese companies are also involved in LNG plant construction projects in the Russian Far East and the Yamal Peninsula.

In addition, Japan Centers in six cities in Russia support business activities of the companies of both countries and inter-regional economic exchanges. They offer some training

programs, such as management courses, Japanese language courses and training in Japan for the people who are expected to play an important role in Japan-Russia economic relations. A total of some 64,000 Russian people have taken the courses and about 4,500 of them have come to Japan for training.

E. Cooperation between Japan and Russia in Various Fields

In addition to sharing views and policy on major regional issues such as those concerning North Korea, Iran and Syria, Japan and Russia cooperate in specific fields through implementation of the project for training of Afghan drug control officers. In the security field, with the establishment of the National Security Council (NSC), Secretary General Yachi of the National Security Secretariat visited Russia, met with Secretary Patrushev of the Security Council and Foreign Minister Lavrov and exchanged opinions with them. Cooperation in the security field also continued. For example, a Japan-Russia joint search and rescue exercise by the Japan Maritime Self-Defense Force and Russian Navy carried out in October and a joint exercise by Japan Coast Guard patrol ships and Russian sea rescue-authorities. For human exchange, in addition to active exchange activities using the framework of the Japan-Russia Youth Exchange Program, there have been vigorous exchange activities in traditional and contemporary culture. In the field of sports, Prime Minister Abe attended the opening ceremony of the Sochi Olympics, and more than 40 programs were carried out in Japan and Russia after the prime minister and the president declared that 2014 would be the



Public demonstration of Budo by 2014 Japanese Budo delegation visiting the Russian Federation (Luzhniki Olympic Complex Small Sports Arena, November 8; Source: (left) Presidential Administration of Russia, (right) Nippon Budokan)



“Japan-Russia Budo (Martial Arts) Exchange Year” at the Japan-Russia Summit in April 2013. Prominent examples are: the spouse of Prime Minister Abe made a demonstration of Naginata (a kind of halberd) on the occasion of the performance of the Russian martial arts

delegation who visited Japan in October, and President Putin attended a public demonstration of Budo when a Japanese Budo delegation (led by Vice-president Komura of the Liberal democratic Party) visited Russia in November.

2 Central Asian and Caucasian Countries

(1) Central Asian Countries

The “Central Asia plus Japan” Dialogue, as a framework to promote regional cooperation among Central Asian countries, marked its 10th anniversary in 2014. During the 10 years of its activity, the member countries concerned have come to share common understanding that regional cooperation is essential for the stability and development of Central Asia.

In this context, the Sixth Tokyo Dialogue (Intellectual Dialogue) took up “agriculture” as a theme for practical regional cooperation and experts from Japan and Central Asia discussed areas and measures for possible cooperation. Japan-Central Asia cooperation projects are not limited to cooperation between governments but aim at “all-Japan” cooperation including Japanese companies. In July, Foreign



Foreign Minister Kishida attending the 5th foreign ministers' conference (Bishkek, Kyrgyz, July 16)

Minister Kishida attended the 5th foreign ministers' conference held in the Kyrgyz Republic. Ministers discussed agriculture, counternarcotics/border management, disaster prevention and other issues and adopted a joint statement and a roadmap for cooperation

in agriculture.

Japan's relations with each countries in Central Asia have been generally improving. There were active mutual visits of officials including Parliamentary Vice-Minister for Foreign Affairs Makino's visit to Turkmenistan (April), Deputy Prime Minister and Finance Minister Aso's visit to Uzbekistan (May), Parliamentary Vice-Minister for Foreign

Affairs Sonoura's visit to Uzbekistan and Tajikistan (November), and the visits to Japan by Foreign Minister Aslov of Tajikistan (June) and Speaker of the Parliament Jeenbekov of the Kyrgyz Republic (November).

With Japanese companies entering not only resource development but also manufacturing industry in Kazakhstan, a Japan-Kazakhstan investment agreement was signed in October.

(2) Caucasian countries

From Georgia, President Margvelashvili who was elected in the presidential election in the previous year visited Japan in October and had a summit meeting with Prime Minister Abe. Georgia took its approach to the EU a step further by signing an association agreement including the Deep and Comprehensive Free Trade Area (DCFTA) with the EU in June. The leaders agreed to continued cooperation between the two countries sharing universal values including democracy. In addition, Parliamentary Vice-Minister for Foreign Affairs Makino visited Azerbaijan in April.

As for Armenia, a Japanese embassy opened in the country on January 1, 2015. With this, Japanese embassies have been set up in all Caucasian countries. Even closer bilateral ties are expected.

Caucasian countries are burdened with



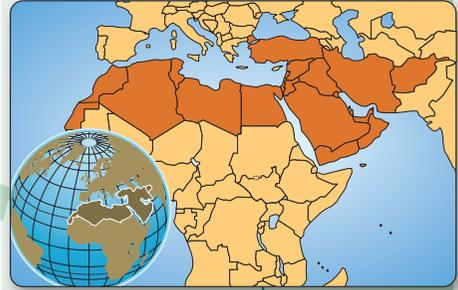
Parliamentary Vice-Minister for Foreign Affairs Makino visiting kindergarten in Mijan Village of the Ismayilli Region, Azerbaijan (Azerbaijan, April 27)

disputes over territory including conflict over South Ossetia and Abkhazia¹ in Georgia and the Nagorno-Karabakh Problems² between Azerbaijan and Armenia, and tension still remains between the countries involved. Efforts toward resolution have been made but without any progress.

- 1 In August 2008, Russian armed forces intervened in an armed clash between Georgia and South Ossetia that was seeking separation and independence from Georgia. The intervention developed into armed conflicts between Georgia and Russia. After about one week they ceased fire through intervention by then EU chair country France and others. Based on the agreement made at the time, an international conference was held in Geneva to discuss security and humanitarian issues.
- 2 Conflict over Nagorno-Karabakh between Armenia and Azerbaijan. Because the majority of residents of the area located in Azerbaijan are Armenians, demands to change the area from Azerbaijan to Armenia increased in the last years of the Soviet Union. With the dissolution of the Soviet Union in 1991, the situation developed into a conflict between Armenia and Azerbaijan. Armenia occupied almost the entirety of Nagorno-Karabakh and a corridor region leading to Armenia by 1993. A ceasefire agreement was made mediated by Russia and the OSCE in 1994, but the two countries have been repeating clashes involving casualties. Since 1999, direct dialogues have been continued at various levels including the top and foreign minister levels of the two countries mediated by the OSCE Minsk Group.

Section 6

The Middle East and North Africa



Overview

The Middle East and North African region (hereafter referred to as the “Middle East region”) is situated in a geopolitically important location at the intersection of Europe, Sub-Saharan Africa, Central Asia, and South Asia. This region contains a major international maritime route for international commerce, and is also an important supplier of energy resources, including oil and natural gas, to the rest of the world. On the other hand, this area is facing a number of challenges that destabilize the region, such as the expansion of extremist groups including Islamic State of Iraq and the Levant (ISIL), the situation in Iraq, the situation in Syria, the Iranian nuclear issue, the Middle East Peace Process, and the situations in Afghanistan, Yemen, and Libya. Realizing peace and stability in this region that confronts these challenges is of great importance for the international community as a whole, including Japan.

As Japan relies on this region for more than 80% of its crude oil imports, Japan has developed relations with the Middle East region that have been centered on resources and energy. In recent years, Japan has been aiming to build a more multi-layered relationship that encompasses resources and

energy, as well as wide-ranging economic cooperation, politics and security, and culture and people-to-people exchanges. Since the inauguration of the second Abe administration in December 2012 through January 2015, Prime Minister Abe visited this region five times. Under the concept of “Comprehensive Partnership towards Stability and Prosperity”, the Government of Japan has put efforts into a range of diplomatic initiatives to fundamentally strengthen the relations between Japan and the Middle East region.

With regard to the issue of ISIL, which poses a serious threat to the international community as a whole, Japan has condemned terrorism and expressed support for the counter-terrorism efforts of the international community in various opportunities, including summit meetings, foreign ministers’ meetings, Prime Minister Abe’s address to the UN General Assembly session in September 2014, and Prime Minister Abe’s speech on Japan’s Middle East policy in January 2015. During Prime Minister Abe’s visit to the Middle East in January 2015, the Prime Minister pledged assistance of a total of about 200 million US dollars, as assistance for refugees and displaced

persons and humanitarian assistance for countries in the region in order to counter ISIL.

In response to the situation in Syria, Foreign Minister Fumio Kishida announced on numerous occasions, including at the Geneva II Conference on Syria in January 2014 and the Ministerial Meeting on Syria in September, that Japan would continue to provide both humanitarian assistance and contribute to the political dialogue. Japan has extended over 400 million US dollars of humanitarian assistance to Syria and its neighboring countries until the end of 2014.

In relation to the Middle East Peace Process, Japan urged Israeli and Palestinian leaders to resume peace talks on many occasions, including Israeli Prime Minister Benjamin Netanyahu's visit to Japan in May 2014, and Prime Minister Abe's visits to Israel and Palestine in January 2015. Furthermore, Japan has made steady progress on its unique efforts to support Palestine, including the "Corridor for Peace and Prosperity" initiative and the Conference on the Cooperation among East Asian countries for Palestinian Development (CEAPAD). With respect to the Iranian nuclear issue on which negotiations have continued based on the interim agreement reached between Iran and the EU3+3 in November 2013, Japan has taken such opportunities as the Japan-Iran summit

meeting (September 2014) and visit to Japan by Minister of Foreign Affairs Mohammad Javad Zarif of Iran (March 2014) to consistently call upon Iran to take flexible approach to the negotiations, pursuing the matter from a unique standpoint of Japan.

In recent years, many countries in the Middle East region have achieved steady economic development with the rapidly growing youth population serving as its driving force, and is increasing its presence as a consumer market and an investment destination. Therefore, Japan has been working on legal frameworks, such as Economic Partnership Agreements (EPAs), Free Trade Agreements (FTAs), investment agreements, tax agreements, and social security agreements, which will become the foundation for strengthening its economic and business relationships with the Middle East region. Additionally, Japan has been promoting infrastructure projects in the region. When Prime Minister Abe visited the Middle East region, he was accompanied by an economic delegation comprised of companies from various industries and business categories, from large to medium and small enterprises. This delegation actively pitched Japan's strengths to the leaders of each country and the business community.

1 Situation in Iraq

Following the conclusion of the military operation in Iraq in 2003, Iraq has been working on the new nation building. In terms of the domestic policy, the issue that Iraq faces

is the development of national reconciliation among all domestic parties including the Shia majority, Sunni minority and Kurd.

On April 30, 2014, the third parliamentary

elections in September, Prime Minister Nuri Al-Maliki, who had been in that position for eight years over two terms of office, had resigned and the new government led by new Prime Minister Haider Al-Abadi was formed. Prime Minister Al-Abadi has been taking steps towards national reconciliation by coordinating with a variety of domestic political forces, which resulted in an agreement to appoint an interior minister and defence minister, which had been vacant under the Al-Maliki administration. He has also held dialogues with Sunnis and Kurds.

A major security concern of Iraq is the “Islamic State in Iraq and the Levant” (ISIL) (See Focus on page 20 for details). After an armed clash between the armed groups mainly consisting of ISIL and the Iraqi army/security forces, ISIL has taken control of Ramadi of Al Anbar Province and Fallujah in western Iraq in January 2014. A series of offensive by ISIL and other armed forces since June has led to its successive occupation of many northern towns and villages, including Mosul of Nineveh Province. This has created a huge number of internally displaced persons and a serious humanitarian crisis.

The immediate priority of the Al-Abadi administration is to fight ISIL and drive them out of the country in cooperation with the international community. In December 2014, the Al-Abadi government reached an agreement with the Kurdistan Regional Government on the allocation of oil revenue.

It is also studying the establishment of the national guard in each Province. This is considered as a measure to address discontent among the Sunnis, which is said to be the

background of the expansion of ISIL’s influence in Iraq.

Japan has been maintaining and strengthening a good relationship with Iraq since the end of the military operation in Iraq in 2003. With the Al-Abadi administration, a summit meeting between Prime Minister Shinzo Abe and President Fuad Masum, and a Foreign Ministers’ meeting between Mr. Fumio Kishida and Mr. Ibrahim Al-Jaafari were held when they attended the UN General Assembly in September 2014. Taking these opportunities, Japan expressed its support for the “fight against terrorism” conducted by the international community including Iraq and conveyed its intention to continue support for the new Iraqi government in its efforts to realize stability and national reconciliation. In these meetings, there were candid exchange of views on the participation of Japanese companies in various projects in areas such as energy and electricity, and improvement in the investment environment of Iraq towards further development of the Japan-Iraq relations.

In July 2014, Parliamentary Vice-Minister for Foreign Affairs, Mr. Takao Makino visited Erbil, Kurdistan Region in northern Iraq, to have a meeting with high-level officials of the Kurdistan Regional Government. Also in October, many Japanese companies participated in the Baghdad International Fair.

In February 2015, Parliamentary Vice-Minister for Foreign Affairs, Mr. Kentaro Sonoura visited Bagdad, the capital city of Iraq, as well as Basra, one of the major cities in southern Iraq, to exchange views with the Iraqi government officials. During the visit

Parliamentary Vice-Minister Sonoura conveyed Japan's firm stance that its assistance to the Middle East region as a whole is unwavering even after the killing of two Japanese nationals by ISIL terrorists, and that Japan will steadily

continue its contribution in the non-military field such as humanitarian assistance and support for nation building in Iraq, which is confronting extremism.

2 Situation in Syria

The Syrian Arab Republic has seen a continued violent conflict between the Syrian government and opposition groups since March 2011, which has escalated into a triangular fight, as Islamic extremist ISIL has expanded its power in Syria since June 2014. Under such circumstances the United States and other countries initiated air strikes against ISIL in the Syrian territory since late September.

With respect to the humanitarian aid, the Second International Humanitarian Pledging Conference for Syria (Kuwait II) was held on January 15 in Kuwait, in which Japan announced that it was planning additional financial support of about 120 million US dollars for humanitarian aid in Syria and the neighbouring countries. The UN Security Council adopted Resolution 2139 on February 22 and Resolution 2165 on July 14, to expand humanitarian access. Through the latter resolution, the UN humanitarian agencies and their partners were able to provide humanitarian aid across conflicting lines and borders with notification to the Syrian authorities. As of late August it was reported that more than three million refugees in total fled Syria. Japan announced in September its financial support of about 25.5 million US dollars for stabilization of the Middle East.

Among that support, about 5.5 million US dollars was allocated to support Syrian refugees and host communities in Lebanon, which accepts the biggest number of refugees, and to support for areas within Syria which the international community had difficulty reaching (cross-border support).

With respect to the political process, Geneva II Conference on Syria was held on January 22 in Montreux, Switzerland. It was followed by the first-ever direct talk between the Syrian government and the opposition groups from the end of January to early February by a mediation of Mr. Lakhdar Brahimi, the United Nations and Arab League Joint Special Representative for Syria, but did not lead to results. The political process was halted since Special Representative Mr. Brahimi resigned on May 31 and Mr. Bashar al-Assad was elected as President of Syria for his third term on June 4. On July 10, the position of Special Representative Mr. Brahimi was taken over by Mr. Staffan de Mistura, Special Envoy of the UN Secretary-General for Syria. On September 24, a ministerial meeting on Syria was held in New York during the period of the general debate of the UN General Assembly to support so-called moderate opposition groups in Syria. In the meeting, Foreign Minister Kishida emphasized that every country should support

in its own way the activities of the Syria Opposition Coalition (SOC)¹ to create an environment of direct talks among interested parties who are responsible for the future of Syria.

With regard to the issue of chemical weapons, in accordance with the decision of the Organisation for the Prohibition of Chemical Weapons (OPCW) and the UN Security Council Resolution 2118 in September 2013, the removal of chemical agent from Syria was completed in June 2014 and the destruction of chemical agent outside Syria with international cooperation is close to an end. Progress was also made in destruction of the

chemical weapons production facilities within Syria.

Since the situation in Syria deteriorated, Japan has contributed more than 400 million US dollars to humanitarian aid in Syria and neighbouring countries as of the end of 2014. Acknowledging that a political solution through the “Geneva Communiqué”² is fundamental for the stabilization of Syria, Japan will continue to provide both humanitarian assistance and contribute to the political dialogue in parallel like the two wheels of a cart (See Focus on page 20 for details on ISIL and terrorist incidents regarding the murder of Japanese nationals).

3 Iran

Iran is a major power in the Middle East, with a population of more than 70 million and abundant natural resources. Japan has maintained and strengthened an historically friendly relationship with Iran from the point of view of stable supply of crude oil and securing the stability of the Middle East region. With regard to the Iranian nuclear issue, Japan has been contributing to a peaceful and diplomatic solution of the issue in coordination with the international community from its unique position.

Since the inauguration of the Rouhani administration, which advocates a constructive cooperation with the international community, in 2013, the negotiation on the Iranian nuclear issue between Iran and the EU (the United

Kingdom, France and Germany) +3 (the United States, China and Russia) has seen progress. Through the negotiation held in Geneva, the “Joint Plan of Action” which consists of the first step and the final step of the comprehensive agreement, was agreed on November 24, 2013. The implementation of the “Joint Plan of action began on January 20, 2014. In February, the negotiation commenced between Iranian and the EU3+3 and Iran aiming to reach comprehensive agreement by July. However, the parties failed to come to an agreement before the deadline, and it was announced on July 19 that the deadline of negotiations will be extended to November 24. The negotiation took place intermittently after the extension of the deadline, but it was

¹ SOC was formed by Syrian opposition groups in November 2012. Its headquarters are located in Istanbul.

² The “Geneva Communiqué” was document adopted in the meeting of Action Group for Syria on June 30, 2012 (Geneva I Conference), which proposes a Syrian-led political transition process including the establishment of a transitional government body.

announced again on November 24 that the Joint Plan of Action will be extended to June 30, 2015, by which the parties aim to reach an agreement. In December, the first meeting after the re-extension was held in Geneva.

Immediately after the inauguration of the Rouhani administration, Japan tried to further strengthen the historically friendly bilateral relationship with Iran through multi-layered dialogue including high-level political contacts. Japan has also encouraged Iran to promote confidence-building with the international community on the regional and international issues including the nuclear issue. Including the occasion of the summit meeting between

Prime Minister Abe and President Rouhani which was held when they attended the UN General Assembly in September (a summit meeting with Iran was held two years in a row), Japan has made active diplomatic efforts to encourage the high-level Iranian politicians and officials, including President Rouhani, to contribute to the solution of Iran's nuclear issue and the stability of the Middle East region. Also there were frequent high-level visits between Japan and Iran, including of Foreign Minister Mohammad Javad Zarif and Vice-President and Head of Department of Environment Masoumeh Ebtekar's respective visits in March and in April.

4 Afghanistan

Year 2014 turned out to be a turning point for Afghanistan. In September, the country completed the first-ever democratic transfer of power in its history. The International Security Assistance Force (ISAF) completed its mission at the end of the year, and the security responsibility was handed over to the Afghanistan National Security Forces (ANSF). Nevertheless, there were frequent terrorist attacks conducted by armed insurgencies including Taliban. It is of critical importance to achieve self-reliance and security in Afghanistan in order to secure the stability of the whole international community, including Japan, and the prosperity of the region.

After the runoff voting held in June, both camps of the two candidates, former Finance Minister Ashraf Ghani and former Foreign Minister Abdullah Abdullah accused each other of election fraud and the vote recounting

took place. As a result, the Afghan presidential elections, which started in April, 2014 went in disarray. The international community also assisted Afghans in overcoming the difficulties including the fact that the US Secretary of State John Kerry visited Afghanistan twice during the election process for mediation. As a result of the six-month election process the victory of Dr. Ghani was announced and he took the office of the president on September 29. The runner-up candidate, Dr. Abdullah, joined the new administration as the chief executive officer. On the day after the inauguration of the president Ghani, Afghanistan signed the Bilateral Security Agreement (BSA) with the United States and the Status of Forces Agreement (SOFA) with NATO, which enable the troops of the US and other states including the NATO members to be stationed in Afghanistan to support the ANSF.

The new administration has been addressing many domestic challenges, including the improvement of security and fight against corruption in order to realize economic self-reliance. Japan has implemented various assistance that worth 5.5 billion US dollars in total since 2001 for security improvement and development in accordance with its policy to support Afghan's self-reliance and to prevent Afghanistan from slipping back to a hotbed of terrorism.

The "Tokyo Mutual Accountability Framework" (TMAF) was established at the Tokyo Conference on Afghanistan in 2012, in which the Afghan government committed to

make an effort to improve its governance while the international community promised to provide assistance. In the London Conference on Afghanistan in December 2014, the participants reaffirmed the reciprocal commitments by both the Afghan government and the international community under TMAF and acknowledged the necessity to further follow up TMAF. Japanese ambassador to Afghanistan Mr. Hiroshi Takahashi attended the London Conference and conveyed the message that Japan, along with the international community, would continue to support the new Afghan government's efforts toward its self-reliant development and reform.

5 Middle East Peace Process

(1) Development in Israeli-Palestinian Peace Process

US mediation led to the reopening of direct negotiations between Israel and Palestine in July 2013, for the first time in three years. During the nine-month negotiation, all issues were put on the table, including border, Jerusalem, refugees, and security. However, in face of a huge gap in positions between Israel and Palestine, they failed to fill it.

At the end of March 2014, Israel did not carry out the planned release of Palestinian prisoners while continuing construction of settlements. In response, Palestine applied to join fifteen international treaties, and agreed with Hamas, which controlled the Gaza Strip to establish a new unity government. Israel reacted furiously, and the negotiation collapsed.

(2) Situation in the Gaza Strip

In June, while the negotiation was in the doldrums, kidnappings and murders of Israelis and Palestinians occurred in the West Bank, and the rocket attacks from the Gaza Strip on the Israeli territory increased. In response to the rocket attacks, Israel started military operations in the Gaza Strip on July 8. Japanese

Prime Minister Abe requested Israeli Prime Minister Benjamin Netanyahu during the telephone conversation to restrain from escalating the situation. The Japanese government sent State Minister for Foreign Affairs Nobuo Kishi to the Middle East region to persuade the parties to bring the situation

under control. The confrontation in Gaza caused casualties of more than 2,100 Palestinians and 70 Israelis until a cease-fire was achieved on August 26 by the mediation of Egypt.

In October, the Conference on the reconstruction of Gaza was held in Cairo, which confirmed the necessity to strengthen the Palestinian Authority's ability to assume its responsibility for reconstruction of the Gaza Strip and to provide the Palestinian Authority with further support to achieve economic and social stability in the entire Palestinian territory. State Minister for Foreign Affairs



State Minister for Foreign Affairs Nakayama at the Conference on the reconstruction of Gaza (October 12 in Cairo)

Yasuhide Nakayama attended the conference and expressed Japan's basic position and contribution to the reconstruction of Gaza.

(3) The Japanese Government's Efforts

In cooperation with the international community, Japan approached Israel and Palestine to achieve a "two-state solution." Political dialogues were conducted at all levels involving the prime minister, minister of foreign affairs, and special envoy of the government of Japan for the Middle East peace. Japan also endeavoured to contribute to confidence-building between Israel and Palestine by inviting relevant people from both sides to Japan. A summit meeting between Prime Minister Abe and Prime Minister Benjamin Netanyahu was held in May when Mr. Netanyahu visited Japan. In January 2015, Prime Minister Abe visited Israel and Palestine, and had separate meetings with Prime Minister Netanyahu and with Dr. Mahmoud

Abbas, president of Palestine. On these occasions, Prime Minister Abe directly encouraged them to work towards the peace process.

Japan's support for Palestine since 1993 amounts to 1.5 billion US dollars. The "Corridor for Peace and Prosperity" initiative is Japan's unique effort to specifically address Palestine's economic self-sustainability. A flagship project of this initiative is Jericho Agro-industrial Park, for which the Japanese government accelerates its effort to put the project into full operation.

The Japanese government also initiated "Cooperation among East Asian Countries for Palestinian Development" (CEAPAD),³ aiming to mobilize the knowledge and resources of

³ CEAPAD is a consultative framework for East Asian countries to promote effective assistance for Palestine's state-building by mobilizing their own knowledge and resources for economic development. The ultimate goal of the framework is to realize a "two-state solution." Under the Japanese government's initiative, the first conference was held in Tokyo in February 2013 and the second conference was held in Jakarta in March 2014.

Asian countries for effective assistance to Palestine. The second ministerial conference was held in March in Indonesia, in which

Japanese Foreign Minister Kishida announced additional assistance of 200 million US dollars.

6 Countries in the Middle East and North Africa

(1) Jordan and Lebanon

In 2014, Japan and Jordan celebrated the 60th anniversary of the establishment of their diplomatic relations. In November, His Majesty King Abdullah II Ibn Al Hussein, King of the Hashemite Kingdom of Jordan, paid a working visit to Japan. Active exchanges of high-level officials between the two countries were also made. Therefore the historically friendly ties between two countries further deepened this year. In particular, a summit meeting was held with Prime Minister Abe during the visit of King Abdullah II and a first-ever joint statement between the two countries was issued reaffirming the strengthening of two countries' ties and mutual cooperation for the peace and stability of the Middle East region. The situation in Jordan is stable in the constantly turbulent Middle East region. Jordan has played an important role toward the peace and stability of the region, such as its acceptance of a number of Syrian refugees, its efforts in the contending with ISIL, and active involvement in the Middle East peace process. The country's role is highly appreciated by the international community. Japan also greatly appreciated Jordan's efforts and continuously provides support to Jordan to maintain its stability and to develop industrial infrastructure. In 2014, Japan provided Jordan with an ODA loan assistance

of "Fiscal Consolidation Development Policy Loan" (in an amount of 12 billion yen) and a grant aid for general culture of "Improvement of the Petra Museum Project" (686.2 million yen). In January 2015, Prime Minister Abe visited Jordan, and during the summit meeting with King Abdullah II, he expressed his intention to provide new financial assistance, including the above-mentioned loan of 12 billion yen, and reaffirmed that Japan and Jordan would further develop their strategic relationship and continue their cooperation to promote the peace and stability of the Middle East region.

Lebanon is a culturally diverse country consisting of 18 religions and religious sects, including Christians and Muslims. One year since Prime Minister Najib Mikati resigned in March 2013, a new government led by Mr. Tammam Salam was formed in February 2014. However, no successor of President Michel Suleiman, whose term of office ended in May 2014, has been elected yet (as of January 2015), and there is no clear date when the parliamentary elections, postponed since June 2013, will be held. Lebanon faces a serious threat to its foundations, such as the deteriorated situation in neighbouring Syria and expansion of ISIL, which pose serious threats to the Middle East region as well.

Stability in Lebanon is the key to the stability and prosperity of the Middle East region. Japan provides Lebanon with humanitarian aid

of 74.7 million US dollars for assistance to Syrian refugees.

(2) Turkey

Turkey is a large and geopolitically important country located at the crossroads to Europe, the Middle East, Central Asia, and Caucasia. Its presence in the international community has also increased. The country assumes the chairmanship of G20 in December 2014. Japan and Turkey have a long-term friendly relationship symbolized by several episodes, such as the Ertugrul Frigate Disaster in 1890 and the rescue of Japanese nationals by a Turkish Airlines plane during the Iran-Iraq War in 1985. The two countries have recently further developed their cooperative relationship especially in the economic sector based on the firm trustworthy relationship at the leaders.

Marking the 90th anniversary of diplomatic relations in 2014, Japan and Turkey deepened their cooperation in a variety of areas based on the “Joint Declaration of the Establishment of Strategic Partnership Between Japan and the Republic of Turkey” signed on the occasion of the summit meeting in May 2013, when Prime Minister Abe visited Turkey. In January 2014,

Prime Minister Recep Tayyip Erdogan paid an official visit to Japan for the first time in ten years. A summit meeting between the two countries' prime ministers was held, which was the third summit meeting since 2013. Active exchanges of visits by high-level officials were also made, such as Minister of Foreign Affairs Ahmet Davutoğlu's visiting Hiroshima in April to attend the NPDI Ministerial Meeting, where he met Foreign Minister Kishida, and Her Imperial Highness Princess Akiko's visit to Turkey in April. In December, the “Coordinating Committee of Public and Private Sectors for Promotion of Japan-Turkey Economic and Cultural Exchanges” administered by MOFA was established to promote the two countries' economic and cultural cooperation coordinating public and private sectors' activities.

In order to commemorate the 125th anniversary of the Ertugrul Frigate Disaster in 2015, Japan and Turkey aim to further strengthen their bilateral relations.

(3) Egypt

Located at the north-eastern edge of the African continent and facing Europe on the other side of the Mediterranean, Egypt is a large country which plays an important role for the stability of the Middle East and North

Africa.

In January 2014, Egypt held a national referendum on an amendment to the constitution, which was supported by 98.1% of voters. Voting in presidential elections was

organized between May 26 and 28, resulting in the victory of former Defence Minister Abdel Fattah el-Sisi, who was sworn in as the President on June 8. Parliamentary election is scheduled to take place, which will complete the political process in Egypt.

With respect to the relationship with Japan, State Minister for Foreign Affairs Nobuo Kishi visited Egypt in July and paid a courtesy call to President el-Sisi as well as held discussions with Foreign Minister Sameh Shoukry. In September, a summit meeting was held between Prime Minister Abe and President el-Sisi when they visited New York to attend the UN General Assembly. In January 2015, Prime Minister Abe visited Egypt where he had meetings with President el-Sisi and Prime Minister Ibrahim Mahlab. They issued a comprehensive joint-statement of a nature to renew their commitment towards further

strengthening the bilateral relations. At the Joint Meeting of the Japan-Egypt Business Committee, Prime Minister Abe made a speech on Japan's policy on the Middle East titled "The Best Way Is to Go in the Middle: Towards a stable Middle East Imbued with Vitality —Japan and Egypt Turning a New Page," in which he mentioned new financial assistance of 2.5 billion US dollars for the whole Middle Eastern region and expressed Japan's continued contribution to the stability of the region. In addition, the meeting between President el-Sisi and the Japanese economic mission together with other contacts provided the two countries with opportunities to expand their economic ties, such as participation of Japanese companies in some of the Egyptian national projects including the project on Suez Canal and the projects in the electricity and energy sector.

(4) Libya, Tunisia, Algeria and Morocco

The Maghreb is located at the crossroads to Europe, Africa and the Middle East, which have shared aspects in history, culture and language. Recently it has increasingly attracted attention as a region for economic investment. In March, State Minister for Foreign Affairs Nobuo Kishi visited Morocco, Algeria and Tunisia.

After the "Arab Spring," an uprising in the Middle East and North Africa, long-standing regimes in Tunisia and Libya collapsed. The countries face a serious challenge of establishing democracy. Tunisia adopted the new constitution in January, and organised parliamentary elections in October.

Consistently supporting the democratization of that country, Japan sent an election monitoring team led by Parliamentary Vice-Minister for Foreign Affairs Kazuyuki Nakane. It was followed by the presidential elections in November and December. A new government is expected to be formed after these elections. This will complete the country's democratization process. Libya has fallen into a situation of serious conflict among several groups rooted in tribes and has experienced security deterioration. In June, elections were held for the Council of Representatives, but the General National Congress has not officially transferred its authority to the Council of Representatives

yet. The UN agencies and neighbouring countries have continued to intervene to normalize the situation. The Embassy of Japan in Libya is temporarily closed since July due to the seriously deteriorating condition of public safety.

Algeria and Morocco have successfully maintained the stable administration of the government. In Algeria, incumbent President Abdelaziz Bouteflika won the election in April and took office for his fourth term. In its 16th

year, the Bouteflika administration has initiated various reforms, including an amendment to the constitution, and has strengthened security and antiterrorism measures following deterioration of situation in neighbouring countries. In Morocco, many foreign companies have entered the market because of its qualitative infrastructure and geopolitical advantages. Many Japanese companies have also entered the market, and a JETRO office opened there in 2015.

(5) Gulf countries (including Yemen)

A. Six Gulf countries (the United Arab Emirates (UAE), Oman, Qatar, Kuwait, Saudi Arabia, and Bahrain)

The Gulf countries have successfully maintained a strong economy. They are important for Japan not only from the viewpoint of energy security but also as the potential market for the exporting of infrastructure and medical systems. Prime Minister Abe visited all these Gulf countries between the period of 2013 and January 2014, confirming that Japan would build multi-layered relationship that expands beyond energy area ("Comprehensive Partnership"). From the Gulf countries, His Royal Highness Salman bin Abdulaziz Al Saud, then the Crown Prince of Saudi Arabia and His Highness General Sheikh Mohammed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi, paid official visits to Japan in February 2014. There were many other prominent individuals that visited Japan.

In 2014, the Gulf countries were also affected by the intensifying activities of ISIL activities

to a certain degree. The issue of younger population from the Gulf countries joining ISIL as foreign fighters rose to the surface. Also, Saudi Arabia, the UAE, Qatar and Bahrain joined the US-led airstrikes against ISIL.

B. Yemen

Since June 2014, unstable security situation in Yemen has continued due to the intensification of the domestic conflict. However, in September a peace agreement was signed by political forces, and a new government was formed in November.

In January, Parliamentary Vice-Minister for Foreign Affairs Takao Makino visited Yemen and met Prime Minister Mohammed Salem Basindwa and Minister of Foreign Affairs Abu Bakr al-Qirbi to convey that Japan supports the Yemeni government in its efforts to build a new state. At the "Friends of Yemen Ministerial Meeting" in April, Japan announced new financial assistance of 30 million US dollars (1 million US dollars to support political transition and 29 million US dollars for humanitarian aid).

In the same meeting held in September, Japan announced additional 1 million US dollars assistance to support political transition.

Through these means, Japan has continued its support for Yemen's stability.

Cooperation between the Public and Private Sectors of Japan and Saudi Arabia on the SJAH I Initiative

The Saudi Japanese Automobile High Institute (SJAH I) initiative was launched in 2001 through cooperation between the public and private sectors, based on the Memorandum of Understanding on the Establishment of Schools to Improve Vehicle Maintenance Skills. This MOU was concluded between Japan and Saudi Arabia during the visit to Japan by Prince Abdullah (now King of Saudi Arabia) in 1998.

Although the form of support provided by Japan has undergone various transitions, it has contributed to producing 2,238 graduates as of this year, the 13th year since the founding of the Institute, and continues to play an active role in deploying these graduates to the service centers of dealers of Japanese automobile manufacturers in Saudi Arabia. Among these, there are even graduates who have been promoted to the position of service manager.

This initiative is making a significant contribution to Saudi Arabia's efforts to promote its policies of protecting the interests of its own citizens, and further, has been highly appraised as a symbolic project that promotes friendly relations between the two countries.

SJAH I is a two-year technical school specializing in the area of vehicle maintenance. It takes in Saudi Arabian high school graduates. The school has a student quota of 500 people, and has a teaching team comprising 80 staff members. It boasts a full range of functions, with facilities that include general classrooms, technical classrooms, a practical training building, computer rooms, science laboratories, a student dormitory for 300 students, as well as a mosque.

The curriculum begins with intensive English education, followed by classroom lectures and practical training in vehicle maintenance, all of which are conducted in English. This is further supplemented by training programs in companies. The goal is to arm students with skills that are on par with the level at grade 3 of the automobile technician certification in Japan.

An outstanding second year student of SJAH I commented, "Before I enrolled in the school, I thought that it was a means of gaining employment in the same way that typical schools are. However, after I began studying here, I found it to be an invaluable experience. Not only did I master the technical education and training program, I also learnt the basics of self-development, concepts about time and how to apply them, the true significance of achieving goals and how to do so, the importance of creative thinking, how to harness my personality, and taking pride in my work."

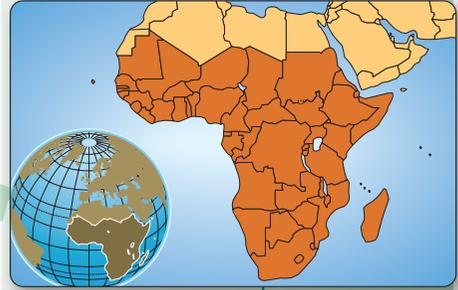
SJAH I is even more highly appraised than other technical colleges in Saudi Arabia. In fact, the Japan Automobile Distributors in the Kingdom of Saudi Arabia (JADIK), where graduates are employed, requests every year for the acceptance of students over the maximum quota. In the future, SJAH I is expected to further strengthen its collaboration with JADIK and achieve even greater growth.



Chiharu Mizutani,
Senior Expert, SJAH I

Section 7

Sub-Saharan Africa



Overview

With its abundant natural resources and rising population, Africa has achieved high economic growth and possesses great potential as an import source, market, and manufacturing center. Against this backdrop, Africa has drawn attention from the international community and the importance of the continent in the global economy is growing. At the same time, the development of friendly relations with the 49 countries of Sub-Saharan Africa is politically important for Japan to gain support from these countries in the international arena.

Meanwhile, the region is facing security threats such as political turmoil and terrorism. Development challenges such as poverty and infectious diseases are also urgent issues to be addressed. Helping Africa overcome these destabilizing factors is important for stabilizing not only Africa but also the entire world, and will help Japan earn the trust of the international community.

Given the importance of Japan's diplomatic relations with Africa, Prime Minister Shinzo Abe visited three African countries (Côte d'Ivoire, Mozambique, and Ethiopia) in January 2014. In a speech on Japan's Africa policy delivered in Ethiopia, the Prime Minister

explained the virtues of Japan's assistance centered on the development of human resources, with a special emphasis on women and youth, and of strengthening economic relations with Japan. In addition, the Prime Minister conducted "top-level sales" in each country. Moreover, the Prime Minister announced that as a "Proactive Contributor to Peace," Japan was prepared to extend assistance of approximately 320 million US dollars for addressing conflicts and disasters in Africa. In May, Foreign Minister Fumio Kishida co-chaired the First TICAD V (Fifth Tokyo International Conference on African Development) Ministerial Meeting in Yaoundé (Cameroon) attended by 34 minister-level delegates, and reported on the steady progress of the support measures announced at TICAD V.

Within Japan, the Ministerial Meeting on Economic Strategy for Africa was set up under the leadership of Deputy Chief Cabinet Secretary Katsunobu Kato following Prime Minister Abe's visit to Africa. A framework was thus established to implement whole-of-government efforts for stimulating Japanese economy by capturing a share of Africa's economic growth. In "Japan Revitalization

Strategy Revised in 2014,” it was stated that Japan would encourage initiatives by Regional Economic Communities (RECs) that will lead to the creation of broader markets in Africa.

To promote public-private joint initiatives, in August, the Government of Japan dispatched the Public and Private Sector Joint Mission for Promoting Trade and Investment for Africa to Ethiopia, Rwanda, and Tanzania. In December, the Second TICAD Public-Private Roundtable Meeting was held. At the meeting, the Japanese Government and the Japanese business community shared information and exchanged views on the Government's

supports to Africa and measures for promoting business in Africa.

In the area of peace and stability, Japan continues to carry out activities such as capacity building through the provision of supports to PKO training centers in Africa and the dispatch of Japan Self-Defense Forces to South Sudan, off the coast of Somalia and in the Gulf of Aden. In response to the Ebola outbreak in West Africa in 2014, Japan has implemented seamless assistance in coordination with the international community from the perspective of human security.

1

Strengthening Japan-Africa Relations through Tokyo International Conference on African Development (TICAD) Process

(1) TICAD Process as the pillar of Diplomacy toward Africa

The important pillar of Japan's diplomacy toward Africa is the Tokyo International Conference on African Development (TICAD) process that has been in place for over 20 years. Since 1993, TICAD summit meetings have been held in Japan once every five years, as well as follow-up ministerial-level meetings and other events for broad discussions on African development.

Japan has been taking the lead in conducting TICAD jointly with the United Nations, UNDP, the World Bank and the African Union Commission (AUC). This is to put into practice the fundamental philosophies of Japan's diplomacy toward Africa: “ownership” (self-help efforts) of Africa and “partnership” with the international community including Japan.

The Fifth Tokyo International Conference

on African Development (TICAD V) held in Yokohama in June 2013 was the largest-scale international conference ever hosted by Japan. In order to realize “quality growth” in Africa, Japan has been steadily implementing assistance under the three pillars of TICAD V: “robust and sustainable economy,” “inclusive and resilient society,” and “peace and stability.”

All previous TICAD summit meetings took place in Japan. In recent years, however, with enhanced “ownership” of Africa against the backdrop of recent developments on the continent including rising population, economic growth, African side has requested TICAD summit meeting to be held on a rotating basis in Japan and Africa once every three years and to hold the next TICAD summit meeting in Africa. At the Second Japan-African

History of TICAD

Tokyo International Conference on African Development (TICAD)

[Basic principle]

Ownership and partnership

[Theme]

Supporting Africa through broad support from the international community and expansion of development partnership

[Approach]

South-South Cooperation, human security and respect for distinctiveness, diversity and identity

—History of TICAD Process—

1993: The First Tokyo International Conference on African Development (TICAD I, Tokyo)

1998: The Second Tokyo International Conference on African Development (TICAD II, Tokyo)

2001: TICAD Ministerial Meeting (Tokyo)

2003: The Third Tokyo International Conference on African Development (TICAD III, Tokyo)

2004: TICAD Asia-Africa Trade and Investment Conference (AATIC) (Tokyo)

2006: TICAD Conference on Consolidation of Peace (Ethiopia)

2007: TICAD Ministerial Conference on Energy and Environment for Sustainable Development (Kenya)

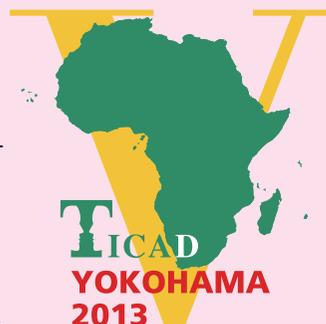
2008: The Fourth Tokyo International Conference on African Development (TICAD IV, Yokohama)

2009-2012: TICAD Ministerial Follow-up Meeting was held every year (Botswana, Tanzania, Senegal and Morocco)

2013: TICAD V Ministerial Preparatory Meeting (Ethiopia)

2013: The Fifth Tokyo International Conference on African Development (TICAD V, Yokohama)

2014: The first TICAD V Ministerial Meeting (Cameroon)



Three pillars and six strategic approaches of TICAD V

Three pillars

Six strategic approaches



Regional Economic Communities (RECs) Summit in September 2014, Prime Minister Abe announced that, valuing the African “ownership”, Japan intended to the next TICAD summit meeting in Africa, and hold TICAD on a rotating basis in Japan and Africa.

The TICAD summit meeting which will be held for the first time in Africa is expected to further deepen the TICAD process and develop Japan-Africa relations into a new phase.

(2) First TICAD V Ministerial Meeting

The first TICAD V Ministerial Meeting was held in Yaounde, the capital city of the Republic of Cameroon, in May 2014, co-chaired by Foreign Minister Kishida and Mr. Pierre

Moukoko Mbonjo, Minister of External Relations of Cameroon, with the participation of Mr. Eto, State Minister of Agriculture, Forestry and Fisheries. Participants had



Foreign Minister Kishida delivering a speech at the First TICAD V Ministerial Meeting (Yaounde, Cameroon, May 4, 2014)

discussions on important issues for Africa and the international society: “agriculture, food and nutrition security” “empowering women and youth” and “post-2015 development agenda”. Foreign Minister Kishida reported that the Government of Japan had implemented its assistance in 2013 faster than expected (3.51



Senior Vice-Minister of Agriculture, Forestry and Fisheries Eto observing the Upland Rice Development Project of the Tropical Forest Zone (implemented by JICA) in Cameroon (Yaounde, May 3, 2014)

billion US dollars of official development assistance (ODA), which accounts for approximately 25% of Japan's commitment at TICAD V, and 2.08 billion US dollars in other assistance), which was highly appreciated by African countries.

(3) Promoting Japan-Africa Trade and Investment through Public-Private Partnership

In August 2014, a Public and Private Sector Joint Mission for Promoting Trade and Investment in Africa, which was the eighth mission since TICAD IV, was dispatched to Ethiopia, Rwanda and Tanzania with the aim of promoting trade and investment between Japan and Africa. The delegation consisting of 17 Japanese companies, independent administrative institutions, relevant ministries and others was headed by Parliamentary Vice-Minister for Foreign Affairs Ishihara. During the visit, the members of the delegation attended seminars on trade and investment and met with the heads of state and ministers of each country.

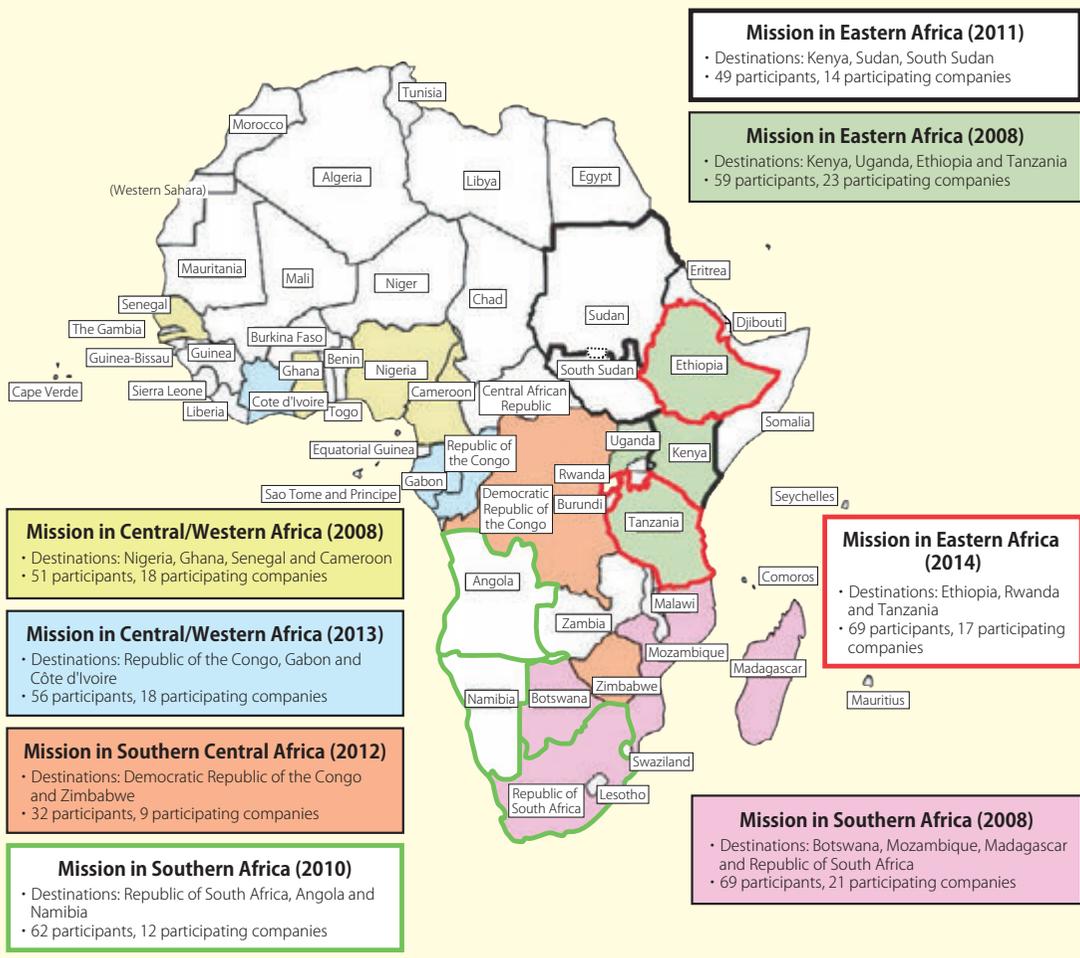
Public and private sectors also share information, exchange opinions and disseminate

information related to African business through the “TICAD Public and Private Round Table”. Following the first meeting in December 2013, the second Round Table was held with the attendance of 47 private companies in December 2014 in addition to



Public and Private Sector Joint Mission members meeting with President Kagame of Rwanda (Kigali, Rwanda, August 28, 2014)

Record of the Public and Private Sector Joint Mission for Promoting Trade and Investment



three working-level meetings during the year. They shared the implementation status of TICAD V assistance measures and initiatives concerning business with Africa and confirmed

continued integrated cooperation of public and private sectors toward the next TICAD summit meeting.

(4) Strengthening Relations with Regional Economic Communities (RECs)

Further economic growth of Africa with many countries of small economic scale requires regional cooperation beyond individual states. In the “Japan Revitalization Strategy” revised in 2014, Japan sets forth promotion of initiatives of RECs as a measure leading to the creation of a broader market in

Africa. Putting the policy into practice, Prime Minister Abe held the second Japan RECs summit in New York in September 2014 sequentially from the previous year and discussed infrastructure development that is stressed in Africa, with the participation of President Mahama of Ghana, Prime Minister

Regional Economic Communities (RECs)

Africa is moving toward regional integration. There are eight Regional Economic Communities approved by the African Union (AU)

CEN-SAD
(Community of Sahel Saharan States)
28 member countries



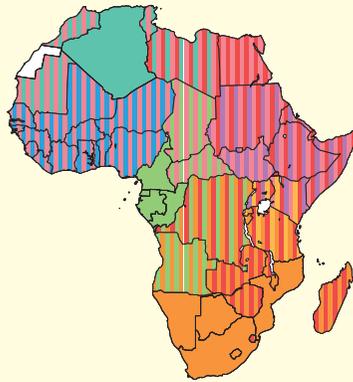
AMU
(Arab Maghreb Union)
5 member countries



IGAD
(Inter-governmental Authority on Development)
8 member countries



ECOWAS
(Economic Community of West African States)
15 member countries



EAC
(East African Community)
5 member countries



ECCAS
(Economic Community of Central African States)
10 member countries



COMESA
(Common Market for Eastern and Southern Africa)
19 member countries



SADC
(Southern African Development Community)
15 member countries



Hailemariam of Ethiopia among others. They shared the recognition on the importance of infrastructure development in broad areas and confirmed to strengthen multilayered relations between Japan and Africa through RECs.



Prime Minister Abe delivering a speech at the Second Japan-African RECs Summit (New York, US, September 24, 2014; Source: Cabinet Public Relations Office)

2 Situation of Sub-Saharan Africa

(1) East Africa

A. South Sudan

In South Sudan, factional infighting has been intensifying in the Sudan People's Liberation Movement (SPLM), the country's ruling party, and a clash between rival factions of the Presidential Guard occurred in the capital city of Juba on December 15, 2013. Conflict between the government (President Kiir's group) and anti-government forces (former Vice President Machar's group) spread to local regions. In January 2014, the Intergovernmental Authority on Development (IGAD), a regional economic community in East Africa, started mediating peace talks toward stabilization of South Sudan. In the consultation, the parties agreed to halt hostilities and form a Transitional Government of National Unity, but the agreement is yet to be fully implemented. As of December 2014, the number of internally displaced persons and refugees reached some 1.91 million. In May 2014, Japan held a "meeting of concerned countries on the situation in South Sudan"



Foreign Minister Kishida attending a meeting of concerned countries on the situation in South Sudan (Yaounde, Cameroon, May 4, 2014)

East Africa



taking the opportunity of the first TICAD V Ministerial Meeting. Ministers of Japan, South Sudan and four neighboring countries (Ethiopia, Kenya, Uganda and Sudan) confirmed cooperation toward settlement of the conflict.

B. Djibouti

Djibouti is located at an important point of a major sea route connecting Europe to the Indian Ocean and Asia through the



State Minister for Foreign Affairs Kiuchi visiting Asmara, Eritrea (Asmara, September 16)

Mediterranean Sea, the Suez Canal and the Red Sea. A terrorist incident by Al Shabab occurred in the city of Djibouti in May 2014, but the government of Djibouti was quick to respond and the situation continues to be stable in the country. The country is an important security hub in the Horn of Africa that is fraught with unstable elements including the situation in Somalia.

Japan has been dispatching JSDF units for Anti-Piracy Operations off the coast of Somalia and in the Gulf of Aden since 2009, making a significant contribution to the decrease in the number of piracy incidents in that sea area. Following the mutual visits by the leaders of Japan and Djibouti in 2013, VIPs from both countries visited each other in 2014 to further deepen the relationship between the two countries.

C. Kenya

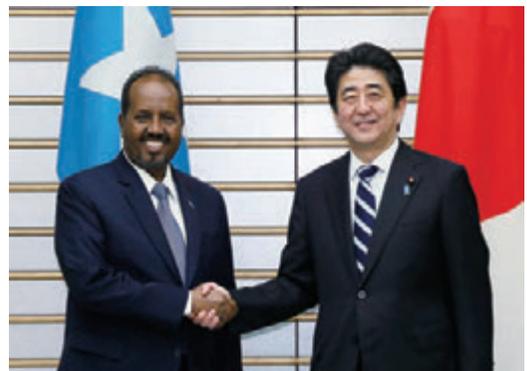
In Kenya, Jubilee Coalition between President Kenyatta and Vice President Ruto established in 2013 is stably managing the government and a bold reform towards decentralization is being implemented as a pillar of the new constitution of 2010. In December, the International Criminal Court (ICC) withdrew its charges against President Kenyatta concerning the violence occurred after the general election in 2007.

Kenya is Japan's largest ODA partner in Sub-Saharan Africa. Japan is strengthening relations in various fields with Kenya that is the driving force of politics and economy in East Africa. Negotiations toward the conclusion of a Japan-Kenya investment agreement is also in progress.

D. Somalia

Efforts are under-way in Somalia toward reconstruction from the civil war. The international community confirmed at ministerial meetings in New York and Denmark to provide assistance for the political process scheduled in 2016 and the improvement of public security in the country toward the general election scheduled in 2016. Terrorist activities by the Islamic extremist group Al-Shabaab are continuing with its threat spreading to neighboring countries including Kenya, but Armed Forces of Somalia and African Union Mission in Somalia (AMISOM) are building on their efforts toward stabilization.

Japan invited President Hassan in March. During the bilateral summit meeting, Prime Minister Abe delivered the message that Japan would steadily implement its assistance for Somalia that benefits each and every Somali citizen, including the additional support package totaling approximately 40 million US dollars, resumption of bilateral Grassroots Human Security Grant Aid and enhancement of human resource development assistance.



Prime Minister Abe (left) shaking hands with President Hassan of Somalia at Japan-Somalia Summit meeting (Tokyo, March 13, 2014; Source: Cabinet Public Relations Office)

E. Ethiopia

Structural reform of economy and industrialization are progressing smoothly based on the five-year national development plan started in 2010. According to the UN Economic Commission for Africa, Ethiopia achieved the highest real economic growth rate among 54 African countries in five years from 2008 to 2013.

In terms of Japan-Ethiopia relations, efforts were made to deepen economic relations through the visit by the Public and Private Sector Joint Mission for Promoting Trade and Investment in Africa in August, following Prime Minister Abe's visit to Ethiopia in January 2014. There were exchanges at various levels including the visits in October by a parliamentary delegation led by Speaker Abadulla of the House of Peoples' Representatives and family members of the late Abebe Bikila who won gold in the 1964 Olympic marathon held in Tokyo.

F. Tanzania

Tanzania marked the 50th anniversary of the foundation of the United Republic. Thanks to its stable political conditions and economic growth and geographical importance as one of the gateways to Eastern Africa, Tanzania is attracting the attention of foreign countries including Japan as an important trade and investment partner.

As to Japan-Tanzania relations, State Minister for Foreign Affairs Mitsuya visited Tanzania in January, Vice President Bilal visited Japan in May and Their Imperial Highnesses Prince and Princess Akishino visited Tanzania in July, to promote further friendship and cooperation between the two countries. Efforts toward strengthening the trade and investment relations also progressed including the visit of the Public and Private Sector Joint Mission for Promoting Trade and Investment in Africa to Tanzania in August and the first meeting for Japan-Tanzania investment agreement negotiation in December.

(2) South Africa

A. Republic of South Africa

The ruling party, African National Congress, won the general election of the Republic of South Africa in May 2014 and the second Zuma administration was inaugurated. Though its economic growth has slowed down in recent years, many foreign companies are attracted by the big economy in Sub-Saharan Africa as an investment destination and business hub in the Sub-Saharan region.

Taking the opportunity of the G20 Summit

Meeting held in Australia in November, Prime Minister Abe and President Zuma had meeting and confirmed to strengthen the strategic cooperative relationship and to collaborate to tackle challenges in the international arena. President Zuma expressed his expectation for Japan's assistance and contribution from Japanese companies in the field of infrastructure and energy.



President Zuma of Republic of South Africa and Prime Minister Abe (left) at Japan-South Africa Summit meeting (Brisbane, November 14, 2014; Source: Cabinet Public Relations Office)

B. Mozambique

Mozambique has been achieving high economic growth in recent years utilizing its abundant natural resources. A general election was held in October 2014, which the ruling Frelimo Party won and the party's presidential candidate Nyusi was elected as new president.

When Prime Minister Abe visited Mozambique in January, the leaders of the two countries announced to hold a regular high-level policy dialogue and a public-private joint dialogue in the joint statement. Based on the statement, State Minister for Foreign Affairs Mitsuya had the first dialogue in the capital city of Maputo in July. Through the dialogue, Japan worked toward improvement of the business environment in Mozambique and further facilitation and promotion of investment while maintaining and strengthening the relationship between the two countries. Furthermore, Agreement between the Government of Japan and the Government of the Republic of Mozambique on the Reciprocal Liberalization, Promotion and Protection of Investment came into effect in August as the first such agreement with a Sub-Saharan country.

South Africa



C. Zambia

Thanks to the recovery of the price of copper that is the main export of Zambia, the country has maintained annual economic growth above 6% and now promotes both diversification of industries and attraction of foreign investment as top priority economic policies. Zambia has been generally stable since its independence and marked its 50th independence anniversary in 2014.

Their Imperial Highnesses Prince and Princess Akishino visited Zambia in June to further promote friendship and cooperation between the two countries. In October, Parliamentary Vice-Minister for Foreign Affairs Nakane visited Zambia to attend events for the 50th Independence Anniversary Celebrations (Golden Jubilee) and efforts were made to promote trade and investment. Furthermore, with the passing of President Sata, the Government of Japan extended emergency grant aid for the presidential by-election in January 2015 (approx. 0.64 million US dollars).

D. Madagascar

Political instability continued in Madagascar after a coup in 2009, but a democratic presidential election was held at the end of 2013 electing Rajaonarimampianina as new president in January 2014.

In order to support democratization of the country, Japan provided financial support for implementation of the presidential election and election monitoring. Parliamentary Vice-Minister for Foreign Affairs Ishihara was appointed as a special ambassador and attended the inaugural ceremony of the president and confirmed continuing enhancement of the relationship between the two countries at his meeting with the new president. Later, Japan resumed the new bilateral economic assistance that had been suspended since the coup in 2009.

E. Namibia

Namibia has rich marine and mineral resources and the geographical advantage that can be the gateway to the Atlantic ocean of Southern Africa. With these situations as a background, Namibia expects expansion of trade and investment, especially in the resource development and energy fields. As the result of the general election in November, Prime Minister Geingob was elected for the ruling party “South West Africa People’s Organization (SWAPO)” and the party further consolidated its power in the parliament.

State Minister for Foreign Affairs Mitsuya visited Namibia in July and conveyed Japan’s intension to actively support the development of Namibia through cooperation in infrastructure improvement and human resource development.

The Government of Japan established the Embassy of Japan in Namibia in January 2015 to support Japanese companies and protect Japanese citizen.

(3) Central Africa

A. Central African Republic

Interim President Djotodia who gained control of the government by force of arms in 2013 resigned in January 2014 and Mayor Samba-Panza of the capital city of Bangui was elected to replace him by the National Transition Council. In July, Islamic armed groups Seleka and Christian Anti-Balaka militias agreed on a ceasefire in July and the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic (MINUSCA) has deployed there since

September. Presidential elections, etc. are scheduled by August 2015 but the situation is still fluid with frequent violation of the ceasefire and clashes within groups. There is no improvement in the humanitarian situation either.

Japan is providing assistance toward stabilization of the country and improvement in the humanitarian situation there through UN organizations and the African Union (AU) (implementing assistance of some 10 million US dollars in 2014).

B. Sao Tome and Principe

In Sao Tome and Principe, the parliamentary election, the local election and the autonomous regional election took place in a peaceful manner on October 12, 2014. Japan dispatched an election observer (a secretary of the Japanese Embassy in Portugal) upon the invitation of the government of Sao Tome and Principe as part of our cooperation for the reinforcement of the country's democracy.

Central Africa



(4) West Africa

A. Sahel Region

“Sahel” is an extensive region in the south of the Sahara and commonly refers to the region where Senegal, Mauritania, Mali, Niger, Burkina Faso, Chad, Nigeria and Cameroon are situated. In this region that connects North Africa and Sub-Saharan Africa, in addition to droughts and other natural disasters, threats of unstable elements such as poverty, threats of terrorism and illegal transaction of drugs, weapons, etc. are worsening.

Since the establishment of a new administration in 2013, Mali continues the fight against terrorism and is advancing domestic North-South peace negotiations with continuing support of the international society in 2014. In Burkina Faso, public backlash against the move to revise the constitution to enable the third term of the president developed into a riot and the Compaoré regime that had governed the country for 27 years marked its end in November. Now, a process toward the start of a democratic regime is in progress under an

Central Africa



interim government. Nigeria is experiencing frequent acts of terrorism supposed to be conducted by the Islamic extremist called “Boko Haram” mostly in the north-eastern region of the country. Placing importance on the friendly relations with Mauritania and in light of the close partnership centered on fisheries, Japan sent Seigo Kitamura, member of the House of Representatives, as special ambassador to the



Japan-Africa Trade and Investment Forum relating to the Sahel Region (Tokyo, November 12, 2014)

president inauguration ceremony held in August 2014.

Japan has been steadily implementing the assistance it announced at TICAD V in 2013 for peace and stability, development and humanitarian improvement in the Sahel region. With the participation of international and domestic panelists specialized in the region, Japan held the “Japan-Africa Trade and Investment Forum relating to the Sahel Region” (Tokyo) in November 2014. About 130 people including Japanese companies’ representatives participated in the forum to discuss the security situation and future business development in the region.

B. Other issues

(a) Guinea-Bissau

Guinea-Bissau had experienced repeated violence after gaining its independence. In 2012, a leading presidential candidate was captured by a part of the military during the election campaign. Later, an interim government was established with mediation by the Economic Community of West African States (ECOWAS) and others, followed by a presidential election from April to May 2014

electing President Vaz.

Japan welcomed the fact that presidential election took place in a peaceful manner with the participation of a large majority of the electorate and decided in August to resume the new bilateral economic assistance that had been suspended as a result of the incident in 2012.

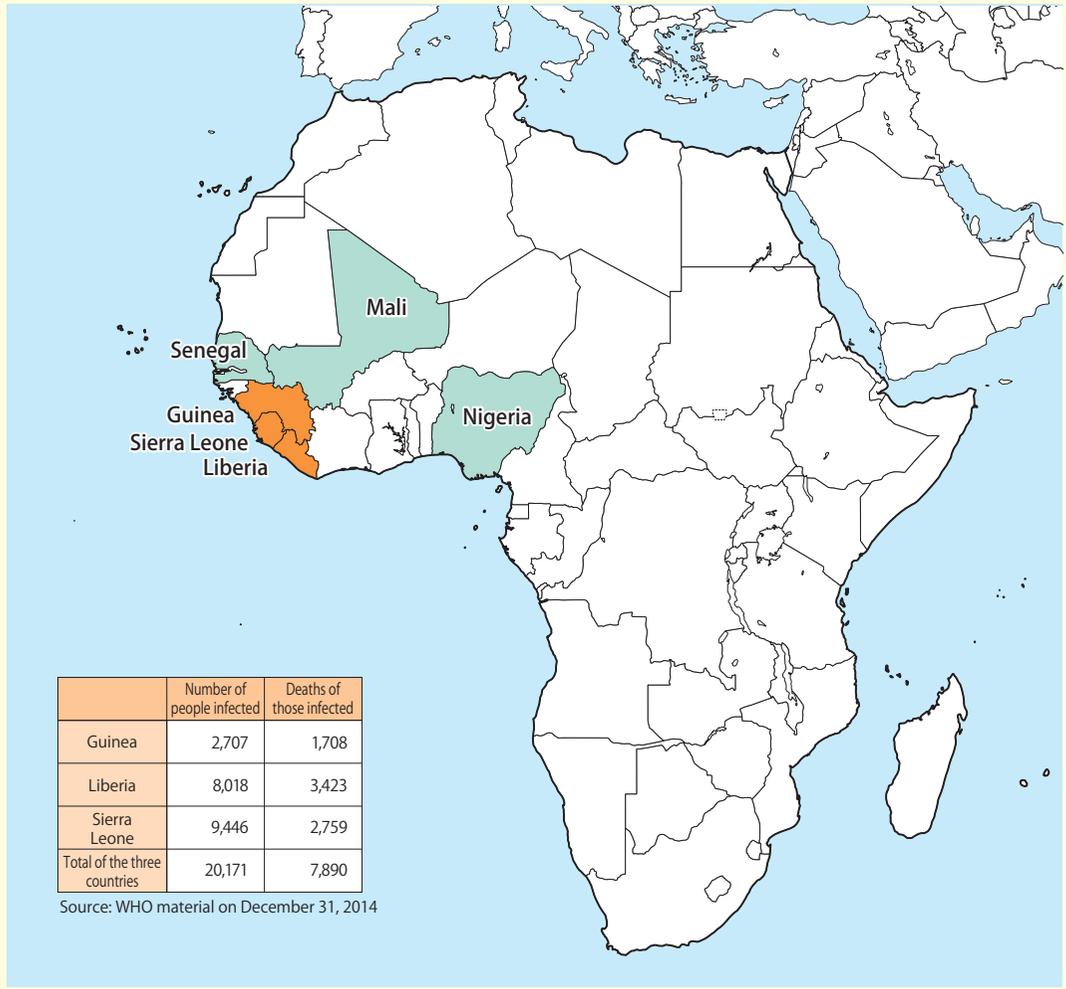
(b) Ebola outbreak

After cases of Ebola virus disease were confirmed in Guinea in West Africa in March 2014, the infection spread to Sierra Leone in May and to Liberia in June. Later, cases of the infection were also confirmed in Nigeria in July, Senegal in August, the United States in September, Mali and Spain in October and the United Kingdom in December. As of December 31, 2014, the number of people infected in the three countries of Guinea, Liberia and Sierra Leone was 20,171 with the number of deaths reaching 7,890.

The Ebola outbreak became a major concern for the international community with the WHO declaring it a “Public Health Emergency of International Concern (PHEIC)” on August 8 and the UN Security Council unanimously adopted Resolution 2177 calling for more assistance on September 18.

The Government of Japan, while providing information to and calling the attention of Japanese travelers and Japanese nationals overseas, has been seamlessly implementing wide-ranging assistance seamlessly not only to stop the spread of the epidemic and to provide treatment but also to prevent the disease and reconstruction of health systems with focus on the countries suffering from the epidemic (see Special Feature on page 171 for details).

Ebola outbreak in West Africa



Special
Feature**Ebola Outbreak**

– Japan’s response to the threats to peace and prosperity of the international community –

〈Ebola outbreak – Threat to international peace and prosperity –〉

In 2014, the Ebola virus disease took thousands of lives mainly in Guinea, Liberia and Sierra Leone. This Ebola outbreak has been at an unprecedented scale and it spread to neighboring countries such as Nigeria, Senegal and Mali and caused secondary infection of doctors and nurses in Spain, the United Kingdom and the United States, posing major humanitarian, economic and political challenges to the international community.

As the number of cases increased rapidly in the three countries, the World Health Organization (WHO) declared it a “Public Health Emergency of International Concern” in August. On September 18, the United Nations Security Council adopted, with Japan as one of the co-sponsors, Resolution 2177, the third resolution in its history concerning infectious diseases. The Resolution declared that “the Ebola outbreak constitutes a threat to international peace and security.” Also, at other high level meetings such as the G20 Summit and the APEC Summit meetings in November, the international community reiterated its commitment to taking action to stem the Ebola outbreak.

There was also a concern about the outbreak’s significant economic impact on Africa. In September the IMF predicted a decrease in the economic growth of the affected countries, referring to the negative impacts on their major industries such as agriculture, services and mining. In a report released in October, the World Bank estimated that if the containment failed and the epidemic further spread, it would have resulted in an economic loss of up to 32.6 billion US dollars by the end of 2015. Africa as a whole, which was experiencing a fast economic growth since the beginning of this century, faced a big economic challenge due also to a decline in travel and trade caused by the continent’s “reputational damages” as well as the recent decline in oil prices.

〈Japan’s response〉

In view of this Ebola outbreak, Japan, committed as “Proactive Contributor to Peace” to contributing more actively to peace and prosperity of the world, has been playing a major role in the international community in response to the outbreak.

(1) Assistance – From ending the outbreak to rebuilding health systems –

Starting with rapid implementation of an emergency aid to Guinea in April 2014, Japan has been providing assistance seamlessly to the affected countries and international organizations. While many countries were announcing their Ebola responses, Japan put an importance on implementing the pledged aid as fast as possible in a visible manner. On September 25, at the United Nations General Assembly, Prime Minister Shinzo Abe announced an aid package of 40 million US dollars in addition to the various assistance already provided earlier. The allocation of this additional financial aid was decided on November 7, and all the measures and projects are already under implementation (as of January 2015).

In order to stem the outbreak, it is not enough only to put resources into Ebola treatment facilities which concentrate solely on the treatment of Ebola-infected patients. What is crucial is to implement meticulous preventive measures to contain the spread of the Ebola virus, including through paying attention to the places vulnerable against the virus, such as ordinary healthcare centers, general hospitals and rural areas, and strengthening preventive strategies to forestall infection in these places. As announced by Prime Minister Abe at the UN General Assembly, Japan has been providing personal protective equipment (PPE) so that infection at these places can be prevented. In response to urgent needs, Japan



Prime Minister Shinzo Abe giving a speech at the United Nations High-level Meeting on Response to the Ebola Virus Disease Outbreak (September 25, New York, Source: Cabinet Public Relations Office)



Delivery of PPE transported by a Self-Defense Forces aircraft (December 8, Accra, Ghana; Source: Ministry of Defense)

Self-Defense Forces aircraft delivered 20,000 PPE units to Accra, the capital of Ghana, where the UN Mission for Ebola Emergency Response (UNMEER) headquarters were located.

With regard to personnel contributions, Japan has been dispatching experts to WHO missions, contributing mainly to infection prevention at medical fronts. Japan has also seconded a Ministry of Foreign Affairs (MOFA) official with a medical license to the UNMEER. He is responsible for infection prevention and control, working as senior advisor to the UN Secretary General's Special Representative (as of January 2015).

Inadequate health systems in the affected countries are considered to have caused the outbreak. The additional aid of up to 100 million US dollars, which was announced on November 7, aims not only at preventing infection but also at rebuilding health systems. Japan places importance on international cooperation in the health sector, has been promoting the universal health coverage (UHC), a concept at which everyone in need should have access to an affordable basic healthcare, and working regularly on strengthening West Africa's health systems. Japan will continue to implement medium-to long-term measures based on the initiatives announced at the Fifth Tokyo International Conference on African Development (TICAD V), namely, a 500 million US dollar aid to the health sector in Africa and capacity building programs for up to 120,000 health workers in Africa.

In addition, Japan announced that under certain conditions it would provide the drug developed by a Japanese company which might prove effective for Ebola patients, and supported the company's clinical trial conducted with the French Institute of Health and Medical Research (INSERM), the Guinean Government, MSF (Doctors Without Borders) and other organizations (as of January 2015). Japan also provided the Japan-made high performance infrared thermography cameras to the countries neighboring the affected countries. These cameras can accurately measure body surface temperature without touching the body. Hence they contribute to safe quarantines at places such as airports and forestall possible reputational damages. Moreover, in order to quickly and safely transport patients infected with or suspected of having Ebola virus to quarantine and treatment facilities, Japan supported the delivery of ambulances and other equipments donated by Japanese local governments. Japan has been providing not only financial aids, but also a variety of assistance measures, including through cooperation with private sector.



Ceremony for dispatching assistance materials for Ebola response to Liberia and Sierra Leone financed by the FY 2014 Grant Assistance for Grass roots Human Security (October 28, Narita International Airport)

Japan's Response to Counter the Ebola Outbreak in West Africa

(Total amount of US\$155 million) (as of February 10, 2015)

- (1) Emergency grant aid : approx. US\$42.0 million
- (2) Emergency donation of aid supplies: approx. US\$0.9 million
- (3) Contribution to international organizations: approx. US\$2.2 million
- (4) Personnel dispatch: 14 Japanese experts in the WHO missions
- (5) Grant assistance for grassroots / human security projects: approx. US\$0.8 million
- (6) Personnel protective equipment (PPE): approx. 700,000 sets
- (7) Additional assistance for rebuilding health systems: maximum of US\$100 million

(2) Countermeasures to reputational damages – Avoiding isolation of the affected countries –

There also exist other forms of Ebola outbreak's emerging negative effects on the international community. With an increasing awareness that the outbreak is an issue of international concern, people started to avoid travelling not only to the affected countries but also to other African countries with no case reported, and non-African companies started to scale down their trade with and investment in Africa. The number of travelers decreased even in Eastern and Southern African countries, even though they are distant from the affected countries. At the G20 Summit meeting in Brisbane, President Sall of Senegal raised an issue of negative impact on economy by "unfair generalization," pointing out that the whole African continent is being treated as if it is affected by the Ebola outbreak.

We must avoid a situation where the affected countries are forced to suffer isolation and negative economic impacts, and should continue working hand in hand with Africa towards its development, based on the basic principle of TICAD. For this reason, the Government of Japan has been proactively sharing accurate information and stressing the need to act rationally in accordance with facts.

Japan, as a nation contributing proactively to international peace and prosperity, and as a nation having taken a lead in the discussions on international health issues through the G8(G7), the TICAD and other processes, will continue to play an essential role in ending the current Ebola outbreak and preventing its resurgence.