



1. Asia and Oceania

The Asia and Oceania region is becoming increasingly important for Japan both economically and politically. The Asian emerging economies including China and India realized high growth rates of 6.9% in 2009 and 9.4% in 2010 (*IMF World Economic Outlook* estimate) after the global economic and financial crisis, and are pulling the world economy forward as “the growth center of the world.” The share of Asia and other emerging economies (the G20 members that are not members of the G8 and the European Union (EU)) in the global Gross Domestic Product (GDP) rose from 15% to 28% over the decade ending in 2009, while the combined share of the G8 countries dropped from 68% to 53%. With this increase in relative economic importance, the political influence of emerging economies including Asian countries is rising and the global balance of power is shifting from a structure centered on the United States and other industrialized countries to a multi-polar structure that includes the emerging countries.

Although the Asia and Oceania region is experiencing such rapid development, it is fraught with unstable and uncertain factors. While issues including nuclear and missile development by North Korea are causing a major concern, struggles for natural resources have heightened tensions, and some countries are prone to pursue their own interests. The increasing uncertainty of the security environment surrounding Japan became clear especially in 2010.

The realization of a prosperous, stable and open Asia and Oceania region is indispensable for the peace, stability, and prosperity of Japan. To achieve this goal, Japan will further deepen and develop the Japan-U.S. alliance that has served as an essential public good for the stability and prosperity of the

Asia and Oceania since the end of the Second World War. Japan will advance bilateral relations with neighboring countries, the Association of Southeast Asian Nations (ASEAN), Australia, India and other partners, and will also positively contribute to strengthening frameworks for regional cooperation. At the same time, Japan is working together with the U.S. and other concerned countries to share and develop the rules required for regional cooperation, since it is important that each country observe trade, maritime and other common international rules, and increase the transparency and predictability of its behavior to maintain regional stability and growth. Meanwhile, Japan continues to develop a proactive economic diplomacy under the New Growth Strategy, with an aim to grow together with Asia.

The Republic of Korea (ROK) is Japan's most important neighboring country which shares democracy and other fundamental values with Japan. The year 2010 marked the 100th anniversary of the conclusion of the Japan-Korea Annexation Treaty, and Prime Minister's statement was issued in August. Japan will continue making efforts to further strengthen future-oriented Japan-ROK relations.

On the Korean Peninsula, North Korea sank an ROK navy patrol vessel in March and shelled Yeonpyeong Island in November. In addition to these provocative actions, nuclear development by North Korea, which announced that it had developed a uranium enrichment program, poses a grave concern. In close coordination with the U.S., the ROK, and other countries concerned, Japan has strongly urged North Korea to take concrete actions toward achieving goals including denuclearization in

accordance with the Joint Statement of the Six-Party Talks and the relevant United Nations Security Council (UNSC) resolutions. Japan will continue such efforts. Concerning the abduction issue, Japan has repeatedly demanded that North Korea initiate a comprehensive investigation as agreed at the Japan-North Korea Working-Level Consultations in August 2008. Japan will continue working in close coordination with the countries toward a comprehensive resolution of the outstanding issues of concern, including the abduction issue.

Though Japan-China relationship became tense when a Chinese fishing trawler collided with two Japanese patrol vessels in Japanese territorial waters off the Senkaku Islands in September, it has been improving again since the holding of the bilateral summit meeting and foreign ministers' meeting during APEC Economic Leaders' Meetings in Yokohama in November. While deepening the "Mutually Beneficial Relationship Based on Common Strategic Interests" as the world's second and third largest economies, Japan and China must work to resolve varieties of issues between the two countries from a broader perspective. Meanwhile, China's military buildup without sufficient transparency, and its increase of maritime activities are issues of concern. Japan will encourage China to play a more appropriate role as a responsible member in the international community with enhanced transparency.

Concerning the relationship with Mongolia, Japan will work to strengthen relations in various fields such as promoting economic ties with each other from the perspective of constructing the "Strategic Partnership," which is shared by the two countries as a new diplomatic goal.

While the security environment of the Asia and Oceania region is getting unstable, the continued U.S. presence in this region remains important. Under the Obama Administration, the United States has been strengthening its engagement in the Asia-Pacific region, officially announcing to join the East Asia Summit (EAS) from 2011. Japan is striving to maintain the peace and prosperity of the Asia and Oceania region by firmly upholding, and further deepening and developing the Japan-U.S. alliance. It is important for Japan to strengthen ties with the Asia and Oceania countries including the ROK, Australia, India, and ASEAN which share values such as democracy. Japan will also maintain close coordination regarding regional and international

situation through such frameworks as the Japan-U.S.-ROK and Japan-U.S.-Australia trilateral forums.

Japan has enjoyed a long history of friendly relations with ASEAN as an ASEAN dialogue partner. Japan believes it is important that ASEAN, where integration is proceeding, serve as a core of regional cooperation for the stability and prosperity of ASEAN itself, Japan, and the whole East Asian region. Based on this understanding, Japan attaches importance to Japan-ASEAN relations in developing regional cooperation and it is advancing cooperation with ASEAN while also working to strengthen bilateral relations with individual ASEAN countries.

Australia and New Zealand are important countries in the Asia and Oceania region that share fundamental values with Japan such as democracy and human rights. In particular, Japan and Australia contribute to regional prosperity through bilateral relations centered on economic relations. The two countries are also building up substantive cooperative relations as U.S. allies, and they are strengthening their strategic partnership for the peace and stability of the international community. Japan and Australia are playing a leading role in nuclear disarmament and non-proliferation including co-hosting a foreign ministers' meeting on nuclear disarmament and non-proliferation as a new group of concerned countries from different parts of the world in September for the steady implementation of the action plan adopted at NPT Review Conference of May 2010. Japan is also working to maintain close cooperation with Australia and New Zealand at international negotiations concerning climate change.

Japan provides continuous assistance to Pacific Island countries that are important partners for Japan on the basis of the equal partnership concept. Japan needs to promote further cooperation with Pacific Island countries toward constructing an international framework in the area of climate change.

The presence of South Asian region, including India that continues high economic growth, has been on the rise in recent years. Japan has been strengthening its political and economic relations with this increasingly important region. In particular Japan aims to enhance and develop a "Strategic and Global Partnership" with India, covering wide-ranging fields, including security and economic cooperation. Japan also continues to provide support to Pakistan, which has a key role in counter-terrorism efforts, with a view of promoting for the peace and

stability of South Asia and the entire international community.

In developing common rules for the region and addressing common regional issues, Japan will actively use frameworks for regional cooperation in East Asia such as the East Asia Summit (EAS), ASEAN+3, and Japan-China-ROK cooperation, as well as frameworks with the broad participation of countries outside the region such as Asia-Pacific Economic Cooperation (APEC), the ASEAN Regional Forum (ARF), and the Asia-Europe Meeting (ASEM) together with bilateral approaches.

Regional cooperation frameworks also play important roles in resolving the common problems of the region, which include insufficient infrastructure, environmental issues, natural disasters, and development gaps. There were developments place under various regional frameworks in 2010, and Japan made active contributions to them.

The 17th ASEAN Summit held in October adopted the Master Plan on ASEAN Connectivity, which aims at promoting integration and narrowing development gaps within ASEAN. At the 13th Japan-ASEAN Summit, Japan expressed its support for the ASEAN Connectivity initiative, and the two sides decided to initiate work on drafting a new "Declaration" and Plan of Action to guide Japan-ASEAN relations. The 2nd Japan-Mekong Summit held in October recognized the importance of upgrading both hard and soft infrastructure to enhance connectivity in the Mekong region, and confirmed the importance of cooperation in the fields of the environment and climate change.

From the perspective of strengthening ASEAN connectivity, together with the development of the Mekong, it is also important to focus on efforts by Southeast Asian countries to narrow development gaps, such as the Brunei Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) and the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT). Japan is striving to provide highly refined support through continuing dialogues concerning specific cooperation fields. At the 5th East Asia Summit (EAS) held in October, the formal participation of the U.S. and Russia from 2011 was decided. As Prime Minister Naoto Kan stated at the summit, while continuing ongoing work in the economic field, the EAS is also expected to further strengthen its efforts in the areas of political and security cooperation.

Turning to Japan-China-ROK cooperation, the 3rd

Trilateral Summit Meeting held in May 2010 adopted the "Trilateral Cooperation Vision 2020," which indicates a direction for cooperation over the next 10 years. In December, the countries signed an agreement to establish the Trilateral Cooperation Secretariat. Japan is scheduled to serve as the chair for the 4th Trilateral Summit Meeting in 2011, and it will take the initiative in promoting cooperation in trade, investment, the environment, university exchanges, and other fields.

Japan also served as the APEC chair in 2010. The 18th APEC Economic Leaders' Meeting held in Yokohama in November deliberated a future vision for further growth and prosperity in the Asia-Pacific region, and adopted the APEC Leaders' Declaration "The Yokohama Vision-Bogor and Beyond."

Democracy is an important factor as a foundation for the stability and prosperity of the Asia and Oceania region. The Bali Democracy Forum (BDF) has been hosted by Indonesia each year since 2008 as an innovative approach to spreading democracy in the region. Japan has provided support and assistance for the BDF, and will continue to do so. At the 3rd BDF Ministerial Meeting in December, Foreign Minister Seiji Maehara presented a policy address regarding democracy in Asia and Japan's efforts entitled "Democracy in Diversity-Building on Asia's Unique Strength".

As introduced above, there are multiple frameworks for regional cooperation in East Asia centered on ASEAN, and they are all working to advance regional cooperation. Japan has proposed an "East Asian community" initiative as a long-term vision, and it is working to promote open and highly transparent regional cooperation step by step, in cooperation with the concerned countries, making use of existing frameworks.

While realizing high economic growth, the Asia and Oceania countries still face common regional problems such as insufficient infrastructure, environmental problems, natural disasters, and development gaps.

Japan faces domestic challenges such as the population decrease coupled with the aging and the decline in birthrate as well as fiscal deficits, Japan needs to work together with fast growing Asian countries, aiming at shared peace, stability and prosperity, to achieve its own development and growth. To this end, Japan will actively promote its economic diplomacy. Japan will continue to use its financing, technologies, knowledge and experience, in close cooperation with the private sector, to solve

regional challenges such as insufficient infrastructure, and to contribute to the development

of Asia, while connecting the Asian dynamism and growing demand to Japan's own economic growth.

2. North America

Japan and the United States are allies sharing basic values and strategic interests, and the Japan-U.S. alliance is the linchpin of Japanese diplomacy and it serves as a shared asset contributing to the stability and prosperity not only of the Asia-Pacific region but also of the world. 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 the World War II.

Japan and the U.S. are contributing to global stability and prosperity through cooperation in dealing with not only bilateral issues and regional issues in the Asia-Pacific but also global issues confronting the international community such as the assistance to Afghanistan and Pakistan, the Iranian

nuclear issue, climate change, nuclear disarmament and non-proliferation.

Deepening the Japan-U.S. alliance is an urgent task as elements of instability remain in the Asia-Pacific region even after the end of the Cold War. Since the inauguration of the Kan Administration in June 2010, both leaders of Japan and the U.S. have repeatedly agreed on further deepening and developing the Japan-U.S. alliance to adapt to the evolving challenge of the 21st century with the three pillars of security, economy, and cultural and people-to-people exchanges. The two governments deepen the discussion to present shared vision of the Japan-U.S. alliance for the 21st century in such a form as a joint statement on the occasion of Prime Minister Kan's visit to the U.S. in the first half of 2011.



Prime Minister Naoto Kan, right, and President Obama at the Joint Press Conference (November 13, Yokohama, Japan, photo: Cabinet Public Relations Office, Cabinet Secretariat)

Japan and Canada cooperate closely in wide-ranging areas such as politics, economy, security, and culture as partners in the Asia-Pacific region and also as G8 members, sharing fundamental values. In 2010, Japan served as the chair for Asia-Pacific Economic Cooperation (APEC), while Canada chaired the G8 and G20, and ministers and leaders of both countries visited each other frequently. At the Japan-Canada summit meeting held during APEC

Meeting in Yokohama in November 2010, the two countries signed the Japan-Canada Joint Declaration on Political, Peace and Security Cooperation, recognizing that the security and prosperity of both countries are linked to the secure future of the Asia-Pacific region and beyond. The Declaration confirmed that the two countries would expand and develop cooperative relations in an even wider range of fields, including peace and security.

3. Latin America and the Caribbean

Latin America and the Caribbean region has a total population of 570 million and GDP of \$4.0 trillion (three times as large as ASEAN). The region has maintained annual economic growth of around 5% over the past five years and is increasing its economic presence. These countries have also attracted attention as suppliers of minerals including rare metals, energy and food. As the region is mostly democratic and realizing steady economic growth based on the market economy, its voice becomes increasingly influential in the international community.

Japan has traditionally maintained very friendly relations with countries in Latin America and the Caribbean, with personal ties including the presence of descendents (approximately 1.6 million persons) of Japanese immigrants. Japan has deepened these relations by supporting the consolidation of democracy and economic development in Latin American and the Caribbean countries. Today, these countries, with sharing fundamental values with Japan, have become important partners for Japan in the international community. To further advance these relations, Japan is conducting diplomatic policies for this region emphasizing the three pillars of (1) strengthening economic relations, (2) supporting the stable development of the region, and (3) advancing cooperation in the international arena.

In strengthening economic relations, the Government of Japan, while appropriately grasping the circumstances of Japan-affiliated companies and local situation, supports Japan-affiliated companies

by establishing Economic Partnership Agreements (EPAs), investment agreements, and other legal frameworks, as well as by consulting with host governments. The Government of Japan is also actively promoting the export of Japanese infrastructure as demand for infrastructure in Latin America and the Caribbean countries is expected to increase with its economic growth. Japan is working to secure stable supplies of natural resources and food, and is deepening cooperative relations with those countries with their abundant natural resources and food. The deep-rooted problems of poverty and social inequality in each country must be resolved to realize stable development in Latin America and the Caribbean. Based on this understanding, Japan actively supports the efforts of each government through financial and technical cooperation, and it helps those governments fulfill sustainable economic development.

Consisting of 33 countries, the Latin American and Caribbean region has a significant influence over decision-making at the United Nations and other international fora. Brazil, Mexico, and other emerging countries in particular have been dramatically increasing their presence in terms of international politics and economies. The Government of Japan works closely with those countries in addressing the global issues Japan views as important, such as environment and climate change, nuclear disarmament and non-proliferation, and the UN Security Council Reform.

4. Europe

Although geographically located on opposite sides of the Eurasian Continent, Japan and Europe share fundamental values such as democracy, human rights, and the rule of law. They are partners that jointly play leading roles in fostering the stability and prosperity of the international community. Europe is a region that accounts for approximately 30% of the world's GDP. It is vitally important for Japan to strengthen its relations with Europe to effectively respond to global issues such as climate change, terrorism, and the proliferation of weapons of mass destruction, as well as global economic and financial issues. In particular, the United Kingdom and France, which are G8 members and permanent

members of the UN Security Council, as well as Germany and Italy, also G8 members, have great international political and economic influence, and it is vital for Japan to maintain close relations with these countries for advancing its foreign policy. Japan has built up multifaceted, friendly relations with the countries of Europe, including its traditionally good relations with countries in Northern and Southern Europe and relations with the countries in Eastern Europe as well as Baltic states, which have been aiming at stable economic growth in recent years through entry into the EU and the eurozone.

The EU, which now has 27 members, has been

further deepening political integration and establishing a structure for swift response to new challenges inside and outside the region after the Treaty of Lisbon, which is the revision of fundamental treaty of the EU, came into effect in December 2009. The European External Action Service (EEAS), which is responsible for the coordination of the EU's foreign policies, was launched in December 2010. The EEAS is expected to further enhance the EU's voice in the international community. Japan is holding political dialogues with the EU at various levels considering that the EU is increasing its presence in the international community and Japanese cooperation with the EU will become even more important in the future. The EU is also an important partner for Japan in view of Japan's economic growth since the EU has a larger single market than the United States. Japan will further strengthen economic ties with the EU, including arrangements for launching negotiations on a Japan-EU EPA.

The North Atlantic Treaty Organization (NATO),

consisting of 28 member countries from Europe and North America, has been seeking its role since the end of the Cold War and expanding its field of operations to reconstruction and development in addition to security assistance as well as fight against terrorism through deployments outside of the NATO region, especially through the International Security Assistance Force (ISAF) and Provincial Reconstruction Teams (PRTs) in Afghanistan. In this context, NATO adopted a new Strategic Concept for the first time in 11 years in November 2010 and defined its role in order to effectively address with new challenges in the security environment of the 21st century. Japan and NATO are promoting cooperation for international peace and stability as partners that share fundamental values. Especially, Japan and the NATO are developing concrete cooperation in Afghanistan reconstruction assistance including collaboration in the humanitarian activities implemented by the PRTs.

5. Russia, Central Asia, and the Caucasus

Japan and Russia are important neighbors in the Asia-Pacific region. Building appropriate relations as partners in this region facing drastic changes, and deepening cooperation and ties in all fields including politics, economy, culture, and the international arena are not only in the strategic interests of both countries, but also can contribute to regional stability and prosperity. From this perspective, Japan and Russia conducted dialogues at diverse levels throughout 2010, including three summit meetings and two foreign ministers' meetings.

Russia is pursuing development in the Far East and Eastern Siberia, with an aim to integrating itself with the Asia-Pacific region. Russia is also advancing a policy of economic "modernization," and it has shown certain expectations of an interest in cooperation with Japan. However, an extremely regrettable incident occurred in November 2010: President Medvedev visited Kunashiri Island in the Northern Territories the first head of state of Russia or the Soviet Union. Russia has also been putting energy into social and economic development programs in the Northern Territories.

Amid these developments, Japan's has been conducting a consistent policy toward Russia to conclude a peace treaty by resolving the outstanding

At the same time, it is also important that negotiations bring about win-win negotiations for both Japan and Russia. From that perspective, Japan will continue to work towards the resolution of the territorial issue based on the agreements and documents produced by agreement of both countries and on the principles of law and justice. Japan will also make efforts to develop relations with Russia in all fields, including economic areas.

The countries of Central Asia and the Caucasus occupy an important position in geopolitical terms as the regions link Asia with Europe, and Russia with the Middle East. The maintenance of peace and prosperity in these regions, therefore, benefits the whole of Eurasia. These regions, abundant in energy and mineral resources, are also important from the perspective of diversification of natural resources and energy supply of Japan which intends to strengthen its relations with the countries of these regions. In that regard, cooperation under framework of the "Central Asia plus Japan" Dialogue, which Japan has been advancing since 2004, is contributing to the regional stability and the promotion of inter-regional cooperation. It is also in deepening wide-ranging and cooperative relations between Japan and these regions.

6. The Middle East and North Africa

The Middle East and North Africa (hereafter the Middle East region) occupies a geopolitically important location between Europe, sub-Saharan Africa, Central Asia, and South Asia, and has important shipping lanes for international commerce, and furthermore, supplies large quantities of oil and natural gas. Thus, the peace and stability of this region is directly tied to the peace and stability of the entire international community. The Middle East region also faces diverse issues including the reconstruction of Afghanistan, the Middle East peace process, the Iranian nuclear issue and the reconstruction of Iraq. Resolving these issues is extremely important not only for the peace and stability of the region itself, but for the entire international community in terms of preventing the proliferation of weapons of mass destruction and advancing countermeasures against terrorism. The peace and stability of the Middle East region is also important economically to Japan, which imports approximately 90% of its crude oil from this region.

From late 2010, large-scale anti-government demonstrations broke out in countries across the Middle East region, leading to the collapse of long-standing administrations in Tunisia and Egypt, and an emergence of a humanitarian crisis in Libya. Under these conditions, Japan is actively working in coordination with the international community toward peace and stability in the Middle East region, which is becoming increasingly important. In the Middle East region, Japan welcomes the progress of political, economic, and social reforms in the Middle East region, such as realizing the "rule of law" and freedom of speech in accordance with the conditions of each country. Japan also expects the region to secure stability and security, and it intends to provide political and economic support toward "good governance" while averting confusion during the transition period toward such goals. For the aim of achieving peace in the Middle East and the peaceful resolution of such issues as the Iran nuclear issue, Japan is working in close coordination with the major countries concerned and approaching the region by making use of its relation with the region by holding political level dialogues and dispatching

special envoys. Japan is also providing aid that supports regional peace and stability centered on economic cooperation, including aid for the reconstruction of Afghanistan and Iraq, and for the establishment of a Palestinian state.

The sharp increase in the youth population of the Middle East region is a cause of greater unemployment and other forms of social instability, but it is also a source of dynamism generating economic development. The countries of the Middle East region have been achieving steady economic development in recent years, advancing industrial diversification, and working to transform their countries into attractive markets and investment destinations for foreign countries. Japan views such economic development in the Middle East region as a good opportunity for further developing economic and business relations, and it is emphasizing the advancement of economic diplomacy. Japan also believes that such diplomacy contributes to the peaceful transition of political and economic systems in each country. Japan is further strengthening relations with countries in the Middle East region that are exporters of natural resources, including petroleum and natural gas, and is aiming to secure the stable supply of natural resources and energy. Japan is also arranging legal frameworks such as Free Trade Agreements (FTAs), investment treaties, and tax treaties as a foundation for strengthening economic relations, as well as promoting the deployment of Japanese infrastructure overseas.

In recent years, Japan has been building up multilayered relations across wide-ranging fields including politics, science and technology, education and culture, in addition to traditional efforts to reinforce cooperation in the energy and economic fields, and has been striving to deepen mutual understanding. Among the various frameworks for dialogue, the Broader Middle East and North Africa (BMENA) initiative "Forum for the Future" ministerial meeting is an important venue for dialogue and cooperation with G8 countries for the political, economic, and social development of the Middle East and North Africa region, and Japan will continue to positively participate in this forum.

7. Sub-Saharan Africa

In recent years, Africa has been realizing relatively high economic growth compared with the industrialized countries while being affected by the economic and financial crisis. Moreover, many conflicts have been concluded, and peace and democracy are unfolding. Amid these developments, the Fédération Internationale de Football Association (FIFA) World Cup was held in South Africa in June and July for the first time on the African continent, giving the international community the impression of a new Africa. On the other hand, conflicts continue in such regions as Sudan and Somalia, while many Africans are still suffering from poverty and infectious diseases.

Under the current circumstances, Africa is becoming increasingly important for Japan's diplomacy from the perspectives that (1) it is Japan's duty as a responsible member of the international community to earnestly work toward the resolution of the various problems confronting Africa, (2) it is also important for Japan's economy to strengthen economic relationship with Africa, a potentially huge market which is endowed with abundant natural resources, and (3) the cooperation of African countries is essential to further address global issues such as UN Security Council Reform and climate change. Japan continued to actively advance its policy on Africa in 2010, focusing mainly on contributions to peace and stability and support for ownership and development.

In working for peace and stability, Japan advanced various cooperation measures for the consolidation

of peace in the conflict regions which include Sudan and Somalia. Japan also provided election support and dispatched election observation teams to support the democratization process in such countries as Burundi and Tanzania. In addition, Japan continued to provide support for peacekeeping operations (PKO) training centers in Africa, to increase the peacekeeping capability of African countries.

On the issue of supporting ownership and development, the Second Tokyo International Conference on African Development (TICAD) Ministerial Follow-up Meeting was held in Tanzania in May. Foreign Minister Katsuya Okada, who served as the co-chair of the meeting, reiterated, in his remarks, Japan's unequivocal determination to implement the pledges made at the Fourth Tokyo International Conference on African Development (TICAD IV), which include doubling Japan's Official Development Assistance (ODA) to Africa by 2012 and supporting doubling private-sector investments. In addition, Japan is seeking to promote business in Africa as it strengthens public-private partnership through such means as dispatching public and private sector joint missions.

Furthermore, Japan is taking measures to strengthen the foundation of diplomatic relations with Africa, which include establishing a diplomatic mission headed by a charge d'affaires in Djibouti in April to support the activities of the Maritime Self Defense Force.



State Secretary for Foreign Affairs Takeaki Matsumoto, right, meeting with Minister of Foreign Affairs and International Cooperation Skelemani of Botswana (October 18, Tokyo, Japan)