



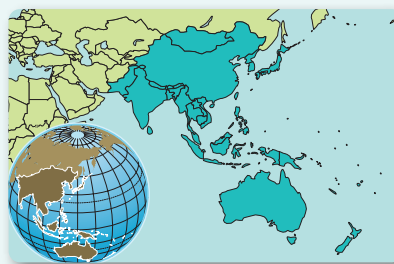
Chapter 2

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 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 population of 7.3 billion¹, approximately 3.5 billion live in East Asia Summit (EAS) member states (excluding the U.S. and Russia)². This represents about 48% of the world's population³. The combined nominal gross domestic product (GDP) of the Association of Southeast Asian Nation (ASEAN) member states, China and India grew 430% over the last ten years⁴, as compared with the world average of 180%. Total exports and imports of EAS member states (excluding the U.S. and Russia) is 11 trillion US dollars, making it the second largest market behind the European Union (12 trillion US dollars). Of these exports and imports, 33.1% are intra-regional⁵, 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 the 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 as seen in the following developments: provocation such as nuclear and missile development; countries in the region being modernizing their military forces in a manner that lacks transparency and trying to change the status quo by force or coercion; and tension within the region is growing over maritime issues, including issues in the South China Sea. (see 1-1 (2), 2-1-2 (1), 2-1-6 and 3-1-3 (4)). Other factors hindering the stable growth of the region include immature economic and financial systems, environmental pollution, unstable demand and supply of food and resources, natural disasters and aging populations.

(Japan-U.S. Alliance and Asia-Oceania region)

The Japan-U.S. Alliance is the linchpin of

¹ State of World Population 2015 Report

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

³ World Bank World Development Indicators

⁴ World Bank World Development Indicators

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

Japan's diplomacy, and is important for the Asia-Oceania region as well. Japan welcomes the U.S. policy with emphasis on the Asia-Pacific region (the United States' rebalance policy) contributing to the stability and prosperity of the region. When Prime Minister Abe officially visited the U.S. in April 2015, the two countries demonstrated their strong intention to continue to contribute to the region and the world based on their shared fundamental values. At a Japan-U.S. Summit Meeting held in November 2015, the two leaders shared the view to build a network to realize peace and prosperity in the Asia-Pacific region, with the Japan-U.S. Alliance as the linchpin.

(China)

In recent years, while facing a variety of social and economic challenges, China has been significantly enhancing its presence in the international community in various fields against the background of its economic growth. The entire international community including Japan welcomes the development of China as a responsible, peace-oriented 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. Japan-China relationship is one of the most important bilateral relationships characterized by close economic relations and people-to-people and cultural exchanges. In 2015, the number of Chinese travelers to Japan was about 4.99 million (Japan National Tourism Organization (JNTO)), setting a record high for two consecutive years, following the previous year surpassing the two million mark for the first time. 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.

A move toward the improvement of Japan-China relations was seen in 2015, and various dialogues and exchanges which had been sluggish over a long period until then were resumed. Meetings between Foreign Minister Kishida and Foreign Minister Wang Yi were held on the occasions of Japan-China-ROK Trilateral Foreign Ministers' Meeting (March), ASEAN-related Foreign Ministers' Meetings (August), and Japan-China-ROK Trilateral Summit Meeting (November). At the meetings, both Ministers candidly exchanged views. With regard to meetings between the leaders, Prime Minister Abe met with President Xi Jinping for the second time on the occasion of an event celebrating the 60th anniversary of the Bandung Conference in April and, at the Japan-China-ROK Trilateral Summit Meeting, a meeting between Prime Minister Abe and Premier Li Keqiang of the State Council was realized for the first time. At this meeting, Prime Minister Abe and Premier Li Keqiang shared the recognition that Japan-China relations are heading for improvement and the trend should be further strengthened, coming up with specific results, such as confirming the resumption of mutual visits by foreign ministers and the importance of high-level exchanges including between foreign ministers. Furthermore, Prime Minister Abe held informal talks with Premier Li Keqiang and President Xi Jinping on the occasions of the ASEAN-related summit meeting and the 21st session of the Conference of the Parties to the United Nations (UN) Framework Convention on Climate Change (COP21) in November, respectively, where they conducted constructive exchanges.

Meanwhile, attempts to unilaterally change the status quo continue in the East China Sea. From January through the end of December 2015, Chinese Government-owned vessels intruded into Japanese territorial waters around the Senkaku Islands 35 times (95 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, 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. Furthermore, with regard to the unilateral development of resources carried out in the maritime area pending delimitation, the Government of Japan will continue to strongly request China to cease its unilateral development and to implement the agreement on cooperation ("June 2008 Agreement").

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 in 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 which has intimate people-to-people exchanges and close economic ties with Japan. In 2015, the Agreement between the Interchange Association and the Association of East Asian Relations for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion

with Respect to Taxes on Income was signed. Working relations have been deepening through such cooperation. In line with the 1972 Japan-China Joint Communiqué, the relationship between Japan and Taiwan continues to be maintained through working relations at the non-governmental level, with emphasis on promotion of working cooperation to achieve closer bilateral ties.

(Mongolia)

In 2015, following the previous year, Japan and Mongolia actively carried out high-level exchanges. In February, Prime Minister Chimed Saikhanbileg visited Japan and an Economic Partnership Agreement (EPA) was signed, the first such agreement for Mongolia. Moreover, Prime Minister Abe visited Mongolia to hold the 8th summit meeting with President Tsakhia Elbegdorj. Japan will continue to further strengthen the mutually beneficial and complementary cooperation in wide-ranging areas, including economic cooperation, in order to develop the "Strategic Partnership."

(Republic of Korea)

The Republic of Korea (ROK) is Japan's most important neighbor that shares strategic interests with Japan. Their good relationship is essential for peace and stability in the Asian-Pacific region. Japan and the ROK marked the 50th anniversary of the normalization of Japan-ROK relations in 2015, and more than 440 certified cultural and exchange projects were carried out in the two countries. In the political sphere, the first summit meeting between Prime Minister of Japan, Abe and President of the ROK, Park Geun-Hye was held in November and, in late December, the two Governments confirmed that the issue of comfort women, a long-standing issue, is resolved finally and irreversibly, thereby greatly advancing the Japan-ROK

relationship forward. Furthermore, Prime Minister Abe and President Park confirmed that they would take responsibility as leaders to implement this agreement and deal with various issues based on the spirit of this agreement. (See “Announcement by Foreign Ministers of Japan and the Republic of Korea at the Joint Press Occasion” on page 38). In light of this agreement, the Government of Japan will move toward developing a new era of future-oriented Japan-ROK relations. In order to respond firmly to a spate of provocative actions by North Korea, the Government of Japan will advance security cooperation between Japan and the ROK as well as among Japan, the U.S. and the ROK.

(North Korea)

In North Korea, the regime centered on Kim Jong-Un, the First Chairman of the National Defense Commission has been basically consolidated. North Korea conducted a nuclear test in January 2016 and launched ballistic missiles in clear violation of the UN Security Council Resolutions and the Joint Statement of the Six-Party Talks. 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 U.S., the ROK, China and Russia, and to strongly urge North Korea to take concrete actions toward denuclearization and other goals in compliance with the relevant UN Security Council resolutions and the Joint Statement of the Six-Party Talks. With regard to Japan-North Korea relations, Foreign Minister Kishida held a meeting with Foreign Minister of North Korea Ri Su-Yong on the occasion of the ASEAN-related Foreign Ministers’ meeting in Malaysia in August 2015. At the meeting, Foreign Minister Kishida conveyed Japan’s concerns, while requiring North

Korea to fulfill the agreement in May 2014 and strongly urged North Korea to return all the abductees at the earliest possible date. The Government of Japan, under its policy of “dialogue and pressure” and “action for action” and in accordance with the Japan-DPRK Pyongyang Declaration, will continue to work in close coordination with relevant countries toward the comprehensive resolution of the outstanding issues of concern, such as the abductions, 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 region. Japan has been working to strengthen relations with these countries, based on a longstanding history of friendly relations. In 2015, Prime Minister Abe visited Singapore (March), Indonesia (April), the Philippines and Malaysia (November). In July, the 7th Mekong-Japan Summit Meeting was held in Tokyo, and the leaders from Cambodia, Laos, Myanmar, Thailand, and Viet Nam visited Japan to attend the meeting. Ministers also frequently came and went to conduct high-level exchanges, including Foreign Minister Kishida. Amid the strategic environment of the Asia-Oceania region that has changed in recent years, Japan will continue to reinforce its dialogue and cooperation with Southeast Asian countries in the fields of politics and security to achieve peace and prosperity in the region. Moreover, as a “growth center” for the 21st century and as a region that contains the ASEAN Community established in late 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 advancement of Japanese companies into this area. Japan has been also working to reinforce people-to-people and cultural exchanges. In 2015, the Government of Japan took the opportunity of the milestone 60th anniversaries of the establishment of diplomatic relations between Japan and Laos and the signing of Japan-Cambodia Friendship Treaty to promote friendship and goodwill. Furthermore, the Government of Japan promoted youth exchanges through programs such as JENESYS (Japan-East Asia Network of Exchange for Students and Youths) 2015⁶, and measures to attract visitors from Southeast Asian countries, including easing visa requirements for visitors from Vietnam.

(Oceania countries)

① Australia and New Zealand

Japan and Australia, sharing fundamental values and strategic interests and working together on issues in the Asia-Pacific region and on global issues, have built a “special relationship” and are important partners that contribute together to the peace and stability of the international community. In recent years, Japan-Australia cooperative relations have been steadily deepening especially in the security and defense area on the basis of the Prime Ministers’ mutual visits and the Foreign Ministers’ close cooperation. In the economic area, the Japan-Australia Economic Partnership Agreement (EPA) entered into force in January 2015, leading to further enhancement of the mutually complementary economic relations, including trade and

investment.

New Zealand is also a strategic cooperative partner with which Japan has been maintaining friendly relations for many years. On the occasion of Prime Minister Key’s visit to Japan in March 2015, the two leaders re-confirmed cooperation in regional and global issues in addition to strengthening bilateral cooperation in the fields such as economy, security and defense and people-to-people exchange.

② Pacific Island Countries (PICs)

PICs, which are neighbors that shares the Pacific Ocean, have deep historical ties with Japan. They are also important partners of Japan in the areas of international cooperation and the supply of fisheries and mineral resources. Japan has been further strengthening its relationship with PICs by hosting the Pacific Islands Leaders Meeting (PALM) and attending the Pacific Islands Forum (PIF) Post Forum Dialogue as well as through mutual high-level visits. In May 2015, the 7th PALM was held in Iwaki City, Fukushima and the Japan-Pacific Islands Leaders Meeting was held for the second time on the occasion of the UN General Assembly held in September.

(South Asia)

South Asia is situated in a geopolitically important region at the intersection of Asia, the Middle East, and Africa. Not only because many countries in this region continue to register high economic growth, but also because young people make up a significant proportion of the region’s vast population of about 1.7 billion, the region is drawing attention for its economic potential, and is becoming

6 “Japan’s Friendship Ties Programs” promotes a people-to-people exchange between Japan and the Asia-Pacific, North America, Europe, Latin America and Caribbean. The Asia-Pacific regional component of this exchange program is called “JENESYS2015.” Through this exchange program, we seek to promote mutual trust and understanding among the people of Japan and the Asia-Pacific region, and to build a basis for future friendship and cooperation. Furthermore, we also seek to promote a global understanding of Japan’s society, history, diverse culture, politics, economics and diplomatic relations.

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 international agreements including bilateral treaties. 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/>) in 1995, 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 of former comfort women. The Government of Japan has made every

effort as mentioned above. It was confirmed in late December that the comfort women issue between Japan and the ROK is resolved finally and irreversibly. The two leaders also confirmed that they would take responsibility as leaders to implement this agreement, and that they would deal with various issues based on the spirit of this agreement. (See the “Joint press release” by the foreign ministers of both Japan and the ROK on page 38).

(Strengthening Regional Cooperation)

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, Japan-U.S.-India, and Japan-Australia-India arrangements, as well as larger multilateral frameworks, such as Japan-ASEAN, ASEAN+3, East Asia Summit (EAS), APEC, ASEAN Regional Forum (ARF), Japan-Mekong and others. With regard to the trilateral cooperation among Japan, China and the ROK, the Japan-China-ROK Trilateral Summit Meeting was held in 2015 for the first time in approximately three and a half years, with major results as follows; The three leaders shared the view that trilateral cooperation had been completely restored; they reaffirmed that the Trilateral Summit should be held on a regular basis; and they decided that Japan would take chairmanship in 2016.

ASEAN exerts its centrality in regional cooperation in East Asia, so achieving a more stable and prosperous ASEAN as the motive force 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 achieve even further integration after establishment of the ASEAN Community. The Japan-ASEAN relationship was further strengthened in a wide-range of areas, such as not only security and economy but also disaster management and people-to-people exchange, through the Japan-ASEAN Foreign Ministers' Meeting in August 2015 and the 18th Japan-ASEAN Summit Meeting in November of the same year.

Cooperation between ASEAN and Japan is making steady progress under the Vision Statement on ASEAN-Japan Friendship and Cooperation and Japan has steadily implemented its commitments. Japan and ASEAN shared concerns over the current situation which may undermine peace, safety and stability in the South China Sea. Under these circumstances, Japan is actively working on activities contributing to the stability of the region, such as capacity building assistance that leads to maritime security, taking advantage of Official Development Assistance (ODA) for ASEAN Member States and joint training with the Philippines Navy.

At the 10th East Asia Summit (EAS) held in November, Prime Minister Abe reiterated that Japan puts its emphasis on expanding the scope of the EAS in the political and security areas and reinforcing the EAS institution. Almost all the leaders expressed their support for reinforced institution of the EAS as well as expanding its scope on political and security areas. The leaders adopted the Kuala Lumpur Declaration on the 10th Anniversary of the

EAS.

At the same summit, Prime Minister Abe called for thorough strict abidance with the "Three Principles of the Rule of Law at Sea," based on a view that freedom of navigation and overflight at sea must be defended as a fundamental right. In addition, he stated that coastal states are required under international law, whether for military use or civilian use, to refrain from unilateral actions that would cause permanent physical change to marine environment in maritime areas pending final delimitation.

1 Korean Peninsula

(1) North Korea (including the abductions issue)

Under its policy of "dialogue and pressure" and "action for action," 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 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 U.S., ROK, China and Russia.

A Domestic Affairs and Economy

(a) Domestic affairs

North Korea marks the fifth year after the regime centered on Kim Jong-Un, the First Chairman of the National Defense Commission (NDC), was established, but personnel changes of key leaderships still have been observed.

In July 2015, it became officially known that Minister for People's Armed Forces has been changed from Hyon Yong-Chol to Pak

Yong-Sik. In February 2016, it was found that the Chief of the General Staff of the Korean People's Army (KPA) Ri Yong-Gil was replaced by Ri Myong-Su, former Minister for People's Security.

In late December 2015, North Korea announced that Kim Yang-Gon, Director of the United Front Department (Political Bureau member of the Party) in charge of the relations with the ROK, passed away in a traffic accident. A state funeral was held on December 31.

On October 10, 2015, a military parade took place in commemoration of the 70th anniversary of the founding of the Worker's Party of Korea (WPK). In his opening remarks for the military parade, the First Chairman of the NDC Kim Jong-Un emphasized on the past achievements of the Party, including the "byungjin policy"¹, and called attention to the people and the youth.

On October 30, 2015, North Korea announced that the Party Congress would be held in early May 2016, for the first time since the 6th Party Congress held in October 1980.

(B) Economy

North Korea is said to be undergoing severe 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 it was decided to establish 14 economic development zones throughout North Korea. A new Ministry of External Economic Affairs was established in 2014 and North Korea embarked on efforts to attract foreign investment.

On January 1, 2016, the First Chairman of the NDC Kim Jong-Un emphasized in

his New Year Address the determination to make efforts on economic construction and improvement of people's livelihoods, and pointed out the importance of agriculture, livestock and fisheries sectors.

The First Chairman of the NDC Kim Jong-Un has also mobilized the KPA to undertake large-scale construction projects. The "Mirae Scientists Street" including housing for thousands of households and "Paektu san Hero Youth Power Station" were completed to coincide with the 70th anniversary (October 10) of the foundation of the Party in 2015.

North Korea's economic growth rate in 2014 was 1.0% (Bank of Korea estimate), and it appears that it still faces structural problems across all industries, including lack of capital and energy, antiquated production equipment, and outdated technologies. Despite an upward trend of cereal production, North Korea's food situation is still in a difficult situation.

Trade with China continues to account for the largest amount of North Korea's external trade. In 2014, the value of North Korea's trade with China rose to 6.86 billion US dollars (Korea Trade-Investment Promotion Agency (KOTRA) estimate), accounting for almost 90% of North Korea's entire external trade excluding inter-Korean trade.

North Korea has also been working actively to attract tourists from foreign countries including China, and has conducted a variety of sightseeing tours.

B Security Issues

(a) Recent circumstances

Although the international community including Japan strongly demanded self-

¹ A "byungjin policy" which simultaneously pursues economic construction and the build up of nuclear armed forces was adopted at a plenary meeting of the Central Committee of the WPK (General Assembly) held in 2013.

restraint, North Korea still continues nuclear and missile development (See (b) for more information).

Furthermore, North Korea has repeatedly taken provocative actions against the ROK. On August 4, 2015, there occurred an incident in which land mines exploded in the Korean side of the Demilitarized Zone (DMZ), and two South Korean soldiers got injured. In response to this, the ROK resumed propaganda broadcasts against North Korea for the first time in 11 years. North Korea in return shelled the South Korean side twice on August 20, followed by corresponding shooting from the ROK side. North Korea asked for stopping the broadcasting within 48 hours, and notified that otherwise it would take a strong military action, which led to increased tension. Thereafter, however, high-ranking officials from both the ROK and North Korea conducted a consultation in Panmunjom, and announced a ROK-North Korea joint press statement on August 25 (see [D](#)).

(b) The current status of nuclear and missile development

On March 2, 2015, the day that routine regular U.S.-ROK joint military exercises began, North Korea launched a ballistic missile from the vicinity of Nampo, North Korea. On May 9, North Korea announced that it had successfully carried out an underwater test firing of a “submarine-launched ballistic missile” (SLBM). North Korea conducted the 4th nuclear test in January 2016,², and in February, it launched a ballistic missile which

it purports to be a “satellite”.

In February of the same year, Japan decided to take its autonomous measures against North Korea toward the comprehensive resolution of outstanding issues of concern, such as the abductions, nuclear and missile issues³. In March, the UN Security Council unanimously adopted Resolution 2270, which strengthens sanctions greatly. Japan engaged in vigorous consultations and demarché with Security Council members aiming at adopting a resolution that includes strong measures, while maintaining close cooperation with relevant countries such as the U.S. and the ROK as a non-permanent member of the Security Council. As a result, a strong Security Council resolution reflecting Japan's position to a respectable degree was adopted. Japan will continue to respond appropriately in close cooperation with relevant countries to assure the strict implementation of the resolution, while implementing Japan's own measures steadily.

North Korea's continued nuclear and missile development poses a serious threat to the region as well as the entire international community. Japan, in close coordination with relevant countries, including the U.S., the ROK, China, and Russia, will continue to strongly urge North Korea to refrain from any further provocation and to carry out concrete actions toward denuclearization and other goals in compliance with the Joint Statement of the Six-Party Talks and the relevant UN Security Council resolutions.

2 On January 6, 2016, Chosun Radio and Television Broadcasting announced in its special critical news that the country succeeded in a H-bomb test for the first time, while claiming that the nuclear test was intended for a self-defense measure to protect sovereignty and its right to exist.

3 Contents of Japan's autonomous measures against North Korea are as follows: (1)The Government of Japan increases the number of people who are subject to restrictions on movement of persons, including banning on the re-entry of foreign experts on nuclear and missile technology residing in Japan with an aim to go to North Korea; (2)The Government of Japan reduces the lowest amount that requires notification and bans the payment to North Korea as a rule; (3)The Government of Japan bans the entry of all North Korean flag vessels including those for humanitarian purposes and third-country flag vessels which have previously called at ports in North Korea; (4)The Government of Japan adds to entities and individuals designated for asset-freezing measures.

C Japan-North Korea Relations

(a) Efforts 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 of the abductions issue, Japan has positioned its resolution as one of its most important foreign policy issues. Accordingly, Japan 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.

(b) Japan-North Korea consultations

On the occasion of the ASEAN-related Foreign Ministers' meeting held in Malaysia on August 6, 2015, a meeting was held between Foreign Minister Kishida and Foreign Minister of North Korea, Ri Su-Yong. Minister Kishida conveyed Japan's concerns, while requiring North Korea to fulfill the agreement in May 2014 (agreement in Stockholm) and strongly urged North Korea to return all the abductees at the earliest possible date. In response, Minister Ri Su-Yong explained

that the Special Investigation Committee was faithfully conducting investigations based on the agreement in Stockholm.

However, after Japan announced its autonomous measures against North Korea, following the nuclear test in January and the launch of a ballistic missile in February, the Special Investigation Committee announced in February 2016 that it would totally stop the investigations on all Japanese nationals including abductees and dissolve the Committee. Japan strongly protested against North Korea and conveyed its intention of not abandoning the agreement in Stockholm. In addition, Japan strongly demanded that North Korea return all the abductees home in accordance with the agreement in Stockholm at the earliest possible date.

(C) Partnerships with the international community

Japan takes all possible opportunities to raise the abductions issue and other issues concerning 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 held in April 2015, they confirmed that Japan, the U.S. and the ROK would continue to work closely on the North Korean nuclear and missile issues. On the abductions issue, President Obama expressed his understanding and support for Japan. Even since then, Japan has taken a variety of opportunities, including the Japan-U.S. summit meeting held on the occasion of the APEC Leaders' Meeting in November, to confirm cooperation between Japan and the U.S. and among Japan, the U.S. and the ROK.

Japan, the U.S. and the ROK took the opportunity of the UN General Assembly

held in September to hold a Japan-U.S.-ROK Trilateral Foreign Ministers' Meeting in New York, at which the three Ministers reconfirmed the importance of even closer cooperation on issues regarding North Korea. Moreover, Minister Kishida explained the current status of Japan-North Korea relations and confirmed that the three countries would continue close cooperation for the resolution of humanitarian issues including the abductions issue. Japan, the U.S. and the ROK have held a trilateral vice ministers' meeting since April 2015. At the 2nd meeting held in Tokyo immediately after North Korea's nuclear test in January 2016, they confirmed close cooperation among the three countries. In response to repeated provocations by North Korea, such as the nuclear test in January 2016 and the launch of a ballistic missile in February, Japan conducted telephone talks with the U.S., the ROK and other relevant countries to confirm close cooperation.

Leaders' Declaration issued at the G7 Summit in Germany in June 2015 strongly condemned North Korea's continued development of nuclear and missile programs, as well as its appalling human rights violations, and its abductions of nationals from other countries. At the East Asia Summit (EAS) (in Malaysia) and Japan-ASEAN summit meeting (in Malaysia) held in November 2015, the importance of addressing humanitarian concerns including the abductions issue was emphasized in respective Chair's statements. Aside from the above, in a joint statement issued on the occasion of Japan-Australia summit meeting held in December, it was

confirmed the two countries would urge North Korea to address urgently the humanitarian concerns including the abductions issue.

The Resolution on the Situation of Human Rights in the DPRK co-tabled by Japan and the European Union (EU) was adopted at the Human Rights Council in March 2015 (for the eighth time in eight consecutive years). Furthermore, the Resolution on the Situation of Human Rights in the DPRK, which contains stronger contents based on the Resolution adopted by the Human Rights Council in March, was adopted by majority vote at the plenary session of the UN General Assembly in December (for the eleventh time in eleven consecutive years)⁴. On December 10 (New York time), the Security Council Meeting on the "Situation in the DPRK" was convened for two years in a row, and a comprehensive discussion was carried out on the situation in North Korea, including human rights.

Furthermore, a bill concerning abductions was submitted to the U.S. Congress. Given the rising awareness of the international community about the abductions issue, Japan will make its utmost efforts for an early resolution of the abductions issue in close coordination and cooperation with relevant countries concerned.

D Cooperation with and efforts by the international community

Regarding the relationship between the U.S. and North Korea, on a statement issued by a spokesman of the General Staff Department of the KPA on March 2, 2015 to protest the U.S.-ROK joint military exercises,

⁴ The resolution condemns North Korea's systematic, widespread and gross violations of human rights and strongly urges North Korea to end all human rights violations. On top of that, Japan has been urging North Korea to implement the recommendations of the UN Commission of Inquiry (COI) without delay. Moreover, it encourages the Security Council to continue 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.

North Korea asserted that “It is the resolute determination we have chosen to accelerate a final destruction of the U.S. Empire and its follow-up forces in a conventional war if they provoke a war of aggression by means of regular armed force, and in our powerful nuclear strike (omitted) if they provoke a war of aggression by means of nuclear armed force.”

Meanwhile, North Korea continues to appeal to the U.S., claiming that replacement of the armistice agreement by a peace treaty must precede all problems to break the vicious cycle of intensified confrontation and tension in the Korean Peninsula, including in a speech given by Foreign Minister Ri Su-Yong at the UN General Assembly in October and a statement issued by the Ministry of Foreign Affairs (dated October 14).

Regarding the relationship between the ROK and North Korea, according to the ROK-North Korea joint press statement⁵ announced in response to the shelling incident in the DMZ in August 2015, a reunion project for war-separated families was conducted at Mt. Geumgang in October 2015, the 2nd reunion held under the Park Geun-Hye administration, and a North-South meeting of vice-ministerial level officials was held at the Gaeseong Industrial Complex in December, which ended up with no special announcement of agreement. In February 2016, the ROK government announced a full suspension of the Gaeseong Industrial Complex as a countermeasure for the nuclear test in January and the ballistic missile launch in February. It also explained that North

Korea exploited the ROK government’s past efforts so as to sophisticate nuclear weapons and long-range missiles. In response to this, North Korea expelled South Korean nationals from the industrial complex and declared that it would put the industrial complex under military control.

Regarding the relationship between China and North Korea, the exchanges at government and party levels were fewer than those in the Kim Jong-Il era, but Liu Yunshan, a Politburo Standing Committee member of the Communist Party of China attended the ceremony commemorating the 70th anniversary after foundation of the WPK held on October 10, 2015. He met with the First Chairman of the NDC Kim Jong-Un and transmitted a personal letter from President Xi Jinping. They also exchanged views on the future development of China-North Korea relationship.

Regarding the relationship between Russia and North Korea, the First Chairman of the NDC Kim Jong-Un did not attend the ceremony commemorating the 70th anniversary after the victory of the “Great Patriotic War” in May 2015. Instead, Kim Yong-Nam, the Presidium of the Supreme People’s Assembly attended the ceremony. The year 2015 also marked the Russia-North Korea Friendship Year. Thus frequent mutual visits by high-ranking officials were observed.

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

⁵ Points of the ROK-North Korea joint press statement are as follows: (1) Talks between authorities to improve the North-South relations will be held in Seoul or Pyongyang at an early date; (2) North Korea will express regret for the fact that ROK soldiers suffered injuries due to the mine explosion; (3) The ROK will suspend all propaganda broadcasts along the Military Demarcation Line from noon, August 25, unless an abnormal case occurs; (4) North Korea will lift the semi-war state; (5) The ROK and North Korea will arrange reunions for war-separated families on the occasion of Chuseok (Lunar Bon in Japan: September 27) and continue to do so in the future. A working-level contact by the Red Cross will take place early in September; (6) North Korea and the ROK will revitalize private sector exchanges in various fields.

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 (ROK)

A Situation in the ROK

(a) Domestic affairs

In 2015, President Park Geun-Hye celebrated the 3rd year after inauguration, announcing the 4th national discourse after she took office, entitled “Necessity of 4 major reforms and request for public cooperation,”⁶ and asked for public understanding and cooperation for a significant re-launch of the Korean economy.

In February, the approval rating of the Park Geun-Hye administration fell to its lowest since she took office, due to public discontent against the year-end tax adjustments directly linked to people’s lives. In May, the president’s initial response was criticized as inadequate after a person infected with MERS (Middle East Respiratory Syndrome) was first discovered in the ROK. Consequently, her approval rate fell again.

However, the approval rate was restored again in September, because the increased military tension between the ROK and North

Korea caused by the mine explosion and the shelling in the inter-Korea demilitarized zone were relieved by the realization of an agreement through the contact between their high-ranking officials, and because President Park Geun-Hye visited China.

(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 Initiative”⁷ and the “Trust-Building Process on the Korean peninsula.”⁸ In 2015, the president set the following three major goals: “Leading change in the situations on the Korean Peninsula and in its surrounding region,” “Building “trust” infrastructure for a peaceful unification of the Korean Peninsula” and “Strengthening the global network for unification.”

Regarding the relations with the U.S., President Park Geun-Hye visited the U.S. in October to hold the 4th U.S.-ROK summit meeting, where she emphasized the strong U.S.-ROK alliance, such as through the announcement of a joint statement against North Korea.

Regarding the relationship with China, President Park Geun-Hye visited China in September 2015 to attend the ceremony celebrating the 70th anniversary of victory against Japan, and conducted a ROK-China summit meeting with President Xi Jinping. In December, the Free Trade Agreement (FTA) with China entered into force. The ROK is strengthening the economic relationship with China.

6 The past public discourses include a public discourse on government reorganization plan (March 4, 2013), Three Year Plan for Economic Innovation (February 25, 2014) and a public discourse on the Sewol accident (May 19, 2014).

7 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.

8 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.

(C) Economy

In 2015, the ROK recorded a real GDP growth rate of 2.6%, down from the previous year's rate of 3.3%. Its exports were worth approximately 527.2 billion US dollars in total, down 7.9% compared with the previous year, while its imports totaled around 436.8 billion US dollars, down 16.9% on the previous year, leading to a trade surplus of approximately 90.4 billion US dollars (figures published by the ROK Ministry of Trade, Industry and Energy Statistics).

In terms of domestic economic policy, "Four Major Reforms" were raised after the "Three Year Plan for Economic Innovation" announced in February 2014, thereby promoting structural reforms in the public sector as well as the labor, education and financial sectors. In the field of international trade, the government announced a "New FTA Promotion Strategy" which would proactively promote mega FTAs such as Trans-Pacific Partnership (TPP) Agreement and Regional Comprehensive Economic Partnership (RCEP), improve the FTAs that had been already concluded, and facilitate new FTAs aimed at the markets of emerging countries.

B Japan-ROK Relations

(a) Bilateral relations

The year 2015 was the milestone year of the 50th anniversary of the normalization of Japan-ROK relations. The ROK is Japan's most important neighbor that shares strategic interests, and good Japan-ROK relations are essential in ensuring peace and stability of the Asia-Pacific region. Furthermore, Japan and the ROK have worked in partnership on a variety of regional and global issues, including nuclear disarmament and non-proliferation, peacebuilding and poverty not



Prime Minister Abe (left) shaking hands with President Park Geun (right) at a Japan-ROK foreign ministers' meeting (November 2; Seoul, the ROK; Photo: Cabinet Public Relations Office)

to mention issues involving North Korea. From now on, the Government of Japan will move toward developing a new era of future-oriented Japan-ROK relations, in all fields such as politics, economy and culture.

On June 21, Minister of Foreign Affairs, Yun Byung-Se visited Japan for the first time since taking office, and positively exchanged views with Foreign Minister Kishida on advancing the Japan-ROK relations. On June 22, events celebrating the 50th anniversary of the normalization of Japan-ROK relations took place, and Prime Minister Abe and President Park Geun-Hye attended the events held in their respective countries, with each offering congratulatory messages.

Furthermore, on the occasion of Japan-China-ROK Trilateral Summit held in November (in Seoul), a foreign ministers' meeting was held on November 1, and the first Japan-ROK summit meeting under the Abe administration took place between Prime Minister Abe and President Park Geun-Hye on November 2. While conducting a meaningful exchange of views on outstanding issues between the two countries, they also shared views on strengthening cooperation between Japan and the ROK in various fields, including security, people-to-people exchange and the

economy, and also discussed the issues of North Korea profoundly.

Furthermore, on December 28, it was confirmed that the issue of comfort women is resolved finally and irreversibly through a Japan-ROK foreign ministers' meeting (in Seoul) and a Japan-ROK summit telephone call. Furthermore, Prime Minister Abe and President Park confirmed that they would take responsibility as leaders to implement this agreement, and that they would deal with various issues based on the spirit of this agreement. (See "Announcement by Foreign Ministers of Japan and the Republic of Korea at the Joint Press Occasion" on page 38).

(b) Exchange

Mutual understanding and exchange between the people of both Japan and the ROK are steadily deepening and broadening. The year 2015 marked the 50th anniversary of the normalization of Japan-ROK relations, and the governments of the two countries certified the culture and exchange programs organized by local public entities and private organizations as projects commemorating the 50th anniversary to make the 50th anniversary a year of a wide range of exchanges between Japan and the ROK. More than 440 programs were certified by both governments as of the end of December, and a wide-range of exchanges were performed actively.

The number of people mutually visiting the two countries, which was only about 10,000 annually immediately after the normalization of diplomatic relations, reached about 5.84 million in 2015⁹.

The Nikkan Koryu Omatsuri (Japan-Korea Festival), an annual cultural exchange event in Japan and the ROK, respectively, took place in Seoul on September 19 and 20 and in Tokyo on September 26 and 27, with attendance of 158,000 people in total.

In addition to "JENESYS (Japan-East Asia Network of Exchange for Students and Youths) 2.0," or people-to-people exchange programs between Japan and Asia-Pacific regions, Japan made efforts to promote mutual understanding and build a friendly and cooperative relationship for the future through the promotion of "JENESYS2015."

(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 dispute¹⁰, and 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 building. Japan has been making various efforts to settle the Takeshima dispute in a peaceful manner in accordance with international law, including proposing to the ROK a referral on the issue to the International Court of Justice three times (September 1954, March 1962 and August 2012). Japan will continue to

⁹ Numbers of visitors in 2015. Visitors from the ROK to Japan: 4,002,100 (figures published by the Japan National Tourist Organization (JNTO)); visitors from Japan to the ROK: 1,837,782 (figures published by the Korea Tourism Organization (KTO)).

¹⁰ In February 2008, the Ministry of Foreign Affairs created a brochure entitled "Takeshima: 10 points to understand the Takeshima dispute." Currently, available on the MOFA website in 11 languages (Japanese, English, Korean, French, German, Spanish, Portuguese, Arabic, Russian, Chinese and Italian). Also, since October 2013, videos, flyers and pamphlets concerning about Takeshima have been published made public on the MOFA website and are currently available in the above 11 languages. Furthermore, efforts are being made to develop an App explaining the Takeshima dispute that can be downloaded.

make diplomatic efforts tenaciously.

(D) The issue of comfort women

It was confirmed that the issue of comfort women, a long-standing issue over many years between Japan and the ROK, is resolved finally and irreversibly based on the agreement reached at Japan-ROK Foreign Ministers' Meeting on December 28, 2015 (See "Announcement by Foreign Ministers of Japan and the Republic of Korea at the Joint Press Occasion" on page 38). During a subsequent Japan-ROK summit telephone call, they confirmed and appreciated the agreement. Furthermore, the leaders of both Japan and the ROK confirmed that they would take responsibility as leaders to implement this agreement, and that they would deal with various issues based on the spirit of this agreement. In light of this agreement, the Government of Japan will move toward developing a new era of future-oriented Japan-ROK relations.

(e) Other issues

With regard to matters arising from the judicial decisions in the ROK concerning "requisitioned civilians" from the Korean Peninsula¹¹, the problems concerning property and claims between Japan and the ROK were settled completely and finally through the Agreement on the Settlement of Problems concerning Property and Claims

and on Economic Co-operation between Japan and the Republic of Korea, so Japan will continue to deal appropriately with these issues on that basis.

Concerning the issue over the former Sankei Shimbun Seoul bureau chief indicted without arrest for defamation, the Seoul Central District Court delivered a judgment of acquittal and, after a few days, the judgment was established.

Other than these issues, Japan is providing as much support as possible from a humanitarian perspective in a wide range of fields including the issue of remains of people originally from the Korean Peninsula¹², support for ethnic Koreans in Sakhalin¹³, addressing the issue of atomic bomb survivors living in the ROK¹⁴ and helping Hansen's disease patients admitted to sanitariums in the ROK¹⁵.

Moreover, Japan and the ROK have engaged in several rounds of negotiations over the delimitation 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 2015 was approximately 8.57 trillion yen. Japan is the ROK's 3rd-largest trading partner and the ROK is Japan's 3rd-largest trading

¹¹ 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 perspective defendants to compensate the plaintiffs.

¹² 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.

¹³ For various reasons, before the end of the 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.

¹⁴ The issue of 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 Bombs Survivors' Assistance Act.

¹⁵ People who were admitted to Hansen's disease sanitariums 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 sanitariums overseas for the first time.

Announcement by Foreign Ministers of Japan and the Republic of Korea at the Joint Press Occasion

1. Foreign Minister Kishida

The Government of Japan and the Government of the Republic of Korea (ROK) have intensively discussed the issue of comfort women between Japan and the ROK at bilateral meetings including the Director-General consultations. Based on the result of such discussions, I, on behalf of the Government of Japan, state the following:

(1) The issue of comfort women, with an involvement of the Japanese military authorities at that time, was a grave affront to the honor and dignity of large numbers of women, and the Government of Japan is painfully aware of responsibilities from this perspective.

As Prime Minister of Japan, Prime Minister Abe expresses anew his most sincere apologies and remorse to all the women who underwent immeasurable and painful experiences and suffered incurable physical and psychological wounds as comfort women.

(2) The Government of Japan has been sincerely dealing with this issue. Building on such experience, the Government of Japan will now take measures to heal psychological wounds of all former comfort women through its budget. To be more specific, it has been decided that the Government of the ROK establish a foundation for the purpose of providing support for the former comfort women, that its funds be contributed by the Government of Japan as a one-time contribution through its budget, and that projects for recovering the honor and dignity and healing the psychological wounds of all former comfort women be carried out under the cooperation between the Government of Japan and the Government of the ROK.

(3) While stating the above, the Government of Japan confirms that this issue is resolved finally and irreversibly with this announcement, on the premise that the Government will steadily implement the measures specified in (2) above.

In addition, together with the Government of the ROK, the Government of Japan will refrain from accusing or criticizing each other regarding this issue in the international community, including at the United Nations.

2. Foreign Minister Yun

The Government of the Republic of Korea (ROK) and the Government of Japan have intensively discussed the issue of comfort women between the ROK and Japan at bilateral meetings including the Director-General consultations. Based on the result of such discussions, I, on behalf of the Government of the ROK, state the following:

(1) The Government of the ROK values the GOJ's announcement and efforts made by the Government of Japan in the lead-up to the issuance of the announcement and confirms, together with the GOJ, that the issue is resolved finally and irreversibly with this announcement, on the premise that the Government of Japan will steadily implement the measures specified in 1. (2) above. The Government of the ROK will cooperate in the implementation of the Government of Japan's measures.

(2) The Government of the ROK acknowledges the fact that the Government of Japan is concerned about the statue built in front of the Embassy of Japan in Seoul from the viewpoint of preventing any disturbance of the peace of the mission or impairment of its dignity, and will strive to solve this issue in an appropriate manner through taking measures such as consulting with related organizations about possible ways of addressing this issue.

(3) The Government of the ROK, together with the Government of Japan, will refrain from accusing or criticizing each other regarding this issue in the international community, including at the United Nations, on the premise that the Government of Japan will steadily implement the measures it announced.

The 50th anniversary of the normalization of the Japan-ROK relations

On June 22, 1965, Japan and the ROK signed the “Treaty on Basic Relations between Japan and the Republic of Korea,” and exchanged the instruments of ratification on December 18 of the same year, whereby diplomatic relations were normalized. Given that the year at 2015 marks the “50th anniversary of normalization of the Japan-ROK relations,” Japan and the ROK worked to promote exchanges in various fields with the catch-phrase, “Together, let us open, a new future” to make the 50th anniversary a significant year.

The 50th anniversary celebration held in Tokyo and in Seoul on June 22 turned out to be a grand success with attendance of Prime Minister Abe and President Park Geun-hye, respectively. The two leaders gave a celebration speech respectively, in front of a folding screen that had been used at the ceremony for the exchange of instruments of ratification 50 years ago, celebrating a new beginning for Japan and the ROK. In addition, on the sidelines of the celebration event, Minister of Foreign Affairs Yun Byung-se visited Japan to hold a Japan-ROK foreign ministers’ meeting with Minister for Foreign Affairs Kishida. The “Nikkan Koryu Omatsuri (Japan-ROK exchange festival),” which began in Seoul on the occasion of the 40th anniversary of normalization of diplomatic relations, was carried out on a larger scale than usual in the year 2015, the 50th anniversary of normalization of the relations (September 19 - 20 (in Seoul), September 26 - 27 (in Tokyo)). In Seoul, besides parades including the Korean delegations’ procession and Yosakoi Arirang (a new dance combining Japan’s “Yosakoi Soran” and the Korean folk song “Arirang”), local traditional dances such as Awa Odori dance, Tsugaru Te-odori and Shimonoseki Heike Odori took place. Approximately 90,000 people gathered. Also, in Tokyo, Samulnori (music with Korean traditional musical instruments), traditional Korean tightrope walking and a K-POP concert took place in addition to a Korean delegations’ procession, which brought a great success with about 68,000 people gathering. A large number of young people from both countries participate in the “Nikkan Koryu Omatsuri (Japan-ROK exchange festival)” as volunteers each year. It has now been established as a symbol of exchange by mainly Japanese and Korean youth.

In addition, the governments of both Japan and the ROK actively cooperated to hold a “Joint Research Symposium” (June 19, in Jeju) with scholars from both Japan and the ROK, promoting exchanges between the people of the two countries. Moreover, in order to make the 50th anniversary of the normalization of the Japan-ROK relations a year of wide-ranging exchanges, the two countries authorized the cultural and



Prime Minister Abe greeting at the celebration for the 50th anniversary of normalization of the Japan-ROK relations (June 22, Tokyo; Photo: Cabinet Public Relations Office)



Awa Odori (Nikkan Koryu Omatsuri (Japan-ROK exchange festival) in Seoul)



The Korean ‘delegations’ parade (Nikkan Koryu Omatsuri (Japan-ROK exchange festival) in Seoul)

exchange programs that municipalities, companies and private organizations engage in as “certified 50th anniversary projects.” Accordingly, more than 440 authorized projects got underway in the fields of arts, academics, youth exchange and sports.

On December 28, at Japan-ROK Foreign Ministers' Meeting between Japanese Foreign Minister Kishida and Korean Foreign Minister Yun Byung-se (in Seoul), an agreement was reached on the comfort women issue, which became an ending worthy of closing the 50th anniversary of the normalization of the Japan-ROK relations and a beginning to open up a future-oriented new era.



Japan-ROK Foreign Ministers' Meeting (December 28, Seoul, Korea)

partner. The ROK's trade deficit with Japan increased by approximately 8.4% compared with the previous year to about 2.09 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 1,670 million U.S. dollars (down 33.1% from the previous year) (figures published by the ROK Ministry of Trade, Industry and Energy), making Japan the ROK's 3rd-largest source of foreign direct investment. Direct investment in Japan from the ROK totaled approximately 580 million U.S. dollars (up 38.6% from the previous year) (figures published by the Export-Import Bank of Korea (KEXIM)).

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

Japan believes that 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 to ensure that both Japan and the ROK can play a leading role in regional economic integration in Asia. Based on this understanding, Japan and the ROK continue to strive to achieve progress in negotiations concerning Japan-China-ROK Free Trade Agreement (FTA) and the Regional Comprehensive Economic Partnership (RCEP).

In addition, at the 14th Japan-ROK High-level Economic Consultation held in January 2016, 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.

In the environmental field, the 17th Japan-ROK Joint Committee on Environmental Cooperation was held in May. The two sides exchanged views on climate change, biodiversity and marine environmental issues and confirmed that Japan and the ROK will closely cooperate on these subjects.

With respect to the issue of restrictions by the ROK on imports of Japanese marine

products, a Dispute Resolution Sub-Committee was established within the WTO in September 2015, in response to Japan's request. In this regard, Japan has been taking various opportunities to request the ROK to repeal the increased restriction measures promptly subject to the WTO rules.

2 China/Mongolia, etc.

(1) China

A The Situation in China

(a) Economy

The Chinese economy has been gradually slowing down. In 2015, the real GDP growth rate showed an increase of 6.9% and total trade value fell 8.0% over the previous year (total import value in particular fell 14.1% over the previous year). On the other hand, the ongoing business trends vary greatly among regions and industries. By industry, for instance, while the secondary industry including manufacturing is slowing down, the tertiary industry such as finance and services is growing steadily.

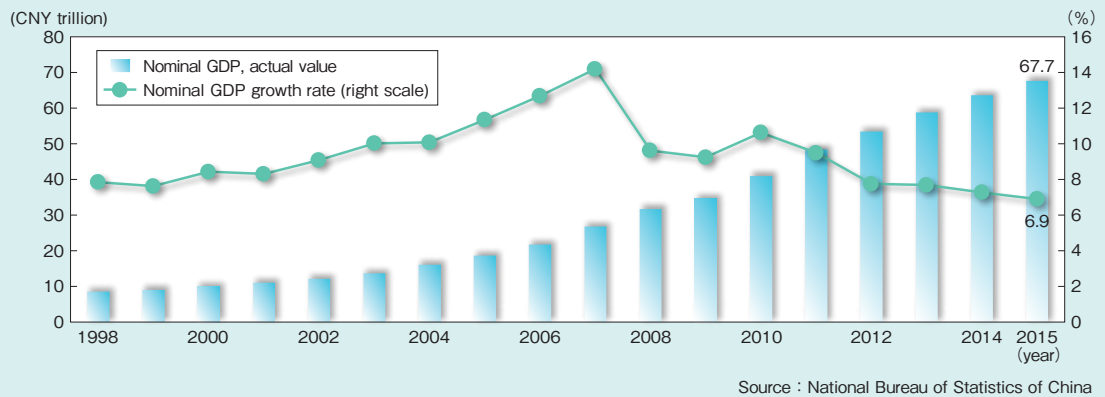
Turning to financial trends, there occurred rapid changes, such as volatile stock price fluctuations in the Shanghai stock market, and the weakening tendency of the renminbi over 6% against the U.S. dollar toward the end of the year, due to a change in the quotation of the central party of Renminbi in August 2015 (In late November of the same year, the International Monetary Fund (IMF) decided to incorporate the renminbi into the special Drawing rights (SDR) basket currencies. The application is scheduled for October 2016.), leading to an increasing concern about the outlook for the Chinese economy, coupled with the slowdowns in various economic indicators.

Ensuring stable growth of the economy is a

foundation of stable society and the source of Chinese people's support for the Communist Party of China, the ruling party. However it has become more complex and more difficult than ever before, with the background of reduced competitiveness, the negative legacy from the past rapid growth and the aftereffects of four-trillion-yuan-stimulus package." Under these circumstances, the Chinese Communist Party and Chinese government regard the current situation of the Chinese economy as the "new normal." It aims to ensure a transformation in economic development model from the conventional high-speed growth led by investment and exports to mid- to high-speed growth led by consumption and domestic demand through structural reforms from a mid- to long-term perspective while securing sustainable and stable growth by economic stimulus measures from a short-term perspective.

At the 5th plenary session of the 18th Central Committee held in October 2015, a proposal concerning the 13th five-year plan (2016-2020) was discussed and adopted, in which innovation and openness were positioned as the pillars of economic policy. In addition, General Secretary Xi Jinping clearly stated that, to achieve the conventional goal of doubling GDP and per capita income in 2020 as compared with 2010, the bottom line of the average annual growth rate during the period of this plan will be 6.5% or more. At the Central Economic Work Conference held in December of the same year, while showing a willingness to prop up the economy through fiscal policy as a basic economic policy in 2016 and the following certain period, the Chinese government is determined to put emphasis on elimination of excess capacity and housing inventory and the supply-side structural reform through

Development of China's GDP



improving productivity. It is to be noted to what extent can China implement the mid-to-long term reforms with overcoming short-term pain included in the next five-year plan to be determined at the National People's Congress scheduled in March 2016.

(b) Domestic affairs

While the economic growth is slowing down, a variety of social issues have emerged to serious levels, such as wealth disparity, environmental pollution, the spread of corruption and intensification of ethnic minority problems. The Xi Jinping leadership, after setting a target of “overall deepening of reform” and “rule of law” at the Third Plenary Session in 2013 and the Fourth Plenary Session in 2014 of the Central Committee, respectively, discussed the 13th Five-Year Plan (development plan from 2016 to 2020), the first five-year plan under the Xi Jinping regime, at the Fifth Plenary Session of the 18th Central Committee, and clearly showed the attitude to commit to tackling various problems.

The anti-corruption movement strongly promoted since the inauguration of the Xi Jinping regime continuously performed in 2015 as well. Deprivation of party membership and public position as well as disposal by a

judicial institution was decided on in June for Zhou Yongkang (a member of the Party Central Political Bureau Standing Committee under the former Hu Jintao leadership), against whom a prosecutable case had been built in July in the previous year, and revocation of party membership was announced in July for Guo Boxiong, who was the highest-ranking military officer in the People's Liberation Army (former Central Military Commission Vice Chairman). Furthermore, interrogations targeting high-ranking local officials were also announced one after another in December, such as of the Shanghai Vice-Mayor and the Deputy Secretary of the Beijing Municipal Communist Party Committee.

On September 3, a military parade was carried out in Tiananmen Square for the first time in six years. Traditionally, a military parade used to be carried out on Chinese National Day (October 1) every 10 years commemorating the founding of the country (1949) but, in 2014, it was held on September 3, which was newly enacted as a “National anniversary celebrating victory in the Japanese war.” In terms of social environment, values in Chinese society are becoming increasingly diverse, due to an increasing population of Internet users. Against this backdrop, the

tendency to newly strengthen pressure inside China, based on the “National Security Law,” is increasingly observed, and the restraint of a large number of human rights activists and lawyers was reported on in July. In addition, Mr. Pu Zhiqiang, a human rights lawyer, was convicted in December, for which concern about the human rights situation in China was voiced in the international community. Deeply-rooted dissatisfaction of the Tibetan and Xinjiang groups against the authorities is also in existence.

(c) Foreign policy

In 2015, active moves were seen in foreign affairs. Proactive economic diplomacy was deployed in light of the initiative entitled “One belt, one road (Silk Road Economic Belt/21st Century Maritime Silk Road)” proposed by President Xi Jinping in 2013, with emphasis on infrastructure exports including high-speed railway. The first general assembly of BRICS (emerging five countries: Brazil, Russia, India, China, and South Africa) Development Bank (Headquarters: Shanghai) was held in July, and the establishment agreement of Asian Infrastructure Investment Bank (AIIB) came into force in December, whereby a China-led international development financial institution is expected to start in a full-fledged manner.

On the other hand, attempts by China to unilaterally change the status quo, such as land reclamations, building outposts and their use for military purposes in the South China Sea, have caused great friction among neighboring countries (see 1-1 (2), 2-1-6 and 3-1-3 (4)). In September, President Xi Jinping visited the U.S. as a state guest and held a summit meeting with President Obama. At the ensuing joint press conference, President Xi Jinping stated, “There is no intention to pursue militarization.” Since October, the

“Freedom of Navigation” operations have been intermittently carried out by the U.S. forces, and China’s response is drawing attention.

In order to fully realize a “well-off society (a society enabling people to enjoy leisure to some extent)” by 2020, it is believed that China will aim to create a more favorable external environment. Increasingly of note is how a China that is expected to continue to increasingly strengthen economic power is going to deploy diplomacy in the future.

(d) Military affairs and security

China has continued to increase defense expenditures at a high level. The national defense budget also shows a high increase of 7.6% in 2016 as compared with the budget amount implemented in the previous year. However, no explanation has been given on the breakdowns of expenditure, and the intention to increase was not disclosed, either. Under such circumstances, the nuclear and missile capabilities and military power centered on naval and air forces are assumed to be enhanced extensively and rapidly in recent years. For instance, the Ministry of National Defense of People’s Republic of China formally announced the commission of their first aircraft carrier “Liaoning” in 2012. In December 2015, they announced that a second aircraft carrier is under construction in China.

Furthermore, unilateral activities by the Chinese military in the sea and airspace around Japan are on the increase, such as the setting of “Air Defense Identification Zone (ADIZ) in the East China Sea” in November 2013 and repeated navigation by Chinese Navy intelligence gathering vessel outside of the contiguous zone around the Senkaku Islands in November 2015.

Such broad and rapid expansion of

military capability lacking transparency, and continued attempts to unilaterally change the status quo are common regional concern. Japan intends to strive to involve China in the international order based on the rule of law in cooperation with the countries concerned.

B Japan-China relationship

(a) Circumstances surrounding the Japan-China relationship

Japan and China are neighboring countries across the East China Sea, and have close economic relations and people-to-people and cultural exchange. Thus the relationship is inseparable, and constitutes one of the most important bilateral relationships. At the same time, Japan and China have numerous political and social differences. Thus, it is inevitable to have friction and conflicts, precisely because two countries are neighbors. Japan and China agreed to build a “Mutually Beneficial Relationship Based on Common Strategic Interests” in 2006, based on the idea that it is important not to affect the entire relationship, even if there are specific issues. Since then, the leaders of the two countries have continued to repeatedly confirm that they will promote a “Mutually Beneficial Relationship based on Common Strategic Interests.”

In 2015, the Japan-China relationship was seen to tend toward improvement. After the summit meeting between Japan and China held in Beijing in November 2014, various dialogues and exchanges, which had been long stagnant until then, were resumed. In January 2015, a Japan-China security dialogue was held for the first time in about four years, enabling the two countries to exchange views on security policy, etc. In March, on the occasion of the foreign ministers' meeting among Japan, China

and the ROK held in the ROK, a foreign ministers' meeting between Japan and China took place. At an event celebrating the 60th anniversary of the Bandung Conference held in April in Indonesia, the second summit meeting was held between Prime Minister Abe and President Xi Jinping. The two leaders of both Japan and China shared the recognition that Japan-China relations are heading toward improvement, and confirmed the mutual intention to continue to accumulate dialogues and exchanges at various levels, thereby ensuring the tendency of improving relations. Dialogue between the two governments continued to take place in the second half of the year. On the occasion of ASEAN-related foreign ministers' meeting held in August in Malaysia, a foreign ministers' meeting between Japan and China was held. In addition, State Councilor Yang Jiechi visited Japan in October, paid a courtesy visit on Prime Minister Abe and Chief Cabinet Secretary Suga, respectively. He also exchanged views with National Security Advisor Yachi. On the occasion of the Japan-China-ROK Trilateral Summit Meeting held in the ROK in November, Prime Minister Abe and Prime Minister Li Keqiang had the first summit meeting. A foreign ministers' meeting also took place for the sixth time since August 2014. Through the talks, specific results were obtained, including the fact that the two leaders confirmed the resumption of mutual foreign ministers' visits to each other and the importance of high-level exchanges, including between the foreign ministers. Furthermore, Prime Minister Abe had a standing conversation with Prime Minister Li Keqiang to conduct positive exchange on the occasion of an ASEAN-related summit meeting held in November, as he also did with President Xi Jinping on the occasion



Japan-China summit meeting (April 23, Jakarta, Indonesia; Photo: Cabinet Public Relations Office)



Japan-China foreign ministers' meeting (November 1, Seoul, ROK)

of the 21st session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP21).

While an improving tendency in relations is confirmed by the two countries at repeated high level contacts, there continue to be intrusions by Chinese Government-owned vessels into the territorial waters around the Senkaku Islands and unilateral resource development by China in the maritime area pending delimitation.

It was in December 2008 that an intrusion by a Chinese Government-owned vessel

into the territorial sea around the Senkaku Islands first took place. In 2015, China dispatched government-owned vessels into the territorial waters around the Senkaku Islands almost every day, and repeated intrusions into the territorial waters 35 times (95 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 had 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 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 had not expressed objections.

The Government of Japan will continue to deal with the situation with resolute

¹ It is confirmed that there exists a Chinese document created on the premise that the Senkaku Islands are part of Japanese territory in the 1950s and 1960s. The Ministry of Foreign Affairs has posted on its website a map published by China in 1969 attaching a title indicating the Senkaku Islands as part of Japanese territory, from which it is considered to have been created on the premise that the Senkaku islands belonged to Japanese territory.

determination to defend Japan's territorial land, sea, and airspace. We have repeatedly used diplomatic channels to lodge strong protests and request the withdrawal of Chinese vessels.

With regard to the "Maritime and Air Communication mechanism between Japan-China defense authorities" to avoid unexpected situations, the two parties had discussions at the 4th and 5th joint working group meetings held in January and June 2015, and at the 3rd and 4th meetings for Japan-China High-Level Consultation on Maritime Affairs held in January and December 2015. Both Japan and China share the view to continue to have consultation for early start of operation of the mechanism.

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) Current state of China's unilateral resource development in the East China Sea

In recent years, China has accelerated its development activities of natural resources in the East China Sea. The Government of Japan has newly confirmed 12 structures since June 2013, and a total of 16 structures including those confirmed before then, on the Chinese side of the geographical equidistance line between Japan and China.

The Exclusive Economic Zone and the continental shelf in the East China Sea have not yet been delimited. Japan takes a position that maritime delimitation should be conducted based on the geographical equidistance line between Japan and China. In this regard, under the circumstances pending maritime boundary delimitation, it is extremely regrettable that China is advancing unilateral resource development. Every time China's related moves are recognized, Japan has strongly requested China to cease its unilateral development and to resume negotiations as soon as possible on the implementation of the "June 2008 Agreement" in which Japan and China agreed to cooperate on the development of natural resources in the East China Sea. In July 2015, while deciding to publish relevant information in an appropriate manner, Japan posted on the Ministry of Foreign Affairs' website a map indicating the position of the structure and related photos.

Considering it was concurred that Japan and China should aim to resume negotiations based on the "June 2008 Agreement" at a summit meeting between Japan and China held in November 2015, Japan will continue to strongly request China to resume negotiations immediately and implement the agreement as soon as possible. (see 1-1 (2), 2-1-6 and 3-1-3 (4)).

(C) Japan-China economic relations

Economic relations between Japan and China, including trade and investment, are close and interdependent. The total trade between Japan and China (excluding Hong Kong) amounted to about 270 billion US dollars in 2015, and China has been the largest trading partner for Japan for nine consecutive years. According to Chinese statistics, direct investment from Japan decreased to about 3,210 million US dollars

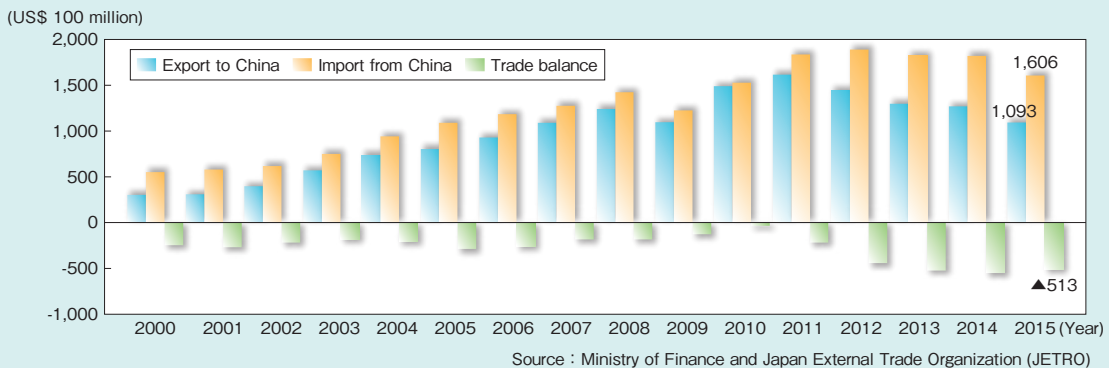
in 2015, due to increased labor costs: down 25.9% over the previous year (estimated based on officially published investment values). By country, Japan ranks 3rd in terms of the amount of direct investment to China (Singapore ranks first, followed by the ROK).

In 2015, various types of dialogues and exchanges were carried out in the economic field. In March, Minister of Civil Affairs Li Liguo visited Japan to attend the UN World Conference on Disaster Risk Reduction (in Sendai), and met with Foreign Minister Kishida and others. It was the first time in about three years that a Chinese minister visited Japan. In April, Director of National Tourism Administration Li Jinzao visited Japan to attend a tourism ministers' meeting among Japan,

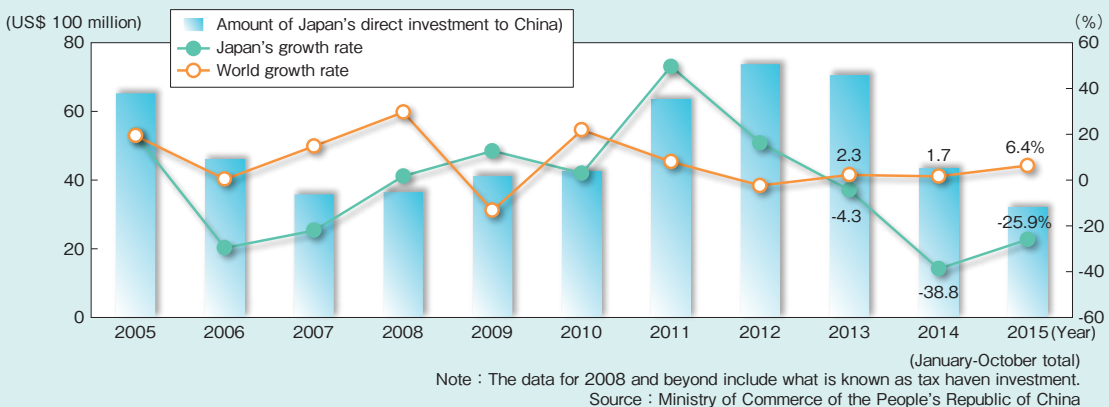
China and the ROK. Other minister-level dialogues included the Tripartite Environment Ministers Meeting among Japan, China and the ROK (in April, Shanghai, China), Japan-China financial dialogue (in June, Beijing, China) and Japan-China Energy Conservation and Environment Forum (November, Tokyo). With regard to Japan-China economic partnership talks in which high-ranking officials of relevant ministries and agencies get together from the two countries, a deputy director general level meeting was held in July for the first time in about four years, followed by a vice minister-level meeting held in December for the first time in about five and half years.

At these meetings, they exchanged views on bilateral and multilateral issues

Change in Japan's Value of Trade with China



Change in Japan's Direct Investment to China





A delegation of Chinese university students visiting Japan No. 22 group (September 13-20; Photo: Japan-China Friendship Center)

and cooperations. Economic exchanges at the private sector level were also actively carried out. A Japan-China tourism and culture exchange delegation, consisting of more than 3,000 tourism industry officials and stakeholders, visited China in May, and President Xi Jinping made a speech with emphasis on Japan-China relations at the “Evening of Japan-China friendship and exchange.” In November, the Japan-China Economic Association, Keidanren (Japan Business Federation) and Japan Chamber of Commerce and Industry jointly dispatched a delegation to visit China for the first time, having a meeting with Prime Minister Li Keqiang. In November, a group of entrepreneurs led by former Vice Prime Minister Zeng Peiyan visited Japan, and attended the 1st Japan-China CEO dialogue in Tokyo.

On the working-level, various dialogues took place, including the 16th Japan-China Fisheries Joint Committee (July, Tokyo) and Japan-China governmental negotiations for Agreement on Social Security organized for the first time in about three and a half years (November, Tokyo).

**(d) Promotion of mutual understanding between Japanese and Chinese people
(Current situation of people-to-people exchanges between Japan and China)**

A total of about 7.49 million people took part in people-to-people exchanges between



NHK Symphony Orchestra's performance from Beijing performances (October 31, Beijing, China; Photo: Dentsu)

Japan and China in 2015 (about 5.13 million people in 2014). The total number of Chinese visitors to Japan set a record high of about 4.99 million (up 107% over the previous year), and their vigorous willingness to purchase attracted attention with the term “*bakugai* (buying rush).” The total number of Japanese visitors to China fell 220,000 to 2.5 million (down 8% over the previous year).

(Japan-China youth exchange)

In 2015, Japan invited a total of about 3,500 Chinese high school and university students and others in the program “JENESYS (Japan-East Asia Network of Exchange for Students and Youths) 2.0” with China. Chinese young people that visited Japan felt Japan brands of its attractiveness and strengths including “Cool Japan” through school exchanges and tours to businesses, while they deepened a mutual understanding with Japanese youth, and the youth from the two countries discussed what the future Japan-China relationship should be.

(Exchanges in various fields)

To further develop Japan-China relations, the Government of Japan invites people at various levels in all walks of life to Japan, such as leaders of central and local governments in China, people having certain influence in the political, economic, public and academic sectors, and next-generation leaders and

opinion leaders in addition to young people who will carry the next generation, such as high school students, thereby making efforts for a wide range of relationship building and strengthening. The Chinese participants are expected to exchange views with various circles and experts and go on inspection tours, hoping that a good relationship will be built between the invitees and Japanese parties concerned and Japan will be more accurately understood through these exchanges. The Embassy of Japan in China carried out a contest to recruit written descriptions of impressions and photos on travels to Japan from May to June and from October to December of 2015 on a social networking site (SNS), gathering high interest. The number of views on the posting page reached 35 million.

Kabuki performances were also carried out in Beijing in April. Furthermore, during a period from October to November in 2015 referred to as an “Intensive Month for Japan-China Exchanges,” a variety of Japan-China exchange events took place intensively mainly in Beijing (Japanese drum YAMATO Beijing performance (October 13-14), NHK Symphony Orchestra Beijing concert (October 31) and Seri Yoko four seasons’ songs Beijing performance by Yoko Seri commemorating the visit to China for Japan-China friendship (November 13), etc.).

(e) Abandoned chemical weapons issue

The Government of Japan, according to the Chemical Weapons Convention (CWC), has been working on the disposal of abandoned chemical weapons in China, making steady progress as follows: Disposal by mobile processing facilities has been being carried out in Shijiazhuang City, Hebei

and in Wuhan City, Hubei; test disposal is proceeding at Haerbaling District in Dunhua, Jilin Province; disposal was completed in Wuhan City in July 2015, and; disposal of about 39,000 abandoned chemical weapons is to be completed before the end of 2015².

(2) Taiwan

A Internal Affairs

Taiwan held a presidential election and Legislative Yuan elections in January 2016. While the ruling Kuomintang changed its presidential candidates, the opposition Democratic Progressive Party continued to be dominant during the campaign. Tsai Ing-wen, Chairperson of the Democratic Progressive Party was elected in the presidential election. The Democratic Progressive Party also won its outright majority in the Legislative Yuan elections for the first time. Accordingly, the ruling party is set to be replaced by the opposition party for the first time in eight years.

The economy showed weakness, reflecting a fall in exports. The real GDP growth rate slowed-down to 1.06% (preliminary figure) in 2015 over the previous year.

B Cross-strait Relations and Foreign Affairs

On November 7, President Xi Jinping of China met with President Ma Ying-jeou of Taiwan in Singapore. It was for the first time since 1949 that a summit meeting between China and Taiwan was held. Japan, as a consistent stance, hopes that the issue surrounding Taiwan will be resolved peacefully by direct dialogue between the concerned parties, and expressed the idea

² With regard to chemical weapons abandoned by the Imperial Japanese Army in the area of China, about 53,000 shells have been confirmed in a wide range extending from northern Heilongjiang to southern Guangdong Province, and it is estimated that about 300,000-400,000 shells are buried in the Haerbaling District, Jilin Province. The Government of Japan is conducting field surveys jointly with the Chinese government, and is proceeding with scrap and disposal projects as well as excavation and recovery operations in various parts, under the cooperation with the Chinese government.

Japan-China-ROK Trilateral Summit Meeting ~ toward the meeting to be held in Japan for the third time ~

1. History of the Japan-China-ROK Trilateral Summit Meeting ~ the Trilateral Summit Meeting came into being in Japan ~

On December 13, 2008, Prime Minister Taro Aso of Japan invited Premier Wen Jiabao of State Council, China, and President Lee Myung-bak of the ROK to Fukuoka and hosted the first Japan-China-ROK Trilateral Summit Meeting.

It was not the first time to hold the Japan-China-ROK leaders' meeting. During the period from 1999 to 2007, Japan-China-ROK leaders' meetings had taken place in association with ASEAN+3 Summit Meetings. Accumulating Japan-China-ROK leaders' meetings, ministerial meetings and working-level experts' meetings came to be held in each area to follow or embody the outcomes of the leaders' meeting.

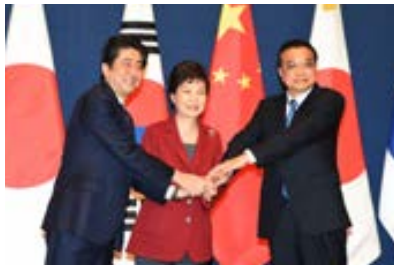
Based on these achievements, momentum was enhanced toward holding Japan-China-ROK Trilateral Summit Meeting independently, instead of on the margin of ASEAN + 3 Summit Meetings held in ASEAN Member States. The first Japan-China-ROK Trilateral Summit Meeting was held in Fukuoka, Japan, in December 2008.

Afterwards, Japan-China-ROK Trilateral Summit Meetings were held every year in the order of Japan, China and the ROK up to 2012, where the leaders conducted lively face-to-face discussions to achieve full cooperation in an increased number of areas on the basis of the achievements of the cooperation that had accumulated since 1999.

The practice was established as well whereby the Japan-China-ROK Foreign Ministers' Meeting was also held prior to the Trilateral Summit Meeting to undertake all possible preparations for discussions at the Trilateral Summit Meeting. In 2015, the Japan-China-ROK Foreign Ministers' Meeting was held in March for the first time in three years, prior to the Japan-China-ROK Trilateral Summit Meeting, which is still vivid in our mind.

2. Japan-China-ROK Trilateral Summit Meeting in 2016 — chairmanship to be taken by Japan

The Japan-China-ROK Trilateral Summit Meeting held in 2015 for the first time in approximately three and a half years, was meaningful in the following senses: (1) the three leaders shared the view that trilateral cooperation had been completely restored, (2) they reaffirmed that the Trilateral Summit should be held on a regular basis, and (3) they decided that Japan would take chairmanship. For Japan, the year 2016 will be a year when it hosts the Japan-China-ROK Trilateral Summit Meeting for the third time. We aim for a Trilateral Summit Meeting with meaningful achievements in a wide range of areas, including economy, environment and youth exchange. Through these efforts, we intend to fulfill responsibilities for peace and prosperity in the region, shared among Japan, China and the ROK.



The Japan-China-ROK Trilateral Summit Meeting
(November 1, Seoul, Korea; Photo: Cabinet Public
Relations Office)



The Japan-China-ROK Foreign Ministers' Meeting
(March 21, Seoul, Korea)

of continuing to watch the development of the situation in the hope that the moves mentioned above will contribute to the peace and stability of the region.

C Japan-Taiwan relationship

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 and people-to-people exchanges.

Against this backdrop, the working relationship has been deepening, and in 2015, cooperation arrangements were signed between the Interchange Association and the Association of East Asian Relations covering a variety of field, including the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and the application of competition laws.

Since the import restrictions on Japanese food products were strengthened in Taiwan in May, the Japanese side repeatedly requested the Taiwanese side through the Interchange Association for abolition and relaxation of the import restrictions that are not based on scientific evidence.

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 navigated in 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

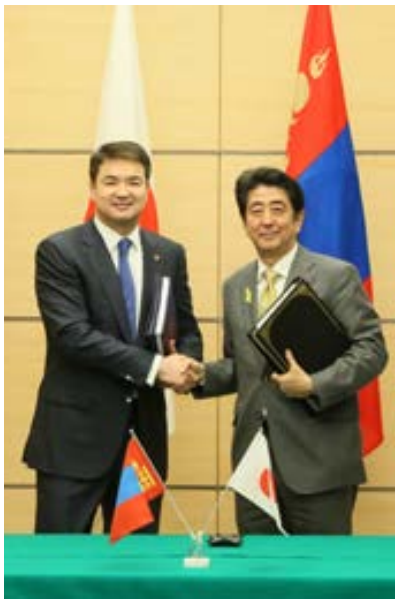
In August, a large coalition of the ruling Democratic Party/Justice Coalition (composed of Mongolian People's Revolutionary Party (MPRP) and Mongolian National Democratic Party) and Mongolian People's Party (MPP), an opposition party, was cancelled. This is because the Democratic Party broke the cooperation agreement it had entered into with the MPP, due to unfair dismissal of more than 600 national civil servants by ministers of the MPRP and sabotage by members of the same party at the State Great Hural (Parliament of Mongolia). Although President Tsakhia Elbegdorj called for continuation of the coalition, Chairman Zandaakhun. Enkhbold of the State Great Hural convened an extraordinary meeting to appoint new ministers. Accordingly, with six new ministers appointed, the 2nd Saikhanbileg cabinet consisting of the Democratic Party and the Justice Coalition alone was launched in September. The 2nd Saikhanbileg cabinet aims at a "government able to determine quickly" with continued emphasis on economic policy in the sluggish economic and financial situation.

The Mongolian economy was greatly depressed after recording a GDP growth of 17.3% in 2011, caused by a fall in global resources prices and the sluggish Chinese economy, as well as a decrease in foreign direct investment due to the restrictive policy for foreign investment into Mongolia against the backdrop of its resource nationalism and the enactment of such laws. The GDP continued double-digit growth from 2011 through 2013, and then fell to 7.8% growth in 2014. In 2015, the economy is expected to grow at about 4%.

B Japan-Mongolia relations

Japan will continue to strengthen friendly relationship as the “Strategic Partnership” with Mongolia, which shares fundamental values, such as freedom and democracy, and market economy.

In 2015, high-level exchanges were actively carried out following the previous year. Mongolian Prime Minister Chimed Saikhanbileg visited Japan (February), followed by Chairman Zandaakhuu Enkhbold of the State Great Khural (February) and



The two leaders shaking hands after finishing the signing ceremony for the Japan-Mongolia Economic Partnership Agreement (February 10, Tokyo; Photo: Cabinet Public Relations Office)



Prime Minister Abe's visit to Mongolia (October 22, Ulaanbaatar, Mongolia; Photo: Cabinet Public Relations Office)

President Tsakhia Elbegdorj (May). Prime Minister Abe visited Mongolia in October as the first Japanese incumbent prime minister visiting Mongolia twice. In particular, on the occasion of Prime Minister Chimed Saikhanbileg's visit to Japan, the Japan-Mongolia Economic Partnership Agreement was signed, the first such agreement for Mongolia. When Prime Minister Abe visited Mongolia, the 8th summit meeting was carried out between Prime Minister Abe and President Tsakhia Elbegdorj. Furthermore, a number of ministers visited Japan from Mongolia, such as the Minister of Industry, Minister of Population Development and Social Protection, Minister of Justice, Minister of Health and Sports, and Minister of Food and Agriculture.

In New York, the first consultation among diplomatic authorities of Japan, the U.S. and Mongolia was held in September as a new attempt, wherein they exchanged views on a broad range of fields including the economy, multilateral and regional cooperation and regional situation.

3 Southeast Asia

(1) Indonesia

In Indonesia, Joko Widodo was elected as President at the presidential election carried out in July 2014, and was inaugurated as the 7th president in October of the same year. President Joko in April 2015 hosted the 60th Bandung Conference Commemoration in Indonesia. In domestic policy, he has put emphasis on economic measures, announcing a series of economic policy packages containing deregulation with the world economy slowing-down.

In terms of the relationship with Japan, Indonesia continued talks at leader and

minister levels actively even after the inauguration of the Joko administration, facilitating communication between the two countries. In March, President Joko visited Japan and held a summit meeting. After the meeting, the leaders of Japan and Indonesia issued a joint statement entitled, “Japan-Indonesia Joint Statement - Toward further strengthening of strategic partnership supported by the seas and democracy,” and confirmed a strengthening of the strategic partnership supported by the seas and democracy, based on mutually beneficial cooperation, friendly relations and sharing of fundamental values. When Prime Minister Abe visited Indonesia in April to attend a summit meeting commemorating the 60th anniversary of the Asian-African Conference (Asian African Summit 2015), a bilateral summit meeting took place between Japan and Indonesia, followed by another bilateral summit meeting organized on the occasion of an ASEAN-related summit meeting (in Malaysia) in November. In addition, Foreign Minister Kishida met with Foreign Minister Retno when the latter visited Japan in December. Furthermore, a Foreign and Defence Ministerial Meeting was held between Japan and Indonesia for the first time, wherein it was confirmed that the two countries will strengthen security and defense cooperation, and continue to work closely for the sake of peace, stability and prosperity in the region and the world.

Other exchanges included visits of Vice President Kalla to Japan in March and in May, and visits to Indonesia of Japan’s economic organizations and a delegation for Japan-Indonesia cultural, economic and tourism exchanges involving a total of more than 1,000 people.

(2) Cambodia

Cambodia is situated in a strategic point of the Southern Economic Corridor, and serves as a key country in strengthening connectivity and narrowing regional development gap in the Mekong region. The country has been promoting a development policy with emphasis on the enhancement of governance, with the aim of entering the group of Upper Middle Income Countries in 2030.

Japan has been cooperating actively with Cambodia, including through the Cambodia peace process in the late 1980s and in its subsequent reconstruction and development process. Thus the two countries remain in a good relationship. The year 2015 marked the 60th anniversary of the signing of the Japan-Cambodia Friendship Treaty. In this memorial year, Japan and Cambodia made efforts for further strengthening the “strategic partnership” upgraded by the two leaders in 2013. A summit meeting was held three times in 2015: When Prime Minister Hun Sen visited Japan to attend the UN World Conference on Disaster Risk Reduction in March and to attend the Japan-Mekong summit meeting in July, and on the occasion of the ASEAN-related summit meeting (Malaysia) held in November. Prime Minister Hun Sen expressed again great appreciation and support for Japan’s “Proactive Contribution



Neak Loeung Bridge (Tsubasa-bashi) construction plan (Cambodia)

to Peace,” as well as gratitude for Japan’s support for election reform. In April, the Neak Loeung bridge constructed by Japan’s ODA was opened, and Prime Minister Hun Sen named it “Tsubasa” bridge. In June, the funeral of Chea Sim, former President of the Senate was held, attended by Ryu Shionoya, a member of the House of Representatives (Chairman of Japan-Mekong Parliamentary Friendship) as the Prime Minister’s Special Envoy. In October, Parliamentary Vice-Minister for Foreign Affairs Kazuyuki Nakane visited Cambodia. In December, members of Japan-Cambodia Parliamentary Friendship League also took the opportunity of the 50th anniversary of Japan Overseas Cooperation Volunteers (JOCV) to visit the country.

In domestic affairs, the ruling and opposition parties confronted each other over election results in the National Assembly (Lower House) in 2013. After the ruling and opposition parties agreed to a breakthrough for the political situation in July 2014, two laws were enacted in 2015: the Law on the Organization and Functioning of the National Election Committee and the revised Election Law, enabling the new National Election Committee to start operation. On the other hand, the confrontation between the ruling and opposition parties is also seen to have grown, including with the arrest warrant issued for the opposition leader in November, with local elections scheduled in 2017 and national election scheduled in 2018.

(3) Singapore

A general election took place in September, in which the ruling People’s Action Party (PAP) led by Prime Minister Lee Hsien Loong won an overwhelming 83 of 89 seats, remaining in power. The general election drew attention concerning how much the

ruling party’s policy following the last general election of 2011 was accepted by the people. The considerate and precise implementation of policy management on actively accepting foreigners with due consideration to public willingness was evaluated, including reviewing part of the proactive foreigner acceptance policy, enhancement of the education system other than university education, expansion of support for the elderly and low-income earners, and improvement of housing conditions, leading to a reversal of the falling trend in support for the ruling party. Following the general election’s results, a large-scale cabinet reshuffle was conducted in October, allowing new ministers to be appointed for eight of a total of 15 ministries. Generation change in the leadership has also been in steady progress, as shown by the new ministers appointed from among next-generation leadership candidates referred to as the “fourth generation.”

In the relationship with Japan, VIP visits actively took place in 2015 following the previous year. In March, Prime Minister Abe visited Singapore to attend the state funeral of Lee Kuan Yew, the former Prime Minister and the founding father of Singapore. His visit was the third in three consecutive years. The two leaders also had bilateral talks at the ASEAN-related summit (in Malaysia) held in November, and confirmed further strengthening of cooperation between the two countries. At the ministerial level, Foreign Minister and concurrent Minister of Justice Shanmugamu visited Japan in March to meet with Foreign Minister Kishida. At the meeting, they agreed to continue to strengthen cooperation toward the 50th anniversary after the establishment of diplomatic relations between the two countries in 2016.

On the economic front, a number of

Japanese companies have established regional headquarters in Singapore, and cooperation between corporations from the two countries continues to progress in the area of infrastructure, etc. Furthermore, the two countries work together to actively carry out technical cooperation as well as intellectual and cultural exchanges targeting developing countries through the “Japan-Singapore Partnership Program 21 (JSPP21).”

(4) Thailand

Thailand is situated in the center of the Mekong region, and is one of the major countries in Southeast Asia. There exists a “strategic partnership” relationship between Japan and Thailand. Furthermore, a lot of Japanese companies are doing business based on investment accumulated over the years. Nowadays, they serve as an essential part of supply chains on a global scale for the Japanese economy.

The society is deeply divided, depending on public opinions denouncing or supporting former Prime Minister Thaksin after he was forced from political power by a coup in 2006. Amid such a situation, demonstrations and violent incidents caused government functions and civic life to be continuously affected from 2013 to 2014. In response, a coup was staged mainly by the military claiming to cope with the situation in May 2014. Under the parliament and interim cabinet established by the military government, a new constitution drafting process is under way. It is not likely before the end of 2017 that democracy will be restored through the implementation of parliamentary elections.

Various levels of exchanges, including political and economic, have been carried

out between Japan and Thailand on the foundation of the close relationship between the imperial and royal families. To boost the stabilization and restoration of democracy in Thailand and to deepen the relations between the two countries, a summit meeting was held four times in 2015 (visit to Japan (February), the Third United Nations World Conference on Disaster Risk Reduction (March), the 7th Japan-Mekong region countries summit meeting (July) and ASEAN-related summit meeting (November)). In November, Deputy Prime Minister Somkid visited Japan with major economic ministers.

In addition, as a result of a visa exemption Japan started in 2013 for Thai short-term travelers, Thai visitors to Japan totaled about 800,000 (about three times as many as before the visa exemption) in 2015. The increasing trend is continuing thereafter.

(5) Timor-Leste

Timor-Leste is the first independent country for the 21st century, and has achieved the peace and stability under the support of the international community. Nation-building based on democracy is ongoing under President Rourke elected in 2012 and Prime Minister Araujo appointed in 2015. In July 2011, a “Strategic Development Plan (SDP)” (long-term guidelines for development policy up until 2030) was formulated, and the country is currently proceeding from the stage of post-conflict reconstruction to the stage of full-scale development. In July, a ministerial meeting of the Community of Portuguese Language Countries (CPLP)¹ was held in Dili, attended by Parliamentary Vice-Minister for Foreign Affairs Nakane from Japan as an observer.

¹ Timor-Leste hosted the CPLP summit in July 2014, which was the first international conference the country organized.

Japan continues to fully boost the efforts of Timor-Leste, which has shifted to a new stage of full-fledged economic growth and development through post-conflict reconstruction, while continuously maintaining close cooperation in the international arena, etc. Japan supports Timor-Leste's targeted policy of acceding to ASEAN smoothly, and assists in human resources development toward the accession.

Mutual VIP visits continued to take place actively, including a visit to Timor-Leste by Special Advisor to the Prime Minister Taro Kimura and a visit to Japan of Foreign Cooperation Minister Coelho, in addition to a visit by Parliamentary Vice-Minister for Foreign Affairs Nakane.

(6) The Philippines

In January, the Philippine National Police Special Action Force and the Moro Islamic Liberation Front (MILF) clashed in Mamasapano, a Province of Maquindanao, Mindanao in southern Philippines. The incident caused casualties on both sides. The Philippine government and the MILF signed a comprehensive peace agreement in March 2014, and were preparing for establishing a new autonomous government in Mindanao. In response to this incident, however, a bill to establish an autonomous government has not been deliberated smoothly in the Philippines Congress, causing a delay in the peace process.

After the clash in Mamasapano, the approval rate of President Aquino fell temporarily, but then recovered to 58% in the December survey. The term of office of President is defined as six years (without re-election), pursuant to the provisions of the Philippine Constitution. Thus President Aquino is to finish his term of office at the end

of June 2016. The next presidential election is scheduled for May 2016. President Aquino appointed Interior Home Affairs Minister Roxas as his successor in July 2015.

With regard to the dispute over the South China Sea with China, the Philippines government has been proceeding with arbitration based on the UN Convention on the Law of the Sea. The Arbitration Tribunal admitted jurisdiction over part of the Philippines' submissions in October, and held an oral proceedings on merits in November.

In June 2015, the Government of Japan invited President Aquino as a State Guest. During his stay in Japan, President Aquino attended events at the Imperial Palace including State Banquet, had a summit meeting and dinner with Prime Minister Abe and participated in the Philippine Investment Forum organized by the business community. He also gave a speech at the House of Councillors in the Diet. The Philippines hosted the Asia-Pacific Economic Cooperation (APEC) as Chair in November 2015. This provided an opportunity for Prime Minister Abe and Foreign Minister Kishida to visit the Philippines to respectively attend a summit meeting and a foreign ministers' meeting.

In January 2016, Their Majesties the Emperor and Empress visited the Philippines. Their Majesties the Emperor and Empress had visited the Philippines as Crown Prince and Crown Princess in 1962, but the latest visit to the country was the first visit as Emperor and Empress. Their Majesties attended a welcoming ceremony and State Banquet hosted by President Aquino at the Philippine presidential palace, and met with former students on government scholarship and ex-trainees having studied in Japan, as well as nurse and care worker candidates receiving Japanese language training before

State visit of the President of the Philippines to Japan ~ Japan-Philippines relationship upgraded to a new height ~

The Philippines, a major member country of the Association of Southeast Asian Nations (ASEAN), has attracted the world's attention by achieving high economic growth in recent years under the leadership of President Benigno S. Aquino III, who took office in June 2010. In June 2015, the Japanese Government invited President Aquino as a state guest. The Japan-Philippines relations were further strengthened and upgraded to a new height through the state visit of the President to Japan.

1 Confirmation of friendly relations built between the two countries in the post-war period

During World War II, the Philippines was caught up in fierce fighting between Japan and the U.S., and many local Filipinos lost their lives. For some time after the war, people had harsh feelings toward Japan in the Philippines, but Japan and the Philippines normalized diplomatic relations in 1956 and, since then, the relationship has been steadily improving. At present, the Philippines is said to be one of the most pro-Japanese countries in the world. During his visit to Japan, President Aquino made the following comments on the development of friendly relations built between the two countries in the post-war period:



The State Banquet at the Imperial Palace (June 3, Photo: Imperial Household Agency)

<Excerpt from President Aquino's speech at State Banquet at the Imperial Palace>

"The pain and tragedy of the past have been healed by Japan's commitment to a relationship based on mutual respect, dignity and solidarity. For 59 years, our two nations have demonstrated that we can work together for our advancement and mutual benefit."

2 Deepening of bilateral cooperation as a Strategic Partner

In September 2011, Japan and the Philippines placed their bilateral relations as a "Strategic Partnership." Prime Minister Abe has held a summit meeting with President Aquino each year since he took office to strengthen the relationship. On this occasion of President Aquino's visit to Japan, a summit meeting took place at the State Guest House, Akasaka Palace, and a joint declaration was issued. The joint declaration confirms that the more enhanced relations of the two countries have entered into a Strategic Partnership stage.



The summit meeting (June 4, Photo: Cabinet Public Relations Office)

As a symbol of bilateral cooperation, joint development of infrastructure will be implemented in Metro Manila. Metro Manila is faced with chronic traffic congestion, and there is a pressing need to improve the situation. At the summit meeting, the two countries decided to work together to develop the infrastructure pertaining to the transportation sector of Metro Manila, and agreed to a roadmap including specific projects (railway maintenance, etc.) to facilitate the development.

visiting Japan. Their Majesties also visited the Philippines Monument to the War Dead in Caliraya, Laguna Province, and laid flowers at the site.

(7) Brunei

Brunei was achieving high economic levels and excellent social welfare, thanks to rich natural resources, but the economic growth rate has fallen in the past few years, caused by falling crude oil and natural gas prices.

Japan and Brunei have maintained a good relationship based on the foundation of a stable supply of liquefied natural gas (LNG) that has been continuing for many years. Japan intends to actively contribute to industry diversification, in which Brunei is making efforts. Furthermore, Brunei has been serving as the ASEAN Dialogue Coordinator for Japan since August 2015 for the following three years.

In October, King Hassanal Bolkiah carried out cabinet reshuffle for the first time in five years. State Minister for Foreign Affairs Seiji Kihara visited Brunei in late October to have talks with high-ranking government officials. It was confirmed at the meeting that the two countries would strengthen bilateral relations, and cooperation in the region and in the international arena.

(8) Viet Nam

Located next to sea lanes in the South China Sea and having a long border line with China, Viet Nam is a geopolitically important country. Given that the country embraces the 3rd largest population in Southeast Asia, and experiencing a surge in the number of those in middle-income brackets, Viet Nam is becoming a promising market. While the economy slowed down from the late 2000s, it is on a recovery trend in recent years thanks

to efforts for macro-economic stabilization such as curbing inflation, and foreign investment promotion through development of infrastructure and improvement of investment environment. Furthermore, the country is working on a reform of the financial sector and state-owned enterprises, and participated in the negotiations for the Trans Pacific Partnership (TPP) agreement to diversify the economy.

With regard to domestic affairs, the National Congress of the Communist Party of Viet Nam (CPV), regularly organized every five years, was convened in January 2016. General Secretary Trong was re-elected, and the new leadership of the party was inaugurated. At the 11th session of the 13th National Assembly to be convened from March to April 2016, the president as the head of state and the prime minister are to be elected. In Viet Nam adopting a collective leadership, a significant change in policy on domestic and external affairs is unlikely. In recent years, awareness about the importance of incorporating democratic elements is gradually increasing even under the one-party leadership, as seen by the fact that a vote of confidence is implemented for the ministers in the national assembly and for the Politburo and Secretary



Parliamentary Vice-Minister for Foreign Affairs Nakane meeting with Deputy Secretary of Party Committee Thuong, Ho Chi Minh City (August 29, Ho Chi Minh City, Vietnam)

Column

General election in Myanmar (the election observation mission dispatched by the Government of Japan) Special Envoy of the Government of Japan for National Reconciliation in Myanmar ● Yohei Sasakawa

Myanmar, freed from a prolonged military regime, has been rapidly working toward democratization under the Thein Sein administration, by conducting an inclusive general election which took place on November 8.

Until the election day, skeptical reports regarding whether or not a free and fair general election would be carried out in Myanmar dominated in the international community. On the day before the election, I visited seven polling stations as chief of the Japanese election observation team in Myanmar. Wherever we went, our visit was welcomed and each officer in charge responded to our questions with a smile. At a certain polling station, there were four voting spots in the narrow space. Despite our worry that the crowded voting spots might confuse voters, an officer was confident that there would be no problem since people had been well informed in advance by staffs. On the voting day, when we arrived at the polling station early in the morning - at 5:30 a.m., more than 100 voters were already waiting calmly in a queue. Once the polling station was opened, they proceeded to their voting spot without any confusion to cast their vote, just as had been instructed by the official in charge on the previous day. Since the voting was scheduled to end at 4:00 p.m., there was a concern about how to deal with voters who arrive late at the polling station. It was decided that voters who enter the voting sites by 4:00 p.m. would be allowed to cast their vote. There seem to be no cases where a lot of voters rushed in around 4:00 p.m. at any voting site.



The author meeting with the staff before the voting



Local residents lining up in a queue for the voting

The ballot counting started in the evening of the voting day. I sat on the front row together with political party representatives of the candidates and observers from Australian, Thai and Dutch teams and monitored the counting. Ballot counting started with nearly 200 advance votes. Officials in charge showed us the ballot papers one by one and put them into the boxes according to faction, writing down the number of votes per faction on the board as well. With regard to invalid votes, the reasons for invalidity were explained to witnesses from concerned parties before nullifying the votes. For this reason, it took almost one hour to count nearly 200 votes, but it was a very fair and accurate vote counting. To prevent double voting, it was a rule to put ink on the little finger of those who have already voted. The ink was indelible for 48 hours and was partly provided by the Japanese Government. It was impressive that all voters were showing to each other their little fingers marked with ink after voting, with smiling faces, full of joy that a vote of each one of them had a role in the country's politics.



The indelible ink on the little finger is a testament to voting



The author watching vote counting

At polling stations, a total of 10,000 observers composed of 1,000 foreign election monitoring mission members and 9,000 domestic election monitoring mission members monitored the election. We discussed impressions of the election with the United States and European Union monitoring mission teams. We all shared the view that a free and fair election was held.

Watching a queue of people quietly waiting for more than an hour to vote in the hot weather, a scene quite different from the skeptical news reports before the election, I once again realized the importance of one vote.

In Japan, the voting age will be lowered to 18 this year. I hope young people in particular will have an interest in elections.

members in the Communist Party.

Viet Nam is seen to have a sense of vigilance against China over the situation in the South China Sea, given the situation in which China continues land reclamation and the construction of outposts in the Spratly Islands and installing oil rigs in the waters around the Parcel Islands. In terms of relations with the United States, the relationship is developing, as the General Secretary of the Communist Party of Viet Nam visited the U.S. for the first time since the end of the Viet Nam War in July 2015.

Japan is the largest donor of official development assistance (ODA) and the second largest investor country for Viet Nam. Japan-Viet Nam relations have been progressing in a wide range of fields, such as economic cooperation, security and cultural exchange, based on “the Extensive Strategic Partnership.” Mutual high-level exchanges are continuing, including the followings: Prime Minister Dung visited Japan to attend the Japan-Mekong summit meeting held in July, and General Secretary Trong visited Japan as an official guest in September 2015.

(9) Malaysia

The Najib administration, has been steadily implementing a “government transformation program,” a “new economic model,” the “10th Malaysia Plan” and an “economic transformation program” under

the slogan of “One Malaysia (nation first, prompt execution).” All of these programs were announced in 2010 to facilitate ethnic reconciliation, the enhancement of administrative reform and the improvement of public welfare. The country, with the aim to enter the group of advanced countries by 2020, proceeds with deregulation and liberalization to strengthen international competitiveness, while maintaining a steady growth at home, supported by investment and domestic consumption. In 2015, Malaysia served as Chair for ASEAN.

Concerning its relationship with Japan, the leaders of the two countries mutually visited again in 2015, following on from visits in 2013 and 2014. In May, Prime Minister Najib visited Japan as a dignitary for an official working visit, and met with Prime Minister Abe. The two leaders agreed to upgrade bilateral relations to a “strategic partnership,” thereby continuing to strengthen cooperation on a wide range of issues in the regional and international communities. When Prime Minister Abe visited Malaysia to attend an ASEAN-related summit meeting in November, a bilateral summit meeting was held between the two leaders.

On the economic front, close cooperation continues, as shown by the fact that Japan is the largest investor for Malaysia and the number of Japanese-affiliated companies operating in Malaysia amounts to as many

Column

Heart-to-heart private exchange supporting the Japan-Laos relations

President of the Japan-Laos Association (former Japanese Ambassador to Laos) ● Itsuo Hashimoto

The year 2015 falls on the 60th anniversary since diplomatic relations were established between Japan and Laos. The relationship between the two countries developed gently and steadily during that period, although it went through little twists and turns including a regime change in Laos. The two countries now enjoy a “Strategic Partnership” with each other. I call it a “heart-to-heart partnership,” because warm and heat-to-heart contact can be seen in the relations with Laos at governmental and diplomatic levels, as well as at private sectors. Although Laos may not be a very popular country in Japan, there are more than ten friendship and exchange organizations across the country, which are performing a variety of activities.

In celebration of the “60th anniversary,” we, the “Japan-Laos Friendship Association” organized a visit of delegation to have exchanges with relevant people in the public and private sectors, and dispatched a delegation of approximately 150 high-profile people from relevant organizations to Laos on November 11. Our association is a private organization but we sincerely hoped to give a banquet to symbolize a celebration which “the whole nation is involved in.” So, we held one on November 12 with a total of about 250 people present, obtaining the support of the Japanese Embassy there. The attendees included high-profile government officials and people relevant to Japan from the Laos side, including Deputy Prime Minister Dr. Phan Kham, and from the Japanese side, the Parliamentary Vice-Minister for Foreign Affairs, Ambassador Kishino and Japanese nationals living there. (Photo 1: The author greeting on behalf of the organizers.). The delegation participated in the opening ceremony of the “Japan Festival” held to commemorate the “60th anniversary”, and split into groups to pay courtesies calls on dignitaries, take part in an economic symposium and visit factories.

Kawasaki Chamber of Commerce and Industry, Saitama Laos Friendship Association and Sakura International High School that composed the delegation have a proven track record of actively facilitating exchange with Laos. Sakura International High School students performed at the banquet and the “Japan Festival,” and drew a big round of applause.

The “Laos Festival” organized to commemorate the “60th anniversary” in the efforts of our association and these organizations including Sakura International High School also deserves special mention. This is the celebration event held at Yoyogi Park on May 23 and gained a participation of the minister in charge who came all the way from Laos. The event was organized by the Executive Committee set up in cooperation with the Embassy of Laos in Tokyo. (Photo 2: The opening ceremony of the festival.). The song & dance ensemble dispatched by the Lao government and various arts organizations in Japan gave a variety of performances for two entire days. According to the Executive Committee, a total of about 200,000 visitors appreciated the performances and enjoyed the exhibitions, products and food from Laos at the stalls at the venue over two days.



Photo 1: The author greeting on behalf of the organizers at the celebration



Photo 2: Festival

as 1,400.

The Look East Policy², which serves as a foundation for the good bilateral relationship,

celebrated its 30th anniversary in 2012. In this program, about 15,000 people have studied or have been trained in Japan so far, and a

² A policy proposed by (then) Prime Minister Mahathir in 1981, with an aim to develop the economy by learning labor theory and management philosophy from Japan and the ROK.

program referred to as “Look East Policy 2.0” is under consideration to improve the quality of the Look East Policy, including increases for the number of people studying abroad. The two countries are cooperating in making the Malaysia Japan International Institute of Technology (MJIT), which was established in September 2011, a base for Japanese-style engineering education in ASEAN. The possibility of cooperation is also being studied on a high-speed railway project between Malaysia and Singapore.

(10) Myanmar

In Myanmar, since the transition to civilian rule in 2011, reform has been promoted under President Thein Sein, including democratization, national reconciliation, economic reform, and strengthening of the rule of law. In November, the first general election after the transition to civilian rule in 2011 was carried out in a generally peaceful manner, and the National League for Democracy (NLD), led by Chairperson Aung San Suu Kyi won nearly 60% of all seats. In response to this, a new government is to be inaugurated in late March 2016. Aside from this, a positive move toward national reconciliation was observed, such as the signing of a cease-fire agreement between the Myanmar government and eight ethnic armed groups in October 2015.

Myanmar is situated in a geographically important region between China and India, providing high potential for development. Furthermore, since Myanmar citizens are generally friendly to Japanese people, Japanese companies indicate high interest. In light of these points, Japan expects Myanmar to develop as a country contributing to the prosperity and stability in the region by boosting its efforts for reform.

Meanwhile, President Thein Sein visited Japan to attend the 7th Japan-Mekong Summit in July. President Thein Sein also had a bilateral meeting with Prime Minister Abe. At the meeting, Prime Minister Abe expressed that, to contribute to the peace and stability in the region through the “proactive contribution to peace,” both public and private sectors will need to jointly support democratization and social and economic reforms in Myanmar. He also committed to boosting the peace process in the country together with Yohei Sasakawa, Special Envoy of the Government of Japan for National Reconciliation in Myanmar and providing ODA loans totaling about 100 billion yen. Furthermore, on the occasion of the Mekong-Japan Summit, Japan, Thailand and Myanmar signed a memorandum of intent related to the Dawe Special Economic Zone in the south of Myanmar, and reaffirmed cooperation for the development of the Dawe Special Economic Zone.

With regard to the above-mentioned general election, Japan dispatched a Japanese government election observer mission headed by Yohei Sasakawa, Special Envoy of the Government of Japan for National Reconciliation in Myanmar, taking into consideration the importance of implementing



Japan-Myanmar summit meeting (July 4, Tokyo; Photo: Cabinet Public Relations Office)

and supporting a free and fair election in the process of democratization in Myanmar.

(11) Laos

Laos is a landlocked country bordering the five countries of China, Myanmar, Thailand, Cambodia and Viet Nam. The country is the key of the Mekong region. Economic development was delayed due to the geographical constraints and effects of the past civil war. In recent years, however, the country focuses on the geographical advantage of being located in the center of the Indochina to become a base for regional logistics through the improvement of the regional connectivity, thereby leading to its economic development. Internal politics are generally stable under the one-party rule system by the People's Revolutionary Party. Strong economic growth also continues in the country, led by the power generation and mineral resources sectors.

Japan and Laos in 2015 marked the 60th anniversary of the establishment of diplomatic relations, and upgraded the bilateral relationship to a "strategic partnership." A leader-level of exchange activated in 2015, as shown by the summit meeting between Japan and Laos held three times in that single year. A variety of events commemorating the 60th anniversary also took place in both countries, further deepening mutual understanding at the grassroots level. In recent years, Japanese companies have been showing a growing interest in Laos. Thus not only conventional development cooperation but also economic exchanges including private investment are increasing, as shown symbolically by a local office opened by the Japan External Trade Organization (JETRO) in July 2014.

4 South Asia

(1) India

India is situated in between Southeast Asia and the Middle East, as well as in the center of the Eurasian continent. Thus the country lies in a geopolitically important region. India is also characterized as an emerging economic superpower, being the 3rd largest economy in Asia, with a huge market embracing the world's 2nd largest population and a huge domestic infrastructure demand. Furthermore, India is the world's largest democratic country, and shares common universal values with Japan, such as democracy and the rule of law.

The country has been maintaining a high economic growth rate around the 7% mark since Prime Minister Modi took office in May 2014. Consumption and production have been improving in addition to stock prices rising, and the foreign direct investment and finance emphasized by the Modi administration has



Prime Minister Abe receiving a welcome from Prime Minister Modi (December 12, New Delhi, India; Photo: Cabinet Public Relations Office)



Japan-India summit meeting (December 12, New Delhi, India; Photo: Cabinet Public Relations Office)

been increasing steadily as well.

In diplomatic relations, Prime Minister Modi has stepped up leader-level exchanges to strengthen relations with South Asian region and ASEAN members. He also has set the “Act East” policy with an emphasis on the relationship with East Asia and Southeast Asia. Furthermore, he has actively been meeting with the leaders of major countries including Japan, the United States, China and EU member states, thereby having India gain more influence in the international arena as a global power.

In the relationship with Japan, summit meetings took place in November, on the occasions of international conferences held in Kuala Lumpur and Paris. In December, Prime Minister Abe visited India, and a joint statement serving as a signpost for a “new Japan-India era” was announced, entitled “Japan-India vision 2025: Special strategic and global partnership-Cooperation for the peace and prosperity in the India Pacific area and the world.” The summit meeting came up with concrete results for further strengthening cooperative relations between Japan and India in various fields, such as politics and security, economic affairs and cooperation, people-to-people exchange and regional and global issues, and confirmed the beginning of a “new era in Japan-India relations.” In the field of politics and security, the two leaders agreed on a Japan-India nuclear cooperation agreement in principle, and signed a Defense Equipment and Technology Transfer Agreement and an Agreement concerning Security Measures for the Protection of Classifieds Military Information. In the economic field, they confirmed a plan to introduce the Shinkansen system into a high-speed railway between Mumbai and Ahmedabad, and announced the

establishment of a framework for providing a financial facility of 1.5 trillion yen to Japanese companies operating in India through the Nippon Export and Investment Insurance (NEXI) and Japan Bank for International Cooperation (JBIC) to boost their business opportunities. During his visit, Prime Minister Abe visited Varanasi with Prime Minister Modi to see a religious ceremony in the Ganges.

Furthermore, a foreign ministers’ strategy dialogue between Japan and India took place in January, and a Japan-U.S.-India foreign ministers’ meeting took place in September for the first time to deepen the strategic partnership among the three countries.

(2) Pakistan

Pakistan is situated in a strategic location connecting Asia and the Middle East. Thus its political stability and economic development has significant meaning for the region, having great influence on the regional stability and growth. Pakistan has also become the most important country for international counter-terrorism measures. Furthermore, the country embraces a population of approximately 180 million. Thus its economic potential is high. Prime Minister Sharif has been addressing economic and fiscal reform and security improvements including counter-terrorism as the most important issues. Effects of the policy are gradually appearing.

In security, the Pakistani military has been continuing its operations against the armed forces including the Tehrik-i-Taliban Pakistan (TTP) since June 2014. Although there occurred retaliatory terrorism incidents by the TTP in 2014, the number of such incidents was greatly reduced in 2015.

In foreign affairs, some moves on the relationships with neighboring countries

were observed. The relationship with India has cooled down since the summer of 2014, caused by the intensification of cross-border attacks by both Indian and Pakistan armies in Kashmir. While a full-fledged dialogue has not been resumed yet, a summit meeting between the two countries was held in Russia in July 2015, and it is also confirmed that Prime Minister Modi will participate in a South Asia Association for Regional Cooperation (SAARC) Summit to be held in Pakistan in 2016. In addition, on the occasion of the 21st session of the Conference of Parties to the UN Framework Convention on Climate Change (COP21) held in November, a standing conversation between the leaders took place. Then, on his return home from a visit to Afghanistan in December, Prime Minister Modi paid a surprise visit to Pakistan and had a short meeting with Prime Minister Sharif. In this way, a certain move can be seen toward improved relations. The relationship with China has been further enhanced in a wide range of fields. When President Xi Jinping visited Pakistan in April, the bilateral relationship was upgraded to an “all-weather strategic cooperative partnership,” and as a first phase to build an economic corridor between China and Pakistan serving as a bridge of the “One belt, one road” being promoted by China, a launch of projects amounting to 2.8 billion US dollars was determined. In the relationship with Afghanistan, the Government of Pakistan served as mediator for a reconciliation process with the Taliban in July, but the dialogue has not progressed since then.

On the economic front, structural reforms have been carried out under the IMF program since September 2013. Foreign direct investment is on the decrease, but macroeconomic indicators have been

generally improving, including foreign exchange reserves and a continued growth rate around the 4% mark.

In the relationship with Japan, on the occasion of the Asia-Europe Meeting (ASEM) Foreign Ministers’ Meeting (in Luxembourg) held in November, a foreign ministers’ meeting between Foreign Minister Kishida and Advisor to the Prime Minister in charge of foreign affairs Aziz was held, the first such meeting after the Sharif administration was inaugurated, and the Government Business Joint Dialogue was also organized in Islamabad in November for the first time in three years, attended by 24 Japanese companies.

(3) Bangladesh

Bangladesh, in which Muslims account for about 90% of the population, is a democratic country located in the Bay of Bengal, and is geopolitically very important as an intersection between India and ASEAN.

In internal affairs, the security situation became worse for a period from January to March as the confrontation between the ruling and opposition parties intensified resulting in more than 100 death. The murder of an Italian occurred in September, followed by the murder of a Japanese in October. In addition, a series of terrorism incidents targeting Muslim and Hindu religious facilities and security officials and attacks against secular writers and bloggers occurred.

The country, though classified as a least developed country, maintains a steady economic growth rate of about 6%, attributed to robust exports such as textile products. Bangladesh embraces a population of about 160 million people, attracting attention as a potential market combined with production bases with an abundant, inexpensive and high-

quality labor force available and considerable infrastructure demand. The number of Japanese-affiliated companies doing business in the country has increased from 61 (2005) to 238 (December 2015). On the other hand, remittances from overseas emigrants and migrant workers serve as an important means for foreign currency acquisition, accounting for nearly 10% of nominal GDP. The stable supply of electric power and natural gas and infrastructure development has also become an issue for investment by foreign companies.

In the relationship with Japan, high-ranking Bangladesh government officials visited Japan one after another, and on the occasions of Asian-African Conference 60th anniversary summit held in April (in Indonesia) and UN General Assembly held in September, Prime Minister Abe and Prime Minister Hasina conducted summit meetings and confirmed close cooperation under the “Comprehensive Partnership,” launched through mutual visits by the two leaders in the previous year.

(4) Sri Lanka

Sri Lanka is situated in a strategic point on the sea lanes in the Indian Ocean. The country is traditionally pro-Japanese and its geopolitical and economic importance is attracting attention. After the end of the civil war in 2009¹, the security situation has greatly improved. Japanese tourists quadrupled approximately as compared with 2008 to about 40,000 (2014).

In domestic affairs, Sirisena, a joint candidate of the opposition parties beat President Rajapaksa at the presidential election in January 2015, and was appointed

as the new president. At the general election carried out in August, the United National Party (UNP) and the Sri Lanka Freedom Party (SLFP) formed a grand coalition, and the leader of the UNP, Wickremesinghe, was re-elected as prime minister.

The new administration set up a National Reconciliation Bureau toward national reconciliation, an important issue after the end of the civil war, and has been working on the promotion of the issue in a variety of ways, including showing the intention to install a mechanism consisting of 4-layer systems to correspond to investigation of the truth related to alleged human rights violations, rights for justice, rights for compensation and prevention of recurrence of conflict.

The economy of Sri Lanka has been growing at 6% or above annually in recent years, and its per-capita GDP was recorded at 3,609 US dollars in 2014. Given the geopolitical importance of the country and its access to the Indian market, even higher growth is expected.

In the relationship with Japan, Prime Minister Wickremesinghe visited Japan to meet with Prime Minister Abe in October, and a “Joint Declaration on Japan-Sri Lanka comprehensive partnership” was announced. In this Declaration, it was confirmed that the two countries would facilitate cooperation for investment and trade promotion and national development plan, and implementation of initiatives for national reconciliation and peace building.

(5) Nepal

Nepal has geopolitical importance as a

¹ In Sri Lanka, the LTTE, an anti-government armed force composed of minority Tamil people living mainly in the north and east of Sri Lanka was in a state of civil war with the government for more than 25 years from 1983 to 2009, aiming at the separation and independence of the northern and eastern part of the country.

landlocked country sandwiched between the great powers of China and India. Japan has for many years been a major donor to Nepal, and the two countries keep traditionally friendly relations through a variety of exchanges including relations between the imperial family and the former royal family, and mountaineering.

The big earthquake that occurred in the central western area of Nepal on April 25 caused serious damage, including nearly 9,000 deaths and injured totaling more than 20,000. Japan, as emergency humanitarian assistance, implemented dispatch of an international emergency assistance mission comprising of rescue teams, medical teams and Self-Defense Force teams (medical assistance corps), provision of emergency relief goods, and an emergency grant aid of 14 million US dollars (about 1,680 million yen). Furthermore, at the International Conference on Nepal Reconstruction (in Kathmandu) held on June 25, Japan expressed as its recovery and reconstruction assistance the implementation of support totaling 260 million US dollars (over 320 billion yen) with an emphasis on reconstruction of houses, schools and public infrastructure, as well as support for Nepal's efforts toward better recovery from the earthquake disaster.

In domestic affairs, the country has been consistently making efforts for enacting a new Constitution since the Constituent Assembly opened in 2008, in response to the comprehensive peace agreement in 2006. The enactment process had gone through difficulties caused by the confrontation among major political parties. The big earthquake occurring in April 2015, however, accelerated a move toward enactment since the enactment was thought to be critical to recover from the earthquake disaster. In



Medical activities by Self-Defense Force troops



State Minister for Foreign Affairs Kiuchi visiting the disaster site of the earthquake in Nepal (June, Kathmandu, Nepal)

this way, a new Constitution reorganizing Nepal into a secular state of federalism was promulgated in September 2015. In October, pursuant to the provisions of the new Constitution, President Oli of the Communist Party of Nepal (Unified Marxist-Leninist) (CPN-UML) was elected as the new prime minister, and a coalition government including the CPN-UML was established.

As regards the relationship with Japan, a Japan-Nepal foreign ministers' meeting was held in March 2015, followed by a Japan-Nepal Political Dialogue between the Ministries of Foreign Affairs (in Tokyo) in the same month, through which bilateral cooperation, including policy areas has been expanding.

(6) Bhutan

Bhutan shifted peacefully from a monarchy to a constitutional monarchy in 2008. Currently, efforts are being made to establish democratization under the Tobgay administration. The government sets Gross National Happiness (GNH) as a guideline for steering the country, and is working on economic independence, food production and reduction of the youth unemployment rate, all of which are issues targeted in the 11th Five-Year Plan (ending in 2018).

As regards the relationship with Japan, His Majesty and Her Majesty of Bhutan visited Japan as state guests in 2011 and, with the visit as an opportunity, exchanges between Japan and Bhutan have been active in a variety of fields and at various levels. In March, Economic Minister Wangchuk visited Japan, and met with State Minister for Foreign Affairs Minoru Kiuchi to exchange views on efforts for establishing democratization in Bhutan and Japan's support for agriculture and infrastructure sectors.

(7) Maldives

Maldives is an island country in the Indian Ocean, and its economic growth is mainly led by fishing and tourism, which accounts for about 30% of GDP. The country graduated from a least developed country in 2011, and increased its per-capita GDP to about 8,484 US dollars (2014).

In domestic affairs, the security situation is seen to have temporarily entered into a phase of destabilization, as evidenced by the bombing on a boat the president was aboard, which occurred in September, and a state of emergency declared in early November².

As regards the relationship with Japan, momentum to strengthen bilateral ties is growing, including the Embassy of Japan in the Maldives opening in January 2016. Mutual VIP visits have been active between the two countries. In July 2015, Parliamentary Vice-Minister for Foreign Affairs Nakane attended the ceremony commemorating the 50th anniversary of independence held in Male, Maldives, whereas Foreign Minister Maumun visited Japan to participate in the "WAW! 2015," an international women's conference in August. At the Japan-Maldives foreign ministers' meeting held on this occasion, they agreed to strengthen dialogue and cooperation between the two countries in the fields of marine and climate change.

5 Oceania

(1) Australia

A Brief summary and overview

In Australia, the Coalition (Liberal Party-National Party) won the federal general election held in September 2013, and Mr. Abbott, the leader of the Liberal Party, took office as Prime Minister. However, as a result of the Liberal Party of Australia leadership spill motion in September 2015, triggered by the growing criticism for his management of the government, former Communication Minister Turnbull won the contest and was appointed as the new Prime Minister.

Japan and Australia enjoys a "special relationship" sharing fundamental values and strategic interests, and the relationship between the two countries continues to be enhanced. Prime Minister Abe has built a relation with the new administration by

² On November 4, President Yamin of the Maldives issued a state of emergency declaration on the grounds of the existence of a "threat to national and social safety". On November 10, the emergency declaration was lifted since there was no longer a threat to the public.

holding a telephone conversation with Prime Minister Turnbull in September, followed by a summit meeting on the occasion of the Group of Twenty (G20) summit held in Turkey in November. In December, Prime Minister Turnbull visited Japan, and at the summit meeting, the two leaders stressed the importance of deepening the special relationship with a vision for shouldering responsibility for the peace and prosperity in the Asia-Pacific region and the international community, and issued a joint statement: “Next steps of Special Strategic Partnership: Asia, Pacific, and Beyond.” Furthermore, Foreign Minister Kishida and Foreign Minister Bishop conducted an in-depth exchange of views and cooperation between the two countries with respect to a wide range of fields, such as politics, economy, security and cultural and people-to-people exchanges, at various occasions: of the Pacific Islands Leaders Meeting (PALM) in May, the UN General Assembly in September and Japan-Australia Joint Foreign and Defense Ministerial Consultations (“2+2”) in November.

B Cooperation in the security field

The two countries are rapidly developing cooperation from the viewpoint that their close cooperation in the field of security and defense will contribute to the peace and stability in the Asia-Pacific region. The two countries have so far regularized, the Foreign and Defense Joint Ministerial Consultations (“2+2”) and concluded the Japan-Australia Acquisition and Cross-Servicing Agreement, the Agreement on the Security of Information and the Agreement concerning the Transfer of Defense Equipment and Technology. The two countries are currently proceeding with negotiations to conclude an agreement to facilitate joint operations and exercises. The

possibility of Japan’s cooperation is also being studied in the development and production of Australian future submarine.

At the 6th session of the “2+2” held in November, Australia welcomed the enactment of “Legislation for Peace and Security” in Japan, followed by an exchange of opinions regarding the possibility of cooperation in light of the legislation. Furthermore, the two countries confirmed their priorities on the future defense cooperation, and discussed the maritime security in the South China Sea and the East China Sea, as well as the importance of trilateral cooperation with partners such as the U.S. and India.

At the Japan-Australia summit meeting held in December, Prime Minister Abe reaffirmed the recognition that Japan-Australia cooperation in the field of security and defense is a cornerstone of the Asia-Pacific region, and explained that he intends to accelerate the various cooperation that is currently underway. In response, Prime Minister Turnbull stated that he hopes to strengthen Japan-Australia cooperation based on common values and interests. The two leaders also concurred on the importance of enhancing cooperation in the counter-terrorism and cyber security fields.

C Economic relations

The mutually complementary economic relationship between the two countries has been developing steadily over the years with Japan mainly exporting industrial products such as automobiles to Australia, while importing resources such as coal and iron ore, and agricultural products such as beef and wine from Australia. In addition to trade, cooperation in the fields of investment and innovation are expected to develop. In January 2015, the Japan-Australia



Japan-Australia summit meeting (December 18, Tokyo; Photo: Cabinet Public Relations Office)



Japan-Australia foreign ministers' meeting (November 22, Sydney, Australia)

Economic Partnership Agreement (EPA) entered into force, resulting in an increased trade. In February 2016, the Trans Pacific Partnership (TPP) Agreement was signed. As a result, further enhancement of economic relations between the two countries and the strengthening of cooperation in a wide range of fields, such as food supply, energy and mineral resources, movement of people, protection of competitive markets and consumers, intellectual property and government procurement are expected. Furthermore, the two countries have been closely cooperating in negotiations on multilateral frameworks such as the World

Trade Organization (WTO), and on regional economic cooperation including the Regional Comprehensive Economic Partnership (RCEP).

The leaders of the two countries confirmed in the summit meeting held in December 2015 that the economic ties should be strengthened in the light of the Japan-Australia EPA and the TPP Agreement, and also agreed to deepen cooperation in the field of innovation.

D Cultural and people-to-people exchanges

There exists a foundation for affinity toward Japan in Australia, as shown by the fact that Australia is ranked 4th in the world in terms of the number of people learning Japanese language (2nd after the ROK if viewed in terms of the percentages compared to total population), and the number of sister city exchanges exceeds 100. People-to-people exchanges are active as reflected by the fact that in 2015, the number of flights between the two countries increased by approximately 30%. During the three years leading to 2016, there will be more than 1,000 Australian university students studying in Japan under the “New Colombo Plan,” through which they will enhance their knowledge about the Asia-Pacific region through studies and internships abroad and strengthen people-to-people exchanges.

E Cooperation in the international community

The two countries have been strengthening cooperation at various levels to take an active role in stable development of the region. In 2015, a joint statement was issued at the Foreign Ministerial level to promote disarmament and non-proliferation. The two countries also concurred to work together

toward the effective implementation of the Paris Agreement adopted at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21). In addition, the leaders of both countries stressed the importance of an early realization of the Security Council reform, and reaffirmed to promote cooperation toward this end.

(2) New Zealand

A Brief summary and overview

Japan and New Zealand share fundamental values, such as democracy and market economy. The two countries have been maintaining good relations over the years, and are further strengthening the relationship based on the “strategic cooperative partnership.”

B Bilateral relations

On the occasion of Prime Minister Key’s visit to Japan in March 2015, the two leaders reaffirmed to strengthen the bilateral cooperation in areas including economy, security and defence, and people-to-people exchange, and to cooperate on the regional and global issues, based on the idea of “strategic cooperative partnership” in the Asia Pacific region, which was declared during Prime Minister Abe’s visit to New Zealand in July 2014.

Parliamentary Vice-Minister for Foreign Affairs, Nakane visited New Zealand in February to attend a memorial ceremony commemorating the 4th anniversary of the Christchurch earthquake. From the New Zealand side, Defence Minister and concurrent Canterbury Earthquake Recovery Minister Brownlee visited Japan in March to attend the 3rd UN World Conference on Disaster Risk Reduction (Sendai). In May,

Civil Defence Minister Kaye visited Japan to attend the 7th Pacific Islands Leaders Meetings Summit (PALM7) (in Fukushima), and met with Parliamentary Vice-Minister for Foreign Affairs Nakane to exchange views on disaster risk reduction, which was one of the main agendas at the PALM7. In addition, Energy, and Resources and Transport Minister Bridges visited Japan in July, and met with Akihiro Ota, Minister of Land, Infrastructure and Transport. He also visited companies related to the introduction of electric cars and building of hydrogen energy society.

C Economic relations

The two countries enjoys complementary economic relationship, and signing of the TPP Agreement in February 2016 is expected to further deepen this relationship. In July 2015, Hokkaido Government and the Embassy of New Zealand in Japan co-hosted a “Hokkaido food” symposium. An agri-tech seminar also took place at Japan-New Zealand Business Council held in October.

Furthermore, the two countries have been closely cooperating in the negotiations of multilateral frameworks such as WTO, and in regional economic cooperation such as RCEP.

D People-to-people exchange

In 2015, 30 university students from New Zealand visited Japan as part of a youth exchange project “JENESYS (Japan-East Asia Network of Exchange for Students and Youths) 2015.” In total, more than 1,000 high school and university students from New Zealand have visited Japan through youth-related programs since 2007.

Furthermore, networking between sister cities is enhancing, with an aim to promote mutual understanding among the youth.

New Zealand government-sponsored “Game on English” has been carried out to support English education for Japanese students through rugby, in which New Zealand won its 2nd consecutive championship in the World Cup. Through this program, 22 Japanese students visited New Zealand in 2015.

E Cooperation in the international community

The two countries have been playing an active role for the regional stability and development by further enhancing cooperation within the regional cooperation frameworks, such as the East Asia Summit (EAS), ASEAN Regional Forum (ARF) and PALM, while also cooperating in the field of economic development of Pacific island countries.

Furthermore, New Zealand has been elected as the UN Security Council non-permanent member for the term from 2015 to 2016, leading to heightened momentum of cooperating at the UN, including in the Security Council reform.

(3) Pacific Island Countries (PICs)

A Brief summary and overview

PICs, they share the Pacific Ocean and have deep historical ties with Japan, are important partners for Japan in areas such as cooperation in the international community and supply of natural resources. Japan has been further strengthening relations with PICs by hosting the PALM, holding the Japan-Pacific Island Leaders Meeting on the occasion of the UN General Assembly, participating in Pacific Islands Forum (PIF) Post Forum Dialogue and through mutual high-level visits.

B Pacific Islands Leaders Meeting (PALM)

Japan has been hosting the PALM every

three years since 1997. Japan and PICs have been building close cooperative relationship through candid discussion at summit-level on various common issues that they are facing, such as the challenges posed by their small and dispersed land, remoteness from major international markets, and the vulnerability to natural disasters and climate change. In May 2015, the Seventh Pacific Islands Leaders Meeting (PALM7) was held in Iwaki-city, Fukushima. Prime Minister Abe announced in his keynote speech the new vision of Japan's diplomacy toward the PICs and Japan's intention to implement assistance of more than 55 billion yen and to reach out to 4,000 people through human resource development and people-to-people exchanges in the next three years. Moreover, Leaders' Declaration - Fukushima Iwaki Declaration - “Building Prosperous Future Together” was adopted as outcome and it reaffirmed to elevate the partnership between Japan and PICs to a higher level.

C Mutual VIP visits by

On the occasion of the 70th anniversary of the end of the war, Their Majesties the Emperor and Empress visited the Republic of Palau on April 8 and 9 to mourn and pay tribute to those who died in the war and pray for peace (see Special Feature in Chapter 1). Their Majesties, remembering the war dead and praying for peace, laid wreaths to the “Monument of the War Dead in the Western Pacific” erected by the Government of Japan and to the “U.S. Army 81st infantry Division Memorial” in Paleliu Island. Prior to this, Their Majesties had an audience with the President of the Republic of Palau, the President of the Federated States of Micronesia and the President of the Republic of the Marshall Islands and their spouses.

In July, Their Imperial Highnesses the Crown Prince and Crown Princess visited the Kingdom of Tonga to attend the coronation ceremony of His Majesty King Tupou VI. Their Imperial Highnesses the Crown Prince and Crown Princess attended the coronation ceremony and luncheon, and met with Japanese residents and representatives of Japanese descendants.

In October, Papua New Guinea's Prime Minister O'Neill visited Japan to commemorate the 40th anniversary of the establishment of diplomatic relations, and met with Prime Minister Abe. The two leaders announced a joint message "40 Years of Friendship, Trust, Mutual Efforts and Toward the Future," confirming the progress that the two countries have made over the 40 years, and shared the view to promote interactive partnership for the future.

D Relationship with Pacific Islands Forum (PIF)

In September, a PIF Post Forum Dialogue was held in Port Moresby, Papua New Guinea, and was attended by PIF members that consist of Pacific island countries (14 countries), Australia and New Zealand, as well as major donor countries such as Japan, the U.S., China and France. Parliamentary Vice-Minister for Foreign Affairs Nakane attended as a Special Envoy of the Prime Minister, and expressed the intention of Japan to continue to closely cooperate with the PIF to maximize the synergy between the PIF and PALM process, while valuing the Framework for Pacific Regionalism by PIF as complementing national efforts and contributing to sustainable and comprehensive development. Parliamentary Vice-Minister for Foreign Affairs Nakane took the opportunity to meet with the Prime Ministers of Tonga, Samoa and Cook Islands,

respectively, as well as the Foreign Minister of Fiji.

E Situation in Fiji

In Fiji, Prime Minister Bainimarama who had seized political power after the military coup in 2006, won public confidence through the general election held in September 2014. Japan has been making efforts to strengthen ties with Fiji. The Prime Minister of Fiji attended the PALM7 in 2015 (he had not attended either PALM 5 or 6.), and the Japan-Fiji summit meeting was realized for the first time in ten years. Furthermore, mutual visits of high-ranking officials and Diet members were active, and concrete cooperation between the two countries progressed, such as dispatching a joint public and private economic mission headed by Parliamentary Vice-Minister for Foreign Affairs Masakazu Hamachi to Fiji to hold a "Japan-Fiji Trade and Investment Seminar" in December.

F Establishment of Embassy of Japan in the Republic of Marshall Islands

Marshall is a supply center of fishery resources, and is located on an important sea lane for Japan. Furthermore, as the cooperative relations with Marshall becomes increasingly important such as in collecting the remains of the war dead, Japan upgraded the representative office in Marshall to the Embassy of Japan in January 2015, followed by a dispatch of the first Ambassador Extraordinary and Plenipotentiary of Japan in August.

G Recognition of Niue as a state and establishment of the diplomatic relation

Since the transition to free association with NZ in 1974, Niue has expanded its diplomatic authorities and capacity to the

Special
FeaturePALM7: The 7th Pacific Islands Leaders Meeting

PALM7 was held from May 22 to 23, 2015 in Iwaki City, Fukushima, Japan.

PALM has been held every three years since 1997 in order that leaders of Japan and Pacific island countries (PICs) gather to have candid discussion on common challenges they face. The leaders and representatives of Japan, fourteen PICs, Australia and New Zealand attended PALM7 on the theme of "We are Islanders ~Commitment to the Pacific from Iwaki, Fukushima: Building Prosperous Future Together~"

The holding of the Summit in Iwaki City had significant meaning of expressing appreciation for the support received from all over the world, including PICs, after the Great East Japan Earthquake, and introducing the robust reconstruction in the affected areas. The leaders visited the affected areas along with Prime Minister Shinzo Abe and Mrs. Abe, and witnessed the resilience of the region and the various efforts for reconstruction.

At the Summit, Prime Minister Abe gave a keynote speech, wherein he announced a beacon for diplomacy towards PICs and expressed that Japan will implement assistance of more than 55 billion yen and provide assistance to human resource development and people-to-people exchanges for 4,000 people over the next three years. Prime Minister Abe also announced that Japan will further enhance capacity development of PICs to address climate change and promote business exchanges between Japan and PICs. The participating leaders from PICs expressed their gratitude for Japan's support as well as high expectations for continued support. They also stated that they support Japan's position and efforts in the international community, including the United Nations.

Moreover, the leaders decided to promote cooperation in the coming three years with a focus on the following seven areas: (i) Disaster Risk Reduction, (ii) Climate Change, (iii) Environment, (iv) People-to-People Exchanges, (v) Sustainable Development, (vi) Oceans, Maritime Issues and Fisheries, and (vii) Trade, Investment and Tourism. Leaders Declaration - Fukushima Iwaki Declaration - Building Prosperous Future Together" was adopted as the outcome of the discussion.

In addition, a variety of exchange programs with the local community took place. Hula Girls from the Spa Resort Hawaiians performed their dancing for the leaders as PR Goodwill Ambassadors. Also, the ties and friendship between Japan and PICs have deepened through exchange with "Iwaki High School Students Support Group for PALM7" formed by local high school students and elementary and junior high school students, leading to increased momentum for further enhancement of relations.



PALM7 official logo



Family photo of the leaders



Visiting tour to the affected area: Prime Minister Abe and Mrs. Abe with leaders offering silent prayers after a floral tribute



Hula Girl from the Spa Resort Hawaiians PR Goodwill Ambassadors (Photo: Iwaki City)



Exchange program with children of Iwaki City

Column

Visit of Their Imperial Highnesses the Crown Prince and Crown Princess to the Kingdom of Tonga Ambassador Extraordinary and Plenipotentiary to the Kingdom of Tonga ● Yukio Numata

Their Imperial Highnesses the Crown Prince and Crown Princess visited the Kingdom of Tonga from July 2 to 6, 2015, to attend the coronation of His Majesty the Kingdom of Tonga. Tonga is an island country in the South Pacific approximately 8,000 kilometers away from Japan with a population of about 100,000. In fact, Tonga is friendly toward Japan with deep ties with it. Japanese is a regular optional subject in the secondary education curriculum, and the *Soroban* (Japanese abacus) is a compulsory subject in elementary school. In addition, I think it is still fresh in memory that Tonga-born players contributed in the strong performances of the Japanese team in Rugby World Cup 2015.

Tonga is the only kingdom in the South Pacific, and the royal family of Tonga and the Japanese Imperial Family have been building close ties. This time was the third visit to Tonga for His Imperial Highness the Crown Prince, and the first visit for Her Imperial Highness the Crown Princess.

On July 4, Their Imperial Highnesses the Crown Prince and Crown Princess attended the coronation of His Majesty King Tupou VI of the Kingdom of Tonga, which was held at Free Wesleyan Centenary Church in the central area of the city. Their Imperial Highnesses the Crown Prince and Crown Princess were seated in the front row, solemnly observed the ceremony, and celebrated the accession to the throne. At the coronation luncheon held at the Royal Palace following the coronation ceremony, Their Imperial Highnesses the Crown Prince and Crown Princess were seated close to Their Majesties the King and Queen and talked with H.R.H Princess Salote Pilolevu Tuita and H.R.H Tupouto'a Ulukalala and H.R.H Crown Princess Sinaitakara from beginning to end.

His Imperial Highness the Crown Prince also participated in a series of related events, including an official dinner hosted by the Government of Tonga, and met with Japanese nationals, such as Youth and Senior Overseas Cooperation Volunteers who are actively working in Tonga, representatives of Japanese descendants, and rugby-related people representing the Tonga community in Japan as well.

The visit of Their Imperial Highnesses received a warm solicitude welcome not only from the royal family of Tonga and government officials but also from the general public. During the visit, warm care was shown by the Royal Family of Tonga everywhere, including H.R.H Tupouto'a Ulukalala and H.R.H Crown Princess Sinaitakala, who treated them cordially throughout the visit. The local media also reported on the visit very favorably.

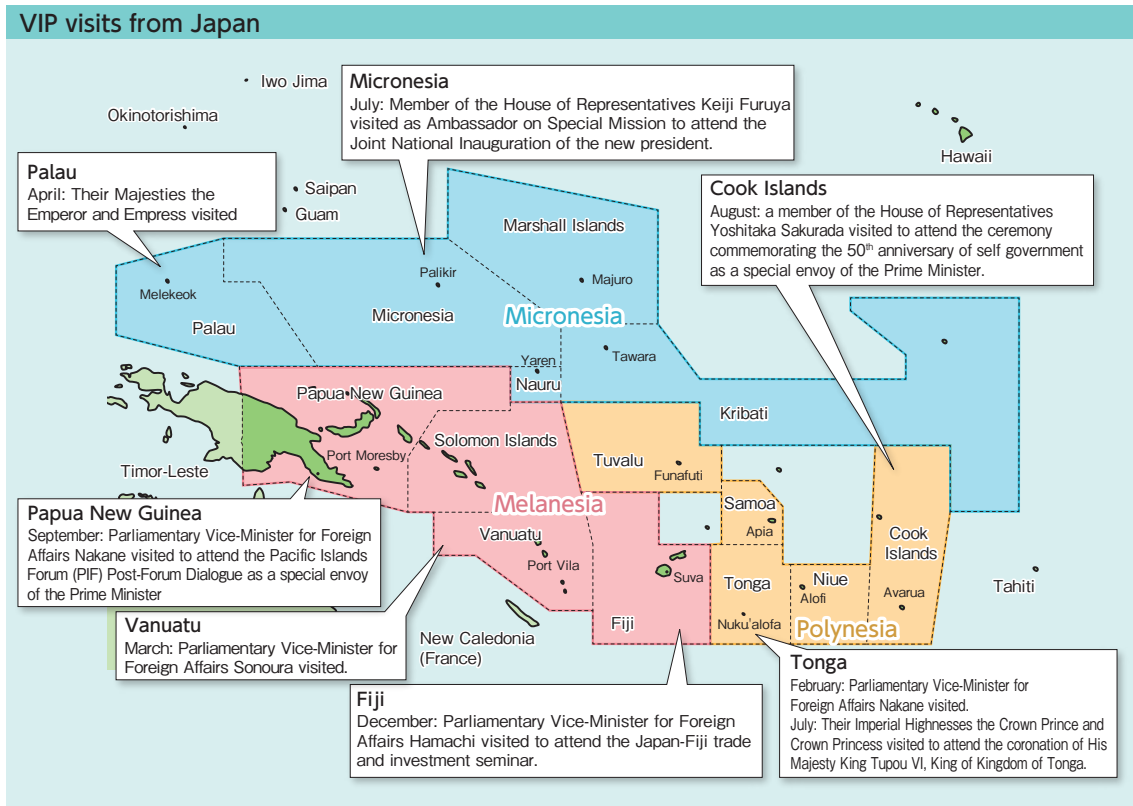
Their Imperial Highnesses the Crown Prince and Crown Princess have mentioned, in their review of the end of the visit to Tonga, that there were accumulation of not only governmental cooperation including ODA between two countries but also warm exchanges between peoples of both countries. Keeping the comments expressed by Their Imperial Highnesses in mind, I will do my best to deepen the friendly relations between Japan and Tonga as Japanese Ambassador.



Their Imperial Highnesses the Crown Prince and Crown Princess were welcomed on the arrival at Fua'amotu International Airport in Tonga (July 3, Tonga; Photo: Jiji)



Their Imperial Highnesses the Crown Prince and Crown Princess attending the coronation ceremony (July 4, Tonga; Photo: Jiji)



equivalent level of an independent state, establishing diplomatic relations with many countries and becoming a member to many international organizations. Japan decided to recognize Niue as a state on May 15, 2015, and established a diplomatic relation in August of the same year, in view of the above and the growing importance of cooperation with Niue at the international arena.

6 Regional and Inter-Regional Cooperation

The Asia-Pacific region is one of the world's growth centers. The realization of a peaceful and prosperous region is one of the priority issues in Japan's diplomacy. From this perspective, Japan places a high priority on working with its neighbors to create a peaceful and stable 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, Japan-Mekong cooperation, EAS, ASEAN+3, and APEC, while maintaining the Japan-U.S. Alliance as the linchpin of its foreign policy.

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

At the ASEAN-related Summit Meeting held in November 2015 (in Kuala Lumpur, Malaysia), it was declared that the ASEAN Community constituted of three communities of "political security," "economic" and "socio-cultural" (Kuala Lumpur Declaration on Establishment of ASEAN Community) would be established at the end of 2015, and the "ASEAN2025: Forging Ahead Together"

which shows the direction of the ASEAN Community for ten years from 2016 to 2025 was adopted. ASEAN has been working toward even further integration since the ASEAN Community was established.

ASEAN also plays an important role as a center of regional cooperation in East Asia. In addition, multi-layered East Asian regional cooperation centered on ASEAN is functioning through such frameworks as ASEAN+3, EAS, ARF and strengthened cooperative relationship in a wide range of areas including politics, security and economy. On the economic front, the ASEAN Free Trade Area (AFTA), as well as other Free Trade Agreements (FTAs) with various countries including Japan, China, the ROK, and India were concluded, creating a network of Free Trade Agreements (FTAs) centered around ASEAN. With regard to Regional Comprehensive Economic Partnership (RCEP), the negotiations started in 2013, and entered into a substantive phase in three major fields of trade in goods, investment and trade in services in 2015. Participating countries look forward to the conclusion of the negotiations in 2016 (see 3-3-1).

Although its GDP is approximately 3.2% of the global total, it has achieved high economic growth rates over the last decade, and ASEAN attracts attention as a growth center of the world.

Since ASEAN is situated in a geopolitically important location and constitutes important sea lanes, and its stability and prosperity relates to those of not only the East Asian region but also the international community, it is important for the entire international community that ASEAN is integrated in accordance with values such as the rule of law and democracy.

Concerning issues over the South China

Sea, the tension has been tremendously heightened in the region caused by rapid and large-scale land reclamations, building of outposts and their use for military purposes in the sea.

In response to this, at the ASEAN-related summit held in November, the importance of freedom of navigation was reaffirmed, and a number of countries expressed opposition against land reclamations, building of outposts and their militarization in the South China Sea, and emphasized the importance of peaceful settlement of disputes based on international law.

The Philippines has been proceeding with arbitration concerning the dispute over the waters with China based on the United Nations Convention on the Law of the Sea (UNCLOS) and, in October, the Arbitral Tribunal admitted jurisdiction over a part of the issues submitted by the Philippines. In November, oral proceedings on merits took place. In spite of such progress, unilateral actions that change the status quo and increase tensions in the South China Sea have not been stopped, and the situation remains unpredictable (see 1-1 (2), 2-1-2 (1) and 3-1-3 (4)).

(2) Japan-ASEAN Relations

ASEAN exerts its centrality in regional cooperation in the Asia-Pacific region. So achieving a more stable and prosperous ASEAN as the motive force is 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 by “ASEAN2025” to achieve even further integration after establishment of the ASEAN Community at the end of 2015, 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 areas of security and economy and other broad areas such as disaster management and human exchanges, through such meetings as the Japan-ASEAN Foreign Ministers' Meeting (in Kuala Lumpur, Malaysia) in August 2015, as well as the 18th Japan-ASEAN Summit Meeting (in Kuala Lumpur) in November that year.

In security area, Japan's efforts under the Proactive Contribution to Peace based on the principle of international cooperation was welcomed by many ASEAN Member States, and Japan and ASEAN shared "serious concerns" over the current situation which may undermine peace, safety and stability in the South China Sea. Under these circumstances, Japan is actively working on activities contributing to the stability of the region, such as capacity building assistance for maritime security, with the utilization of Official Development Assistance (ODA) for ASEAN Member States as well as joint exercises with the Philippines Navy.

In economic area, through ODA and JAIF, Japan will continue to support deepening the ASEAN integration after establishment of the ASEAN Community, including support for enhancing ASEAN Connectivity and narrowing gaps within the region. The ASEAN side welcomed the "Partnership for Quality Infrastructure.". At the Japan-ASEAN Summit Meeting held (in Kuala Lumpur, Malaysia) in November, Prime Minister Abe

announced an "Industrial Human Resource Development Cooperation Initiative" and the establishment of a "Japan-ASEAN Women Empowerment Fund" as new ASEAN support measures. In addition, regarding Japan-ASEAN Comprehensive Economic Partnership (AJCEP), negotiations on trade in services have already been concluded and negotiations on investment are proceeding toward an early conclusion.

In other areas, Japan has been promoting the "Japan-ASEAN health initiative," to support human resources development with the aim to promote health, prevent illness, and improve the standard of medical care, and "Japan-ASEAN Disaster Management Cooperation such as through the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA CENTRE). Furthermore, Japan promotes a variety of people to people exchange programs in ASEAN, via such initiatives as "JENESYS 2.0"¹, "the WA Project", and "Sport for Tomorrow."

The Mekong region (Cambodia, Laos, Myanmar, Thailand, and Viet Nam), situated in a strategic location for land and sea transport, has been achieving strong economic growth, becoming a partner of growth blessed with a prospective future. Peace, stability and prosperity in the region are extremely important for Japan. Economic development in this region contributes to the redress of development gap and the promotion of regional integration within ASEAN, making it important for the stability and prosperity of the entire region. Although the Mekong region has been experiencing a significant growth through the recent progress of the

¹ Youth exchange programs with Asia Pacific countries and regions announced by Prime Minister Abe in 2013, involving a total of approximately 30,000 people.



Japan-Mekong summit meeting (July 4, State Guest House, Tokyo; Photo: Cabinet Public Relations Office)



Japan-Mekong summit meeting (July 4, State Guest House, Tokyo; Photo: Cabinet Public Relations Office)

infrastructure development and economic activities, challenges such as development gap within the region still remains.

In July, Japan invited the leaders of five countries in the Mekong region, and hosted the 7th Mekong-Japan Summit (Japan-Mekong Summit Meeting) in Tokyo. At the meeting, the “New Tokyo strategy 2015” was adopted as a policy for Japan-Mekong cooperation for the next three years, from the viewpoint that it is important to make efforts with the aim to realize “quality growth” with inclusiveness, sustainability and resiliency. Furthermore, at the meeting, Japan announced the implementation of ODA support totaling 750 billion yen for the Mekong region in the next three years. Mekong region countries highly evaluated Japan’s efforts as contributing to enhancement of connectivity within and outside the region, “quality growth” in the

region and promotion of Japan-Mekong economic relations. In August, the 8th Japan-Mekong foreign ministers’ meeting was held in Malaysia, and the “Mekong-Japan Action Plan to realize the New Tokyo Strategy 2015” was issued.

(3) East Asia Summit (EAS) (participating countries: ten ASEAN countries and Japan, China, ROK, Australia, New Zealand, India, U. S. and Russia)

Launched in 2005, the EAS is an important regional forum, with its objectives to facilitate candid dialogue among leaders on issues of importance to the region and the international community, and to take advantage of leadership of the participating heads of governments to advance specific cooperative initiatives targeting issues of common concern in the region. Many democratic nations take part in the EAS, and it is expected that it will contribute to sharing fundamental values in the region, including democracy and the rule of law as well as to strengthening international rules concerning trade and investment.

At the EAS Foreign Ministers’ Meeting held in August in Kuala Lumpur, Malaysia, Foreign Ministers discussed the future direction of the EAS, as well as regional and international situations, including the South China Sea and North Korea. Foreign Minister Kishida stated Japan’s stance on the South China Sea and North Korea. Moreover, he explained Japan’s initiatives and ideas in regard to strengthening the EAS, infrastructure investment and disaster risk reduction. In addition, he stated that Japan had held the “High Level Seminar on Peacebuilding, National Reconciliation and Democratization in Asia” in Tokyo in June, and expressed his appreciation to countries concerned for their

contribution to the seminar. With regard to the South China Sea issue, he stated that the “Three Principles of the Rule of Law at Sea” advocated by Prime Minister Abe at the Shangri-La Dialogue, should be thoroughly abided by, and expressed serious concerns over continued unilateral actions that change the status quo and increase tensions in the South China Sea. With regard to North Korea, Foreign Minister Kishida stated that Japan’s policy of aiming for a comprehensive resolution of outstanding issues of concern such as abductions, nuclear and missile issues remains unchanged.

At the 10th EAS held in November, (in Kuala Lumpur, Malaysia) the Leaders discussed EAS’ initiatives, as well as regional and international situations. Prime Minister Abe stressed that the structure of the EAS should be further strengthened as the premier forum of the region, on the occasion of its 10th anniversary since its founding. He reiterated that Japan puts its emphasis on expanding the scope of the EAS in the political and security areas and reinforcing the EAS institution. Almost all of the Leaders expressed their support for reinforced institution of the EAS as well as expanding its scope on political and security areas, and the Leaders adopted the Kuala Lumpur Declaration on the 10th Anniversary of the EAS.

In view of the increasingly severe security environment in the region, Prime Minister Abe expressed his determination that Japan will make further contributions to the peace, stability and prosperity of the region and the international community in accordance with the policy of “Proactive Contribution to Peace” based on the principle of international cooperation, walking hand in hand with countries which share fundamental values such as freedom, democracy, human

rights and the rule of law. He also stated that “Legislation for Peace and Security” concretely puts such efforts into practice.

Regarding the South China Sea issue, he expressed serious concerns over ongoing unilateral actions in the South China Sea, including large-scale and rapid land reclamation, building of outposts and their use for military purposes. He also urged other leaders to share the common view that such remarks as not intending to pursue militarization of outposts built in the South China Sea must be followed by concrete actions. Furthermore, Prime Minister Abe called for strictly abiding by the “Three Principles of the Rule of Law at Sea,” based on a view that freedom of navigation and overflight at sea must be upheld as a fundamental right. In addition, he stated that coastal states are required under international law, whether for military use or civilian use, to refrain from unilateral actions that would cause permanent physical change to the marine environment in maritime areas pending final delimitation. (see 1-1 (2), 2-1-2 (1) and 3-1-3 (4)).

While reiterating the importance of dialogue, he also underscored his support for the utilization of arbitral proceedings by the Philippines as a means to settle maritime disputes in a peaceful manner. He showed his strong expectation for full and effective implementation of the Declaration on the Conduct of Parties in the South China Sea (DOC), and early conclusions of an effective Code of Conduct in the South China Sea (COC). (see 3-1-3 (4) and 3-1-6).

On North Korea, Prime Minister Abe stated that Japan is consistent in its policy of pursuing a comprehensive resolution of outstanding issues of concern including the abductions, nuclear and missile issues, and he called on

countries for their continued understanding and cooperation toward the early resolution of the abductions issue.

(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. ASEAN+3 member states are deepening the various cooperations based on the “ASEAN+3 Cooperation Work Plan (2013-17).”

With regard to financial cooperation, the National Diet of Japan completed procedures for the approval of the Agreement Establishing ASEAN+3 Macroeconomic Research Office (AMRO) in May, and that Japan concluded this Agreement in June. In food security, through the framework of the “ASEAN Plus Three Emergency Rice Reserve” (APTERR) Agreement, Japan provided rice to countries such as the Philippines and Cambodia in 2015.

At the 16th ASEAN+3 Foreign Ministers’ Meeting held (Kuala Lumpur, Malaysia) in August, State Minister for Foreign Affairs Kiuchi explained Japan’s contribution to ASEAN+3 cooperation. In addition, he explained Japan’s position on Japan-China-ROK Trilateral cooperation, and issues concerning North Korea and the South China Sea with regard to North Korea, he seeks for each country’s cooperation on nuclear and missile issues and the abduction issue

At the 18th ASEAN+3 Summit Meeting held in November 2015 in Kuala Lumpur, Prime Minister Abe expressed his expectation that the normalization of Japan-China-ROK Trilateral cooperation process will

enhance further progress for the ASEAN +3 cooperation. He also pointed out the need for an early entry into force of the Agreement establishing ASEAN+3 Macroeconomic Research Office (AMRO) and the importance of enhancing the function of the Chiang Mai Initiative Multilateralization (CMIM). In addition, he stated that Japan would closely cooperate with the relevant countries for an early conclusion of the Regional Comprehensive Economic Partnership (RCEP). The Prime Minister Abe also called for the further expansion of public-private partnerships to establish food value chains and for the easing and lifting of import restrictions that they had placed on Japanese food products. He also highlighted the importance of promoting student exchanges and tourism cooperation. Aside from the above, Prime Minister Abe mentioned that it is important for North Korea to refrain from provocations and to comply inter alia with UN Security Council resolutions. He called on ASEAN Plus Three member states for their continued understanding and cooperation toward an early resolution of the abductions issue. With regard to maritime security, Prime Minister Abe expressed serious concerns over ongoing unilateral actions in the South China Sea, including large-scale and rapid land reclamation, building of outposts and their use for military purposes, which change the status quo and increase tensions.

The “Final Report on East Asia Vision Group (EAVG) II Follow-up” was adopted at the summit meeting, and that government authorities will follow up on recommendations described in the EAVG II report.

(5) Japan-China-ROK Trilateral Cooperation

Trilateral cooperation among Japan, China

and the 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.

In March, the Japan-China-ROK Trilateral Foreign Ministers' Meeting was held (in Seoul, ROK) for the first time in about three years, and Foreign Minister Kishida attended the meeting. The three Ministers discussed cooperation in such a wide range of areas as disaster management, environment, youth exchange, counter-terrorism, the Middle East and Africa, and shared the view that they would further promote such trilateral cooperation. With regard to the regional and global situations, the three Ministers exchanged their views frankly on regional issues such as the situation in Northeast Asia and the cooperation in East Asia and they reaffirmed their staunch opposition to the development of nuclear weapons by North Korea among others. The three Ministers decided to hold a Trilateral Summit at the earliest convenient time.

In light of this, the Sixth Japan-China-ROK Trilateral Summit was held in November (in Seoul, ROK), and Prime Minister Abe attended. At the Summit Meeting, the Leaders of Japan, China and the ROK got together for the first time in about three and a half years, and frankly exchanged views on cooperation in a wide range of fields and pressing issues in the regional and international communities. The "Joint Declaration for Peace and Cooperation in Northeast Asia" was adopted with

significant results: the three Leaders shared the view that trilateral cooperation had been completely restored, they reaffirmed that the Trilateral Summit should be held on a regular basis, and they decided that Japan would take chairmanship in 2016.

Prime Minister Abe expressed his intention to play a role of the chairman to enhance further positive cooperation, and stated he looked forward to welcoming in Japan PARK Geun-hye, President of the Republic of Korea and LI Keqiang, Premier of the State Council of the People's Republic of China.

(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 APEC Economic Leaders' Meeting held in the Philippines in 2015, the participating leaders had lively discussions on the themes of "Inclusive Growth through Regional Economic Integration" and "Inclusive Growth through Sustainable and Resilient Communities," under the overall theme of "Building an Inclusive Economies, Building a Better World." Prime Minister Abe stressed the importance of strengthening the "rule of law in the economic field," and explained efforts of realizing a "Society with the Dynamic Engagement of All Citizens" and measures supporting women's empowerment. (see 3-3-3 (4)).

(7) Asia-Europe Meeting (ASEM)

The ASEM was established in 1996 as the only forum to intensify dialogue and cooperation between Asia and Europe. The ASEM currently consists of 51 countries and two institutions as members, and has been working through summit meetings and various ministerial meetings in the fields of politics, economy and culture/society/others defined as three pillars.

In November, the 12th ASEM Foreign Ministers' Meeting was held in Luxembourg. They had discussions on climate change, development, disaster risk reduction and management, connectivity, the future of the ASEM and the regional and international situations. Foreign Minister Kishida attended the meeting, and stated Japan's idea concerning a way for a response to climate change right before the United Nations Framework Convention on Climate Change 21st Conference of the Parties (COP21) was to be convened. He also talked about necessary cooperation toward sustainable development in the international community and about cooperation in the field of disaster risk reduction and management in the ASEM such as knowledge-sharing. Furthermore, he explained Japan's cooperation concerning international and regional issues, such as terrorism and violent extremism including ISIL, and refugees and migration issues, as well as Japan's ideas and position concerning the situation in the South and East China Seas and the issue of abduction by North Korea. The Chair's Statement issued at this Foreign Ministers' Meeting referred to maritime security with the situation of the South China Sea in mind, and explicitly mentioned the

abduction issue following the 10th ASEM Summit Meeting in 2014.

In April, the 5th ASEM Education Ministers' Meeting and the 3rd ASEM Transport Ministers' Meeting took place in Riga (Latvia). They discussed the promotion of cooperation in education between Asia and Europe, and the development of connectivity through multi-modal transportation between Asia and Europe, respectively. In December, the 5th ASEM Labor and Employment Ministers' Meeting was held in Sofia (Bulgaria), and the participating ministers exchanged views, under the theme of "Towards Sustainable Social Development in Asia and Europe: a Joint Vision for Decent Work and Social Protection."

Japan hosted an ASEM Symposium on Promoting Tourism in Tokyo in September with participation of Ministerial level of ASEM members. They exchanged views on the current situation, best practices, and problems/challenges of tourism exchanges between Asia and Europe, and a Chair's Summary was issued.

(8) South Asian Association for Regional Cooperation (SAARC (15))

The significance and importance of the SAARC is re-examined from the viewpoint of regional connectivity. Japan attends the SAARC as an observer, and is making efforts for strengthening ties with the SAARC in a variety of fields such as democratization and peace-building, infrastructure, energy and disaster risk reduction. In the energy field in particular, the 8th Japan-SAARC Energy Symposium was organized (in Islamabad, Pakistan). They put together a proposal

² A transportation system in which an efficient and good transportation system is provided in accordance with the needs of users through cooperation of multiple transportation means.

entitled, “The medium-term vision for regional energy connectivity in the SAARC” in March. Parliamentary Vice-Minister for Foreign Affairs Nakane attended and expressed Japan’s position to continue to contribute to strengthening energy connectivity in the SAARC region through individual projects. Japan invited about 2,500 people from 2007 to 2015 (about 220 people in 2015), as part of youth exchange between Japan and the SAARC.