

1. Asia and the Pacific

The realization of an Asia-Pacific region that is prosperous, stable and open Asia-Pacific region is indispensable for the peace, security and prosperity of Japan. Japan will proactively promote diplomacy vis-à-vis Asia based on the solid Japan-U.S. alliance, and as a long-term vision put forward the initiative for an East Asian community.

As the main pillar of Japan's diplomatic efforts in Asia, the East Asian community initiative aims to build a regional community in East Asia through the accumulation of open and highly transparent regional cooperation, starting from such possible areas as trade and investment, finance, environment, energy, disaster relief, education, people-to-people exchanges, infectious disease control, etc. In that process, Japan intends to make use of existing frameworks for regional cooperation, including the East Asia Summit (EAS), Association of South-East Asian Nations (ASEAN)+3 (Japan, China and the Republic of Korea (ROK)), the ASEAN Regional Forum (ARF), and APEC in a multilayered and flexible manner. Rather than dwelling too much on the question of which country should join which framework, it is believed important for Japan to steadily carry out concrete cooperation with the countries that are ready for such cooperation, thereby developing many layers of networks of functional communities. Prime Minister Hatoyama explained these ideas in a speech he delivered in Singapore in November regarding Japan's Asian policy. As examples of areas to be emphasized in the immediate future, he cited "cooperation for prosperity together," "cooperation for saving a green Asia," "cooperation for the protection of human lives," "cooperation for in building a 'sea of fraternity,'" and people-to-people exchanges such as

youth exchange. Japan is determined to deepen cooperation with Asia in these areas in the years to come.

One of the most salient aspects of Asia is its economic clout. With ASEAN+6 (Japan, China, ROK, India, Australia and New Zealand) representing 23% of the world's GDP and APEC 53%, and with both figures rising, this region draws public attention as the "the growth center of the world." Economic recoveries in Asia's emerging economies in the wake of the worldwide economic and financial crises, among other developments, have helped drive the world economy. Also, as a result of economic growth, this region is expected to see a dramatic increase in its middle-class population. If Japan is to continue steady growth despite its aging population and falling birth rate, it is important to promote dynamic development in Asia by utilizing Japan's funds, technology, and knowledge, thereby translating the dramatic increase in "Asia's domestic demand" into growth for Japan. While regional integration has been making progress in the real economy, numerous obstacles to regional integration and many barriers to growth remain. Ensuring the smooth flow of people, goods and capital, and contributing to the reduction and elimination of barriers to growth by such measures as development of infrastructure, will greatly benefit Japan, Asia, and the entire world.

Meanwhile, common regional challenges such as environment and climate change, natural disasters, and H1N1 influenza have emerged. Moreover, as indicated by North Korea's missile launches and nuclear test in 2009, the regional security environment including the Korean Peninsula remains unpredictable. Under these circumstances, the United States presence in Asia plays an important

role in ensuring peace and prosperity of Asia, including Japan. This is the greatest reason that Japan continues to regard the Japan-U.S. alliance as the linchpin of Japan's foreign policy. Initiative for an East Asian community also presupposes this bilateral alliance. Against this backdrop, Japan will steadily promote regional cooperation by enhancing its partnership with the U.S., which based on increased emphasis on the Asia-Pacific region, and strengthening its engagement in the region.

Relations with our neighbouring countries, namely the ROK and China, are important. Japan, China and the ROK will strengthen relations at all levels, including at the summit and foreign ministerial levels, and promote cooperation in areas such as environment, economy and university exchange by taking advantage of opportunities such as trilateral summit meetings.

Japan attaches particular importance to ASEAN in its regional cooperation in Asia. ASEAN upheld the "enhancing connectivity of ASEAN" during its 15th summit held in Thailand in October 2009, thereby accelerating efforts toward further integration with the aim of establishing an ASEAN Community by 2015. Based on the understanding that a more closely integrated ASEAN functioning as a hub of regional cooperation is important for the stability and prosperity of Japan, ASEAN and all of East Asia, Japan announced its active commitment to measures toward the narrowing the development gaps and the enhancing connectivity during the 12th Japan-ASEAN Summit held in the same month. Moreover, during the First Meeting between the

Heads of Governments of Japan and the Mekong region countries in Tokyo in November, initiatives in the fields of development, environment/climate change, etc. for narrowing the regional gap, one of the major challenges in promoting ASEAN integration, were announced, and these initiatives have been steadily put into action.

In the area of economic partnership, network of Free Trade Area (FTAs) is developing around a core of ASEAN is developing. In 2008, the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Agreement, Japan's first such multilateral agreement, entered into force. Moreover, at the ASEAN-related summit meetings held in October, it was decided that studies on East Asian Free Trade Agreement (EAFTA) comprising the members of ASEAN+3 and Comprehensive Economic Partnership in East Asia (CEPEA) comprising the members of EAS (ASEAN+6) should be transformed from a Track Two stage to an intergovernmental stage.

During the 17th APEC Summit held in Singapore in November, APEC leaders adopted a statement entitled "A New Growth Paradigm for a Connected Asia-Pacific in the 21st Century." In the statement, APEC leaders agreed to pursue balanced, inclusive and sustainable growth to ensure a durable economic recovery. They also agreed to explore, within the APEC Framework, building blocks towards a possible Free Trade Area of the Asia-Pacific (FTAAP) in the future.

Bilateral relationships function as a foundation of such regional cooperation and are a vital pillar of Japanese diplomacy in Asia. The ROK is Japan's



Japan-Korea Exchange Festival 2009 in Tokyo (September 20, Tokyo; photo: the Organizational Committee of the Japan-Korea Exchange Festival)

closest country geographically and also an important neighbour with whom Japan enjoys extremely close relations in various areas, including politics, economy, and culture. The ROK, like Japan, is an ally of the U.S., and also shares with Japan fundamental values such as freedom, democracy, and fundamental human rights. Facing history squarely, Japan will enhance the future-oriented relations with the ROK as mature partners through such approaches as “shuttle diplomacy”. Bilateral summit events in 2009 include the Japan-ROK summit in the ROK in January, a summit meeting in New York in September after inauguration of the new government, and the summit talks during Prime Minister Hatoyama’s visit to the ROK in October as his first official trip overseas. In terms of the economy, both countries continue to be important partners, with the ROK being Japan’s third greatest trading partner (and Japan being the ROK’s second greatest trading partner). To further strengthen close bilateral economic relations, Japan will continue its efforts toward resumption of the Japan-ROK Economic Partnership Agreement negotiations.

Against the backdrop of its rapid economic growth, China enjoys heightened political and economic presence in the international community, including East Asia. China’s steady development in harmony with the international community provides opportunities for Japan and other countries in the region; therefore, China is expected to play more responsible roles in the international arena. In 2009, Japan continued to hold summit meetings with China on many occasions, including various international conferences, thereby ensuring closer communication between the leaders of the two countries. The two countries’ leaders have also agreed to jointly address various outstanding issues that the region and international community face in a way that further enhances and helps to materialize a “Mutually Beneficial Relationship Based on Common Strategic Interests.” Meanwhile, efforts need to be continued with respect to concerns involving the two countries, including food safety and resource development in the East China Sea.

In Japan’s relations with Mongolia, two Japan-Mongolia Foreign Ministers’ meetings were held, in addition to Japan-Mongolia Summit talks in Tokyo in July. Through these steps, efforts have been made to further strengthen trust-based bilateral relations through active high-level dialogues. Also, in a bid to enhance economic relations between the two

countries, which is one of the major bilateral issues, Japan and Mongolia have also taken steps to establish a “Comprehensive Partnership,” including conclusion of an agreement to hold working-level intergovernmental consultations toward the inauguration of private-public joint research on economic partnership agreements (EPAs).

As for North Korea, Japan’s basic policy is to seek to normalize its relations with North Korea through the comprehensive resolution of outstanding issues of concern including the abduction, nuclear and missile issues and the settlement of the unfortunate past between the two parties, in accordance with the Japan-DPRK Pyongyang Declaration. Under this policy, the Government of Japan has been making its utmost efforts to achieve progress in both the denuclearization of the Korean Peninsula and Japan-North Korea bilateral relations, including the abduction issue.

Under these circumstances, North Korea launched a missile in April in defiance of calls by Japan and other countries concerned to abandon the plan, and conducted a nuclear test in May. Japan promptly protested to North Korea’s actions, which were utterly intolerable. Japan is committed to working closely with other countries concerned through the Six-Party Talks to achieve North Korea’s abandonment of the its nuclear programs in a verifiable and irreversible manner as early as possible. At the same time, Japan will steadily implement measures based on the U.N. Security Council Resolutions as well as Japan’s own measures. With regard to the abduction issue, despite Japan’s repeated demands for North Korea’s launching of a thorough investigation into the abduction as agreed during the Japan-North Korea Working-Level Consultations in August 2008, North Korea has yet to launch the investigation (as of the end of February 2010). While maintaining a close cooperation and collaboration with other countries concerned through the Six-Party Talks and other diplomatic opportunities, Japan will sincerely engage in bilateral talks with North Korea and urge North Korea to take concrete actions toward the resolution of the outstanding issues of concern, including the abduction issue.

Embracing India, the world’s largest democracy, South Asia has been steadily increasing its presence in recent years due to its regional population of roughly 1.5 billion and the high economic growth enjoyed throughout the region. There is no negative historical legacy in South Asia’s relations with Japan,

and many countries in the region have traditionally been pro-Japan, supporting Japan in elections at international institutions and on numerous other occasions. Furthermore, the region is geographically important to Japan because of its location in the sea lanes connecting Asia and the Middle East. Therefore, it is vital for Japan to foster close cooperative relations with this region. In Japan's relations with India, one of the emerging global powers, leaders' visits to each other's countries have taken place annually since 2005. In December 2009, Prime Minister Hatoyama visited India, during which he and Prime Minister Singh of India affirmed that both countries would cooperate with each other in a broad range of areas, including security and the economy, thereby further strengthening and stepping up the bilateral "Strategic and Global Partnership." Meanwhile, South Asia still faces challenges in such areas as democratization, peacebuilding and counter-terrorism measures. In Sri Lanka, government forces virtually wiped out the separatist organization Liberation Tigers of Tamil Eelam (LTTE), putting an end to the civil war. In spite of such a positive development, the terrorism situation in South Asia has shown little sign of improvement, with the number of terrorist victims reaching an all-time high in Pakistan. The stability of Pakistan is one of the most vital issues for the entire international community. In this regard, in April 2009 Japan hosted the Pakistan

Donors Conference and in November announced a new assistance package to Afghanistan and Pakistan as a new strategy to support counter-terrorism. Moreover, in acknowledging the importance of South Asia, Japan engages in proactive diplomacy in multilateral frameworks and also actively supports the South Asian Association for Regional Cooperation (SAARC), placing emphasis on democratization and peacebuilding, promotion of regional connectivity, and people-to-people exchanges, as the three pillars of its support efforts.

Australia and New Zealand are Japan's important partners in the Asia-Pacific region with shared basic values. In particular, Japan has developed its partnership with Australia from a bilateral relationship focused on the economy into a strategic partnership aimed at ensuring peace and stability of the international community. In this process, the two countries, both U.S. allies, have deepened their security cooperation as well.

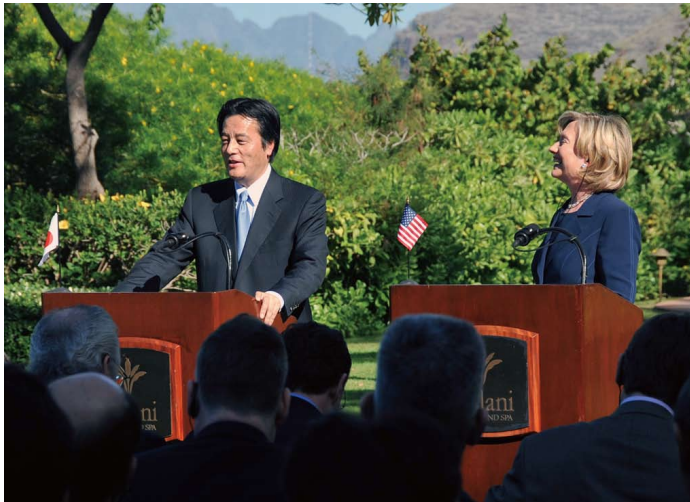
Many Pacific island countries enjoy friendly relationships with Japan and are important partners for Japan in terms of cooperation in the international community and supply of marine resources. In May, leaders of the Pacific Islands Forum (PIF) met in Hokkaido for the Fifth Pacific Islands Leaders Meeting (PALM5). At the meeting, various measures to strengthen ties between Japan and Pacific island countries were ironed out, including a three-year assistance package worth ¥50 billion.

2. North America

Japan and the United States are allies sharing values and strategic interests, and the Japan-U.S. alliance is the linchpin of Japanese diplomacy. The Japan-U.S. alliance, with the Japan-U.S. Security Arrangements at the core, has brought peace and prosperity to Japan and the Far East for more than 60 years since the end of World War II and has functioned effectively as the fundamental framework supporting stability and development in the Asia-Pacific region. In the Asia-Pacific region, which continues to have elements of instability after the end of the Cold War, the Japan-U.S. alliance plays an indispensable role as the cornerstone for the peace and prosperity of Japan and the region.

Japan and the U.S. enjoy extremely close relations in a broad range of fields, such as politics, security, economy and culture. The two countries have continued to strengthen their relations by

appropriately addressing bilateral issues and by taking advantage of various opportunities to act in close cooperation to ensure the peace and prosperity of the Asia-Pacific region and address global issues facing the international community. The Obama administration that came into office in January has repeatedly made clear that it attaches importance to the Japan-U.S. alliance. The Hatoyama administration, inaugurated in September, also continues to place the Japan-U.S. alliance as the linchpin of Japanese diplomacy. Marking the 50th anniversary of the conclusion of the current Japan-U.S. Security Treaty in 2010, the two countries shares an important theme of strengthening Japan-U.S. cooperation not only on bilateral issues but also on issues concerning the Asia-Pacific region and global issues, thereby further deepening the Japan-U.S. alliance in order to adapt to the environment of the 21st century.



Minister for Foreign Affairs Okada and US Secretary of State Clinton addressing a joint press conference (January 12, 2010, Hawaii, USA)

Japan and Canada cooperate closely in various areas such as politics, the economy, security and culture as partners in the Asia-Pacific region, sharing fundamental values and as members of the G8. The Canadian Minister of International Trade and Minister of Foreign Affairs visited Japan in April and May, respectively, and during these visits, the two countries agreed to advance concerted efforts to address issues in those areas and further strengthen cooperation toward the G8 summit in

Canada and the APEC summit in Japan in 2010. In the area of support for humanitarian and disaster relief activities, the two countries confirmed concrete cooperative measures. In July, the Emperor and Empress of Japan made their first visit to Canada, receiving an enthusiastic welcome from Canadian citizens, including those of Japanese descent. These active high-level exchanges between the two countries further deepened the Canadian public's interest awareness toward in Japan.

3. Latin America and the Caribbean

Latin America and the Caribbean region embrace a population of 560 million and an economy of 4.2 trillion U.S. dollars in GDP (three times that of ASEAN). The region enjoys growing economic presence in the world with an annual economic growth of approximately 5% in the past five years. The region has also been gaining greater international attention as suppliers of minerals including rare metals, energy and food.

Japan has traditionally had good relations with countries in Latin America and the Caribbean region, based on people-to-people links including those with Japanese immigrants and their descendents in the region. Moreover, Japan has supported the consolidation of democracy and economic development in Latin American and Caribbean countries, which has helped make its relations with such countries ever closer. In recent years, Latin American and the Caribbean countries have generally enjoyed stable democracies and

steady economic growth based on the market economy, and they now have more influence in the international community. Today, the countries of Latin America and the Caribbean region, with which Japan shares fundamental values, have become important partners for Japan in the international community. Under these circumstances, in its efforts to further enhance relations with this region, Japan pursues its diplomacy toward this region based on three pillars: (i) strengthening economic relations, (ii) contributing to the stable development of the region, and (iii) promoting cooperation in the international arena.

To further strengthen Japan's economic ties with Latin America and the Caribbean, the Japanese government, by accurately assessing the circumstances of Japanese companies and the local situations, supports the activities of such firms through the development of legal frameworks such as EPAs and bilateral investment agreements, as

well as through consultations with host governments.

To realize stable development in Latin America and the Caribbean region, Japan actively supports the efforts of governments in the region to resolve deep-rooted problems of poverty and social inequality through financial assistance and technical cooperation. At the same time, Japan helps those governments pursue sustainable economic development.

Comprising 33 countries, the Latin American and

Caribbean region has a significant influence over the decision-making at the UN and other international fora. Brazil, Mexico, and other emerging economies in particular have been increasingly important players in international politics and economics. Given this, the government of Japan works closely with the countries of this region in tackling global issues to which Japan attaches importance, such as the environment and climate change, nuclear disarmament and non-proliferation, human security, and reform of the UN Security Council.

4. Europe

Located on both sides of the Eurasian Continent and sharing fundamental values such as democracy, human rights, and the rule of law, Japan and Europe are partners with leading roles in fostering the stability and prosperity of the international community. It is vitally important for Japan to strengthen its relations with Europe, a region that represents approximately 30 % of the world's GDP and embraces several G8 members including the United Kingdom (UK), France, Germany and Italy, as a means of effectively responding to global issues, including the crises besetting the world economy and finances, climate change, terrorism and the proliferation of weapons of mass destruction. The European Union (EU), among other frameworks, is expected to increase its influence in the international community as a result of the entry into force of the Treaty of Lisbon on December 1st. The North Atlantic Treaty Organization (NATO), which has undergone transformation since the end of the Cold War, has expanded its area of activities for fostering peace and stability beyond Europe-Atlantic region to Afghanistan and other locations. Since Japan shares many fields and regions of concern with the EU and NATO, it is of great significance for Japan to advance cooperation with these entities. In this

context, Japan has also been expanding opportunities for dialogue and cooperation in political and economic areas with the countries of Central and Eastern Europe and the Baltic states.

In May 2009, Prime Minister Taro Aso visited the Czech Republic (EU presidency) to attend the summit meeting with the EU. In Germany, the next leg of his tour, the prime minister made a policy speech concerning Japanese diplomacy vis-à-vis Europe, calling for a stronger partnership between Japan and Europe.

Following the inauguration of his government in September, Prime Minister Hatoyama made two visits to Europe in just over three months after taking office. He also held talks with many leading European political figures such as President Napolitano of Italy, Prime Minister Brown of the U.K., Federal President Fischer of Austria, Prime Minister Rasmussen of Denmark, Prime Minister Balkenende of the Netherlands, and President Sólyom of Hungary. Moreover, Prime Minister Hatoyama had a Telephone Talks with Mr. Van Rompuy immediately after his designation as the President of the European Council in November, in which the two leaders reconfirmed the importance of the Japan-EU relationship.

5. Russia, Central Asia, and the Caucasus

In recent years, Russia has adopted a policy to strengthen its relations with the Asia-Pacific region and invigorate development in Eastern Siberia and eastward by integrating Far East Russia and Eastern Siberia into the Asia-Pacific region. Against this backdrop, President Medvedev is committed to address diplomacy vis-à-vis Japan as one of its priority issues.

Throughout 2009, active political dialogues took place between Japan and Russia at various levels, including summit meetings. Following the inauguration of the Hatoyama administration, in particular, leaders of the two countries reaffirmed their mutual intention to develop a new Japan-Russia relationship and agreed to act as partners in the Asia-Pacific region. Enhancing cooperation and

partnership between Japan and Russia in the Asia-Pacific region is not only consistent with both countries' strategic interests but can also contribute to the stability and prosperity of the region. To achieve these goals, the Japan has been engaging in intensive negotiations with the Russia with the strong intention to reach a final solution of the Northern Territories issue, which is the greatest outstanding issue between the two countries, thereby concluding a peace treaty.

As for countries in Central Asia and the Caucasus, year 2009 added momentum to further development of bilateral relationship with Japan and each countries, including the opening of a Japanese

Embassy in Georgia, visits made by every foreign ministers from three Caucasian countries, and also the visit by Turkmen president to Japan and the summit talks, which was held during the visit contributed to deepen political dialogue and economic relations with Turkmenistan. Japan intends to further strengthen its relations with countries of Central Asia and the Caucasus, which are abundant in natural resources, including energy resources, and are of geopolitical importance as situated on a crossroads bringing together Asia and Europe as well as Russia and the Middle East, not only through bilateral means but also through such frameworks as the "Central Asia+Japan" Dialogue.

6. The Middle East and North Africa

Peace and stability in the Middle East are enormously important in addressing global challenges such as the non-proliferation of weapons of mass destruction (WMD) and counter-terrorism, and directly affects the peace and prosperity of the international community as a whole. In addition, Japan imports approximately 90 % of its crude oil from the region, which is a major supplier of oil and natural gas.

In 2009, the Middle East experienced Israeli attacks on the Gaza Strip, continued terrorist attacks in Afghanistan, growing concern over Iran's nuclear issue, and destabilization of situations in Yemen. Meanwhile, the Middle East directs its efforts toward economic development with its abundant

energy resources and ample capital. Though affected by the global financial and economic crises, the region presents new opportunities for Japan to promote further cooperation and build more business ties.

Against this backdrop, Japan is actively engaged in diplomacy in the Middle East, cooperating with the international community, with the aim of ensuring peace and stability in the region and building multi-layered cooperative relations with the region.

To secure peace and stability in the region, Japan is striving to work out peaceful solutions to the Middle East peace, Iran's nuclear issue and other outstanding issues, in close cooperation with other



Minister for Foreign Affairs Okada attending "Polio Eradication Campaign" conducted by Afghan government (October 11, Kabul, Afghanistan)

major countries concerned as well as through approaches based on its own bilateral relations with countries in the region. In particular, efforts in this regard include political dialogues at ministerial and high-ranking official levels, assistance to help build a Palestinian state, and support for the reconstruction of Iraq. In November 2009, as its new strategy to counter the threat of terrorism, Japan announced its new assistance package for Afghanistan and Pakistan. Japan has also been conducting Middle-East diplomacy in various international fora, including the G8, the Security Council of the UN and other multilateral cooperative frameworks.

Japan has also been further developing its

relations with the Middle East countries on the axis of the economic front centering on energy, and promoting efforts to build multi-layered relations in a broad range of fields such as politics, science and technology, education and culture. In December 2009, the first meeting of the Japan-Arab Economic Forum was held in Tokyo with approximately 1,200 participants from Japan and various Arab countries, including Mr. Amre Moussa, Secretary-General of the League of Arab States, and other major ministers and business leaders of those participating countries. Also in the same month, the Second Japan-Iraq Economic Forum was held in Baghdad.

7. Africa

In recent years, Africa has been drawing the attention of the international community as a “continent of hope” reflecting its boosting economic growth. In 2009, however, there were concerns about economic slowdown due to the global economic and financial crises making more difficult for Africa to achieve the Millennium Development Goals (MDGs). While some parts of the region have witnessed advances toward peace and stability, peace processes in Somalia and Sudan (Darfur) have yet to show substantial progress. Several developments such as unconstitutional regime changes experienced by some countries have also caused major concern.

Against this backdrop, Japan hosted the First TICAD Ministerial-level Meeting in Botswana in March 2009, as a follow-up event to the Fourth Tokyo International Conference on African Development (TICAD IV) in 2008. During the meeting, Japan made it clear that it would steadily fulfil the commitments it made during TICAD IV, which include the doubling of Official Development Assistance (ODA) to Africa by 2012. Japan also called on the international community for enhanced assistance to Africa.

This issue was taken up during the G20 London Summit (in the U.K.) in April and also at the 35th G8 L'Aquila Summit (in Italy) in July, attesting to the need for the international community to enhance its support to Africa so that the region can also overcome the effects of the world economic and financial crises.

The policy of fully honoring the TICAD IV commitments has been maintained even after the

change of Japanese government in September; Prime Minister Hatoyama announcing during the U.N. General Assembly in September that Japan would continue and strengthen the TICAD process. Moreover, during his meeting with the African Diplomatic Corps in Tokyo in October, Foreign Minister Okada stated that the following points are the two fundamental principles of Japan's policy on Africa under the Hatoyama administration: (i) With respect to assistance for development and growth, the Hatoyama administration will fulfil the commitments announced at TICAD IV without fail, including doubling Japan's ODA and providing assistance for doubling Japanese private investment to Africa by 2012, and (ii) With respect to its contribution to peace and stability, the Hatoyama administration will strengthen peacebuilding efforts, including conflict resolution and peace keeping operations (PKO).

Number of high-level visits also took place. From Japan, Foreign Minister Hirofumi Nakasone visited Botswana in March and Special Ambassador Koizumi (former Prime Minister) visited Ghana in January. In March, Special Ambassador Fukuda (former Prime Minister) visited Uganda, Botswana and Kenya. In May, Special Ambassador Mori (former Prime Minister) visited South Africa. In March, Japan established a liaison office in Djibouti designed to support the activities of the Japanese Maritime Self-Defense Force. Moreover, Japan set up embassies in Mauritania in December 2009 and also in Benin and Rwanda in January 2010, respectively, thereby strengthening the foundation of its diplomatic relations with Africa.