

CHAPTER 1

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# Overview

### (a) International Relations Today

In the increasingly globalized international community of today, people, money, and goods can be moved from one location to another instantaneously. The Internet has made it possible not only to instantly receive information from around the world but also to transact business via computers. People can now easily travel anywhere in the world and also enjoy music and TV dramas of various countries at home. We benefit from globalization in our daily life. Furthermore, interdependence across national borders is increasing, as exchanges in the political, economic, social, cultural, and other areas are actively carried out at many different levels, including the state, company, and personal level. On the other hand, globalization has a negative side as well, as seen in the emergence of global-scale problems, including the proliferation of weapons of mass destruction (WMD) and their means of delivery; international terrorism; trafficking in persons, drug trafficking, and other forms of transnational organized crime; infectious diseases, such as HIV/AIDS and SARS; and environmental problems. Some of these problems have arisen due to the lack of management and control capacities of the authorities, but as globalization advances and interdependence deepens, some of these problems are beginning to cross national borders to threaten the safety of individual citizens and therefore the state itself.

The end of the Cold War was expected to usher in an era of stable peace and prosperity in the international community. Yet, there still seems to be no end to conflict in various areas of the world, causing massacres of ethnic people and hordes of refugees and internally displaced persons and having created situations where minimum standards of human life cannot be sustained. The terrorist attacks in the United States (US) on September 11, 2001, made people aware of the serious danger that non-governmental entities, such as international terrorists or terrorist organizations, could acquire and use WMD and their means of delivery. The international community's "fight against terrorism" has produced results, including the destruction of Al-Qaeda training camps, the disruption of terrorist networks, and the capture or killing of a large number of members and officials. Usama bin Laden has still not been captured,

however, and there is still a considerable threat of terrorism, including actions by terrorist groups in various places operating more or less independently in agreement with proclamations from Al-Qaeda leaders and related parties scattered in different locations. If these terrorists should come into possession of WMD—nuclear weapons or biological or chemical weapons—and their means of delivery, it would mean an immense threat to the international community.

These developments indicate that, in a sense, the international community now faces more destabilizing factors than it did during the Cold War. The United Nations (UN) was created as an attempt by the international community to ensure peace and stability after experiencing two world wars during the 20th century, but it was unable to adequately perform its intended functions during the Cold War era. With the end of the Cold War, there were high hopes that the organization would finally demonstrate its true worth, but in reality the UN does not adequately fulfill its anticipated role in today's new international reality. The international community is therefore seeking to establish a new order suited to international circumstances in its pursuit of peace and stability, and efforts by the international community, including Japan, to reform the UN are part of this effort. Also, since it is somewhat difficult for the international community as a whole to form new rules and quickly take collective action to tackle common challenges that it faces, in some cases, countries with shared concerns in the international community are collaborating with one another within existing legal frameworks.<sup>1</sup>

Another significant development in recent years is the progress of regional cooperation. The international community has promoted efforts toward regional cooperation and integration in Europe, the Americas, Asia, and Africa, notwithstanding the differing levels of maturity within each region, in order to ensure regional peace and prosperity. The European Union (EU) represents the most advanced form of regional integration. Europe is becoming more integrated not merely economically but also politically and in the realm of security; the EU is expanding geographically as well. The North Atlantic Treaty Organization (NATO) has strengthened its relations with Russia, having established

1. One example is the Proliferation Security Initiative (PSI), an effort to interdict the proliferation of WMD and their means of delivery, as well as related materials. The PSI, in which Japan is a participant, is gradually becoming better known internationally, and the number of participating countries has steadily increased.

a NATO-Russia Council, while it has also incorporated former Warsaw Pact countries in Central and Eastern Europe as NATO members. Having begun to take action outside the Euro-Atlantic area, as it did in Afghanistan, NATO has both expanded and undergone a transformation. In the Americas, regional economic integration is exemplified by the North American Free Trade Agreement (NAFTA), the Southern Common Market (MERCOSUR), and the Andes Community. In addition, negotiations are proceeding on achieving stronger economic cooperation through the establishment of the Free Trade Area of the Americas (FTAA) encompassing both North and South America. In Africa, the African Union (AU)'s self-help efforts are quite notable in addressing the issues of peace and development of their own continent.

Economic interaction is growing very rapidly in Asia; the percentage of intraregional trade in Asia is now higher than in NAFTA.<sup>2</sup> Political cooperation, however, has yet to be developed, given Asia's ethnic, cultural, religious, and political diversity. And regional cooperation regarding traditional security concerns has not progressed beyond confidence-building dialogues conducted through the ASEAN (Association of Southeast Asian Nations) Regional Forum (ARF). In recent years, however, prospects for building an "East Asian community" have arisen, and regional cooperation primarily involving ASEAN, Japan, the People's Republic of China, and the Republic of Korea (ROK) has begun moving forward and been attracting attention as a new initiative.

Thus, in the present-day international community, individual countries, while pursuing their own national interests, are also cooperating with other countries and with international organizations to address the global-scale problems confronting the international community as a whole and formulating new rules when necessary in pursuit of an appropriate international order suited to the times.

## **(b) International Environment around Japan**

Amid these developments, Japan and its citizens continue to face a number of destabilizing factors. The end of the Cold War meant the dismantling of the frame-

work of East-West confrontation backed up by overwhelming military force, reducing the possibility of a large-scale military invasion of Japan. Unstable elements on the Korean Peninsula, however, pose a major direct threat to Japan and its citizens. This has been demonstrated by the 1998 Taepodong incident<sup>3</sup> as well as an incident in 2001 involving an unidentified ship.<sup>4</sup> The threat is also reflected in the abduction issue and the nuclear issue, on which negotiations are currently underway in the Six-Party Talks. Furthermore, a considerable amount of military force, including nuclear weaponry, continues to be concentrated in East Asia; approximately 45% of the world's military forces are located in the region.<sup>5</sup>

Japan's economy is heavily dependent on trade with and investment to and from other countries. It is therefore extremely important to build up and maintain stable relationships with the countries and regions with which Japan has economic ties and create suitable business environments under a multilateral free-trade system. As a country surrounded by waters, Japan depends on foreign imports and maritime transport for much of its food and energy resources, such as oil and minerals. To ensure Japan's stable and sustainable development, it is therefore crucial to secure a stable supply of primary resources by maintaining relationships of interdependence with producer countries and to strive to maintain and protect Japan's maritime interests, including its continental shelf and exclusive economic zone. In recent years, concern has arisen over frequent incidents of piracy and armed robbery in the Malacca Strait and elsewhere in Southeast Asia, as well as the danger of maritime terrorism. Such acts threaten the safety of the oceans, especially the sea lanes that serve as Japan's economic lifelines.

To the extent that Japan and its citizens have become more active internationally, it is necessary to pay more attention than in the past to threats to the safety of Japan and its citizens. In the aftermath of the September 11 terrorist attacks in the US, in which Japanese citizens were among the victims, the threat of international terrorism has increased. As the number of Japanese citizens traveling abroad has increased from year to year, more have been caught up in crimes, natural disasters, and other such events. This includes the numer-

2. Here, Asia consists of the ASEAN+3 countries as well as Hong Kong and Taiwan. In 2002 the intraregional trade share in Asia was 51.9%, exceeding that of NAFTA at 45.8%, according to the International Monetary Fund's *Direction of Trade Statistics (2003)*.

3. A long-range ballistic missile launched by North Korea flew over Japan; the warhead landed in the open sea off the coast of Sanriku.

4. A ship of unknown nationality (later confirmed to be a North Korean vessel) cruising in waters near the Japanese island of Amami Oshima exchanged gunfire with a Japanese patrol vessel.

5. Calculations are based on statistics in *The Military Balance 2004–2005*, published by the International Institute for Strategic Studies.

ous Japanese victims of the Indian Ocean tsunami caused by a major earthquake that occurred off the coast of Sumatra at the end of 2004. Approximately 900,000 Japanese currently live abroad, and many Japanese businesses engage in economic activity overseas. In order for Japan to continue to enjoy peace and prosperity, it will be all the more essential in the future to protect the safety of Japanese citizens who travel or live overseas and to ensure that Japanese businesses and other organizations can conduct their activities overseas without undue hindrance.

### (c) Goals and Functions of Japanese Diplomacy

Amid the international situation described above, attitudes within Japan regarding the security of Japanese citizens have been changing in recent years. Accordingly, Japan has promoted its diplomatic policies while making necessary efforts to protect the common interests of the international community as a whole and seeking to make timely and uniquely Japanese contributions. The basis of these efforts is the determination to protect Japan's national interests, that is, to pursue peace and prosperity for Japan and its citizens. This basic principle remains unchanged.

After World War II, Japan was able to become the world's second largest economy without confronting any major political crises and established its current stable position. During this time Japan never tried to become a major military power; instead, while adhering to pacifism, Japan actively engaged in promoting peace and prosperity in the world through financial support and human resources.

Japan has worked to directly eliminate or reduce threats in a manner that is visible on the ground. For example, Japan has contributed personnel, materials, and financial support such as Official Development Assistance (ODA) to eradicate poverty and promote development in Africa, as well as Peacekeeping Operations (PKO). Japan has also established, maintained, and developed relationships of trust and confidence by expanding political dialogue with various countries. In addition, Japan continually maintains contact and exchanges views at various levels with officials at foreign embassies in Tokyo and government officials in the countries where it has diplomatic missions, maintaining predictable bilateral and multilateral relationships

based on trust. It has also encouraged greater understanding of Japan by promoting deeper mutual economic interdependence and by conveying actively and effectively Japan's policies, culture, and values to the other countries.

In the international environment today, amid ongoing globalization, the role of diplomacy as a nonmilitary means of persuasion is becoming all the more important. The government of Japan selects the means it judges to be the most appropriate for any given occasion, combines these, and takes the best course of action to permit timely and effective decision making.

### (d) Basic Principles of Japanese Diplomacy

Today, in implementing its foreign policy, Japan considers the Japan-US alliance and coordination with the international community as the foundations of its diplomacy. Japan has been making constant diplomatic efforts to achieve peace and prosperity in the Asia-Pacific region so as to bring about an international order that Japan considers desirable. The manner in which Japan has expanded its efforts in the area of international peace cooperation is particularly notable. Japan's contribution during the Gulf War in 1991 was not necessarily highly appreciated by the rest of the international community. In the light of that experience, Japan has established a framework, including the enactment of the International Peace Cooperation Law and other laws, to enable it to make full-fledged contributions in the area of international peace cooperation.<sup>6</sup> Japan's international peace cooperation activities have expanded dramatically in recent years. At present, in accordance with special legislation (the Anti-Terrorism Special Measures Law), Japan has been dispatching Self-Defense Force (SDF) vessels to the Indian Ocean as part of its effort to support the fight against terrorism in Afghanistan. Japan has also been dispatching SDF units to Iraq (in accordance with the Law Concerning the Special Measures on Humanitarian and Reconstruction Assistance in Iraq) to support reconstruction in Iraq, and they have been engaged in humanitarian and reconstruction assistance activities, including water supply, medical services, and restoration of public facilities. Japan adopted new National Defense Program Guidelines at the end of 2004 and spelled out the recognition that Japan's defense force should also be capable of actively participating in international peace

6. As enabled by the International Peace Cooperation Law, Japan dispatched SDF personnel overseas for the first time to take part in a Peacekeeping Operation under the UN Transitional Authority in Cambodia (UNTAC) in 1992. Thereafter Japan has made active contributions, including dispatching SDF personnel to assist refugees in Rwanda in 1994, to take part in the UN Mission of Support in East Timor (UNMISSET) and other operations from 1999 to 2004, and to join the UN Disengagement Observer Force (UNDOF) in the Golan Heights.

cooperation activities in order to improve the international security environment. Through these efforts, Japan has steadily won a reputation as a country that works together with the international community to address common issues and has been recognized as a country that has major responsibilities in the international arena in word and deed. In order to carry out international peace cooperation in an even more suitable manner, the government of Japan is currently carrying out wide-ranging studies on how it should conduct future international peace cooperation activities.

In the effort to bring about an international order that Japan regards as desirable, it is extremely important to gain the international community's esteem and to establish and strengthen relationships of trust with Japan's neighbors and other friendly countries.

China holds great economic importance and is expected to play a major role in the peace and stability of Asia. The ROK is an important friendly country with which Japan has common values. Japan has continually engaged in dialogue and cooperation with these and other neighboring countries, considering it essential to establish and maintain cooperative, forward-looking relations with its neighbors and encourage their responsible actions and greater predictability for peace and prosperity in the region. As part of this effort, Japan has worked to conclude Economic Partnership Agreements, especially with countries in East Asia, and has promoted regional cooperation in trilateral cooperation with China and the ROK, the Japan-ASEAN and ASEAN+3 (Japan, China, and the ROK) fora, the ARF, and the Asia-Pacific Economic Cooperation (APEC) forum. Japan also actively contributes to efforts by the UN and other international organizations to achieve international peace and prosperity.

At the same time, Japan has worked to maintain and strengthen its relationship with the US, which is the linchpin of Japanese diplomacy. Under the concept of the "Japan-US alliance in the global context," Japan and the US have been collaborating closely in dealing with the challenges facing the international community. In recent years, the two countries have also expanded their cooperation in the realm of global security, as typically shown by Japan's dispatch of SDF units overseas in accordance with the Anti-Terrorism Special Measures Law and the Law Concerning the Special Measures on

Humanitarian and Reconstruction Assistance in Iraq.<sup>7</sup> Efforts conducted by combining diplomacy with the international cooperation provided by the SDF have become increasingly important as means of reinforcing Japan's contributions in the international community and meeting the high expectations of international society. Since destabilizing factors continue to exist in East Asia, the importance of the Japan-US alliance has not diminished; with the end of the Cold War, on the contrary, the alliance has grown more important. In the absence of a foundation that adequately ensures security through regional cooperation in Asia, the ROK, Singapore, and other countries in Asia also value their relationship with the US as a means of ensuring their own security. The deterrence of the Japan-US alliance is extremely effective not only in assuring the security and prosperity of Japan but also in contributing to the stability of the Asia-Pacific region as a whole, and its importance has been accepted by other countries in Asia. Under Article 9 of the Constitution, Japan has moderately built up its defense capability in accordance with the fundamental principle of maintaining the minimum defensive capability necessary to defend the country when under military attack. As the only country in the world to have been subjected to atomic bombings, Japan has adhered to its Three Non-Nuclear Principles and followed the path of a peaceful country. Were it to rely solely on its own defense capability, Japan might not prevent an attack from beyond its borders or be able to respond to situations that threaten its safety. Therefore, the Japan-US alliance based on the Japan-US Security Arrangements is the optimal strategic and realistic option for protecting Japan's safety and, moreover, ensuring peace and stability in the Asia-Pacific region. Japan and the US have common values, such as democracy and capitalism, and are closely bound by various political, economic, and social ties. Japan intends to further strengthen the alliance and to carry on its ceaseless effort to ensure the smooth and effective operation of the Japan-US Security Arrangements. The government of Japan has strengthened the legal framework to deal with contingencies and enacted the Law Concerning Measures to Ensure the Peace and Security of Japan in Situations in Areas Surrounding Japan in order to maintain Japan's peace and security and to ensure the smooth and effective functioning of the Japan-US Security Arrangements. Japan and the US

7. As part of its international cooperation based on UN Security Council resolutions, Japan dispatched SDF personnel to take part in a peacekeeping operation in Cambodia (UNTAC) in June 1992 and since then has cooperated in a number of peacekeeping operations. More recently, Japan has engaged in maritime refueling operations based on the Anti-Terrorism Special Measures Law (enacted in November 2001) and has dispatched SDF units to Samawah, Iraq, in accordance with the Law Concerning the Special Measures on Humanitarian and Reconstruction Assistance in Iraq (enacted in August 2003) as part of global cooperation based on the Japan-US alliance.

both recognize the need for further cooperation to enable them to respond effectively to destabilizing factors in Asia and to deal with new threats, including terrorism and the proliferation of WMD, and the government of Japan has held numerous discussions with the US on these subjects. The US is currently carrying out a worldwide transformation of its armed forces, including a realignment of its military posture. Japan has engaged in talks with the US in an effort to reduce the burden of the US military presence on local communities in Okinawa and elsewhere while maintaining the effectiveness of the Japan-US Security Arrangements as a deterrent force in the Asia-Pacific region. Based on such an understanding, the two countries discussed the security environment in East Asia and the proper course of cooperation on global challenges at a meeting of the Japan-US Security Consultative Committee on February 19, 2005. Japan and the US identified their common strategic objectives and affirmed their intention to pursue individual diplomatic efforts by cooperating under the terms of the Japan-US Security Arrangements and cooperating as allies in other ways as well.<sup>8</sup>

### **(e) Future Challenges for Japanese Diplomacy**

#### ***Developing Japanese Ways to Make an International Contribution***

Japan is now confronted with the need to face the realities of the 21st century and seriously reassess its international contribution. Countries in Asia other than Japan have also been making more active international contributions and gradually raising their international standing. China, for example, has dispatched personnel to all the Peacekeeping Operations conducted in Africa in recent years. The ROK has also dispatched a sizable military contingent (about 3,600 troops) to support reconstruction in Iraq and has been taking part in the fight against terrorism. Japan must flexibly consider how to make a timely international contribution in a way that affords Japan a comparative advantage and must strive more actively to offer Japanese ways of making a contribution in order to demonstrate more leadership in its

international contribution than it had in the past and maintain and enhance the international status it has earned thus far. In the ODA Charter revised in 2003, for example, Japan indicated its intention to use ODA more strategically and efficiently, emphasizing such tasks as poverty alleviation—a common challenge for the whole international community—and peace building and human security, which are challenges that Japan has actively addressed. Even in Japan's current severe fiscal situation, ODA continues to be an important instrument of its diplomacy, and it is important to use ODA more effectively than in the past as part of Japan's international contribution. An excellent example of this is the wide-ranging economic, cultural, and other assistance being provided through ODA for reconstruction in Iraq. Japan's contribution is twofold, consisting of both ODA and reconstruction activities by SDF units dispatched to Iraq. Terrorist activities, especially in Asia, constitute a major problem that cannot be overlooked. Japan has provided support for personnel training and capacity building to help other countries in Asia improve their capacities for dealing with terrorism, and this contribution has been highly appreciated by the recipient countries.

#### ***Efforts by Japan to Gain Permanent Membership on the UN Security Council***

In recent years people have been stressing the need to strengthen the functions of the UN to deal more effectively with new threats arising in the aftermath of the Cold War. The year 2005 is the 60th anniversary of the inception of the UN, and the momentum for UN reform, especially for Security Council reform, has become stronger than ever. The people of Japan, which achieved postwar recovery after their defeat in war and the experience of becoming the only country ever to suffer from atomic bombings, have a particularly strong desire for peace. Therefore, they have always held high expectations of the role of the UN in promoting peace and stability in the international community. As a reflection of the people's support and high expectations of the UN,

8. The Security Consultative Committee meeting, also called the 2 + 2 Meeting, is a meeting between the Japanese and US officials in charge of foreign policy and defense. At the February 19 meeting, Japan was represented by Minister for Foreign Affairs Machimura Nobutaka and Minister of State for Defense and Director-General of the Defense Agency Ohno Yoshinori; Secretary of State Condoleezza Rice and Secretary of Defense Donald Rumsfeld represented the US. The two countries identified a number of common strategic objectives. Regional common strategic objectives include (1) the security of Japan and peace and stability in the Asia-Pacific region, (2) peaceful unification of the Korean Peninsula, (3) peaceful resolution of issues related to North Korea, (4) developing a cooperative relationship with China and welcoming its responsible and constructive role, (5) peaceful resolution of issues concerning the Taiwan Strait, (6) improving the transparency of China's military affairs, and (7) Russia's constructive engagement. Global common strategic objectives include (1) promoting fundamental values, such as democracy, in the international community, (2) partnership in international peace cooperation activities, (3) non-proliferation of WMD, (4) eradicating terrorism, and (5) improving the effectiveness of the UN Security Council (and making Japan a permanent member).

the government of Japan has consistently placed importance on the UN in its diplomacy ever since Japan acceded to the UN. Japan has not only provided financial support for the UN and cooperated in promoting peace and stability but has also been making active efforts through the UN in areas ranging from economic and social fields to disarmament from a global perspective. These have included efforts to strengthen the regime of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), promote the early entry into force of the Comprehensive Nuclear-Test-Ban Treaty (CTBT), deal with the problem of small arms and light weapons, and other efforts in the area of arms control and disarmament, as well as efforts to promote development and poverty alleviation. Japan considers it necessary to seize this opportunity, when the momentum for UN reform is increasing, to gain permanent membership on the UN Security Council and make unique contributions taking advantage of its accumulated experience, responding to high expectations both at home and abroad.

### ***Strengthening the Foundation for Diplomacy***

In promoting Japanese diplomacy as described above, the Ministry of Foreign Affairs (MOFA) and the government as a whole must act as one, taking astute, comprehensive measures. The collective capacity of Japanese diplomacy, conducted primarily by MOFA, cannot be improved without strengthening of the functions of law

enforcement bodies and the authorities concerned which regulate and oversee export controls, immigration and terrorist financing, as well as by improving the systems for gathering and analyzing information on the international situation. Structural reforms carried out at MOFA in August 2004 resulted in a reorganization of the ministry that improved further the institutional framework for implementation of diplomatic policy in various ways. This included strengthening the policy coordination function of the Foreign Policy Bureau and improving the ministry's information gathering and analysis function by reorganizing and expanding the former Intelligence and Analysis Bureau to create the Intelligence and Analysis Service. In addition, efforts were made to improve consular functions and crisis management, including enhancing safety measures for Japanese nationals overseas, by upgrading the Consular and Migration Affairs Department to create the Consular Affairs Bureau and establishing the Consular Services Headquarters and the assignment of a new deputy assistant vice-minister in charge of crisis management. Furthermore, the Public Diplomacy Department was established to provide both public and private entities with a system for integrated operations of overseas public relations and cultural exchanges. While honoring its obligation to be accountable to the people and striving to win their understanding and support, MOFA will conduct diplomacy with integrity in a highly professional manner that will meet with international approval.

## 2

## The International Situation and the Developments in Japan's Diplomacy in 2004

### **(a) The International Situation in 2004**

In 2004, a main issue for the international community was how to deal with the threats of continuing terrorism around the world and the proliferation of weapons of mass destruction (WMD), and a focus was particularly placed on the efforts toward peace and stability in the Middle East. For the reconstruction of Afghanistan, which is steadily transforming itself into a democratic state, the international community led by Japan, the United States (US), and European countries carried out coordinated cooperation in supporting the process. As for the relations between the US and Europe which had been strained since the military action against Iraq by

the US, the United Kingdom (UK), and other countries, efforts were made to repair the ties through a visit to France by US President George W. Bush in early June to attend a ceremony marking the sixtieth anniversary of the Normandy landing, as well as through the subsequent US hosting of the G8 Sea Island Summit.<sup>9</sup> In this context, it was strongly reaffirmed that the international community must unite to tackle the numerous challenges it faces and that the role of the United Nations (UN) is of vital importance.

Serious global issues still remain, such as terrorism, the proliferation of WMD, poverty and development, climate change, infectious diseases, conflicts, and transnational organized crime. The international community

9. Newly appointed US Secretary of State Condoleezza Rice (former Assistant to the President for National Security Affairs), who succeeded Colin Powell in that position, declared during her visit to Europe in early February 2005 that the US seeks to restore US-Europe relations. This announcement attracted attention as an indicator of the direction that US foreign policy would take under the second Bush administration. After that, President Bush visited Europe from February 20 to 24.

widely shares the recognition that it is important to tackle these challenges in a concerted manner. A summit meeting is scheduled to be held in September 2005 to review the Millennium Declaration adopted at the UN Millennium Summit in 2000. In December 2004, the High-Level Panel, set up in November 2003 under a proposal by UN Secretary-General Kofi Annan, submitted a report on its discussions about how the international community should deal with these challenges and how the UN structure should be reformed to that end. Currently, there is gathering momentum among member states toward the realization of UN reform.

### ***The Fight Against Terrorism***

The international community has been earnestly engaging in the fight against terrorism, which continues to occur frequently on a global scale, becoming indiscriminate in the targets of its attacks. Amid the outbreak of terrorist acts in various parts of the world, including not only Iraq but also such countries as Saudi Arabia, Spain, and Russia, there is a common recognition in the international community that terrorism cannot be justified for any reason, as indicated in the adoption of successive UN Security Council resolutions and G8 summit statements.

### ***Efforts for the Non-proliferation of Weapons of Mass Destruction***

The proliferation of WMD and missiles that are their means of delivery represents a grave challenge to the disarmament and non-proliferation regimes, and the international community has been seriously tackling this issue.

The revelation in February that a Pakistani scientist had been involved in the leakage of nuclear-related technologies outside the country sent considerable shock waves throughout the international community, which for a long time had been making efforts to strengthen the international non-proliferation regime. As a result of strong demands from Japan and other countries for Pakistan to take measures to prevent any recurrence of similar incidents, Pakistan enacted in September an Export Control Act and at present is establishing a domestic setup for its operation. Regarding the North Korean nuclear issue, despite the concerned countries' diplomatic efforts for a peaceful solution through the Six-Party Talks and the International Atomic Energy Agency (IAEA), no specific progress was seen due to a series of dishonest responses by North Korea. As for the Iranian nuclear issue, the Iranian government made some positive moves, such as signing the IAEA Additional Protocol in December 2003. However, Iran subsequently resumed its uranium enrichment-related activities, the suspension of which

has been called for in the relevant IAEA Board of Governors resolutions, raising international concerns. Last-ditch negotiations were held amid arguments that the case should be reported to the UN Security Council, and in November 2004, the UK, France, Germany, and Iran reached an agreement stipulating that Iran would suspend its uranium enrichment-related and reprocessing activities. A report to the Security Council was thus avoided for the time being. International attention is now focused on Iran's future action.

### ***Efforts Toward Peace and Stability in the Middle East***

In Iraq, as the international community continued its efforts to support reconstruction amid frequent domestic terrorist attacks, members of the Iraqi Governing Council signed the Law of Administration for the State of Iraq for the Transitional Period on March 8, 2004, and on June 28 governing powers were transferred from the Coalition Provisional Authority (CPA) to the Iraqi Interim Government. Under a cabinet announced by Special Advisor to the UN Secretary-General Lakhdar Brahimi on June 1, the Iraqi Interim Government set about preparations for the election of an interim National Assembly by the end of January 2005. However, primarily Sunni Arabs who are opposed to US-led reconstruction of Iraq have been intensifying terrorist attacks to obstruct reconstruction and assaults on US, UK, and other forces stationed in Iraq to conduct security maintenance activities. This has left the security situation in Iraq unstable. It was in these circumstances that Iraq's first election for the National Assembly was held on January 30, 2005, marking a major step forward toward democratization.

Afghanistan moved steadily forward as a democratic state, with a new constitution promulgated in January 2004 and a presidential election held on October 9. On the other hand, destabilizing factors remain in terms of public security; a suicide bombing and a hostage-taking of UN staff occurred in the capital of Kabul in October, and armed battles between military factions in the regions continued to flare up intermittently. The international community has continued to provide support for measures taken by the Afghan government to maintain public security, as well as to extend reconstruction assistance.

There were various developments relating to the Middle East peace issue. Amid the outbreak of terrorist incidents by Palestinian extremists and the continuation of military action by the Israeli forces, Sheikh Ahmed Yassin, the leader of the Islamic extremist organization

Hamas, and Dr. Abdul Aziz Rantisi, also of Hamas, were assassinated by Israel in March and April 2004, respectively. The situation grew increasingly complicated as the Israeli government carried out aerial bombings in retaliation for terrorist attacks by the Palestinians. The death of Palestine Liberation Organization (PLO) Chairman Yasser Arafat in November under these circumstances has resulted in increased international expectations for the implementation of the Roadmap. Diplomatic efforts by the international community aimed at achieving progress in the Middle East Peace Process have become active, and on February 8, 2005, a summit meeting between Mahmoud Abbas, who was elected president of the Palestinian Interim Self-Government Authority in January 2005, and Israeli Prime Minister Ariel Sharon was realized in Sharm El Sheikh, Egypt. It is hoped that their announcement of a suspension of violence represents a new step toward the realization of peace.

### ***The International Economy and International Efforts on the Economic Front***

In 2004, there were some destabilizing factors for the international economy, such as the rise in crude oil prices<sup>10</sup> and the negative impact on tourism of the avian influenza outbreak at the beginning of the year. In general, however, the economy continued to steadily recover, as shown by self-sustaining economic expansion in the US, movements toward economic recovery in Europe, rapid economic growth in the BRICs,<sup>11</sup> and signs of economic recovery in Japan.

One of the factors that can be cited for its key role in supporting this worldwide economic growth is a trend toward closer economic partnership, including regional integration and free trade agreements (FTAs), being advanced globally in a multitiered manner. In Europe, a strong euro fueled the enlargement of the European Union (EU), and intraregional trade in the EU increased. In North and South America, trade steadily expanded through such regional agreements as the North American Free Trade Agreement (NAFTA) and the Southern Common Market (MERCOSUR). Although no similar regional framework exists in Asia, intraregional trade in East Asia increased. Further development of these movements is being watched as they are expected to promote revitalization of the world economy.

With regard to the World Trade Organization (WTO)'s Doha Round negotiations, agreement was reached in July on frameworks for the talks, and the deadline for the negotiations was extended. As for details, however, a host of difficult issues still remain to be solved in order to bridge the differences in opinions between the developing and developed worlds. Each of the countries involved must continue to engage in the negotiations with a firm political will aimed at reaching a conclusion and maintaining confidence in the multilateral trading system that has supported the expansion of the world economy.

### ***Efforts Toward Poverty Eradication and Sustainable Development***

Poverty does not merely imply a low level of income and expenditure. It has numerous repercussions, including inadequate social services such as education and health, and evils on the political front, such as gender disparities and inability to participate in politics. Poverty greatly obstructs the achievement of sustainable development not only regionally but in the international community as a whole. Therefore, the eradication of poverty is an urgent challenge that the international community must overcome to enjoy the benefits of peace and prosperity.

With a review of the progress toward achieving the Millennium Development Goals (MDGs) established in 2000 slated for the upcoming year of 2005, 2004 was a year in which specific issues were discussed for the reduction of poverty. At the G8 Sea Island Summit in June as well, measures were discussed to tackle such issues as HIV/AIDS and other infectious diseases, hunger and poverty, which are especially serious in Africa. As an environmental measure to promote sustainable development, meanwhile, the summit embraced the 3R (reduce, reuse, and recycle) initiative proposed by Prime Minister Koizumi Junichiro. Furthermore, in order to deal with natural disasters, an impediment to sustainable development, the UN held the World Conference on Disaster Reduction in Kobe in January 2005, at which the Hyogo Framework for Action was adopted.

In the area of the global environment, Russia ratified the Kyoto Protocol in November, as a result of which the protocol went into effect on February 16, 2005. Japan will have to achieve its 6% reduction of greenhouse gas emissions from the 1990 level as stipu-

10. Factors that have been cited for the rise include the demand from developed countries such as Japan, the US and Europe; the continuing state of excessive demand, whereby supply cannot keep up with demand from China, whose economy has shown striking growth in recent years; and the worsened public security situation in Iraq, which boasts the second largest oil reserves in the world.

11. BRICs stands for Brazil, Russia, India, and China.

lated in the protocol. Japan will also make efforts to formulate common rules in which all countries participate. The interest of the international community in this area is growing, as seen in the UK's announcement that the main issues at the 2005 G8 Summit, which it will chair, will be the development of Africa and climate change.

### ***Developments in Asia, the US, and Europe***

In the Republic of Korea (ROK), President Roh Moo Hyun, who was unaffiliated with any party, was impeached in March over allegations that he violated the neutrality of public servants by supporting a specific political party in the general election scheduled for April. His presidential powers were suspended, resulting in a power vacuum and in fears that the situation might affect the ROK's diplomacy. At the general election, however, in which reconstruction assistance by ROK troops dispatched to Iraq was a key point of contention, the ruling Uri Party, which was previously in a minority, won a majority of seats. This led to the continuance of the ROK's "Peace and Prosperity Policy" toward North Korea. In June, meanwhile, the ROK decided to send more troops to Iraq, and as of February 2005 it had the third largest contingent there (about 3,700 troops) after the US and the UK.

In China, President Hu Jintao and other political leaders have made economic development their top priority. The country's economy continued to expand rapidly, recording growth of over 9% in 2004. China's total trade volume in 2004 was the third highest in the world after those of the US and Germany. At the same time, instead of focusing exclusively on economic growth, China is also making efforts to correct regional economic disparities by advocating the "scientific concept of development," which aims to achieve sustainable development throughout the country. In the diplomatic field, China has continued its policy of seeking friendly relations with all countries in order to create an environment conducive to its domestic economic development. To this end it has stepped up its interactions with other countries, such as by holding summits with EU countries. It should be noted that in recent years China has been playing a more active role in the international arena by increasing the number of Chinese troops dispatched to participate in UN Peacekeeping Operations (PKO). In its relations with Taiwan, although China asserts that it will make the utmost effort to resolve the issue peacefully, it remains resolute in its stance of not abandoning the option of using force to prevent Taiwanese independence, and in late 2004 it decided to con-

sider enacting the Anti-Secession Law. Meanwhile, there is growing economic exchange between China and Taiwan, and in January 2005 both sides allowed direct flights from the other to land on their soil during the period of the Lunar New Year. Japan and the US have urged China and Taiwan to resolve the issues between them peacefully and to reopen talks at the earliest opportunity.

In Southeast Asia, presidential elections were held in both the Philippines and Indonesia. Philippine President Gloria Macapagal-Arroyo was reelected on May 10 after a close-fought race. When her support base was still fragile soon after the launch of her second administration, a Filipino was taken hostage in Iraq in July 2004. President Macapagal-Arroyo bowed to the demands of the hostage-takers by withdrawing Philippine troops from Iraq earlier than scheduled. This caused considerable shock in the international community, which had been working together to assist Iraqi reconstruction after the transfer of sovereignty to an Iraqi interim administration. Indonesia, meanwhile, held its first-ever direct presidential election. This Indonesian presidential election is significant in two ways: It demonstrates that democratization is progressing in Asia and that democracy is gaining acceptance in Islamic societies.

There were also positive developments in relations between India and Pakistan. In January 2004, at the first India-Pakistan summit meeting in about two and a half years, Indian Prime Minister Atal Bihari Vajpayee and Pakistani President Pervez Musharraf agreed to hold a composite dialogue, including on the issue of Kashmir, and the dialogue has continued under the new Indian prime minister, Manmohan Singh.

The US, which chaired the G8 Sea Island Summit in June, expressed at the summit its determination to continue the fight against terrorism and its policies in Iraq and Afghanistan, as well as to support the reform efforts of countries in the Middle East. The US has been reviewing its defense strategy and, in the period following the September 11 terrorist attacks, has been conducting a review of US military posture on a global scale, with a view to adapting to the new global security environment. Having been reelected in November 2004, President Bush is likely to further advance this review in his second term.

In Europe, the most conspicuous development in 2004 was the progress in regional integration, with the North Atlantic Treaty Organization (NATO) expanding its membership from 19 to 26 states in March and the EU enlarging its membership from 15 to 25 states in May. There is also an accelerated trend toward bringing

the European Constitutional Treaty, which is set to become the EU's basic treaty, into effect in 2006.

## **(b) Developments in Japanese Diplomacy in 2004**

In 2004, public awareness on security issues grew further as the security environment around Japan remained uncertain owing to many factors. Terrorist attacks involving civilians occurred around the world; the Middle East situation, which exerts enormous influence over Japan's prosperity, continued to be unpredictable, as demonstrated by the hostage-taking of Japanese citizens in Iraq; there was no concrete progress with regard to the North Korean nuclear and abduction issues; and tensions continued in relations across the Taiwan Strait. Under these circumstances, the Japanese government has engaged in a variety of efforts necessary to ensure the security and prosperity of Japan and its citizens. Japan strove to strengthen the foundations of its security policy by the following means: The emergency legislation was advanced following on from the previous year; and the new National Defense Program Guidelines were formulated in December. Externally, Japan took an important step in developing the definition of future international peace cooperation activities, through its support for reconstruction in Afghanistan and Iraq. In the international fight against terrorism, Japan's achievements included the adoption of a joint declaration and action plan for measures against terrorism within such frameworks as the G8 and the Japan–Association of Southeast Asian Nations (ASEAN) partnership.

For Japan, 2004 was also a year of working to promote multitiered economic partnerships and making efforts to pave the way for strengthening regional cooperation in East Asia. Japan made progress in preparing and promoting economic partnership with ASEAN as well, which is a partner that “acts together and advances together,” while eyeing the building-up of an East Asian community in the future.

Japan believes that in order to effectively deal with the various problems that the whole international community faces, it is essential for the international community to address such challenges in a concerted manner. Based on this conviction, Japan has strongly advocated structural reform of the UN so that it will reflect the realities of the international community in the twenty-first century. In June 2004, the Eminent Persons' Group on UN Reform compiled a report,<sup>12</sup> and in July,

then Minister for Foreign Affairs Kawaguchi Yoriko hosted a Kyoto meeting related to the UN High-Level Panel on Threats, Challenges and Change, inviting Japanese and foreign eminent persons and members of the UN High-Level Panel, and presented Japan's ideas on these issues. In September, Prime Minister Koizumi held a meeting with the leaders of Brazil, Germany, and India, and the leaders declared their intention to work together for UN Security Council reform and to support one another's candidature for permanent membership on the council. In the general debate at the UN General Assembly in New York, Prime Minister Koizumi asserted the importance of strengthening the functions of the UN and Japan's determination to attain permanent membership on the Security Council. Then Foreign Minister Kawaguchi, who accompanied the prime minister to New York, also actively sought understanding on Japan's position from delegates gathered at the UN.

Japan's relationship with the US, the linchpin of Japanese diplomacy, is better than ever. Prime Minister Koizumi and US President Bush enjoy a relationship of personal trust. The first overseas visit that Minister for Foreign Affairs Machimura Nobutaka made after assuming his position in September was to the US. In a series of discussions with US government officials, he confirmed that the two countries would work together to address various issues facing the international community based on the concept of the “Japan-US alliance in the global context.”

## ***Relations with the Countries and Regions Around Japan***

In relations with North Korea, Japan conducted diplomatic activities under the basic principles of resolving the pending issues—the nuclear issue, the missile issue, and the abduction issue—in a comprehensive manner and seeking to normalize diplomatic relations in a way that would contribute to peace and stability in East Asia, based on the Japan–DPRK Pyongyang Declaration.

On the abduction issue, eight family members of abductees were repatriated following Prime Minister Koizumi's visit to North Korea for the second Japan–North Korea summit meeting on May 22. At the meeting, Chairman of the National Defense Commission of North Korea Kim Jong Il promised to conduct a thorough reinvestigation “from scratch” in order to confirm the whereabouts of the abductees whose fate remains unknown. In the three rounds of the Japan–North Korea

12. A consultative body commissioned by then Foreign Minister Kawaguchi in September 2003 which held meetings eight times and produced a final report, “The Role of the United Nations in the 21st Century and Approaches to Strengthening the United Nations,” presented to then Foreign Minister Kawaguchi in June 2004.

working-level consultations carried out from August on, however, no information or physical evidence was obtained supporting North Korea's claims that eight persons had died and two persons were not confirmed as having entered North Korea.<sup>13</sup> In the light of this situation, on December 24 Japan demanded that North Korea give a full account of the abductees whose safety remains unknown and return the survivors, once again stating its position that, in the absence of a prompt and sincere response from North Korea, the Japanese government would be forced to take stringent measures. In February 2004 the Foreign Exchange and Foreign Trade Control Law (Foreign Exchange Law) was revised at the initiative of legislators in order to enable the Japanese government to curtail flows of money and goods through such unilateral measures as the suspension of money transfers. A bill allowing specific vessels to be barred from entering Japanese ports was also passed into law in June.

With regard to the nuclear issue, both North Korea and the US presented concrete proposals at the third round of the Six-Party Talks in June, providing hope for progress toward a resolution. Although it had been agreed at the third round of talks to hold a fourth meeting by the end of September, however, this was not accomplished due to a gradual hardening of North Korea's attitude. Thereafter North Korea refrained from further engagement while awaiting the outcome of the US presidential election, and no concrete progress was achieved by the end of the year.

In relations with China, further development was seen in 2004 in trade and other aspects of the economic relationship, as well as in human exchanges. On the other hand, serious problems arose that infringed on Japan's security and rights, including its right of sovereignty. These included the following: Chinese ocean survey vessels repeated their activities within Japan's exclusive economic zone, violating procedures under the Framework of the Mutual Prior Notification of Ocean Research Activities and the UN Convention on the Law of the Sea; China engaged in the development of resources in the East China Sea near the median line between Japanese and Chinese waters; and Chinese nuclear-powered submarines entered submerged into Japan's territorial waters in violation of international law. Japan has strongly protested against these actions.

Stable relations between Japan and China that contribute to the regional and international community are essential for peace and prosperity in the Asia-Pacific region. At a summit meeting in Chile in November, Prime Minister Koizumi and Chinese President Hu confirmed the need to more deeply pursue an earnest dialogue regardless of differences of views in particular areas and concurred that they will work to strengthen a cooperative, future-oriented relationship.

The ROK is an extremely important neighboring nation, both politically and economically, which shares fundamental values with Japan. The sound relationship was sustained through 2004, as manifested by the following facts: Prime Minister Koizumi and ROK President Roh held Shuttle Summit Meetings; airline flights between Haneda and Gimpo airports, which had been initiated, continued to operate; and the two countries carried on the negotiations on a bilateral FTA. Interaction between the two countries expanded into a broad range of areas encompassing the political, economic, and cultural spheres, further deepening future-oriented relations. In January 2004 the fourth phase of the liberalization of Japanese popular culture, including music and films, took effect in the ROK, while Japan experienced its own so-called Korea boom, with South Korean films and drama series winning popularity. More recent developments have seen the ROK government taking a tougher attitude toward Japan, as indicated by the "Open Letter to the Nation Concerning Korea-Japan Relations" that President Roh addressed to the people of the ROK on March 23, 2005, in response to an ordinance passed by the Shimane Prefectural Assembly proclaiming "Takeshima Day" on March 16. The Japanese government clearly explained its position on this matter and asked the ROK government to respond calmly.

Trilateral cooperation with China and the ROK also progressed with the inaugural meeting of the Three-Party Committee of the People's Republic of China, Japan, and the Republic of Korea in June 2004, presided over by then Foreign Minister Kawaguchi.<sup>14</sup> The participants discussed the progress of cooperation based on the October 2003 Joint Declaration on the Promotion of Tripartite Cooperation among Japan, the People's Republic of China, and the Republic of Korea, and confirmed the need to further promote relations between

13. Bones presented by North Korea as the "remains" of Ms. Yokota Megumi during working-level talks with Japan in November were revealed as a result of tests to be the remains of other persons. The Japanese government has strongly protested to the North Korean government over this matter.

14. The Three-Party Committee was established on the basis of the Joint Declaration on the Promotion of Tripartite Cooperation among Japan, the People's Republic of China, and the Republic of Korea, which was issued at the trilateral summit meeting in October 2003. The three foreign ministers met in Qingdao, China.

the three countries and ASEAN. With the leaders' approval, Foreign Minister Machimura attended the second meeting of the Three-Party Committee in Laos in November, where the group adopted the Action Strategy and the Progress Report. Enhanced partnership among the three major Asian countries of Japan, China, and the ROK through trilateral cooperation is a desirable development for peace and stability in the region, and further progress is anticipated in the future.

### ***Progress and Prosperity in the Asia-Pacific Region***

Japan has been working to strengthen its economic partnerships, particularly with other countries in Asia, as a mechanism to complement the multilateral free trade system centering on the WTO. Economic Partnership Agreements (EPAs) not only bring about expanded trade and investment but also generate further economic vigor and growth in the region by facilitating structural reforms in both Japan and its partners. Japan is currently negotiating EPAs with the ROK (with which negotiations began in December 2003), Malaysia (January 2004), and Thailand and the Philippines (February 2004). Japan reached agreements in principle on major elements of the EPA with the Philippines at a summit meeting held in November. Japan and the ROK reconfirmed at a summit meeting in December their intention to conclude negotiations on an EPA by the end of 2005. In April 2005 negotiations are expected to begin on an EPA with ASEAN as a whole, based on the Framework for Comprehensive Economic Partnership between Japan and ASEAN agreed upon at the Japan-ASEAN summit meeting in October 2003. Japan will continue to intensively promote economic partnerships with other Asian countries.

### ***Action for Peace and Stability in the Middle East***

Peace and stability in the Middle East are a prerequisite for peace and prosperity in the international community as a whole and are extremely important for Japan as well from the standpoint of energy security. As such, Japan has made great efforts for the reconstruction of Iraq and Afghanistan, and has also actively contributed to efforts by the international community for concrete progress toward Middle East peace.<sup>15</sup> Furthermore, taking advan-

tage of its traditionally friendly ties with Islamic countries of the Middle East, Japan has worked to strengthen these ties through unique efforts, such as the Japan-Arab Dialogue Forum and the Seminar and Dialogues Among Civilizations between Japan and the Islamic World, as well as to contribute to peace in the region.

Japan extended personnel contributions through the Self-Defense Forces (SDF) stationed in Al-Samawah since January 2004 and Official Development Assistance (ODA) as the "two wheels of one cart" of its assistance for Iraqi reconstruction. These efforts steadily gained the understanding of local residents despite the severe public security situation and met with words of gratitude from Prime Minister Dr. Ayad Allawi and other members of the Iraqi government. Meanwhile, resistance activities by insurgents escalated, and an increasing number of civilian abductions occurred, in which the abductors demanded the withdrawal of multinational forces staying in Iraq, including one case where a Japanese national was taken hostage and killed. The Japanese government has made every effort to rescue the hostages by calling for their release through Middle Eastern media channels, such as Al-Jazeera TV, as well as by making use of various diplomatic channels to request the cooperation of the concerned countries. At the same time, Japan made clear that it had no intention of responding to terrorist demands for the withdrawal of the SDF from Iraq, explicitly stating its position that terrorism cannot be justified for any reason and that personnel contributions by the SDF are meant for the benefit of the Iraqi people. Japan also hosted the Tokyo Meeting<sup>16</sup> to discuss plans to reconstruct Iraq on the basis of the International Reconstruction Fund Facility for Iraq in October 2004. In November Foreign Minister Machimura attended the International Ministerial Meeting of the Neighboring Countries of Iraq and the G8 held in Sharm El Sheikh, Egypt, where he asserted the need for concerted international cooperation toward Iraqi reconstruction. In December, furthermore, the Japanese government extended the Basic Plan regarding Measures Based on the Law Concerning the Special Measures on Humanitarian and Reconstruction Assistance in Iraq and decided to continue reconstruction assistance by the SDF.

In Afghanistan, based on the vision of the "consolidation of peace," Japan has extended assistance in every

15. In January 2005 Foreign Minister Machimura visited the Palestinian Territories, where he met with newly appointed President Abbas, and Israel, where he met with Prime Minister Sharon. He stressed the importance of progress in the peace talks and conveyed Japan's intention to actively contribute to that end.

16. The Third Meeting of the Donor Committee and Expanded Meeting of the International Reconstruction Fund Facility for Iraq was held in Tokyo on October 13 and 14. The establishment of this series of meetings was agreed to at the Madrid Conference held in October 2003, and the Tokyo Meeting was the third following the Abu Dhabi Meeting (February 28-29) and the Doha Meeting (May 25-26).

area—including election support, improvement of public security, and reconstruction—in cooperation with non-governmental organizations (NGOs) and international agencies. In October it revised the Basic Plan regarding Response Measures Based on the Anti-Terrorism Special Measures Law and extended its duration. In addition to the supplying of fuel to US and UK vessels in the Indian Ocean, the range of SDF activities was expanded to include the supplying of water to these ships.

The Iranian nuclear issue is a challenge against the international nuclear non-proliferation regime and is a concern for Japan as well. Through various bilateral consultations and the forum of the IAEA, Japan has urged Iran to sincerely comply with the successive resolutions of the IAEA Board of Governors.

### ***Relations with Russia, Central Asia, and Europe***

In relations with Russia, Japan has continued frequent political dialogues and has seen progress in cooperation in a wide range of fields. With regard to the Northern Territories issue, in September 2004 Prime Minister Koizumi became the first incumbent prime minister of Japan to observe the Northern Territories from a ship. He stressed the importance of the issue and stated that concluding a peace treaty would be of mutual benefit to Japan and Russia. Russia alluded to a final settlement based on the transfer of Shikotan and Habomai islands, while noting that transferring these islands is its obligation. This statement can be taken to be an indication of Russia's earnest attitude toward the negotiations, but Japan cannot accept a final settlement with the transfer of just Shikotan and Habomai islands. At the foreign ministerial meeting in January 2005, for which Foreign Minister Machimura visited Moscow, both sides concurred that while there is a gap between the two countries' positions on the Northern Territories issue, they would continue to make efforts to bridge their respective positions.

Furthermore, in August 2004 then Foreign Minister Kawaguchi visited four countries in Central Asia (Uzbekistan, Kazakhstan, Tajikistan, and the Kyrgyz Republic) and launched the framework of the "Central Asia plus Japan" Dialogue. This framework was welcomed by Central Asian countries as a forum that opens a new dimension to relations between Central Asia and

Japan by promoting intraregional cooperation within Central Asia in addition to the existing framework of cooperation based on Japan's bilateral relations with each of the countries.

In relations with Europe, it was concurred at the Japan-EU Summit Meeting held in Tokyo in June 2004 that the EU and Japan would cooperate for the success of the 2005 EU-Japan Year of People-to-People Exchanges. Japan also utilized international conferences and various other opportunities to engage in vigorous diplomacy with each of the European countries and worked to strengthen bilateral ties and promote cooperation in the international arena. Meanwhile, in response to plans by the EU to lift its arms embargo against China,<sup>17</sup> Japan and the US have been continuing with persuasion to the EU that doing so may affect the security environment in East Asia (as of February 2005).

### ***Relations with Latin American and Caribbean Countries***

In September 2004 Prime Minister Koizumi seized the opportunity of his visit to Brazil to give a speech regarding Japan's medium- to long-term Latin American and Caribbean policies. He expressed Japan's intention to strengthen its ties with Latin America and the Caribbean by bolstering cooperation with the region, which consists of revitalizing economic relations and addressing the various challenges to the international community, and by promoting exchange. The EPA with Mexico, the negotiations for which have stagnated at times, was signed in Mexico by the leaders of both countries. As of February 2005, domestic preparations were underway in each country for the agreement to go into effect in April.

### ***Development Assistance on the Basis of the New ODA Charter***

Despite the continued difficulty of domestic fiscal conditions, Japan continued to strategically implement ODA in 2004 as a major foreign policy tool, with countries in Asia and Africa as the primary recipients. This point is included in the new Medium-Term Policy on Official Development Assistance, which was formulated in February 2005 on the basis of the new ODA Charter and lays out the basic policy of Japan's ODA as well as Japan's position, approach, and specific undertakings re-

17. The EU has imposed an arms embargo on China since the Tiananmen Square incident of 1989. At the December 2003 European Council meeting (EU summit) it decided to reassess the embargo, however, and a review is underway in the EU toward the lifting of the embargo. On the basis of the existence of a separate Code of Conduct that it created in 1998, after the embargo was placed, the EU stresses that lifting the embargo has only political connotations. Japan has conveyed its concern for the possible effect of the lifting of the embargo on East Asian security and opposes it on the grounds that such concerns must be resolved. While working in close partnership with the US, which shares this concern, Japan has been calling on the EU to take a responsible approach to the issue.

garding priority issues over the next three to five years. Japan has been strengthening its ties with ASEAN in recent years, and it has extended support to the Asian region including ASEAN in a wide range of fields, from economic and social infrastructure, education, and human resources development to decentralization, measures against terrorism and piracy, and peace building. In regard to Africa, which continues to face grave problems such as infectious diseases, poverty, conflicts, and debt, Japan has extended ongoing and active support through the Tokyo International Conference on African Development (TICAD) process. Japan has taken a concrete initiative in the TICAD process under the three pillars of human-centered development, poverty reduction through economic growth, and consolidation of peace, and in November 2004 it held the TICAD Asia-Africa Trade and Investment Conference.

### ***The Major Earthquake off the Coast of Sumatra and the Tsunami Disaster in the Indian Ocean***

Japan swiftly responded to the disaster caused by the major earthquake off the coast of Sumatra and the sub-

sequent tsunami in the Indian Ocean, which occurred on December 26, 2004. Two days after the disaster Japan decided to offer to affected countries relief supplies and disaster relief activities, including by the SDF and with the cooperation of NGOs. On January 6, 2005, Prime Minister Koizumi attended the Special ASEAN Leaders' Meeting on Aftermath of Earthquake and Tsunami that was held in Jakarta, Indonesia (Foreign Minister Machimura also attended the meeting), where he announced that Japan would provide the maximum possible assistance in three ways: financial resources, human resources, and knowledge and expertise. Specifically, in regard to financial assistance he stated that Japan would offer approximately US\$500 million in emergency grants to affected countries, and in regard to knowledge and expertise he proposed the holding of a special session on the disaster in the Indian Ocean at the UN World Conference on Disaster Reduction to be held in Kobe from January 18 to 22. The session issued a statement titled "Common Statement of the Special Session on the Indian Ocean Disaster: Risk Reduction for a Safer Future," which was cited in the Hyogo Declaration issued after the conclusion of the conference.