

Exclusive: Prime Minister Suga on Chinese Trade Threats, Olympic Moments

BY [BILL POWELL](#) ON 08/11/21 AT 5:00 AM EDT

As the [Olympics](#) played out in Tokyo, Japan's Prime Minister [Yoshihide Suga](#) sat for a wide-ranging Zoom interview with *Newsweek's* Global Editor in Chief Nancy Cooper and Chief Washington Correspondent Bill Powell. Some excerpts:



Japanese Prime Minister Yoshihide Suga AKIO KON/BLOOMBERG/GETTY

On widespread Japanese opposition to holding the Games in the midst of the pandemic:

There have been issues prior to the Games, but after the Olympics have started, many Japanese citizens have been very impressed and inspired by the power of sport with the great performances demonstrated by the athletes. Many people are

viewing the Games and cheering the athletes on TV, and we're not hearing so many voices of opposition.

On Japan's economic policy priorities going forward:

Ever since I assumed the office of prime minister, deregulation has been one of my highest priorities. We must advance deregulation, tearing down vested interests so that we can make a breakthrough to the next stage of growth.

In order for the Japanese economy to lead growth, Green and Digital will have to be hand in hand. After I became prime minister I decided on the target of going carbon neutral by 2050. Global warming measures should not be a constraint on economic activity. We made a drastic change in our perspective, thinking that such measures could generate new investment in innovation. So what we have done is, we have put together our green growth strategy. We have identified 14 areas and set targets in those areas including offshore wind power generation and hydrogen. We have established a fund of 2 trillion yen, tax and regulatory reform and international rule-making. All these measures will be mobilized so that we can establish new technologies to commercialize them. And by taking these measures, we're expecting an economic effect and the impact of 140 trillion yen by 2030.

Another thing that I have decided to do is to establish a digital agency in Japan. We felt that there has been a long-standing delay in digitalization in the Japanese economy and various issues have come into sharp relief after the start of the pandemic. We thought that unless we start digitalization broadly now, we won't be able to change Japan. And that is why we will be launching the operation of the [government's] Digital Agency [set to play the leading role in promoting the digitalization of administrative procedures] on September 1. We will also expedite digitalization of the private sector. Remote work and remote medicine are being expanded so that people

can get medical service online. And by enabling people to work in the regions just as if they are in various cities, we will be able to revitalize the Japanese economy.

On combating cyberattacks from China:

Now that China is an economic power, I think it's critically important that China play by the international rules and fulfill their responsibilities as a great power. That will be important not only for the Japanese economy, but for the development of the world economy as well.

Now, on cybersecurity, we will be working closely with the United States, as well as other like-minded countries to take countermeasures. This is going to be a public-private effort. With respect to our coordination with the United States, we'd like to make use of high-level opportunities. We will also continue our communication with China to resolve issues one by one, and we will be asserting our position where we must. That is how we need to work on these issues.

On what Japan can do to get China to play by the rules:

There are issues such as trade and competition over leading edge technology. So when it comes to these matters of concern in the international community, and [there are] differences of views, we have to work with the United States based on our relationship of trust. To try to address these concerns, it's very important for us to coordinate between allies and like-minded countries, especially in areas such as cyberattack and security. We need to work in coordination with each other to address these issues involving China.

On the move to subsidize some Japanese companies to relocate supply chains out of China and either back to Japan or southeast Asia:

Well, stable supply chains are something that is very important from a security perspective. We're not just trying to cut off

China. But we're encouraging companies to relocate supply chains back to Japan. We're supporting them to do so as well as diversifying their supply chains from China to ASEAN countries.

On the potential vulnerability of Okinawa in the event of conflict between the U.S. and China over Taiwan:

Okinawan people are obviously Japanese citizens. So it is quite a matter of course that we should defend Okinawa. There are many U.S. bases in Okinawa, and based on this alliance between Japan and the United States, [we must] make sure that Okinawa will be protected. And I consider that as a very important goal of the Japanese government.

On Japan's defense spending:

The security environment is getting tougher now, and to protect the life and peaceful livelihoods of the people of Japan is the heaviest mission of the government. So including domains such as space, cyber and electromagnetic spectrum, in all of these domains, we will be integrating organically our capabilities to increase our defense capabilities. Now we will be having necessary defense spending. So even in a tough fiscal position, such necessary defense spending will be budgeted. Let me just say that the government of Japan does not adopt an approach to defense spending of keeping it within 1 percent of GDP.

On whether he would like to see the U.S. rejoin the Trans Pacific Partnership, which the Obama administration originally proposed:

It was very regrettable that the U.S. decided not to join TPP when it was the U.S. that had proposed it. But now Japan is taking the lead. And we see other countries wanting to join TPP including the U.K., right? We believe that it's quite strategically important to have many countries join TPP because expanding free trade is extremely important in our view. And this year, we'll be serving as the chair of GDP in order to [promote] free

and fair trade. Honestly speaking, I would like to see the U.S. rejoin TPP but I also do understand that there are difficulties involved.

On what persuaded him to go ahead with the Olympics, and his favorite moment of the Games so far:

In this world when we are faced with COVID-19 we must be united. With the wisdom of humankind we can overcome this crisis. That is something that I wanted to show to the world, and I thought that sending out that message was important.

The last time Tokyo hosted the Olympic Games I was a high school student. The impressions that I had then are still very vivid. They are burned into my memory. The Olympic and Paralympic Games can make a very strong impression on people, so I wanted to give that opportunity to the young people and children of today, to live their dreams and inspiration.

Solidarity and mutual understanding and harmonious development of humankind: this is the Olympic spirit. So, based on this spirit, I decided to go ahead and hold the Games.

As far as my favorite moment: in this new event, skateboarding, both in the men's and women's competition [Japan] won gold medals. Skateboarding was something that was considered a minor sport in Japan, but with this, I think it's going to spread at a great pace. The woman who won the gold medal was only 13 years old! The youngest gold medalist in the Games.