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THE MIDDLE EAST AND NORTH AFRICA

(a) Overview (See Chapter 1 for a detailed discussion of the issues surrounding Iraq)

Japan has been making active efforts to resolve the major issues in the Middle East, being aware that ensuring peace and stability in this region has a direct bearing on the peace and prosperity of not only the region itself but also the entire international community including Japan. The Middle East is a major supplier of energy to the world, while the region is fraught with many causes of instability, most notably the Iraq issue and the Middle East peace process. Japan has also strengthened its relations with the Gulf countries in order to ensure a long-term stable supply of energy. From this perspective, Prime Minister Junichiro Koizumi, during his visit to the Middle East in May, announced three policies aimed at the peace and stability of the Middle East: humanitarian and reconstruction assistance in Iraq in cooperation with Arab countries; efforts to deal with the Middle East peace process; and strengthening dialogue with Arab and Islamic countries.

Not to mention the Iraq issue, it is abundantly clear that the Middle East peace process is the key issue to the peace and stability of the Middle East region. As a responsible member of the international community and a country free of religious or historical constraints with the region, Japan has made active efforts to achieve Middle East peace.

The stability of Afghanistan is essential in realizing peace, stability and prosperity in the Middle East, additionally from the viewpoint of eradicating and preventing terrorism and stopping the flow of drugs. Japan will continue its support of the reconstruction of Afghanistan and make active contributions toward the "consolidation of peace" and nation-building.

Concerning the Iranian nuclear issue, positive movements have been Iran's signing of the International Atomic Energy Agency (IAEA) Additional Protocol. Japan will successively maintain and develop its traditionally preferable and cooperative relations with Iran and to call on Iran to work to dispel the concerns of the international community.

New positive movements have been seen in North Africa, too. For example, the movement toward peace in Sudan has gained momentum and Libya announced in December that it would abandon its development program of weapons of mass destruction (WMD). In this regard, high-level VIP visits between Japan and North Africa have become more frequent and Japan's relations with the North African countries have been developing.

Japan aims to achieve peace and stability in the Middle East region through cooperation with the international community including the Middle Eastern countries. From this perspective, Japan has strengthened dialogue with Arab and Islamic countries in order to deepen and expand mutual understanding with them.

(b) Dialogue with the Arabic and Islamic World

In conducting diplomacy with the Middle East, it is important for Japan to achieve the support and understanding of the regional countries, and thereby build a foundation for mutual understanding with these countries. In this regard, the First Meeting of The Japan-Arab Dialogue Forum was held in Tokyo and the Japan-Middle East Cultural Exchanges and Dialogue Mission was dispatched to the Middle East in September, and the seminar "Dialogue among civilizations between Japan and the Islamic World" was held in Tokyo in October. As Japan has been deepening its involvement in the Middle East, it will continue to make efforts to expand and deepen the mutual understanding.

Furthermore, 2003 was the Year of Turkey in Japan, and a variety of cultural events were held and VIP visits took place including the visit to Japan by Deputy Prime Minister and Minister of Foreign Affairs Dr. Abdullah Gul of Turkey in December.

(c) Peace in the Middle East

Middle East peace is an issue that deeply affects not only the direct parties to the conflict, but also all people of the Middle East, and the success of the peace process is key to the peace and stability of the Middle East region as it deals with the Iraq situation and other upheavals. As well, since the peace and stability of the Middle East region is an issue that has a direct impact on the peace and prosperity of Japan, it is essentially important for Japan to contribute actively toward the attainment of Middle East peace.



The Japan-Middle East Cultural Exchanges and Dialogue Mission (from the left: Professor Masayuki Yamauchi of the University of Tokyo; skipping two people, Honorary Chairman of Nippon Keidanren (Japanese Business Federation) Jiro Nemoto; and Abbot of Join Todaiji Temple Dr. Kosei Morimoto) paying a courtesy call on Syria's leading Muslim religious authority Grand Mufti Sheikh Ahmad Kuftaro (center) (September)

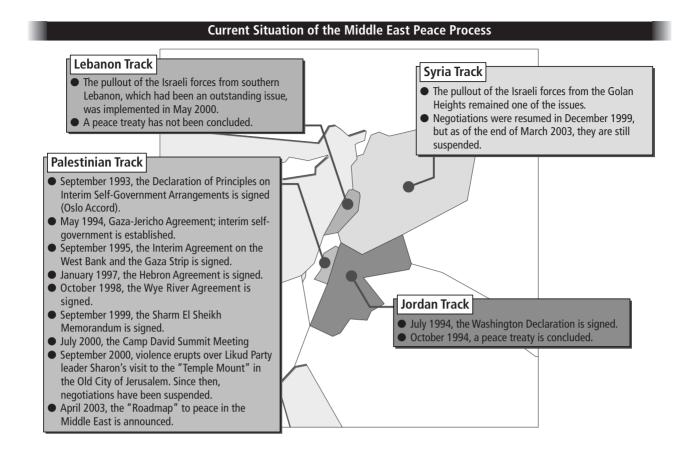
The Present Status of the Israeli-Palestinian Conflict

The biggest issue facing the Palestinian Authority is to put an end to the violence in the territories. Therefore, the promotion of reforms primarily in the public security field and the establishment of the position of prime minister to oversee the administration have become issues. In this regard, the Palestinian Legislative Council approved amendments to the Palestinian Basic Law, including the establishment of the position of prime minister, in March, and new Prime Minister Mahmoud Abbas assumed office in April. As a result the Quartet's Roadmap¹ drawn up by the United States (US), Russia, the European Union (EU) and the United Nations (UN)) was announced in April. Meanwhile, in Israel, the Likud Party won a resounding victory in the general elections in January and Prime Minister Ariel Sharon was reelected. President George W. Bush of the US visited the Middle Eastern countries in June and at the US-Israeli-Palestinian Three-Way Summit Meeting held in Aqaba, Jordan, the three parties confirmed their commitment to the implementation of the

Roadmap. Prime Minister Abbas declared that he would promote reforms, particularly in the field of public security, and worked to obtain a ceasefire agreement with Palestinian extremists. As a result, the major extremist factions announced a ceasefire in June. In response, it was carried out that the Israelis and the Palestinians resumed their summit level dialogue, which had been suspended since the breakout of clashes in September 2000, the Israeli military withdrew from some major cities in the Palestinian territories, and some Palestinian prisoners were released from Israeli jails.

Although it appeared that the movement toward peace was gaining momentum for a while since around August, the peace process between the Israelis and the Palestinians came to a deadlock again, with Israel demanding the disbanding of Palestinian extremist groups and continuing its policy to assassinate Palestinian extremists, and the Palestinian side refusing to disband the extremist groups because they believed it would lead to civil war and demanding that Israel withdraw from the Palestinian

¹ The Roadmap sets the goal of establishing two states, Israel and Palestine, by June 2005, and stipulates the measures that each side must take to achieve that goal.



territories. Prime Minister Abbas then resigned in September due to a dispute with the chairman of the Palestinian Liberation Organization (PLO), Yasser Arafat, over the authority for public security in the Palestinian territories and due to the occurrence of suicide bombings and other acts of terrorism. Israel decided in October to remove Chairman Arafat, considering that he was still maintaining his influence as before and was obstructing attempts to end the violence, and the Israeli cabinet decided to extend the construction of a "separation wall" that separates the Palestinian territories from Israel but most of which is built inside in the Palestinian territories. In response, appeals from the Palestinian Authority, Arab countries and others led to the adoption of a UN General Assembly resolution calling for an end to the construction of the "separation wall." Even though, following a period of chaos, Ahmad Qurie became prime minister of the Palestinian Authority, there were no major changes in the approach of the Israeli side as Prime Minister Ariel Sharon of Israel announced in December a unilateral disengagement plan in the occupied territories. However, the killing of Sheikh Ahmed Yassin, the spiritual leader of the Islamic extremist group Hamas, in an attack carried out by the Israeli Air Force on March 22, 2004, made critical the standoff between the Israel and the Palestinians, and the situation has been becoming more confused.

Concerning the Syrian Track of the peace process, there were movements such as comments by President Bashar Al-Assad of Syria in December about the resumption of negotiations with Israel. However, the two parties could not reach an agreement on the conditions for resuming negotiations and therefore a resumption of talks has not been achieved. Concerning the Lebanese Track, disputes continue over the sovereignty of the Shebaa Farms area.

Japan's Efforts

Japan has been of the opinion that the coexistence of the two states of Israel and Palestine is the only way to achieve peace, even as the situation surrounding peace remains difficult. As such, Japan has been calling for both the Israelis and the Palestinians to implement the Roadmap and positioning the following three policies as the pillars of Japanese measures: (1) improve the Palestinians' humanitarian situation, which has been worsened; (2) support reforms toward the establishment of an independent Palestinian state; and (3) build confidence between the Israelis and Palestinians.

Minister for Foreign Affairs Yoriko Kawaguchi visited Israel and the Palestinian territories in April, making appeals to both sides and announcing an assistance package worth US\$22.25 million. In addition, concerning humanitarian assistance, Foreign Minister Kawaguchi announced in March 2004 aid totaling US\$4.2 million for the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and emergency assistance of about US\$15 million through the UN Development Programme (UNDP) and other organizations from December 2003 to January 2004. With respect to assistance for reforms, Japan provided equipment to strengthen Palestinian public security institutions and provided assistance to increase the capacity of major Palestinian public agencies in July, and for the first time provided non-project grant aid, worth 500 million ven, to the Palestinian National Authority in March 2004. Concerning the building of confidence, Japan invited people of influence on both the Israeli and Palestinian side to Japan in May, holding a conference to discuss their visions for the realization of peace and reaching an agreement to continue this process. In addition, Japan has been providing assistance to build confidence between citizens, such as people involved in education from both the Israeli and Palestinian sides, and has been carrying out assistance for environmental cooperation between the Israeli government and the Palestinian Authority.

To break the current deadlock, Japan has been making appeals to the Israelis and the Palestinians and has been actively carrying out exchanges of views with the concerned countries. Deputy Prime Minister and Minister of Foreign Affairs Silvan Shalom of Israel visited Japan in August and Special Envoy of the Government of Japan for the Middle East Tatsuo Arima visited Israel, the Palestinian territories, Syria and Egypt in March and August 2003 and January 2004 and held consultations and exchanged views with high-level figures. Further, in response to the killing of Sheikh Yassin, the spiritual leader of Islamic extremist organization Hamas, by the Israeli Air Force on March 22, 2004, Japan condemned the Israeli action, saying that it was a thoughtless and unjustifiable act giving no consideration to its consequences and the act also gravely impaired the realization of the peace and was profoundly regrettable. (As of March 24.)

(d) Afghanistan

Following the September 11 terrorist attacks in the US in 2001, the Taliban regime in Afghanistan collapsed due to the use of force by the US, UK and other countries, and at the UN Talks on Afghanistan held on the outskirts of Bonn, Germany, the future path of the Afghan peace process was established (Bonn Agreement). The International Conference on Reconstruction Assistance to Afghanistan was held in Tokyo in January 2002 and the international community announced financial assistance totaling US\$4.5 billion and a path for Afghanistan's reconstruction was indicated.

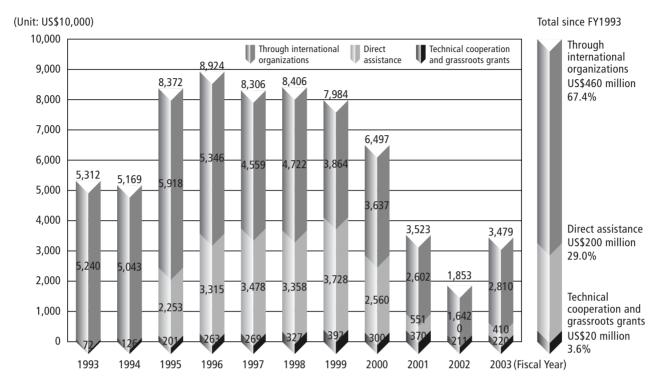


Minister of Cabinet Affairs Yasir Abed Rabbo of the Palestinian Authority, Minister for Foreign Affairs Yoriko Kawaguchi, and Former Minister of Justice Dr. Yossi Beilin of Israel at the Conference for Confidence-Building between Israelis and the Palestinians (from left) (May)

Assistance to Palestinians

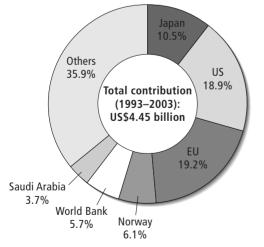
1. Transition of Japan's assistance to Palestinians (since FY1993)

Total contribution to date: approximately US\$675.97 million



2. Outline of assistance to Palestinians from major donor countries

Contributions according to each major donor in 1993–2003 (Based on the end of a May 2003 survey by the Ministry of Planning and International Cooperation, Palestinian Authority; not including assistance through UNRWA)



3. Main points of Japanese assistance to Palestinians

- Approximately US\$670 million of economic assistance has been provided to Palestinians since 1993. Approximately US\$90 million in assistance has been provided with priority placed on emergency humanitarian assistance since clashes erupted in end of September 2000.
- Approximately two-thirds of the total assistance has been provided through international organizations including the UNDP and UNRWA.
- Assistance of US\$22.25 million over a one-year period focusing on the three areas of emergency humanitarian assistance, nation-building reforms and confidencebuilding was announced during Foreign Minister Kawaguchi's visit to the Palestinian Territories in April 2003, and the entire amount is expected to have been committed by the end of March 2004.

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The Situation in Afghanistan and Efforts by the International Community

Concerning the peace process in Afghanistan, the Constitutional Loya Jirga (national assembly) was held from December 14, 2003 to January 4, 2004 to draw up a new constitution for the country. A total of 502 representatives from all over Afghanistan attended the Constitutional Loya Jirga and even though there were some disruptions during the meeting, such as vote boycotts, a new constitution was finally adopted by consensus.

The new constitution is based on a presidential system, and the Constitutional Loya Jirga held discussions and negotiations on the relationship between the president and the parliament, Islam and the guarantee of human rights (provisions to protect the rights of women and the rights of handicapped people and nomads), and ethnic reconciliation. Concerning elections to inaugurate an official administration, the constitution stipulates the holding of the first presidential election and parliamentary election as close to the same time as possible.

Under the Bonn Agreement, a path for the political process was indicated, under which a government representing all the people would be established through elections to be held by June 2004.

In urban areas, particularly Kabul, small-scale economic activities have become more vigorous, and the International Monetary Fund (IMF) has estimated an economic growth rate of about 30% for Afghanistan for 2002-2003. In addition, the authorities announced that the crop yield of grains, particularly wheat, had increased remarkably due to sufficient rainfall in 2003 and that the livestock industry was also forecast to grow. The introduction of a new single currency was successfully carried out in May and exchange rate and commodity price stability has been maintained. It can therefore be said that in these respects, the economic situation in Afghanistan has been improving, but many parts of the basic infrastructure remain undeveloped and the per capita gross domestic product (GDP) is estimated to be about US\$170, making Afghanistan one of the poorest countries in the world with a still fragile economic foundation. In addition, the output of narcotics has been increasing, which has also become a major issue.

The activities of terrorist forces such as the Taliban continue unabated, particularly in the southern, southeastern and eastern areas on the border with Pakistan, and recently there have been a number of terrorist attacks against and kidnappings of UN workers and foreigners, primarily in these areas. In addition, clashes between regional armed factions and drug-related crimes are factors causing public security instability. The general public security situation in the capital Kabul has been relatively stable due to the activities of the International Security Assistance Force (ISAF) but the danger of the occurrence of large-scale terrorist incidents and riots remains. For example, there were consecutive suicide bombings directed at the ISAF in Kabul on January 27 and 28, 2004.

Against this background, the US and its allies have been working to eradicate terrorism by implementing search and destroy operations within Afghanistan in the framework of "Operation Enduring Freedom." At the same time, in order to rebuild the public security maintenance capacity of the Afghanistan government, reforms led by the G8 have been implemented in all security sectors, namely, the establishment of a national army, DDR (disarmament, demobilization and reintegration of ex-combatants), rebuilding the national police, counternarcotics measures, and the legal system. NATO took command of the ISAF in August and in response to a growing belief that it was necessary to deploy the ISAF to the rural areas due to the increasing instability of the security situation there, the UN Security Council in October adopted Resolution 1510, approving the expansion of the mission of the ISAF to outside Kabul.

Meanwhile the US, UK and allied navy vessels have been carrying out ongoing marine intercept activities in the Indian Ocean with the objectives of blocking the ocean transport of materials related to terrorists, weapons and so on, and preventing the spread of the terrorist threat. Through these activities, a certain degree of success has been seen in the "fight against terrorism." For example, large quantities of drugs, which are thought to be a source of funds for terrorists, have been confiscated.

Japan's Efforts

At the Tokyo Conference in January 2002, Japan announced that it would provide reconstruction assistance of up to US\$500 million over the next two and a half years, and on March 1, 2004, Japan decided to provide assistance totaling about US\$477 million. In addition, Japan has implemented humanitarian assistance of about US\$128 million since October 2001. This assistance includes the provision of medicines and food to returning refugees and Internal Displaced Persons within Afghanistan.

Japan's assistance policy has been to place priority on the promotion of national unity centered on the Transitional Administration, the peace process to consolidate peace in Afghanistan, security, and the humanitarian and reconstruction fields (the "consolidation of peace" initiative). Specifically, the priority areas have been assistance for the peace process including media assistance and administrative expenses assistance, assistance in the security sectors including DDR and demining, the Regional Comprehensive Development Assistance Programme (the Ogata Initiative), and the building of ring roads and so on. The local residents have appreciated this assistance very much.

In the field of security sector reform in Afghanistan, Japan has been independently providing assistance for the DDR of soldiers of armed factions. A presidential order concerning DDR was declared at the end of October and the pilot phase of DDR was implemented in Kunduz and other areas.

The joint Japan-US Kabul-Kandahar highway reconstruction project completed the first stage of construction (surface paving) and the entire route was opened on December 16.

Special Representative of the Prime Minister of Japan on Afghanistan Sadako Ogata visited Afghanistan in July

and exchanged views with President Hamid Karzai of Afghanistan concerning such issues as the peace and reconstruction of Afghanistan and assistance of Japan. Parliamentary Secretary for Foreign Affairs Kazunori Tanaka visited Afghanistan in November. He brought with him a personal letter from Prime Minister Koizumi to President Karzai, met with President Karzai and Special Representative of the United Nations Secretary-General Lakhdar Brahimi, carried out on-the-ground inspections of Japanese economic cooperation projects and exchanged views with Japanese members of non-governmental organizations (NGOs) and international organizations. And concerning the shooting attack at a Japanese NGO on the ground the same month, Foreign Affairs Parliamentary Secretary Tanaka called on Afghanistan and the US to take thorough measures to prevent any reoccurrence of this kind of incident.

Japan has dispatched Maritime Self-Defense Force (MSDF) vessels to the Indian Ocean and refueled ships participating in marine intercept activities as part of its cooperation and assistance activities based on the Anti-Terrorism Special Measures Law. It also carried out air transportation of supplies as well as the sea transportation of tents and other materials in response to requests from UN organizations as relief activities for victims.



Parliamentary Secretary for Foreign Affairs Kazunori Tanaka meeting with President Hamid Karzai of Afghanistan (November)

Chronology on Afghanistan

2001/9/11	Terrorist attacks in the US			
10/7	US and UK forces commence air strikes on Afghanistan			
11/13	Taliban withdraws from Kabul; Northern Alliance enters.			
12/5	Bonn Agreement			
12/7	Taliban begins withdrawing from Kandahar			
12/20	Establishment of International Security Assistance Force (ISAF) in Afghanistan is approved through a			
	Security Council resolution and first contingent enters Kabul the following day.			
12/22	Inauguration of Interim Authority			
2002/1/21–22	International Conference on Reconstruction Assistance to Afghanistan			
2/19	Japanese Embassy in Afghanistan reopens after 13-year suspension of activities			
5/1–2	Foreign Minister Kawaguchi visits Afghanistan			
6/11–19	Emergency Loya Jirga Transitional Administration is established with Interim Administration Chairman Karzai as president			
7/6	Transitional Administration Vice President Haji Qadir is assassinated			
9/5	Assassination attempt on President Karzai; large-scale explosions in Kabul			
9/12	Joint announcement on road construction by Japan, US and Saudi Arabia Japan-Afghanistan Summit Meeting (New York)			
10/7	Transitional Administration announces issuance of new currency and deadline for circulation of old currency			
12/2	Foreign Ministers' Meeting commemorating one-year anniversary of Bonn Agreement (Germany)			
	President Karzai issues decree on national army and disarmament			
12/16	Afghanistan Embassy in Tokyo reopens after 5-year suspension of activities			
12/22	Conference on Good Neighbourly Relations; Kabul Declaration on Good-Neighbourly Relations detailing good neighbourly relations and nonaggression between Afghanistan and neighboring countries is signed and presented			
2003/1/1	Deadline to exchange old Afghan currency to new currency			
2/20–23	President Karzai visits Japan			
2/22	Tokyo Conference on "Consolidation of Peace" (DDR) in Afghanistan – Change of Order "from Guns to Plows"			
3/13–14	Afghanistan Development Forum			
	Transitional Administration announces framework, etc., for annual budget and Consultative Group (CG)			
3/17	Afghanistan High-Level Strategic Forum Progress in reconstruction and future outlook are discussed; donor countries pledge next fiscal year's budget for development assistance			
	"Afghanistan's New Beginnings Programme (ANBP)" is established to implement DDR programs			
6/7	Suicide bombing against German ISAF contingent in Kabul; six German soldiers are killed			
7/6–13	Prime Minister's Special Representative Sadako Ogata visits Afghanistan			
8/11	ISAF command is transferred to NATO from Germany and the Netherlands			
9/20	Presidential decree on Ministry of Defense reform is issued			
9/21	Afghanistan Development Forum (Dubai)			
9/24	High-Level Ad Hoc Meeting on Afghanistan (New York)			
10/13	Security Council Resolution 1510 concerning expansion of the ISAF mandate is adopted			
10/24	Pilot Phase of DDR starts in Kunduz			
11/12–16	Foreign Affairs Parliamentary Secretary Tanaka visits Afghanistan			
11/16	French UNHCR worker is murdered in Ghazni			
12/14–2004/1/4	Constitutional Loya Jirga commences (closes with the adoption of new constitution)			
12/16	Road between Kabul and Kandahar opens			
2004/1/27–28	Attacks on Canadian, UK, German ISAF contingents; two ISAF soldiers are killed			

(e) Iran

The Situation in Iran and the Efforts by the International Community

In domestic politics, even with the passage (March, April) of two bills submitted by the government to restrain constitutional violations and the arbitrary examination of qualifications of parliamentary election candidates by conservative organizations, a bill for amending parliamentary election law and another for expanding presidential powers, both were subsequently rejected by the Guardian Council (April, May), and as a result, President Seyyed Mohammad Khatami's support base has been getting weaker. Riots erupted not only within Tehran but also in regional cities in June, sparked by student protests over the privatization of universities. Amidst the increased disappointment among the people about the achievement of the reformists, the election for the seventh Majlis (parliament) was held in February 2004 without a large number of candidates including incumbent reformist members of parliament being disqualified, and the conservatives won an overwhelming majority.

Concerning diplomacy, the Iranian nuclear issue has drawn the attention of the international community and was much discussed at the G8 Summit and the Board of Governors meeting of the International Atomic Energy Agency (IAEA) in June, with the international community expressing strong concern. Especially, the IAEA Board of Governors adopted resolutions in September and November calling on Iran for its full cooperation with the IAEA, prompt conclusion, full implementation and provisional application of the Additional Protocol, and suspension of uranium enrichment and reprocessing activities. In response, Iran took positive measures such as signing the Additional Protocol in December.

Concerning the military operation against Iraq by the US and UK forces, while Iran expressed while its opposition, and based on its "positive neutrality" stance, it did not provide military assistance to the belligerent countries. In addition, Foreign Minister Seyyed Kamal Kharrazi held telephone talks with European foreign ministers and neighboring countries, emphasizing the role of the UN Security Council and calling for an immediate end to the war.

Japan's Efforts

Since Iran is a significant power in the Middle East, Japan has urged Iran through dialogue to further promote domestic reforms and the expansion of relations with the international community, and to take on an even more active role to ensure peace and stability in the Middle East

Chronology concerning Nuclear Issues of Iran				
2002/8	Iranian opposition group, National Council of Resistance, discloses Iran's construction of heavy water production plant (Arak) and underground uranium enrichment program (Natanz).			
2003/2/21–22	IAEA Director-General El Baradei visits Iran. IAEA verification activities of related facilities within Iran, including uranium enrichment facility in Natanz, continue.			
6/16–19	At its meeting, the IAEA Board of Governors focuses on the nuclear issues of Iran. The Chairperson's Summing-up Statement, expressing concern regarding Iran's past failures to report its nuclear activities as well as urging Iran to cooperate fully with the IAEA and to conclude promptly and unconditionally an Additional Protocol, is adopted.			
7/9	Director-General El Baradei visits Iran and President Khatami agrees to have IAEA inspectors remain in Iran and to welcome experts on the IAEA Additional Protocol.			
9/8–12	At its meeting on the 12th, the IAEA Board of Governors adopts a resolution jointly proposed by Japan and other countries on Iranian nuclear issues, which seeks from Iran: (1) correction of all outstanding problems and full cooperation with the IAEA by the end of October; (2) prompt and unconditional signing, ratification and full execution and provisional implementation of Additional Protocol; and (3) suspension of uranium enrichment-related activities and reprocessing activities.			
10/21	UK, French, German foreign ministers visit Iran and announce a joint statement containing the Iranian government's decision to conform substantially to the resolution adopted at the September IAEA Board of Governors Meeting.			
10/23	Iran provides what is expected to be a comprehensive and accurate report of its nuclear activities to the IAEA.			
11/20–26	At its meeting, the IAEA Board of Governors adopts a resolution jointly proposed by Japan and other countries, which welcomes positive steps taken by Iran but expresses deep concern regarding Iran's past activities on uranium enrichment and plutonium reprocessing and urges Iran to take further positive steps.			
12/18	Iran signs the Additional Protocol in Vienna, which will come into effect after being ratified by Iran.			

and the international community. In particular, with regard to the Iranian nuclear issue, as the only country to have been the victim of an atomic bomb, Japan has conveyed its strong concern to Iran at every opportunity, particularly at the Japan-Iran Foreign Ministers' Meetings (August, November). Japan welcomes the positive measures by Iran and aims to resolve this issue by urging Iran to implement faithfully all the requests contained in the various resolutions of the IAEA Board of Governors.

In response to the earthquake in Bam in southeast Iran in December, Japan dispatched international emergency relief medical teams, provided emergency assistance totaling US\$320,000 (some of the assistance was immediately transported to Iran in Air Self-Defense Force (ASDF) planes), emergency grant aid of US\$770,000 and assistance of US\$810,000 to NGOs, and extended a contribution of US\$500,000 through the UNESCO/Japan Trust Fund for the Preservation of the World Cultural Heritage. Iran appreciated the assistance from Japan and requested reconstruction cooperation from Japan based on its experience as an earthquake-prone country.

INPEX (International Petroleum Exploration) and the National Iranian Oil Company (NIOC) signed a contract for the development of the Azadegan Oilfield in February 2004.

(f) The Situation in the Gulf Countries

The Gulf countries have placed importance on relations with the US in order to maintain a political and military balance with the regional powers Iran and Iraq. The collapse of the Hussein regime in Iraq has led to major changes in the geopolitical situation in the Gulf region and each country is searching for a response to the new situation.

Concerning the Iraq issue, the Gulf countries presented a cautious stance toward the military operation against Iraq and supported a peaceful solution based on the Security Council resolutions. After the collapse of the Hussein regime, all of the Gulf countries except Kuwait showed a cautious attitude toward conferring legitimacy on the Iraqi Governing Council established under the leadership of the US and UK. Concerning the reconstruction of Iraq, many of the Gulf countries did not show a clear position such as calling for involvement by the UN as they took into consideration the negative feelings of their people toward the policies of the US and UK.

The public security situation in the Gulf countries has been relatively preferable to date but there were large-scale suicide bombing attacks in the Saudi Arabian capital Riyadh in May and November 2003. In response to these incidents, Saudi Arabia initiated major public security measures including domestic law enforcement activities and the strengthening of regulations in the financial area.

Japan's Efforts

Japan has been developing diplomacy with the Gulf countries toward the realization of peace, stability and prosperity in the Middle East, while giving consideration to the various circumstances of the Gulf countries. This is because ensuring the peace and security of the Middle East region has a significant influence on the realization of the peace and stability of the entire international community, and furthermore this region is strategically important as it supplies over 80% of Japan's energy resources.

After large-scale combat in Iraq ended in May 2003, Prime Minister Koizumi visited Saudi Arabia, consulted with Crown Prince Abdullah about the situation in Iraq, and proposed the establishment of the Japan-Arab Dialogue Forum. Moreover, after the enactment of the Law Concerning the Special Measures on Humanitarian and Reconstruction Assistance in Iraq, former Minister for Foreign Affairs Masahiko Koumura visited Saudi Arabia and Senior Vice-Minister for Foreign Affairs Ichiro Aisawa visited Kuwait as special envoys of the prime minister in December and explained Japan's position. Minister Responsible for Foreign Affairs Yousef bin Alawi bin Abdullah of Oman visited Japan in December and consulted with Foreign Minister Kawaguchi about the regional situation including that of Iraq.

Japan intends to build wide-ranging cooperative relations with the Gulf countries, particularly people-to-

	Volume of imported crude oil	Volume of crude oil imported from Middle East	Degree of dependence on Middle East
Japan	235,649 ^(1,000KL)	202,565 ^(1,000KL)	86%
US	487,436 ^(1,000ton)	117,660 ^(1,000ton)	24%
UK	53,188	2,991	6%
Germany	104,895	11,197	11%
France	81,255	23,112	28%

Degree of Dependence on Middle Eastern Oil by Major Countries

Sources: Ministry of Economy, Trade and Industry, Agency for Natural Resources and Energy, Yearbook of Mineral Resources and Petroleum Products Statistics. (For figures concerning Japan.)

International Energy Agency, Oil Information (2003 edition). (For other figures.)

people and cultural exchanges, in order to strengthen Japan's diplomacy with the Gulf countries in a mid and long-term view. Specifically, Japan has been advancing the Kono Initiative, made up of three main pillars: promotion of dialogue among civilizations with the Islamic world; the development of water resources and environmental cooperation; and promoting wide-ranging political dialogue. In this regard, it held the second seminar, "Dialogue among civilizations between Japan and the Islamic World" in Tokyo in October 2003.

(g) North Africa

Sudan has been gripped in a civil war since 1983 between the Sudanese government in the north and anti-government forces (SPLM: Sudan People's Liberation Movement) in the south of the country. In recent years, peace negotiations have made progress based on the active involvement of the US and the mediation of African countries in the region, and negotiations have become close to achieving peace. Japan has also been carrying out political and human rights dialogue with Sudan and bilateral relations have developed. For example, Senior Vice-Minister for Foreign Affairs Tetsuro Yano became the first senior government figure to visit Sudan in 20 years.

Libya had been under UN sanctions due to the bombing attack against a US passenger plane (Pan Am) (the Lockerbie bombing) in 1988 and against a French passenger plane (UTA) in 1989, but as a result of Libya's handing over of suspects in the Lockerbie bombing and successful conclusion of negotiations for compensation for the families of the victims in September, sanctions were lifted the same month. In addition, as a result of strong appeals by the US and UK, Colonel Muammar Al Gadhafi and Foreign Minister Abdelrahman Mohamed Shalgam announced in December the dismantlement of Libya's WMD development program.

Visits by senior government figures to other North African countries have also become more vigorous with, for example, Prime Minister Koizumi visiting Egypt in May and Foreign Minister Kawaguchi visiting Egypt as well as Tunisia in October. Her visit to Tunisia was the first one as a Japanese foreign minister.



Minister for Foreign Affairs Yoriko Kawaguchi meeting with President Hosni Mubarak of Egypt (October)