

Section 2

Asia and Oceania

1 Overview

(General overview)

The Asia-Oceania region includes not only the second and third largest economies in the world, China and Japan, but also numerous emerging countries with remarkable growth. It is a dynamic region where diverse cultures and races intermingle and influence each other. This region, with an abundance of human resources, drives the world economy and has been increasing its presence. Of the world population of 7.9 billion, approximately 2.3 billion people live in the signatory States of the Regional Comprehensive Economic Partnership (RCEP) Agreement.¹ This represents about 29% of the world's population.² Their combined nominal gross domestic product (GDP) has increased by more than 130% over the last 10 years, and accounts for about 30% of the world total.³ In addition, their total imports and exports are 9.8698 trillion US dollars (2020), which is comparable to the EU's imports and exports of 10.4448 trillion US dollars.⁴ There are close economic ties among these nations, and they have a high degree of interdependence. Further economic growth is expected, and this strong growth

within the region will also help to bring renewed affluence and vitality to Japan.

Meanwhile, the security environment in the Asia-Oceania region is becoming increasingly severe as seen in the following developments: the nuclear and missile development by North Korea; the strengthening and modernization of military forces in a manner that lacks transparency and attempts to change the status quo in the region by force that goes against the rule of law and openness; and tension within the region growing over the maritime issues. Other factors hindering the stable growth of the region include economic and financial systems still under development, environmental pollution, unstable demand and supply of food and resources, frequent natural disasters, and aging population.

Against this backdrop, Japan has been actively engaging in diplomacy including at the leaders' and foreign ministers' levels. In 2021, continuing on from 2020, due to the impacts of the novel coronavirus disease (COVID-19), visits to other countries were severely restricted, but, even under such circumstances, the prime minister and foreign minister of Japan, in addition to face-to-face diplomacy, actively held telephone

¹ RCEP Agreement signatory States: the 10 ASEAN member states (Brunei Darussalam, Cambodia, Indonesia, Lao Republic, Malaysia, the Union of Myanmar, Philippines, the Republic of Singapore, the Kingdom of Thailand, and Viet Nam), Australia, China, Japan, the ROK and New Zealand, for a total of 15 countries

² United Nations Population Fund, "Annual Report 2021"

³ World Bank (WB)

⁴ International Monetary Fund (IMF)

calls and teleconferences to maintain and develop good relations with neighboring countries. Prime Minister Suga held bilateral telephone calls with ASEAN countries and Australia, etc., and in March he attended the Japan-Australia-India-U.S. Leaders' Video Conference, the first such meeting at the leader level. In July, the Ninth Pacific Islands Leaders Meeting (PALM9) was held via teleconference, and, together with this, Prime Minister Suga held bilateral leaders' meetings with Pacific Island countries via teleconferences. Additionally, when he attended the Japan-Australia-India-U.S. Summit Meeting held in the U.S. in September, Prime Minister Suga met with Australian Prime Minister Morrison and Indian Prime Minister Modi. Since assuming the office of Prime Minister in October, Prime Minister Kishida has had telephone calls with Australia, China, the Republic of Korea (ROK), India, and many other Asian and Oceanian countries. In addition, Prime Minister Kishida attended ASEAN-related Summit Meetings that were held via teleconference at the end of October. Through these three forums (ASEAN-Japan Summit Meeting, ASEAN Plus Three (JAPAN-China-ROK) Meeting, and East Asia Summit (EAS) (all held on October 27)), Prime Minister Kishida confirmed that respecting ASEAN centrality and unity, Japan had been advancing concrete cooperation in line with the priority areas of maritime cooperation, connectivity, SDGs and economy, with the November 2020 "Joint Statement of the 23rd ASEAN-Japan Summit on Cooperation on ASEAN Outlook on the Indo-Pacific (AOIP)"⁵ as a guideline. Prime Minister Kishida also sent strong messages about the situations in North Korea, the East China Sea and South China Sea, and Myanmar. Furthermore,



Japan-Australia Summit Meeting (September 24, Washington D.C.; Photo: Cabinet Public Relations Office)



Escort and salute by honor guard upon the arrival in Japan of Prime Minister Chinh of Viet Nam (November 24, Prime Minister's Office; Photo: Cabinet Public Relations Office)

Prime Minister Kishida held a meeting with Prime Minister Chinh of Viet Nam upon his visit to Japan in November, and the two leaders issued a joint statement. Foreign Minister Motegi took the opportunity to attend the G7 Foreign Ministers' Meeting held in the UK in May, participated in the Japan-U.S.-ROK Foreign Ministers' Meeting, and met with Australian Minister for Foreign Affairs Payne, ROK Minister of Foreign Affairs Chung Eui-yong, and Indian External Affairs Minister Jaishankar. In August, Foreign Minister Motegi actively contributed to the discussions at ASEAN-related Foreign

⁵ Adopted at the ASEAN Summit Meeting in June 2019. It is based on the principles of strengthening ASEAN Centrality in the Indo-Pacific region, as well as openness, transparency, inclusivity, a rules-based framework, good governance, respect for sovereignty, non-intervention, complementarity with existing cooperation frameworks, equality, mutual respect, mutual trust, mutual benefit, and respect for international law, such as the UN Charter, the UN Convention on the Law of the Sea and other relevant UN treaties and conventions. Based on this, it promotes cooperation in the areas of maritime cooperation, connectivity, the SDGs, and economic and other possible areas.

Minister's Meetings, at the Friends of the Mekong⁶ Ministerial Meeting, and at the Mekong-Japan Foreign Ministers' Meeting, which were held via teleconference. In September, Foreign Minister Motegi visited the U.S. to attend the United Nations General Assembly and participated in the Japan-U.S.-ROK Foreign Ministers' Meeting. After the inauguration of the new Cabinet in November, Foreign Minister Hayashi actively met with and exchanged opinions with Australia, China, India and Mongolia. Foreign Minister Hayashi held bilateral telephone calls with ASEAN countries (Indonesia, Cambodia, Singapore, Thailand, Philippines, Brunei, Malaysia and Laos), and in November had a face-to-face meeting with Foreign Minister Son of Viet Nam. In December, when he visited the UK to attend the G7 Foreign and Development Ministers' Meeting, Foreign Minister Hayashi held a meeting with Australian Foreign Minister Payne.

Japan is strengthening various cooperation in the Asia-Oceania region and will continue to make meaningful use of various cooperative frameworks.

(Japan-U.S. Alliance and Indo-Pacific region)

The Japan-U.S. Security Alliance, with the Japan-U.S. Security Arrangements as its core, is the foundation of peace, security, and prosperity, not only for Japan but also for the Indo-Pacific region. In the midst of an increasingly severe regional security environment, the Japan-U.S. Alliance is more important than ever. Since the inauguration of President Biden in January 2021 and until the end of February 2022, 8 Summit Meetings and 15 Foreign Ministers' Meetings have been held, including telephone calls. The two countries have been working closely at multiple levels, including at the summit level and at the foreign minister level, to address the various issues of the Indo-Pacific region, including those related to North Korea.

Furthermore, Japan and the U.S., are deepening their cooperation in achieving a "Free and Open Indo-Pacific (FOIP)," even amidst the spread of COVID-19. In March, just two months after the inauguration of the Biden administration, Secretary of State Blinken and Secretary of Defense Austin visited Japan as the first overseas trip by Biden administration secretaries, and the Japan-U.S. Security Consultative Committee (Japan-U.S. "2+2") was held with Foreign Minister Motegi and Defense Minister Kishi. The four Ministers reaffirmed that the Japan-U.S. Alliance remains the cornerstone of peace, security, and prosperity in the Indo-Pacific region, and renewed the unwavering commitment of both countries to the Japan-U.S. Alliance. Additionally, Prime Minister Suga visited the U.S. in April and held a Japan-U.S. Summit Meeting with U.S. President Biden, and they issued a joint statement confirming that Japan and the U.S. will strengthen their unity and cooperation while partnering with like-minded countries such as Australia, India, and ASEAN countries toward the realization of a FOIP. In October, Prime Minister Kishida, on the day after assuming the office of Prime Minister, held a Japan-U.S. Summit telephone call with President Biden, and the two leaders agreed to further peace and stability in the region and in the international community through realizing a FOIP. Furthermore, in November, Foreign Minister Hayashi held a Japan-U.S. Foreign Ministers' telephone call with Secretary of State Blinken, and the two Ministers confirmed that Japan and the U.S. will work closely in realizing a FOIP. In January 2022, a Japan-U.S. "2+2" was held via teleconference for the first time, with Foreign Minister Hayashi and Defense Minister Kishi participating from the Japanese side and Secretary of State Blinken and Defense Secretary Austin participating from the U.S. side. The Ministers had frank and important discussions on how to evolve the

⁶ Friends of Mekong: Formerly "Friends of the Lower Mekong (FLM)"

A U.S.-led framework aimed at promoting coordination and cooperation among development partners engaged in cooperation with the Mekong. Then-Foreign Minister Kishida from Japan attended the Ministerial Meeting that was held in Myanmar in 2014.

Japan-U.S. Alliance and on effectively addressing current and future challenges, and confirmed the commitment to a FOIP. In January, Prime Minister Kishida held a Japan-U.S. Summit Video Teleconference Meeting with President Biden. The two leaders shared their intention to coordinate closely under the strong Japan-U.S. Alliance and to deepen cooperation with like-minded countries such as Australia, India, ASEAN, and Europe, toward realizing a FOIP.

(Japan's measures on the comfort women issue)

(See 3(2)A(C) regarding the comfort women issue between Japan and the ROK.)

The Government of Japan has sincerely dealt with the issues of reparations, property and claims pertaining to the World War II, including the comfort women issue, under the San Francisco Peace Treaty, which the Government of Japan concluded with 45 countries, including the U.S., the UK and France, and through other bilateral treaties, agreements and instruments. These issues including those of claims of individuals have already been legally settled with the parties to these treaties, agreements and instruments.

On this basis, the Government of Japan has actively taken measures to recover the honor of former comfort women and to provide remedies for them. In 1995, the Asian Women's Fund (AWF) was established with the cooperation of the people and the Government of Japan for the purpose of carrying out atonement and remedy projects for former comfort women. The Government of Japan provided a total of 4.8 billion Japanese yen. In addition, approximately 600 million Japanese yen was donated to the AWF by the people of Japan. The Government of Japan extended maximum cooperation to the AWF, which implemented medical and welfare support projects and provided "atonement money," to offer realistic relief to former comfort women. As part of the AWF's projects, "atonement money" (2 million Japanese yen per person), which was funded by donations from Japanese people, was provided to 285

former comfort women (211 in the Philippines, 61 in the ROK, 13 in Taiwan). Moreover, the AWF provided funds in those countries/areas for medical and welfare support funded with contributions by the Government of Japan (3 million Japanese yen per person in the ROK and Taiwan, 1.2 million Japanese yen per person in the Philippines) (for a total of 5 million Japanese yen per person in the ROK and Taiwan, 3.2 million Japanese yen per person in the Philippines). Furthermore, using funds contributed by the Government of Japan, the AWF extended support for projects to promote social welfare services for elderly people in Indonesia as well as projects to help improve the living conditions of former comfort women in the Netherlands.

When the "atonement money" as well as the medical and welfare support were provided to individual former comfort women, then-Prime Ministers (namely, Prime Ministers Hashimoto Ryutaro, Obuchi Keizo, Mori Yoshiro and Koizumi Junichiro) sent signed letters expressing their apology and remorse directly to each former comfort woman.

As stated in the Statement by the Prime Minister issued in 2015, Japan will engrave in its heart the past, when the dignity and honor of many women were severely injured during wars in the 20th century. Japan will lead the world in making the 21st century an era in which women's human rights are not infringed upon.

Despite such sincere efforts by the Government of Japan, there are claims that can hardly be regarded to be based on historical facts, such as allegations of "forceful taking away" of comfort women and "sex slaves" as well as the figures such as "200,000 persons" or "several hundred thousands" for the total number of comfort women.

The Government of Japan's position regarding these claims is as follows:

"Forceful taking away"

"Forceful taking away" of comfort women by the Japanese military and government authorities

could not be confirmed in any of the documents that the Government of Japan was able to identify.

“Sex slaves”

The expression of “sex slaves” contradicts the facts and should not be used. This point was confirmed with the ROK on the occasion of the Japan-ROK Agreement in December 2015 and the expression “sex slaves” is not used in the agreement.

Figures such as “200,000 persons” for the total number of comfort women

The figure “200,000 persons” lacks concrete evidence. As stated in the report of the Government study’s result of August 4, 1993, it is virtually impossible to determine the total number of comfort women as no documents have been found which either indicate the total number or give sufficient ground to establish an estimate.

The Government of Japan has been making efforts to provide clear explanations regarding its sincere efforts and official position in international fora. Specifically, at the United Nations (UN), the Government of Japan has explained its position on a number of occasions such as during the consideration of the Seventh and Eighth Periodic Reports by the Government of Japan on the implementation of the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in February 2016, and the Ninth Periodic Report on the Implementation of the CEDAW in September 2021.

Installations of comfort woman statues⁷ have been observed not only in the ROK but also in the U.S., Canada, Australia, China, Germany, the Philippines, Hong Kong and Taiwan. Such moves are extremely regrettable and incompatible with the position of the Government of Japan. In February 2017, the Government of Japan submitted its amicus curiae brief to the U.S. Supreme Court for the trial concerning a comfort woman

statue installed in Glendale in the suburbs of Los Angeles, U.S. The Government of Japan will continue reaching out to various people involved in this issue to explain its position.

The below Ministry of Foreign Affairs website details Japan’s Efforts on the Issue of Comfort Women.

https://www.mofa.go.jp/policy/postwar/page22e_000883.html



2 China / Mongolia, etc.

(1) China

A Situation in China

(A) Domestic Affairs

The fourth session of the 13th National People’s Congress (NPC) held in March adopted the “14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035” and made the decision to change the election system in Hong Kong. On July 1, the celebration of the 100th Anniversary of the Founding of the Communist Party of China (CPC) was held, and Xi Jinping, General Secretary of CPC Central Committee, declared that China had realized the first centenary goal of building a “moderately prosperous society” in all respects.

From November 8 to 12, the sixth plenary session of the 19th CPC Central Committee was held, and the “Resolution of the Central Committee of the Communist Party of China on the Major Achievements and Historical Experience of the Party over the Past Century” was adopted. Also, it was decided that the 20th CPC National Congress would be held in Beijing in the second half of 2022. This was the third time that the CPC has adopted a resolution on historical issues, following 1945 and 1981.

⁷ For the sake of practical convenience, they are referred to as “comfort woman statues.” However, the use of this term is not a reflection of the recognition that these statues correctly embody the reality of those women at that time.

The international community continues to express high interest in China's human rights situation, including in the Xinjiang Uygur Autonomous Region (XUAR). Continuing on from 2020, joint statements expressing grave concerns about the human rights situation in the XUAR were read out in June at the UN Human Rights Council and in October at the Third Committee of the UN General Assembly, and Japan participated in both statements as the only participating country from Asia (see the "Japan's Human Rights Diplomacy Initiatives" Special Feature in section 2.(2) on page 247.) Prime Minister Kishida raised the issues of the situation in Hong Kong and of the human rights situation in the XUAR during the Japan-China Summit telephone call in October 2021, and Foreign Minister Hayashi also expressed serious concerns to State Councilor and Foreign Minister Wang Yi during the Japan-China Foreign Ministers' telephone call in November.

The Olympic and Paralympic Winter Games Beijing 2022 were held from February to March 2022. In December 2021, prior to the opening of the Games, the U.S. announced that it would not send diplomatic or official delegations because of the human rights violations in China. Australia, the UK, Canada, and other nations expressed similar positions. Japanese Olympic Committee President Yamashita Yasuhiro and Tokyo 2020 Organising Committee President Hashimoto Seiko attended the Olympic Games, and Japanese Paralympic Committee President Mori Kazuyuki attended the Paralympic Games. No governmental delegation was dispatched.

In Hong Kong, following the decision by the NPC to change the election system, on March 30, the NPC Standing Committee adopted the

amendments to the Hong Kong Basic Law to change the election system for the Chief Executive and for the Legislative Council, and delayed until December 19 the 7th Legislative Council election that was scheduled for September under the amended Basic Law. The G7 Foreign Ministers' Statement in March,⁸ the G7 Foreign and Development Ministers' Meeting Communiqué in May,⁹ the G7 Cornwall Summit Communiqué in June,¹⁰ and the Meeting of G7 Foreign Ministers' Statement in December¹¹ each expressed grave concern about the change of the election system, and a joint statement read in June at the UN Human Rights Council expressed deep concerns about the situation in Hong Kong, and Japan also participated in the statement. With regard to the decision by the NPC and the NPC Standing Committee and with regard to the holding of Legislative Council elections, Japan released a statement by the Ministry of Foreign Affairs Press Secretary that called for the relevant elections in Hong Kong to be held in a fair manner that are open to candidates representing a wide range of political opinions, and expressed grave concerns.

(B) Economy

The full year real GDP growth rate for 2021 was 8.1% year on year, achieving the target value for 2021 of 6% or more.

Real GDP in the first half of 2021 increased by 12.7% compared to the same period in the previous year and the economic recovery progressed significantly, a rebound from 2020, when the economy was affected by the spread of the novel coronavirus disease (COVID-19). In the second half of 2021, however, economic growth slowed compared to the first half of 2021, as the economy

8 G7 Foreign Ministers' Statement on Hong Kong electoral changes:
https://www.mofa.go.jp/press/release/press1e_000180.html

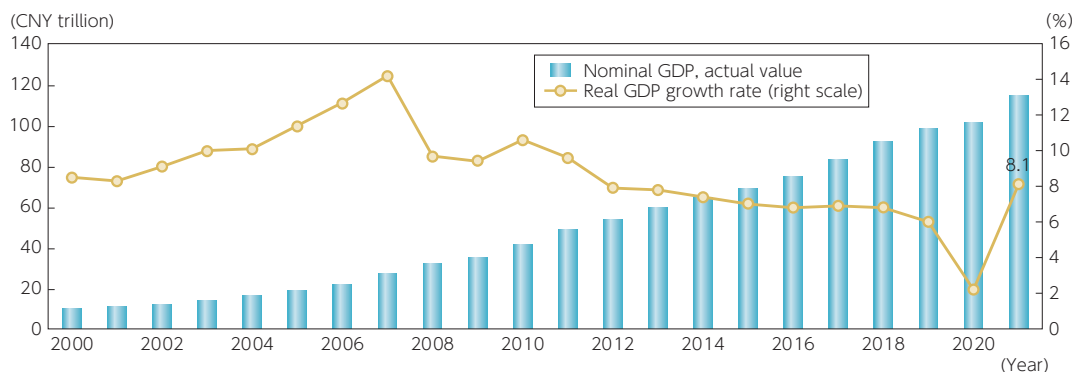
9 G7 Foreign and Development Ministers' Meeting Communiqué:
https://www.mofa.go.jp/fp/pc/page6e_000238.html

10 G7 Carbis Bay Summit Communiqué:
<https://www.mofa.go.jp/mofaj/files/100200009.pdf>

11 G7 Foreign Ministers' Statement on Hong Kong Legislative Council elections:
https://www.mofa.go.jp/press/release/press3e_000293.html



China's GDP



Source: National Bureau of Statistics of China

faced downward pressure on growth due to rising prices for coal and other raw materials, semiconductor shortages, flooding in some regions, and the “zero-COVID” policy, as well as restrictions on electricity supplies and real estate market turmoil in various parts of China.

At the 13th NPC held in March, the major objectives and missions of the 13th Five-Year Plan (2016-2020) were said to have been successfully achieved, and the “14th Five-Year Plan (2021-2025) for National Economic and Social Development and the Long-Range Objectives Through the Year 2035” was adopted and subsequently announced. The 14th Five-Year Plan emphasized “independence” and “self-reliance” in science and technology, the implementation of a strategy to be a manufacturing powerhouse, the promotion of domestic and international “dual circulation” policies, and strengthening economic security. Economic growth rate targets were not presented, and it was instead stated that targets would be set according to the actual situation in each fiscal year. Long-term goals for the period through 2035 include raising GDP per capita to the level of “moderately developed countries” and substantial progress in “common prosperity for all.”

As for foreign economic policy, it was stated that China will continue to open up to the outside world. In September, China formally requested its accession to the Comprehensive and Progressive

Trans-Pacific Partnership (CPTPP) Agreement, and, in November, the 4th China International Import Expo was held. Additionally, the Regional Comprehensive Economic Partnership (RCEP) Agreement entered into force among 10 signatory States, including Japan and China, on January 1, 2022.

The Central Economic Work Conference held in December indicated that 2021 was a milestone year in the history of the party and the nation in which the first centenary goal (building a moderately prosperous society in all respects by 2021, which is the 100th anniversary of the formation of the CPC) was realized, a new start was made toward the second centenary goal (building China into a great modern socialist country in all respects by 2049, which is the 100th anniversary of the founding of the nation), and that a good start had been made for the 14th Five-Year Plan. On the other hand, it was indicated that China is facing the “triple pressures” of shrinking demand, supply shocks and weakening expectations. The priority economic policy missions set for 2022 were (1) stable and effective macro policy, (2) micro policy that continuously stimulates the vitality of market participants (companies), (3) structural policy focused on facilitating the circulation of the national economy, (4) steady promotion of science and technology policy, (5) reforms and opening-up policy to invigorate the driving forces of development, (6) regional policy that

strengthens balance and cooperation for development, and (7) social policy that protects the bottom line of civilian life. In addition to this, it was also pointed out that China's development faces many new theoretical and practical problems, and that accurate recognition and understanding are necessary. Strategic goals for achieving "common prosperity for all," strengthening the management and supervision of capital, and environmental policies were also mentioned.

In order to manage the party and administration stably, it is necessary to ensure constant economic growth while handling all domestic and external issues, and it is worth paying attention to the trends of China's future economic and financial policies.

(C) Response to COVID-19

COVID-19 spread from China to the rest of the world, and in China, starting with "important instructions" by President Xi Jinping on January 20, 2020 and under the top-down leadership of the Central Committee of the CPC, strict infection control measures were taken, such as an approximately two-and-a-half-month lockdown of Wuhan City in Hubei Province, the source of COVID-19, and all cities in Hubei Province. During the initial spread of COVID-19, China fully implemented measures to "prevent domestic spread and prevent external spread (preventing domestic spread within China and preventing external spread to foreign countries)," but, with infections gradually being controlled, the policy was changed to "prevent external import and prevent internal rebounds (preventing the importation of infections from foreign countries and preventing a domestic rebound of infections)," and strict border control measures have been consistently implemented even after domestic community outbreaks of COVID-19 had subsided.

As part of its COVID-19 control measures, China vigorously promoted domestic vaccine development and production, and began the sequential vaccination of all citizens. At a press

conference held by the health authorities on December 29, 2021, it was announced that the domestic vaccination rate had reached 89%.

Since the latter half of 2021, against the backdrop of the spread of the Delta variant, there were scattered cases of localized community outbreaks that spread to other regions, but the authorities have been able to control the spread of COVID-19 in a relatively short period of time by promptly identifying the infection sources and close contacts based on diagnostic reports from medical institutions and the travel history of the infected individuals, and by taking strict measures such as restricting movement in infected areas, mass PCR testing of residents, and mass quarantines. In a December press conference, the health authorities explained that China's best choice at this stage is focusing on promptly controlling community outbreaks and giving maximum consideration to the balance between socio-economic development and controlling infectious diseases.

(D) Foreign Policy

Since the outbreak of COVID-19, visits to foreign countries by Chinese dignitaries since Xi Jinping's visit to Myanmar in January 2020 have been limited to those made by Yang Jiechi, a member of the Political Bureau of the CPC Central Committee, and by State Councilor and Foreign Minister Wang Yi. Additionally, in the lead up to the opening of the Olympic and Paralympic Winter Games Beijing 2022 in February 2022, the diplomatic activities of dignitaries from various countries who visited China in 2021 were all carried out in regional cities other than Beijing. President Xi Jinping developed "head of state diplomacy" through telephone calls and teleconferences seeking stable relations with the U.S., Russia, and Europe, good-neighborliness and friendship with neighboring countries, and mutually beneficial cooperation with developing countries. In this context, China has been engaging in dialogue with the U.S. and European countries, which have various levels of tensions with China.

Since the end of 2019 and amidst the spread of COVID-19 from China to the rest of the world, China strongly promoted the development and production of domestically produced vaccines, and, in June 2021, advocated for the “Initiative for Belt and Road Partnership on COVID-19 Vaccines Cooperation” to promote the spread of Chinese vaccines in the international arena. China also promoted vaccine support through the COVAX Facility, and, at the International Forum on COVID-19 Vaccine Cooperation hosted by China and held on August 5, President Xi Jinping announced that China would aim to provide 2 billion doses of COVID-19 vaccines to the world in the year 2021 and had decided to provide 100 million US dollars to the COVAX Facility.

Following 2020, while severe confrontations between the U.S. and China were seen in a variety of fields, dialogue was maintained at the same time. In his first diplomatic speech since taking office, President Biden described China as “our most serious competitor,” and in the “Interim National Security Strategic Guidelines” that were released in March, he positioned China as “the only competitor to mount a sustained challenge to a stable and open international system.” In its statement after the U.S.-China Summit telephone call in February, President Xi Jinping stated that “When China and the U.S. work together, they can accomplish a great deal for the good of both countries and the world at large; confrontation between the two countries, however, will definitely be disastrous for both countries and the world” and that “the U.S. side should respect China’s core interests and act prudently.”

The U.S. continued to strengthen import/export restrictions and investment restrictions on China based on security and human rights concerns. In October, the Biden administration announced its trade policy on China, which included ensuring the implementation of the so-called “Phase One

Agreement”¹² signed by both countries under the Trump administration in January 2020, and correcting China’s unfair trade practices. On human rights, in January, Secretary of State Pompeo announced that the Government of the U.S. had determined that the Chinese authorities had “committed genocide” against the Uyghurs and others. Furthermore, because of the human rights situation in the XUAR, the U.S. banned the import of cotton, tomatoes, and solar panel-related products, etc. from the XUAR. In December, the U.S. enacted the “Uyghur Forced Labor Prevention Act,” which establishes a rebuttable presumption that considers products including those produced in the XUAR to be prohibited from importation into the U.S. In addition, the U.S. announced an asset freeze and a ban on travel to the U.S. for senior Chinese government officials, citing violations of Hong Kong’s autonomy and human rights abuses in the XUAR, and, in response to this, China took equivalent countermeasures based on the “Anti-Foreign Sanctions Law,” which was enacted in June.

On the other hand, dialogue channels, including between leaders, were maintained between the U.S. and China. Telephone calls between President Biden and President Xi Jinping were held in February and September, and a teleconference was held in November. During the three-and-a-half-hour teleconference, the two countries discussed the complex nature of U.S.-China relations, the importance of both countries managing competition responsibly, areas where both countries’ interests align, and areas where both countries’ interests, values, and perspectives diverge. After the meeting, the U.S. side announced that President Biden stated the need for “guardrails to ensure that competition does not veer into conflict and to keep lines of communication open.” In addition to exchanges between leaders, in Alaska in March, there was a meeting with National

¹² China has promised to expand imports of U.S. products and to protect intellectual property rights. In addition, both the U.S. and China have agreed to postpone or reduce some additional tariff measures (although the majority of the tariff measures will remain unchanged).

Security Advisor Sullivan and Secretary of State Blinken from the U.S. and with Member of the Political Bureau of the CPC Central Committee Yang Jiechi and State Councilor and Foreign Minister Wang Yi from China, and in July, Deputy Secretary of State Sherman visited China. In October, following a meeting by National Security Advisor Sullivan and Member of the Political Bureau of the CPC Central Committee Yang Jiechi in Zurich, Switzerland, Secretary of State Blinken and State Councilor and Foreign Minister Wang Yi met in Rome.

Additionally, in areas such as climate change, the Biden administration's Special Presidential Envoy for Climate John Kerry visited China in April, and met with Chinese Special Envoy for Climate Change Xie Zhenhua, where the U.S. and China issued a joint statement on responding to the climate crisis. Special Envoy Kerry visited China again in September to discuss with the Chinese side how to respond to climate change. On November 10, during the 26th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26) in Glasgow, UK, the U.S. and China, via the U.S.-China Joint Glasgow Declaration on Enhancing Climate Action in the 2020s, announced that they are committed to addressing the climate crisis during the critical decade of the 2020s through accelerating their respective actions and through cooperation in multilateral processes, including in the United Nations Framework Convention on Climate Change (UNFCCC). The Joint Declaration also mentioned strengthening cooperation in their efforts to reduce methane, one of the major greenhouse gases.

Establishing stable relations between the U.S. and China is a matter that concerns not only Japan, but also the international community as a whole. Japan will continue to monitor future developments.

(E) Military Affairs and Security

At the 19th CPC National Congress (2017),

President Xi Jinping stated that China would transform its armed forces into a world-class military by the middle of this century. Additionally, the communique from the fifth plenary session of the 19th CPC Central Committee, published in October 2020, set the new goal of “securing the realization of the centennial goal by 2027, the 100th anniversary of the founding of the Chinese People’s Liberation Army (PLA).”

China has been increasing its defense expenditures about 42-fold over the past 30 years, but the breakdown of the budget and the intention behind the increase have not been disclosed sufficiently. Under such circumstances, China, under its “Military-Civil Fusion,” is extensively and rapidly enhancing and modernizing its military power centered on its nuclear and missile capabilities and naval and air forces, is placing importance on ensuring its superiority in new domains of outer space, cyberspace, the electromagnetic spectrum, AI, and unmanned systems, and is promoting the modernization of its military through “mechanization, informatization and intelligentization.” China’s opaque expansion of military capability, unilateral actions to change the status quo in the East China Sea and South China Sea, coupled with the expansion and increased vigor of its military activities, are strong security concerns in the region, including Japan, and in the international community. In 2021, the following movements such as navigation were confirmed: presumed Chinese-registered submarines navigating in the contiguous zone, joint patrols by Chinese and Russian naval vessels going around Japan, and Chinese naval observation ships south of Yakushima.

China has also been demonstrating a proactive stance in continuing to take an active part in United Nations PKOs as well as providing various kinds of humanitarian assistance and disaster relief, etc.

In recent years, China has grown to have a great influence on the international community, not only politically and economically, but also militarily. To dispel any fears of China, there is a

pressing need for China to increase transparency regarding its national defense policies and military power. While cooperating with other countries, Japan intends to further promote mutual trust in Japan-China relations through dialogue and people-to-people exchanges, including the Japan-China Security Dialogue, and through communication between the Japanese and Chinese defense authorities via the Maritime and Aerial Communication Mechanism. Japan also intends to strongly urge China to improve its transparency to dispel the concerns of the international community, including Japan's concerns.

B Japan-China Relations

(A) Bilateral Relations: General

There are various issues of concern between Japan and China as neighboring countries. The situation surrounding the Senkaku Islands, unilateral attempts to change the status quo in the East China Sea and in the South China Sea, and China's expanded and intensified military activities around Japan are of strong security concern to the region, including to Japan, and to the international community. In addition, China has become the world's second largest economy, and the impact of those actions is increasing on the international community in a variety of ways. In accordance with the rules of the international community, it is important for China to fulfill its responsibilities as a great power and to meet the expectations of the international community. At the same time, the relations with neighboring China is one of Japan's most important bilateral relations, and the two countries have close economic relations, as well as people-to-people and cultural exchanges. Japan will firmly maintain and assert its position and strongly request that China take responsible actions, while at the same time cooperate on matters of common interest. It is important that both China and Japan make efforts to build such constructive and stable relations.

Continuing on from the previous year, in 2021, high-level communication, including between

leaders, was continuously conducted, such as through telephone calls. Japan and China exchanged opinions on a wide range of topics, from bilateral relations to regional and international affairs, including on a variety of issues between the two countries.

On April 5, the fifth Japan-China Foreign Ministers' telephone call was held between Foreign Minister Motegi and State Councilor and Foreign Minister Wang Yi. The two Ministers confirmed the importance of contributing to the regional and international community as responsible major powers, and expressed their expectations for advancing exchanges and dialogues in a wide variety of fields toward the 50th anniversary of the normalization of diplomatic relations between Japan and China in 2022. In addition, Foreign Minister Motegi conveyed his serious concerns regarding intrusions into Japan's territorial sea surrounding the Senkaku Islands by Chinese Coast Guard vessels, China's Coast Guard Law, the situation in the South China Sea, the situation surrounding Hong Kong, and the human rights situation in the XUAR, and strongly requested that China take concrete actions. Foreign Minister Motegi also strongly reiterated his call for the prompt removal of import restrictions on Japanese food products.

Prime Minister Kishida assumed the office of Prime Minister on October 4, and, on October 8, he held a Japan-China Summit telephone call. Prime Minister Kishida expressed his candid views on various concerns between the two countries and stated that the Japanese side will continue holding dialogues with the Chinese side, including on these issues, and the two leaders shared their intention to cooperate on common issues. Additionally, Prime Minister Kishida stated that the two countries must take the opportunity of 2022, which marks the 50th anniversary of the normalization of Japan-China relations, to establish constructive and stable relations based on the view above. President Xi Jinping expressed his consent to this view as well as his willingness to

further develop Japan-China relations. Both leaders concurred to push forward the economic and people-to-people exchanges between the two countries. Furthermore, Prime Minister Kishida raised the issue concerning North Korea, including the abductions issue, and the two leaders confirmed that Japan and China will continue to cooperate with each other.

Shortly after Foreign Minister Hayashi assumed the office of Foreign Minister in November, he held a Japan-China Foreign Ministers' telephone call with State Councilor and Foreign Minister Wang Yi on November 18. Touching upon the fact that 2022 marks the 50th anniversary of the normalization of Japan-China relations, Foreign Minister Hayashi expressed his intention to work together with State Councilor Wang Yi to realize the shared vision agreed upon during the Japan-China Summit telephone call held on October 8, including the establishment of constructive and stable relations, to which State Councilor Wang Yi expressed his consent. Additionally, Foreign Minister Hayashi expressed serious concerns regarding the situation surrounding the Senkaku Islands, as well as situations such as those in the East China Sea, the South China Sea, Hong Kong, and the XUAR, and also stated the importance of peace and stability in the Taiwan Strait. Furthermore, Foreign Minister Hayashi strongly called for the prompt removal of import restrictions on Japanese food products. Foreign Minister Hayashi also stated his intention to hold dialogues and consultations, including on the aforementioned issues. Both Ministers affirmed that they will promote dialogue and practical cooperation, in an appropriate manner, in relation to Japan-China economic relations, and agreed to take the opportunity of 2022, the 50th anniversary of the normalization of Japan-China relations, to push forward the economic and people-to-people exchanges between the two countries. The two Ministers exchanged views on international affairs, including the issue of climate change and North Korea. Regarding the response to North

Korea, Foreign Minister Hayashi requested understanding and support toward the early resolution of the abductions issue and the two Ministers confirmed that they will continue to coordinate closely.

In addition to the above, exchanges of views between the Japanese and Chinese diplomatic authorities continued even amidst COVID-19, including the Japan-China International Development Cooperation Policy Consultation in June, the teleconference between Asian and Oceanian Affairs Bureau Director-General Funakoshi and Director-General of the Department of Asian Affairs of the Foreign Ministry Liu Jinsong in August, and the Japan-China Economic Partnership Consultation (Vice-Ministerial meeting) in November. In February and December, the Japan-China High-Level Consultation on Maritime Affairs was held to candidly exchange views on a variety of issues related to the East China Sea and other areas.

Additionally, Japan-China consultations between non-diplomatic authorities also continued, such as the Japan-China Defense Ministers' Video Teleconference between Defense Minister Kishi and State Councilor and Defense Minister Wei Fenghe on December 27.

On February 21, 2022, a member of the Japanese Embassy in China was temporarily detained by the Chinese authorities against the person's will in Beijing. This case is a clear violation of the Vienna Convention on diplomatic relations and is inadmissible and completely unacceptable, and, as such, Japan is lodging a severe protest with China, and strongly requesting an apology and measures to prevent a recurrence.

(B) Japan-China Economic Relations

Economic relations between Japan and China, including trade and investment, are very close. The global spread of COVID-19 has had a major impact on Japan-China economic relations since 2020, and travel between Japan and China continues to be significantly restricted. However,

even under such circumstances, economic activities between Japan and China in 2021 showed a greater recovery than in the previous year, and the total trade between Japan and China (excluding Hong Kong) amounted to about 350.0 billion US dollars in 2021 (14.8% increase year on year), and China has been the largest trading partner for Japan for 15 consecutive years. Moreover, according to Chinese statistics, Japan's direct investment in China was about 3.374 billion US dollars (9.3% decrease year on year, as estimated from officially published information on investment) in 2020. Figures for 2021 have yet to be announced as of March 2022. Japan ranks third in terms of the amount of direct investment to China (Singapore ranks first, the ROK second, the Netherlands fourth, and the U.S. fifth).

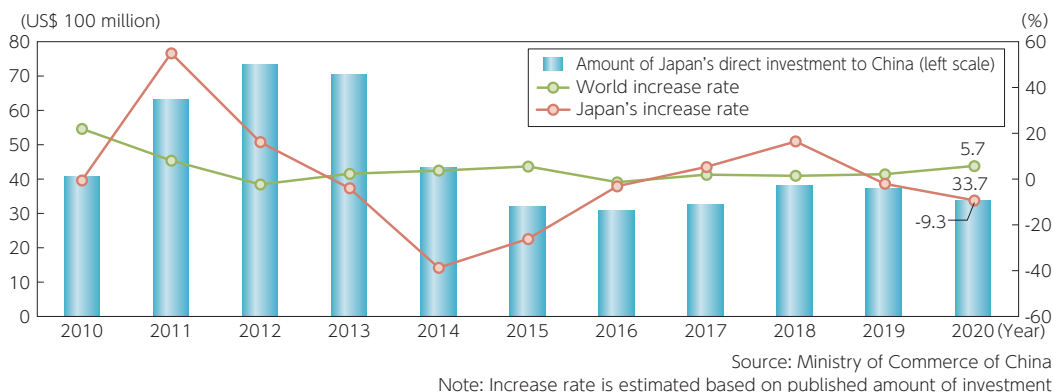
Economic dialogue between Japan and China continued, even as visits, including at high levels, were restricted due to the spread of COVID-19.

At the Japan-China Summit telephone call held in October, both leaders concurred to push forward economic and people-to-people exchanges between the two countries. At the Japan-China Foreign Ministers' telephone call held in November, both Ministers affirmed that they will promote dialogue and practical cooperation, in an appropriate manner, in relation to Japan-China economic relations. The 15th Japan-China Economic Partnership Consultation (Vice-Ministerial meeting) was held in November via teleconference, following on from the previous year, and the two sides had wide-ranging exchanges of views on issues and future cooperation between Japan and China, such as the current state of both countries' economies, the business environment, agricultural trade, intellectual property, the environment and energy saving, and medicine and healthcare, as well as on issues and cooperation in the international arena,

Japan's Value of Trade with China



Japan's direct investment to China



including climate change, development finance and debt issues, and the WTO. Japan once again brought up the issue of legitimate business interests of Japanese companies and of ensuring fair and competitive conditions, and strongly called for the prompt removal of import restrictions on Japanese food products. Additionally, both Japan and China confirmed that, in relation to Japan-China economic relations, they will continue to promote dialogue and practical cooperation, in an appropriate manner, based on these discussions, and agreed to support economic and people-to-people exchanges between the two countries on the occasion of the 50th anniversary in 2022 of the normalization of diplomatic relations between Japan and China.

Additionally, as a private-sector level economic exchange, the Seventh Japan-China Business Leader and Former High-Level Government Official Dialogue (Japan-China CEO Summit) was held online in December.

(C) Promotion of Mutual Understanding Between Japanese and Chinese People

(Current situation of people-to-people exchanges between Japan and China)

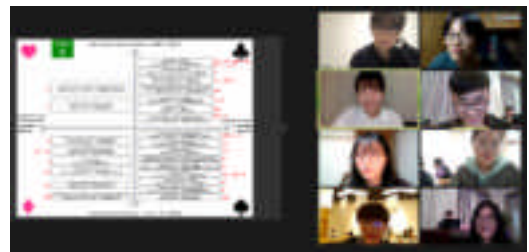
A “Business Track (measures with short-term business travelers in mind)” and “Residence Track (measures to enable cross-border travel by long-term residents)” with China began to operate in phases from November 30, 2020, but on January 14, 2021, the Government of Japan suspended operations with all eligible countries and regions, and, since then, new entries by foreign nationals have not been permitted under either track. The Government of Japan applied strengthened border measures against new COVID-19 variants from November 30, 2021, but, although these measures were subsequently partially relaxed on March 1, 2022, mutual travel has not yet fully resumed.

The number of visitors to Japan from China continued to sharply fall from 2020 due to the impact of COVID-19, to approximately 42,000 in 2021 (as of the end of March 2022, provisional value

from the Japan National Tourism Organization (JNTO)), and is still at a low level, down 99.6% from 2019 (approximately 9.59 million, finalized value for 2019), when a record high was marked.

(Japan-China youth exchanges, etc.)

In 2021, as in 2020, even though face-to-face exchange projects could not be implemented due to cross-border travel restrictions caused by COVID-19, youth exchanges between Japan and China continued through these efforts to explore new ways of conducting youth exchanges. This was achieved via online exchanges such as the “JENESYS” friendship ties programs, for the purpose of promoting mutual understanding and understanding of Japan between students and researchers from both countries.



On the theme of “My Ideal Way of Working,” 40 Japanese and Chinese university students participated in the “JENESYS2020” 2nd Japan-China University Student Online Exchange (October 28).

(D) Specific Pending Issues

(Situation Surrounding the East China Sea)

In the East China Sea, China Coast Guard vessels continue to intrude into the Japanese territorial sea around the Senkaku Islands. The Chinese military has also been rapidly expanding and increasing its activities in quality and quantity at sea and in the airspace over the East China Sea.

The Senkaku Islands are indisputably an inherent territory of Japan in light of historical facts and based upon international law. Indeed, the Senkaku Islands are under the valid control of Japan. Thus, there exists no issue of territorial sovereignty to be resolved concerning the Senkaku Islands. From 1895, when the Senkaku Islands were incorporated into Japanese territory

by lawful means under international law, until the 1970s, when the islands became the focus of attention after it was suggested that there might be oil reserves in the East China Sea, China had not raised any objections to Japan's sovereignty over the Senkaku Islands. Moreover, China has never explained why it had not expressed objections until then. Subsequently, in 2008, Chinese government vessels first intruded into Japanese territorial sea surrounding the Senkaku Islands.¹³

During 2021, 34 incidents were recorded in which China Coast Guard vessels intruded into the Japanese territorial sea surrounding the Senkaku Islands (the numbers were 24 in 2020 and 32 in 2019). Since May 2020, China Coast Guard vessels have intruded into the Japanese territorial sea of the Senkaku Islands, there have been incidents in which the China Coast Guard vessels attempted to approach Japanese fishing boats, and these incidents have continued to occur. In October 2020, the intrusion into Japan's territorial sea lasted for more than 57 hours, which is the longest amount of time to date. The number of days in 2021 in which Chinese Coast Guard vessels navigated in the contiguous zone around the Senkaku Islands was 332 days, and the situation is becoming more severe, as from February to July 2021 the number of days in which Chinese Coast Guard vessels consecutively navigated in the contiguous zone surrounding the Senkaku Islands reaching a record high of 157 days. The activities of the China Coast Guard vessels, which make their own assertions in Japan's territorial sea around the Senkaku Islands, are in violation of international law to begin with, and, in response to such unilateral attempts by China to change the status quo, the Government of Japan has repeatedly lodged strong protests and requested the withdrawal of Chinese vessels through diplomatic routes. With the determination to defend

Japan's territory as well as territorial sea and airspace, Japan will continue to take a calm and resolute approach to the situation.

Additionally, in June 2020, the "Law of the People's Republic of China on the People's Armed Police Force," which regulates the authority and duties of the People's Armed Police Force, was amended and "protection of interests at sea and law enforcement" was stipulated as a duty of the People's Armed Police Force. The Government of China is proceeding with the development of legal systems for securing maritime rights and protecting interests, such as by enacting, in February 2021, the "Coast Guard Law of the People's Republic of China," which stipulated enforcement of the Maritime Rights and Interests Protection Act as a duty of the China Coast Guard. In particular, the China Coast Guard Law contains provisions that have problems from the viewpoint of consistency with international law, such as ambiguities in the maritime areas where it can be applied and in the authority to use weapons. Japan believes that the China Coast Guard Law should not undermine the legitimate interests of relevant countries, including Japan, and is conveying these serious concerns to China. Japan will continue to pay close attention to trends related to legislation in China.

Moreover, Chinese naval vessels and aircraft have also been accelerating their activities in the sea and airspace around Japan. In 2021, Japan confirmed movements such as navigation of presumed Chinese submarines in the eastern contiguous zone around Amami Oshima, joint maritime cruises by Chinese and Russian naval vessels around Japan, joint flights by China and Russia from the East China Sea to the Sea of Japan, and navigation in Japan's territorial sea by Chinese naval observation ships south of Yakushima. Furthermore, aircraft activities also continue to be active, and the number of times

¹³ Ministry of Foreign Affairs website detailing the position of the Government of Japan on the Senkaku Islands: <https://www.mofa.go.jp/region/asia-paci/senkaku/index.html>





Chinese maritime structures confirmed to have been built near the geographical equidistant line between Japan and China (Photo: Ministry of Defense)
For details, see https://www.mofa.go.jp/a_o/c_m1/page3e_000356.html.



the Air Self-Defense Force had to scramble jets in response to Chinese military aircraft since autumn 2012 has remained high. In response to these recent activities by the Chinese military, Japan has been raising the issues through diplomatic routes.

In addition, China has been continuing its unilateral activities to develop natural resources while the Exclusive Economic Zone (EEZ) and the continental shelf between Japan and China in the East China Sea remain pending delimitation. The Government of Japan has confirmed 12 new structures built between June 2013 and May 2016, making it a total of 16 structures including those confirmed before then, on the Chinese side of the geographical equidistance line. Such unilateral development activities are extremely regrettable, and every time such moves by China are detected, Japan has strongly requested China to cease its unilateral development and to immediately resume negotiations on the implementation of the “2008 Agreement” regarding the cooperation between Japan and China on the development of natural resources in the East China Sea. At the summit meeting between Prime Minister Abe and President Xi Jinping in June 2019, the two leaders shared the view of promoting and implementing the “2008 Agreement” regarding resource development in order to achieve the goal of making the East China Sea a “Sea of Peace, Cooperation and Friendship.”

In recent years numerous activities by China to carry out surveys in the waters around Japan, including the East China Sea, without obtaining Japan’s approval, have also continued, and each time this happens Japan raises objections with the Chinese side through diplomatic routes.

In order to deal with these concerns appropriately, both Japan and China have been promoting dialogue and exchanges between the authorities concerned. The Maritime and Aerial Communication Mechanism was concluded during the visit to Japan by Premier Li Keqiang in May 2018, and in June 2018 the defense authorities of Japan and China began operation of the Mechanism, which is highly significant for promoting mutual understanding between both countries and avoiding and preventing accidental collisions. Japan and China intend to continue moving forward with their coordination toward the early establishment of a “hotline between the defense authorities of Japan and China,” which is in the final stages of coordination. Furthermore, the Japan-China Maritime Search and Rescue (SAR) Agreement was signed during Prime Minister Abe’s visit to China in October 2018, which creates a legal framework regarding Japan-China cooperation for the maritime search and rescue field, and is expected to enable smoother and more efficient search and rescue activities.

As Japan has stated on repeated occasions,

including at Japan-China Summit Meetings, true improvement in Japan-China relations cannot be achieved without stability in the East China Sea. It is highly meaningful from the perspective of building trust and bolstering cooperation for diplomats from both countries to directly and frankly exchange opinions, such as at the Japan-China High-Level Consultation on Maritime Affairs or other discussions between related authorities of both countries. The Government of Japan will assert Japan's position on individual issues through steady dialogue and continued bolstering of communication.

(Yamato Bank)

Numerous illegal operations by Chinese fishing vessels have been conducted in the waters around the Yamato Bank in the Sea of Japan. Japan has expressed concerns and has strongly and repeatedly urged China to take effective steps, including strengthening measures such as providing guidance to those engaged in fishing. At the Japan-China Foreign Ministers' telephone call in April, Foreign Minister Motegi also made strong requests to State Councilor and Foreign Minister Wang Yi.

(Japanese Food Import Restrictions Issue)

Regarding the import restrictions placed on food and agricultural products from Japan by the Government of China, in addition to continuing discussions on the "Japan-China Agricultural and Fishery Products Trade Cooperation Mechanism," whose launch was agreed to between the Japanese and Chinese Foreign Ministers in November 2020, Japan has taken every opportunity to strongly urge China to remove the restrictions as soon as possible, including at the April 2021 Japan-China Foreign Ministers' telephone call between Foreign Minister Motegi and State Councilor and Foreign Minister Wang Yi and at the November 2021 Japan-China Foreign Ministers' telephone call between Foreign Minister Hayashi and State Councilor and Foreign Minister Wang Yi.

(Cases of Detainment of Japanese Nationals)

In regard to cases of detainment of Japanese nationals, the Government of Japan has urged early release of Japanese detainees on various occasions between Japan and China, including summit and Foreign Ministers' meetings, and, so far, five Japanese nationals have been released before prosecution and three Japanese nationals have returned to Japan after serving their sentences. In December, one Japanese national was newly detained by Chinese authorities in Shanghai. The Government of Japan has been strongly requesting, at all levels and at every occasion, that the Government of China provide early releases, transparency in law enforcement and judicial processes, and proper safeguards for the rights of Japanese nationals, as well as ensuring impartial justice and humane treatment. Additionally, from the perspective of protecting Japanese nationals, the Government of Japan is providing as much support as possible, including consular visits and contact with family members.

(Abandoned Chemical Weapons Issue)

The Government of Japan, in accordance with the Chemical Weapons Convention (CWC), has been working on the destruction of chemical weapons abandoned by Japan in China. In 2021, amidst the impacts of COVID-19, Japan carried out projects such as the destruction of chemical weapons in Haerbaling District in Dunhua, Jilin Province and the transport of abandoned chemical weapons shells in various parts of China (as of December, approximately 58,000 abandoned chemical weapons have been destroyed).

(2) Taiwan

A Domestic Affairs and Economy

In May, community outbreaks of COVID-19 temporarily spread in Taiwan, and public criticism of the Tsai Ing-wen administration intensified against the background of vaccine shortage problems. However, in addition to vaccine support from Japan, the U.S and other countries since

June, Taiwan itself established a system to secure sufficient vaccines, and, as a result of successful measures such as strict border measures and restrictions on gatherings and eating out, since November, the number of people infected with COVID-19 was suppressed to essentially zero.

In September, the opposition Kuomintang held a party chairmanship election, in which incumbent Chiang Chi-chen was defeated and Eric Chu Li-luan became the new party Chairman. In December, a public referendum was held on four proposals, including a “ban on the importation of pork that uses the ractopamine growth-promoting agent,” with the ruling Democratic Progressive Party calling for the rejection of all proposals and the opposition Kuomintang calling for the approval of all proposals. Each proposal had more votes against than for, and all four proposals were rejected.

Taiwan’s economy in 2021 continued to be relatively strong, particularly in the first half of the year against a backdrop of high overseas demand for electronics products and telecommunications, etc., and annual real GDP growth was forecast at plus 5.88%. In September, Taiwan formally requested its accession to the CPTPP Agreement.

B Cross-strait Relations and External Relations

On October 9, at the Meeting Marking the 110th Anniversary of the Revolution of 1911, President Xi Jinping, while announcing a policy of aiming for peaceful cross-straits reunification, stressed that China’s willingness and ability to defend its sovereignty and territory should not be underestimated and that external interference would not be tolerated. On the other hand, on October 10, President Tsai Ing-wen emphasized that she would do her utmost to “maintain the status quo” of cross-strait relations, including self-defense efforts.

In recent years, China has rapidly strengthened its military capabilities, and the overall military balance between China and Taiwan has tilted in favor of China. China has been stepping up its military activities around Taiwan. For example,

according to an announcement by the Taiwan Ministry of National Defense, during the four-day period from October 1 to 4, a total of 149 Chinese military aircraft entered the air defense identification zone set by Taiwan. In particular, the total of 56 aircraft on October 4 was the highest number since Taiwanese authorities began continuously announcing trends in Chinese military aircraft in September 2020.

Amidst these circumstances and starting with the mention of Taiwan at the Japan-U.S. “2+2” in March 2021, there has been consensus on the importance of peace and stability across the Taiwan Strait and on encouraging the peaceful resolution of cross-strait issues, including at the 2021 Japan-U.S. Summit Meeting (April), the Meeting of G7 Foreign and Development Ministers (May), the 27th Japan-EU Summit (May), the Japan-Australia “2+2” (June), and the G7 Summit (June), as well as at the 2022 Japan-Australia Leaders Video Teleconference Meeting (January), the Japan-U.S. “2+2” (January), the Japan-France “2+2” (January), the Japan-U.S. Summit Video Teleconference Meeting (January), and in the Joint Statement on the U.S.-Japan-Republic of Korea Trilateral Ministerial Meeting (February). In October, the European Parliament adopted a report on EU-Taiwan political relations and cooperation, and there have been moves to strengthen relations between Europe and Taiwan, such as Taiwanese Foreign Minister Jaushieh Joseph Wu and a Taiwan trade and investment delegation visiting Europe, including the Slovak Republic and the Czech Republic, and a European Parliament delegation visiting Taiwan as an official delegation for the first time in November.

Meanwhile, in November, the Government of China announced that it would impose sanctions, such as a ban on entry into China, on Taiwan’s Premier of the Executive Yuan, President of the Legislative Yuan, and Foreign Minister as “stubbornly pro-Taiwan independence” elements. When the Taiwanese Representative Office opened in Lithuania in November, China

downgraded its diplomatic relations with Lithuania to the level of Chargé d'Affaires. In December, Nicaragua announced that it had severed diplomatic relations with Taiwan, and a delegation visiting China signed a joint communiqué on the restoration of diplomatic relations with China. As a result, there are a total of 14 countries who have diplomatic relations with Taiwan (eight countries have severed diplomatic relations with Taiwan since the inauguration of the Tsai administration in 2016).

Taiwan was an observer at the World Health Organization (WHO) General Assembly from 2009 to 2016, but has not been able to participate since 2017. Japan has consistently asserted that there should be no geographical gap in responding to international health issues. Particularly for infectious diseases such as COVID-19 that have an enormous impact on the entire world, Japan considers it important that information and knowledge are widely shared in a free, transparent, and prompt manner from countries and regions around the world, including from regions such as Taiwan that have taken effective measures against COVID-19 and achieved results. From this perspective, Japan has consistently supported Taiwan's participation as an observer to the WHO General Assembly.

C Japan-Taiwan Relations

For Japan, Taiwan is an extremely crucial partner and an important friend, with which it shares fundamental values such as freedom, democracy, basic human rights and the rule of law, and enjoys close economic relations and people-to-people exchanges. The relations between Japan and Taiwan are maintained on the basis of working relations at the non-governmental level in accordance with the 1972 Joint Communiqué between Japan and China. The sentiments of Japanese and Taiwanese citizens toward each other are generally favorable. In a survey conducted in February 2019 by the Japan-Taiwan Exchange Association, 70% of Taiwanese respondents said

they “felt close to Japan” or “relatively felt close to Japan,” and, according to a survey by the Taipei Economic and Cultural Representative Office in Japan (conducted in November 2021), 75% of Japanese people responded that they “felt close to Taiwan” or “relatively felt close to Taiwan.”

In June, Japan, as its first overseas vaccine donations, provided 1.24 million vaccine doses to Taiwan (a cumulative total of 4.2 million doses had been provided by September), and from the Taiwanese side, President Tsai Ing-wen, Vice President Lai Ching-te, and Premier of the Executive Yuan Su Tseng-chang repeatedly expressed their gratitude to Japan (see the boxed column in the Opening Special Feature on page 8). In September 2021, Taiwan donated medical equipment, such as pulse oximeters and oxygen concentrators, to Japan.

Taiwan imposed import restrictions on Japanese food products after the Great East Japan Earthquake, but on February 21, 2022, it was announced that the import restrictions on agricultural and marine products and foods produced and processed in Fukushima, Gunma, Tochigi, Ibaraki, and Chiba prefectures would be eased. Japan will continue to persistently urge Taiwan to lift the remaining import restrictions as soon as possible based on scientific evidence.

(3) Mongolia

A Domestic Affairs

In January, the Khurelsukh Cabinet resigned to take responsibility for inadequacies by authorities on site in dealing with COVID-19. In response to this, Chief Cabinet Secretary L. Oyun-Erdene was appointed as the new Prime Minister, and a new Cabinet was inaugurated. Prime Minister L. Oyun-Erdene began his administration announcing that he would basically continue and follow the path laid out by the previous administration.

In June, the first presidential election (direct election) after the 2020 constitutional amendment was held, and former Prime Minister U. Khurelsukh, who was nominated by the ruling

Mongolian People's Party, won an overwhelming victory with nearly 70% of the vote, and was inaugurated as President (six-year term, no re-election). This was the first time in 12 years that a President was elected from the Mongolian People's Party.

As for COVID-19, the number of new cases per day rapidly increased since March, reaching a record high of 3,963 people in September, but has gradually been declining since then. Continuing on from the previous administration, the Oyun-Erdene Cabinet implemented large-scale emergency economic measures. Vaccinations for citizens began in February, and, as of December, 92% of the total population had completed their second round of vaccinations, with booster vaccinations also starting. When the Government of Mongolia procured the Pfizer vaccine in May, the Government of Japan supported the procurement and supply of 2.35 million doses of the Pfizer vaccine through UNICEF.

Meanwhile, due to a gradual recovery in economic activity amidst COVID-19 and an increase in exports of coal and copper, etc., the government's economic statistics for 2021 recorded a 22.1% increase year on year in exports and a 29.2% increase year on year in imports. In the December statistics, tax revenues decreased by 8.5% and industrial production increased by 44.6%.

B Japan-Mongolia Relations

Even amidst the continuing travel restrictions between Japan and Mongolia due to COVID-19, 2021 was a year of steady dialogues and cooperation for Japan and Mongolia to strengthen their "Strategic Partnership" as important regional partners that share universal values.

In July, Chinggis Khaan International Airport was opened. The airport was constructed through yen loans from the Government of Japan and is operated by an airport operating company that was established by a coalition of Japanese companies (Mitsubishi Corporation, Narita International

Airport Corporation, Japan Airport Terminal Co., Ltd., and JALUX Inc.) and a Mongolian state-owned enterprise. The opening ceremony was attended by President U. Khurelsukh, Minister of Road and Transport Development L. Haltar, and Minister for Foreign Affairs B. Battsetseg, and others, with a congratulatory message from Prime Minister Suga. The airport is a new symbol of cooperation between Japan and Mongolia.

Additionally, in July, Prime Minister L. Oyun-Erdene visited Japan in his first trip overseas since assuming office, and a summit meeting with Prime Minister Suga was held. The two leaders shared the idea to designate 2022, the 50th anniversary of the establishment of diplomatic relations between Japan and Mongolia, as a "Year for Promotion of Youth Exchange" and to deepen cooperation in a variety of fields toward the 50th anniversary. Additionally, the two leaders shared the view to further promote cooperation toward the realization of a "Free and Open Indo-Pacific" and cooperation and partnership in a variety



Japan-Mongolia Summit Meeting (July 22, Tokyo)



Opening ceremony at Chinggis Khaan International Airport (July 4, Ulaanbaatar, Mongolia)

of regional and international arenas. During his visit to Japan, Prime Minister L. Oyun-Erdene attended the opening ceremony of the Olympic and Paralympic Games Tokyo 2020.

In December, a Foreign Ministers' Video Teleconference Meeting was held between Foreign Minister Hayashi and Minister for Foreign Affairs B. Battsetseg. In the teleconference meeting, the two Ministers shared the view to make 2022, the 50th anniversary of the establishment of diplomatic relations between Japan and Mongolia, a year for overcoming COVID-19 and restoring citizen exchanges, and to build the foundation and ties for the next 50 years, looking back on the past 50 years.

3 Korean Peninsula

(1) North Korea (including the abductions issue)

The Government of Japan has been taking various initiatives to realize its basic policy of seeking to normalize its relations with North Korea through comprehensively resolving outstanding issues of concern, such as the abductions, nuclear and missile issues, and settling the unfortunate past in accordance with the Japan-DPRK Pyongyang Declaration of September 2002. In 2021, North Korea launched ballistic missiles three times, including the one which fell within Japan's Exclusive Economic Zone (EEZ), and in September, North Korea announced that it had launched the hypersonic missile "Hwasong-8" using ballistic missile technologies and that it also launched "new long-range cruise missiles." Since the beginning of 2022, North Korea has repeatedly launched ballistic missiles with an unprecedented frequency and in new ways, and on February 27 and March 5, North Korea launched intercontinental ballistic missiles (ICBM) although not at their maximum range. Furthermore, on

March 24, North Korea launched an alleged new-ICBM, which is estimated to have fallen within Japan's EEZ about 150 kilometers off Japan's mainland. North Korea's series of actions, including such launches of ballistic missiles that further aggravate this situation, threaten the peace and security of Japan, the region, and the international community, and are totally unacceptable. Japan will continue to fully implement relevant UN Security Council resolutions and aim for the denuclearization of North Korea, coordinating closely with the U.S. and the ROK while cooperating with the international community. With regard to the abductions issue, Japan continues to call on North Korea to implement the May 2014 Japan-North Korea agreement (the agreement in Stockholm)¹⁴ and will continue to make utmost efforts to realize the return home of all abductees at the earliest possible date, while coordinating closely with relevant countries including the U.S.

A North Korea Nuclear and Missile Issues

(A) Recent Trends in North Korea Nuclear and Missile Issues

North Korea has not carried out the dismantlement of all weapons of mass destruction and ballistic missiles of all ranges in a complete, verifiable and irreversible manner, in accordance with a series of relevant UN Security Council resolutions.

The 8th Congress of the Workers Party of Korea (WPK) was held from January 5 to 12, 2021. It was reported that Chairman of the State Affairs Commission Kim Jong Un, in addition to stating that defense capability must be constantly strengthened as long as the danger of a war of aggression continues, also referred to nuclear weapons that are smaller and lighter, that have multiple warheads, and to the development and possession of nuclear submarines, hypersonic weapons, and military reconnaissance satellites. Additionally, "Self-Defense-2021"

¹⁴ In May 2014, Japan-North Korea Intergovernmental Consultations were held in Stockholm, Sweden. North Korea promised to conduct a comprehensive and full-scale investigation on all Japanese nationals, including abductees.

Defense Development Exhibition that opened in Pyongyang on October 11, 2021 featured a variety of weapons and combat technology equipment that was said to have been developed and produced during the last five years. It was also reported that the exhibition displayed possible new ICBMs and submarine-launched ballistic missiles (SLBMs) that appeared at the military parade for the 75th anniversary of the founding of the WPK in October 2020 and at the military parade for the 8th Congress of the WPK in January 2021.

North Korea launched ballistic missiles called “new tactical guided missile” by North Korea on March 25, 2021, and then it announced that it had launched “new long-range cruise missiles” on September 11 and 12. Then, North Korea launched short-range ballistic missiles as a training exercise by the “Railway Mobile Missile Regiment” on September 15, the hypersonic missile “Hwasong-8” using ballistic missile technologies on September 28, and another ballistic missile called “new submarine-launched ballistic missile” on October 19. Some of these missiles have the characteristic of flying on irregular trajectories, and the short-range ballistic missiles on September 15 fell in Japan’s EEZ.

Since the beginning of 2022, North Korea has repeatedly launched missiles with an unprecedented frequency and in new ways. On January 5 and 11, North Korea launched ballistic missiles called “hypersonic missiles” and it was reported that Chairman Kim was present at the launch on January 11. In addition, North Korea launched ballistic missiles as “a firing drill for checking and judging the proficiency in the action procedures of the railway-borne missile regiment of North Phyongan Province” on January 14, and on January 17 and 27 it successively launched ballistic missiles called “tactical guided missiles” by North Korea. On January 25, it also announced that it had launched “long-range cruise missiles.” On January 30, North Korea launched what appeared to be an intermediate-range ballistic missile (IRBM) “Hwasong-12”, and then on

February 27 and March 5 it launched an ICBM for what they claimed as an important test for developing a “reconnaissance satellite.” Although these were not at the maximum range of ICBMs (both missiles had a flight range of approximately 300 kilometers), it is possible that the launches were conducted for the purpose of verifying some functions before launching them at their maximum range.

Furthermore, approximately one week after the launch on March 16 in which the ballistic missile was assumed to have not flown successfully, on March 24 North Korea launched an alleged new ICBM. It was estimated that this missile had a flight distance of approximately 1,100 kilometers, a maximum altitude that exceeded 6,000 kilometers, and that it fell into Japan’s EEZ, approximately 150 kilometers west of the Oshima Peninsula in Hokkaido. At the time of the launch, North Korea referred to the missile as “Hwasong-17,” and it was reported that Chairman Kim, who directly supervised the entire launch test process, stated that the weapon system for the missile of this launch “will creditably perform its mission and duty as a powerful nuclear war deterrent” and that North Korea “will possess formidable military and technical capabilities and keep themselves fully ready for long-standing confrontation with the U.S. imperialists.”

Prior to this, on January 19, “the orientation for countermeasures against the U.S. for the future” was discussed under Chairman Kim at the 6th Political Bureau Meeting of the 8th Central Committee of WPK, and it was reported that the meeting assessed that “the hostile policy and military threat by the U.S. have reached a danger line that cannot be overlooked any more” and “gave an instruction to a sector concerned to promptly examine the issue of restarting all temporarily-suspended activities.”

As for North Korea’s nuclear activities, the IAEA Director General’s report in August 2021 pointed out that there were new signs that North Korea’s nuclear facilities were in operation.

(B) Initiatives by Japan and Cooperation with the International Community

The repeated launches of ballistic missiles and others by North Korea are serious challenges not only to Japan, but also to the international community, and are completely unacceptable. It is crucial that the international community makes concerted efforts to fully implement the UN Security Council resolutions for the dismantlement of all weapons of mass destruction and ballistic missiles of all ranges in a complete, verifiable, and irreversible manner by North Korea. Japan has confirmed these points at meetings with the leaders and foreign ministers of various countries.

Recognizing that coordination among Japan, the U.S., and the ROK is essential for regional peace and stability beyond issues related to North Korea, Japan, the U.S., and the ROK have been enhancing coordination at multiple levels through holding summit meetings, foreign ministers' meetings, vice foreign ministerial meetings, and the heads of delegation meetings of the Six-Party Talks. On May 5, 2021, the Japan-U.S.-ROK Foreign Ministers' Meeting was held in the UK (London) on the occasion of the G7 Foreign Ministers' Meeting, and the three Ministers reaffirmed their commitment to the complete denuclearization of North Korea, agreed to call on North Korea to comply with its obligations under UN Security Council resolutions, and agreed that Japan, the U.S., and the ROK would closely work together on policies toward North Korea. In addition, on September 22, a Japan-U.S.-ROK Foreign Ministers' Meeting was held in the U.S. (New York) on the occasion of the UN General Assembly, where the three Ministers agreed to further advance collaboration between Japan, the U.S., and the ROK toward the complete denuclearization of North Korea, exchanged views on regional situations and global issues, and agreed to further deepen coordination and cooperation among Japan, the U.S., and the ROK. On February 12, 2022, a Japan-U.S.-ROK Foreign Ministers' Meeting was held in the U.S. (Honolulu) and the

three Ministers shared serious concerns about North Korea's repeated launches of ballistic missiles and aligned their recognition on future measures. The three Ministers also exchanged views on regional situations which included the discussions on China and situation around Ukraine, and efforts to realize a "Free and Open Indo-Pacific." In addition, they discussed global issues such as global health and climate change. They concurred that Japan, the U.S., and the ROK would further deepen their collaboration and cooperation. After the meeting, a Joint Statement on the Japan-U.S.-ROK Trilateral Ministerial Meeting was released.

As part of the Japan Coast Guard's patrolling activities and the Self-Defense Forces' monitoring and surveillance activities, Japan has also been conducting information gathering on the activities of vessels suspected to be violating the UN Security Council resolutions. When the Government of Japan finds activities strongly suspected to be violating the UN Security Council resolutions, including ship-to-ship transfers with North Korean vessels, measures have been taken such as notification to the UN Security Council 1718 Sanctions Committee and other bodies, sharing of information with related countries, and releasing of information to the public. Aircraft of Canada, Australia, New Zealand, and France, in addition to U.S. aircraft, have used U.S. military facilities and areas in Japan to engage in monitoring and surveillance activities against illicit maritime activities, including ship-to-ship transfers. Furthermore, monitoring and surveillance activities were conducted in waters surrounding Japan, including the East China Sea, by naval vessels such as multiple vessels of the U.S. Navy, the French Navy frigates FS PRAIRIAL and FS SURCOUF and amphibious assault ship FS TONNERRE, the Royal Australian Navy frigates HMAS BALLARAT and HMAS WARRAMUNGA, the Royal Canadian Navy frigate WINNIPEG, the UK Royal Navy frigate RICHMOND, and the German Navy frigate BAYERN. From the perspective of further deepening the multinational cooperation, Japan considers

it significant that concerned countries are sharing information and coordinating efforts to ensure that UN Security Council resolutions are implemented fully and effectively.

B The Abductions Issue and Japan-North Korea Relations

(A) Basic Position on the Abductions Issue

To date, the Government of Japan has identified 12 separate incidents, involving a total of 17 Japanese abductees, 12 of whom have not yet returned home. North Korea claims that 8 of these 12 abductees have died and that it is unable to confirm that the other 4 ever entered its territory, but as no convincing explanation of this claim has been provided, Japan continues to work toward the resolution of this issue on the assumption that all of the abductees whose whereabouts are unknown are still alive. As well as being a critical issue concerning the sovereignty of Japan and the lives and safety of Japanese citizens, abductions by North Korea constitutes a universal issue among the international community as a violation of basic human rights. Additionally, despite the families of the victims having reached an advanced age, the Association of Families of Victims Kidnapped by North Korea continues to work toward the resolution of this problem with a determination to “never give up,” under its new representative. Based on the basic recognition that the normalization of its relations with North Korea is impossible without resolving the abductions issue, Japan has positioned its resolution as the most important issue. Accordingly, Japan has strongly urged North Korea to provide a full account of all the abduction cases, to hand over the perpetrators to Japan, and to ensure the safety of all abductees and their immediate return to Japan, irrespective of whether the abductees are officially identified. In January 2022, Prime Minister Kishida gave a policy speech where he stated that “The abductions issue is one of the highest priority issues of the Kishida administration. Working in cooperation with other countries,

I will do everything in my power to realize the return of all the abductees to Japan at the earliest possible date, making use of every possible opportunity. I am determined to meet with Chairman Kim myself face to face, without any conditions.”

(B) Initiatives by Japan

Following the nuclear test by North Korea in January 2016 and the launch of the ballistic missile in the following month, which North Korea purported to be a “satellite,” Japan announced its autonomous measures against North Korea in February 2016. In response, North Korea unilaterally announced that it would completely stop the investigations on all Japanese abductees and dissolve the Special Investigation Committee. Japan lodged a serious protest against North Korea, conveyed its intention of not abandoning the agreement in Stockholm, and strongly demanded that North Korea implement the agreement and return all the abductees home at the earliest possible date.

(C) Japan-North Korea Relations

During the reception of the PyeongChang Olympic Winter Games Opening Ceremony hosted by President Moon Jae-in on February 9, 2018, Prime Minister Abe brought up the abductions, nuclear and missile issues and conveyed Japan’s basic position to Kim Yong Nam, President of the Presidium of the Supreme People’s Assembly of North Korea. Prime Minister Abe strongly urged North Korea to resolve the abductions issue, especially the return of all abductees to Japan. In September, Foreign Minister Kono held a meeting with the North Korean Minister of Foreign Affairs Ri Yong Ho at the UN headquarters. In September 2021, Prime Minister Suga addressed the 76th Session of the United Nations General Assembly, declaring that “Establishing a constructive relationship between Japan and North Korea will not only serve the interests of both sides but also contribute to regional peace and stability.”

(D) Cooperation with the International Community

In order to resolve the abductions issue, it is essential for Japan not only to proactively urge North Korea, but also to gain understanding and support from other countries regarding the importance of resolving the abductions issue. Japan has taken all possible diplomatic opportunities to raise the abductions issue, including at summit meetings, foreign ministers' meetings and international conferences such as the G7 Summit, the Japan-Australia-India-U.S. Summit Meeting, the Japan-China-ROK Trilateral Summit, the Japan-U.S.-ROK Foreign Ministers' Meeting, ASEAN-related Summit Meetings, and UN meetings. With regard to the U.S., President Trump raised the abductions issue with Chairman Kim at the U.S.-North Korea Summit in June 2018, at the request of Prime Minister Abe. At the second U.S.-North Korea Summit in February 2019, President Trump raised the abductions issue with Chairman Kim at the tête-à-tête meeting, which was held first on the first day, and clearly stated Prime Minister Abe's views regarding the abductions issue. In addition, at the small group dinner that followed, President Trump again raised the abductions issue, and a serious discussion was held between the leaders. When President Trump visited Japan in May 2019, he met with the families of the abductees as he had done during his previous visit in November 2017, listened attentively to the emotional pleas by the family members, and encouraged them. Additionally, during the Japan-U.S. Summit Video Teleconference Meeting in January 2022, Prime Minister Kishida asked for continued understanding and cooperation toward the immediate resolution of the abductions issue, to which President Biden offered his renewed support. With regard to China, at the Japan-China Summit Meeting in June 2019, President Xi Jinping stated that he had conveyed Japan's position on Japan-North Korea relations and Prime Minister Abe's views to Chairman Kim during the China-North Korea Summit held in the same month. Prime Minister Abe also gained the strong support of President Xi

for the improvement of Japan-North Korea relations, including the abductions issue. During the Japan-China Summit telephone call in October 2021, Prime Minister Kishida raised to President Xi the issue of North Korea, including the abductions issue, and they confirmed that Japan and China would continue to cooperate with each other. The ROK has also raised the abductions issue with North Korea at multiple opportunities, including the Inter-Korean Summit in April 2018. At the Japan-ROK Summit Meeting in December 2019, President Moon Jae-in of the ROK expressed his understanding for Japan's position regarding the importance of the abductions issue and stated that the ROK had repeatedly raised the abductions issue with North Korea. During the October 2021 Japan-ROK Summit telephone call, Prime Minister Kishida asked for continued support and cooperation on the abductions issue. In response, President Moon Jae-in expressed his support for Japan's position on the abductions issue, and the two leaders once again agreed on the importance of Japan-ROK and Japan-U.S.-ROK cooperation. At the United Nations Human Rights Council in March and at the UN General Assembly in December, the EU submitted the Joint Statement on DPRK Human Rights, which was co-sponsored by Japan, and it was adopted without a vote. Furthermore, in December, an informal UN Security Council consultation on the human rights situation in North Korea was held, and afterwards, like-minded countries, including Japan, issued a joint statement urging the resolution of the abductions issue, particularly the immediate return of the abductees. Japan will continue to closely coordinate and cooperate with relevant countries, including the U.S., toward the immediate resolution of the abductions issue.

C North Korea's External Relations, etc.**(A) U.S.-North Korea Relations**

From 2018 to 2019, the U.S. and North Korea held two summit meetings as well as a meeting between President Trump and Chairman

Kim in Panmunjom, and in October 2019 U.S.-North Korea working-level talks were convened in Stockholm (Sweden). However, in 2020 and 2021 no concrete progress was made in dialogues between the U.S. and North Korea.

President Biden completed the North Korea policy review in April 2021. Through the review, the U.S. has made it clear that its goal remains the complete denuclearization of the Korean Peninsula and that it is stepping up its efforts to ensure the security of its allies, including Japan. At a joint press conference after the U.S.-ROK Summit Meeting on May 21, President Biden said that “if he made any commitment, then I would meet with him.” The U.S. has also stated on various occasions that the U.S. has no hostile intentions toward North Korea and that it is prepared to meet with North Korea without any preconditions.

On the other hand, it was reported that Chairman Kim said in his speech at the 5th Session of the 14th Supreme People’s Assembly in September that “the U.S. remain utterly unchanged in posing military threats and pursuing hostile policy toward the DPRK, and the U.S. is touting “diplomatic engagement” and “dialogue without preconditions” but it is no more than a petty trick for deceiving the international community and hiding its hostile acts.”

In January 2022, in response to a series of provocations by North Korea which included the launch of ballistic missiles, the U.S. additionally designated one group and seven individuals as subjects of its own sanctions (asset freeze) for their involvement in the development and spread of weapons of mass destruction.

Additionally, in January at the 6th Political Bureau Meeting of the 8th Central Committee of WPK that was held under Chairman Kim, “the orientation for countermeasures against responding to the U.S.” was discussed, and it was reported that the meeting assessed that “the hostile policy and military threat by the U.S. have reached a danger line that cannot be overlooked any more”

and “gave an instruction to a sector concerned to promptly examine the issue of restarting all temporarily-suspended activities.”

(B) Inter-Korean Relations

In 2018 there were great strides in inter-Korean relations, with three inter-Korean Summit Meetings, but, continuing on from 2019 and 2020, there were no positive developments in inter-Korean relations in 2021. In a summary report on activities conducted at the 8th Congress of the WPK in January, it was reported that Chairman Kim stated that “inter-Korean relations have been brought back to the time before the publication of the Panmunjom Declaration (signed at the Inter-Korean Summit Meeting in April 2018),” while also adding that, “Depending on the south Korean authorities’ attitude, the north-south relations may return to a new starting point of peace and prosperity in the near future.” President Moon Jae-in, at a New Year’s press conference six days after the Congress of the WPK was held, stated that “A summit meeting (between the leaders of North Korea and the ROK) is possible anytime, anywhere, as long as it is beneficial to the development of inter-Korean relations,” and showed a positive attitude toward inter-Korean cooperation, including humanitarian cooperation. On July 27, the ROK Government and North Korea each announced that, as a result of exchanges through letters of friendship between the leaders of the two Koreas since April, they had agreed to restore the inter-Korean communication line and that communication had resumed. The inter-Korean communication line was then restored on July 27, but from August 10 the North Korean side ceased responding. In his speech at the UN General Assembly in September, President Moon Jae-in noted that 2021 will mark the 30th anniversary of the simultaneous admission of both Koreas to the United Nations, and stated that “Today, I once again urge the community of nations to mobilize its strengths for the end-of-war declaration on the Korean Peninsula and propose that three parties

of the two Koreas and the US, or four parties of the two Koreas, the US, and China come together and declare that the War on the Korean Peninsula is over.” In response to this, Chairman Kim reportedly said in his policy speech before the Supreme People’s Assembly on September 30 that “It is the invariable demand repeatedly explained by us to ensure the respect for each other and withdraw the partial view, unfair and double-dealing attitude, and hostile viewpoint and policies towards the other side before declaring the termination of war.” In the same speech, Chairman Kim expressed his intention to restore the inter-Korean communication line, which had been disrupted since August, and the inter-Korean communication line was restored on October 4. Furthermore, in his commemorative speech given on October 11 at Defense Development Exhibition “Self-Defense-2021,” it was reported that Chairman Kim said “If South Korea does not find fault with us in a stubborn manner and, if it does not pick a quarrel even with our exercise of national sovereignty, I assure that no tension will be caused on the Korean Peninsula” and that “Our arch-enemy is the war itself, not south Korea, the U.S., or any other specific state or forces.”

(C) China-North Korea and Russia-North Korea Relations

Since 2020, due to the spread of COVID-19, there was no travel by dignitaries between China and North Korea or between Russia and North Korea as before, but, on the occasion of the 100th anniversary of the founding of the Communist Party of China (CPC) in July and of the 60th anniversary of the signing of the China-DPRK Treaty of Friendship, Cooperation and Mutual Assistance, Chairman Kim and President Xi Jinping exchanged congratulatory messages.

Trade between China and North Korea, which accounts for approximately 90% of North Korea’s entire external trade excluding inter-Korean trade, had also significantly reduced due to traffic restrictions following the global spread of COVID-19,

however, on January 17, 2022, a spokesperson for the Ministry of Foreign Affairs of China said that, through friendly consultations between China and North Korea, the cross-border rail freight between Dandong, China and Sinuiju, North Korea had resumed.

(D) Other Issues

In 2021, a total of 18 drifting or wrecked wooden vessels presumed to be from North Korea were discovered (77 in 2020). The Government of Japan continues its effort to gather and analyze information, with great interest on relevant developments. In September 2020, a vessel that appeared to be an official North Korean vessel in Japan’s Exclusive Economic Zone (EEZ) in the west of the Yamatotai bank in the Sea of Japan was confirmed, and when this incident occurred the Ministry of Foreign Affairs conveyed Japan’s position to North Korea. Japan will continue to deal appropriately with these issues in close coordination among relevant ministries and agencies.

D Domestic Political Affairs and Economy

(A) Political Affairs

The 8th Congress of the WPK, which is the highest decision-making institution in the WPK, was held for eight days from January 5 to 12, 2021. It was the first time in approximately five years since the 7th Congress of the WPK that was held in May 2016. It was reported that, while emphasizing “people-first politics,” at the Congress of the WPK Chairman Kim gave an activity summary of achievements/reflections on the past five years and of future issues and mentioned the continuation of nuclear and missile development, external relations such as U.S.-North Korea relations, and inter-Korean relations. Personnel affairs such as the appointment of Chairman Kim to the post of “General Secretary of the WPK” were announced along with amendments to the Rules of the WPK, which include articulating to hold a Congress of the WPK once every five years. Afterwards, bearing in mind the implementation of the decisions

of the 8th Congress of the WPK, Chairman Kim continued his proactive activities, such as holding a Plenary Meeting of the Central Committee of WPK, Short Course for Chief Secretaries of City and County Party Committees, and a Conference of Cell Secretaries of the WPK.

In September, the 5th Session of the 14th Supreme People's Assembly was convened, and it was reported that Chairman Kim gave a policy speech for the first time since 2019, mentioning economic development, strengthening "national" defense capabilities, U.S.-North Korea relations, and inter-Korean relations. It was also reported that personnel matters for the State Affairs Commission were carried out, such as Kim Yo Jong's election as a member of the State Affairs Commission.

In December, the 4th Plenary Meeting of the 8th Central Committee of the WPK was held for five days, and it was reported that Chairman Kim, while describing 2021 as a "year of great victory" despite "severe trials," also mentioned the economy, emergency anti-epidemic projects, and the strengthening of "national" defense capabilities as challenges for 2022.

(B) Economy

China accounts for the largest trade amount in North Korea's foreign trade, but since 2020 the scale of China-North Korea trade has plummeted due to the impact of traffic restrictions following the global spread of COVID-19. It was reported that at the 8th Congress of the WPK in January 2021, Chairman Kim stated that the goals listed in the "the five-year strategy for the national economic development" presented at the 7th Congress of the WPK were unable to be achieved due to sanctions, natural disasters and the global health crisis, and it was reported that the new "five-year plan for the national economic development" (2021-2025) centered around self-reliance and self-sufficiency was presented. Regarding the situation in North Korea, it was reported that Chairman Kim mentioned the "decision to wage another more

difficult Arduous March" (April, Conference of Cell Secretaries of the WPK), and also described it as "the unprecedented difficulties" (October, a lecture to commemorate the 76th founding anniversary of the WPK).

The 4th Plenary Meeting of the 8th Central Committee of the WPK was held from December 27 to 31, 2021, and it was reported that Chairman Kim stated that the economic sector, which is the main front of socialist construction, should concentrate all its efforts on putting the "country's" economy on the growth orbit and providing the stabilized and improved living to the people by reenergizing the production as one of the tasks for 2022. Against this backdrop, on January 17, 2022, a spokesperson for the Ministry of Foreign Affairs of China said that, through friendly consultations between China and North Korea, the cross-border rail freight between Dandong, China and Sinuiju, North Korea had resumed.

(C) Response to COVID-19

North Korea has strengthened its epidemic prevention measures following the worldwide spread of COVID-19 since 2020. At the 8th Congress of the WPK in January 2021, it was reported that Chairman Kim stated that "anti-epidemic basis for coping with whatever world health crisis should be created," and that he continued to emphasize the need to thoroughly implement and strengthen measures to prevent the spread of infection. At the 7th National Conference of War Veterans on July 27, it was reported that Chairman Kim said, "the difficulties and obstacles caused by the world health crisis and the protracted blockade are no less harsh for us than those in the wartime situation." Furthermore, at the Third Enlarged Meeting of the Political Bureau of the 8th Central Committee of the WPK on September 2, it was reported that Chairman Kim stated that "The dangerous situation of the worldwide pandemic which keeps spiraling out of control demands tighter nationwide epidemic prevention," emphasizing that "All the Party organizations and officials

should re-examine the state anti-epidemic system and the work in this field, and conduct an intense political offensive to strain and awaken the epidemic prevention front once again.” The 4th Plenary Meeting of the 8th Central Committee of the WPK was held from December 27 to 31, 2021, and it was reported that, for one of the tasks for 2022, Chairman Kim stated that “the emergency epidemic prevention work should be made a top priority in the state work and it is the most important work to be powerfully conducted with no allowance given to slight slackness, pores and drawback.” As of February 2022, North Korea claims that no COVID-19 infections within North Korea have occurred.

E Other Issues

Defectors who have fled North Korea have to be kept in hiding to avoid being cracked down by the authorities in the countries where they are staying or to avoid being forcibly repatriated to North Korea. The Government of Japan is addressing the protection of and support for these North Korean defectors, in line with the purpose of the North Korean Human Rights Violation Act, taking into account a comprehensive range of factors, including humanitarian considerations, the safety of those concerned, and relations with the countries in which these defectors reside. Relevant ministries and agencies in Japan are closely working together to promote measures aimed at helping the settlement of defectors accepted by Japan.

(2) Republic of Korea (ROK)

A Japan-ROK Relations

(A) Bilateral Relations

The Republic of Korea (ROK) is an important neighboring country. The two countries have built a close, friendly and cooperative relationship based on the Treaty on Basic Relations between Japan and the Republic of Korea, the Agreement on the Settlement of Problem concerning Property and Claims and on the Economic Co-operation between Japan and the Republic of Korea, and

other relevant agreements that the two countries concluded when they normalized their relationship in 1965. In spite of the above, in 2021, situations unacceptable to Japan have continued, including the issue of former civilian workers from the Korean Peninsula (CWKs), the issue of comfort women, and the Takeshima dispute.

Under these circumstances, at the Japan-ROK Summit telephone call held on the occasion of the inauguration of Prime Minister Kishida in October, Prime Minister Kishida told President Moon Jae-in that Japan-ROK relations remain in an extremely difficult situation due to issues such as the issue of former CWKs and the issue of comfort women, and strongly urged the ROK to take appropriate actions based on Japan's principled positions on these issues. Prime Minister Kishida also stated that, under the harsh security environment in the region, it is essential to further deepen Japan-ROK and Japan-U.S.-ROK cooperation, such as in dealing with North Korea, and asked for continued support and cooperation on the abductions issue.

Additionally, amidst the travel of dignitaries between Japan and the ROK being severely restricted due to the impacts of COVID-19, communication through the diplomatic channels continued, including a total of three Japan-ROK Foreign Ministers' Meetings (including telephone calls), two consultations between Vice Ministers of Japan and ROK, and Japan-ROK Director-General-level consultations on multiple occasions.

(B) The Issue of Former Civilian Workers from the Korean Peninsula (CWKs)

The Agreement on the Settlement of Problem concerning Property and Claims and on the Economic Co-operation between Japan and the Republic of Korea, which is the core of the normalization of their relationship in 1965, stipulates that Japan shall supply to the ROK 300 million US dollars in grants and extend loans up to 200 million US dollars (Article I). In addition, the Agreement stipulates that the “problem concerning property, rights and interests of the two Contracting Parties

and their nationals (including juridical persons) and concerning claims between the Contracting Parties and their nationals [abridged] is settled completely and finally” and that “no contention shall be made” with respect to such claims (Article II).

However, on October 30 and November 29, 2018, the Supreme Court of the ROK gave final judgments ordering Japanese companies to pay compensation for damages to ROK nationals who were said to have worked for the companies during the World War II.

These Supreme Court judgments and related judicial procedures clearly violate Article II of the Agreement on the Settlement of Problem concerning Property and Claims and on the Economic Co-operation between Japan and the Republic of Korea and inflict unjustifiable damages and costs on the Japanese companies. Above all, the judgments completely overthrow the legal foundation of the friendly and cooperative relationship that Japan and the ROK have developed since the normalization of diplomatic relations. Such judgments are extremely regrettable and totally unacceptable.

In January 2019, the Government of Japan requested a diplomatic consultation with the Government of the ROK pursuant to Article III-1 in order to settle this issue in accordance with the dispute settlement procedures under the Agreement. However, the Government of the ROK failed to respond to the request. Additionally, the Government of Japan gave notice to the Government of the ROK in May 2019 that it would refer the dispute to arbitration in accordance with Article III-2 of the Agreement, but, although requested to comply with this, the Government of the ROK did not fulfill its obligations regarding the arbitration procedure stipulated in the Agreement, and, as a result, the arbitration board could not be constituted ¹⁵.

In the meantime, based on the plaintiffs’ petitions, the ROK courts have steadily advanced the

procedures for seizing and liquidating the assets of the Japanese companies, including September 27 and December 30, 2021 orders to sell the assets of Japanese corporations (special liquidation orders). The Government of Japan has repeatedly emphasized to the Government of the ROK that if the seized assets of Japanese companies were to be liquidated, it would lead to a serious situation for Japan-ROK relations and must be avoided, and renewed its call for the ROK to urgently provide a solution that is acceptable to Japan, including remedying the status of its breaches of international law.

The Government of Japan will continue to maintain communication through the diplomatic channel between Japan and the ROK, and will continue to strongly urge the ROK to take appropriate actions based on Japan’s principled positions on issues between the two countries, including the issue of CWKs.

The below Ministry of Foreign Affairs website details Japan’s Efforts on the Issue of CWKs.
https://www.mofa.go.jp/a_o/na/kr/page4e_000947.html



(C) The Issue of Comfort Women

Japan has sincerely dealt with the issue of comfort women as it has been a major diplomatic issue in Japan-ROK relations since the 1990s. The issue concerning property and claims between Japan and the ROK was settled “completely and finally” in 1965 through the Agreement on the Settlement of Problem concerning Property and Claims and on the Economic Co-operation between Japan and the Republic of Korea. However, from the perspective of facilitating feasible remedies for the former comfort women, the people and the Government of Japan cooperated to establish the Asian Women’s Fund in 1995, through which they carried out medical and welfare projects

¹⁵ See References on the Issue of Former Civilian Workers from the Korean Peninsula (CWKs)

and provided “atonement money” to each former comfort woman in Asian and other countries, including the ROK. In addition, successive Prime Ministers have sent letters expressing their “apology and remorse” to former comfort women. The Government of Japan has made every effort as mentioned above.

Furthermore, as a result of great diplomatic efforts, the Governments of Japan and the ROK confirmed that the issue of comfort women was “resolved finally and irreversibly” with the agreement reached at the Japan-ROK Foreign Ministers’ Meeting in December 2015. Directly after this Japan-ROK Foreign Ministers’ Meeting, the Japanese and ROK leaders also confirmed that they would take responsibility as leaders to implement this agreement and that they would deal with various issues based on the spirit of this agreement, and that the Government of the ROK committed to the agreement. This agreement was welcomed by the international community, including then UN Secretary-General Ban Ki-moon and the U.S. Government. In accordance with the agreement, in August 2016, the Government of Japan contributed 1 billion Japanese yen to “the Reconciliation and Healing Foundation” established by the Government of the ROK. As of December 31, 2021, the fund provided financial support to 35 out of 47 former comfort women who were alive at the time of the agreement, and to the bereaved families of 64 out of 199 former comfort women who were deceased at the time. The agreement has been received positively by many former comfort women.

However, in December 2016, a comfort woman statue¹⁶ was installed on the sidewalk facing the Consulate-General of Japan in Busan by a civic group in the ROK. Later, the Moon Jae-in administration was newly inaugurated in May 2017. Based on the results of the assessment made by the Taskforce to Review the Agreement on

Comfort Women Issue under the direct supervision of the Minister of Foreign Affairs of the ROK, Foreign Minister Kang Kyung-wha announced the position of the Government of the ROK on January 9, 2018, as follows: i) it will not ask for a renegotiation with Japan; and ii) the 2015 agreement, which fails to properly reflect the wishes of the victims, does not constitute a true resolution of the issue. In July 2018, the Ministry of Gender Equality and Family of the ROK announced that it would arrange a reserve budget to “appropriate the full amount” of the 1 billion Japanese yen contributed by the Government of Japan and contribute this amount to “the Gender Equality Fund.” In November 2018, the Ministry of Gender Equality and Family announced that it would proceed with its dissolution of “the Reconciliation and Healing Foundation” and has since moved ahead with the dissolution procedures. While the Government of the ROK, including President Moon Jae-in, repeatedly stated in public that it “will not abandon the agreement” and “will not ask for a renegotiation with Japan,” the moves to dissolve the Foundation are totally unacceptable for Japan in light of the 2015 Japan-ROK Agreement. Additionally, Japan has been objecting to the ROK having mentioned this issue at the United Nations Human Rights Council in recent years, even though the Japan-ROK Agreement confirms that the Government of Japan and the Government of the ROK refrains from accusing or criticizing each other regarding the comfort women issue in the international community, including at the United Nations.

Moreover, on January 8, 2021, in the lawsuit filed by former comfort women and others against the Government of Japan, the Seoul Central District Court of the Republic of Korea rendered a judgment which ordered the Government of Japan, inter alia, to pay compensation to the plaintiffs, denying the application of the principle of State immunity under international law. On January 23,

¹⁶ For the sake of practical convenience, they are referred to as “comfort woman statues.” However, the use of this term is not a reflection of the recognition that these statues correctly embody the reality of those women at that time.

2021, this judgment was confirmed.¹⁷ On April 21, in a similar lawsuit filed by former comfort women and others, the Seoul Central District Court dismissed the case, taking into account the principle of State immunity under international law, but on May 6, the plaintiffs appealed against the court's decision. Japan has repeatedly expressed its position that this lawsuit must be dismissed because it is not acceptable for the Government of Japan to be subject to the jurisdiction of the ROK in accordance with this principle of State immunity in international law. As mentioned above, the issue concerning property and claims between Japan and the ROK, including the issue of comfort women, was "settled completely and finally," with the Agreement on the Settlement of Problem concerning Property and Claims and on the Economic Co-operation between Japan and the Republic of Korea of 1965. Furthermore, it was confirmed that the issue of comfort women was "resolved finally and irreversibly" with the agreement between Japan and the ROK in 2015. Therefore, the judgment is extremely regrettable and absolutely unacceptable, as it is clearly contrary to international law and agreements between the two countries. Japan once again strongly urges the ROK to immediately take appropriate measures to remedy the status of its breaches of international law on its own responsibility as a country.

The Japan-ROK agreement in 2015 is an agreement between two countries, and abiding by promises made between two countries is the foundation of bilateral relations. The ROK has a responsibility to steadily implement the agreement not only to Japan but also to the international community.

As stated above, the Government of Japan has implemented all measures it committed to under the Japan-ROK agreement. The Government of the ROK itself also acknowledges that this agreement is an official agreement between the two governments and the international community is closely following the ROK's implementation of the agreement. The Government of Japan will continue to strongly urge the ROK to steadily implement the Japan-ROK Agreement (see page 35 for the handling of the comfort women issue in the international community).

The below Ministry of Foreign Affairs website details Japan's Efforts on the Issue of Comfort Women.

https://www.mofa.go.jp/policy/postwar/page22e_000883.html



(D) Takeshima Dispute

Regarding the dispute between Japan and the ROK concerning the territorial sovereignty over Takeshima, Takeshima is indisputably an inherent territory of Japan both in light of historical facts and based on international law. The ROK has continued its illegal occupation of Takeshima with no legal basis in international law, including stationing permanent security personnel. Japan has been keeping the world informed about Japan's position on the issue through various media,¹⁸ and has repeatedly lodged strong protests against the ROK over matters such as landing on the island by South Koreans including members of the ROK's National Assembly, and the ROK's military exercises and marine

¹⁷ See References on the Issue of Comfort Women

¹⁸ In February 2008, the Ministry of Foreign Affairs published a pamphlet entitled "Takeshima: 10 points to understand the Takeshima Dispute." Currently, it is available on the Ministry of Foreign Affairs' website in 11 languages: Japanese, English, Korean, French, German, Spanish, Portuguese, Arabic, Russian, Chinese and Italian. Furthermore, since October 2013, videos and flyers about Takeshima have been available on the Ministry of Foreign Affairs' website, and they are currently available in the above 11 languages. In addition, Japan has taken initiatives such as distributing a smartphone app that aims to increase awareness of the Takeshima issue. Further details are available on the website of the Ministry of Foreign Affairs here: <https://www.mofa.go.jp/region/asia-paci/takeshima/index.html>



researches.¹⁹ In particular, in 2021, the Ministry of Oceans and Fisheries of the ROK began to release real-time images of Takeshima on its website, members of the National Assembly of the ROK and the Commissioner General of the Korean National Police Agency landed on Takeshima, and military exercises and maritime surveys were also conducted on the island or its vicinity. The Government of Japan considers these activities unacceptable in view of Japan's position and lodged strong protests.

For a peaceful settlement of the Takeshima dispute, Japan proposed to the ROK that the issue be referred to the International Court of Justice (ICJ) in 1954, 1962 and 2012. However, the ROK rejected the proposal in all instances. Japan is determined to continue to engage in appropriate diplomatic efforts to settle the Takeshima dispute in a peaceful manner in accordance with international law.

(E) Update of Licensing Policies and Procedures on Exports of Controlled Items to the ROK

On September 11, 2019, the Government of the ROK requested bilateral consultations with Japan under the World Trade Organization (WTO) dispute settlement procedures, claiming the update by the Government of Japan of the operation of measures related to Japan's export to the ROK of three items for semiconductors (fluorinated polyimide, resist and hydrogen fluoride), and the system for requiring individual export licenses,²⁰ is in breach of the WTO Agreements. The Government of the ROK announced on November 22, 2019, that it suspended the effect of the notification of termination of the Agreement between the Government of Japan and the Government

of the Republic of Korea on the Protection of Classified Military Information (GSOMIA), and in doing so said that it would also suspend its WTO dispute settlement procedures while the Japan-ROK Export Control Policy Dialogue would be held as normal. Subsequently Export Control Policy Dialogues were held in December 2019 and March 2020. Despite the fact that the export control authorities of Japan and the ROK shared the view to resolve the issue through dialogue and communication, the Government of the ROK resumed WTO dispute settlement procedures on June 18, 2020, and the WTO Dispute Settlement Body decided to establish a panel on July 29, 2020.

(F) Exchanges and Travel

In 2018, the number of people making visits between the two countries was approximately 10.49 million people, but since March 2020, travel between Japan and the ROK significantly decreased due to the strengthening of border measures related to COVID-19, and in 2021, only approximately 30,000 people made trips between the two countries. Under such circumstances and with regard to phased measures toward resuming cross-border travel from October 8, 2020, the "Business Track" and "Residence Track" travel programs were started with the ROK, but, due to the spread of COVID-19 variants in Japan and overseas, the operation of these two tracks was suspended after January 14, 2021. Following this, since November 8, 2021 the restrictions on post-entry activities for vaccinated individuals and new entry restrictions for foreign nationals were relaxed under certain conditions, and, although new entry into Japan from the ROK resumed for

¹⁹ In August 2021, the Ministry of Oceans and Fisheries of the ROK began to release real-time images of Takeshima on its website. Also, in August, Representative Hong Suk-joon of the People Power Party landed on Takeshima and Commissioner General Kim Chang-ryong of the Korean National Police Agency did so in November. Furthermore, the ROK armed forces conducted military training related to Takeshima in June and December 2021. The Government of Japan immediately conveyed to the Government of the ROK that such an act was unacceptable and extremely regrettable in light of Japan's position on sovereignty over Takeshima, and strongly protested against the act.

²⁰ The Ministry of Economy, Trade and Industry announced the following updates on July 1, 2019: (1) the amendment of the Export Trade Control Order of the ROK (Note: The ROK was excluded from "Group A." A revised Cabinet ordinance entered into force on August 28 to effect this change) and (2) switching from bulk licenses to individual export licenses for Fluorinated polyimide, Resist and Hydrogen fluoride.

business persons and foreign students, the measures were suspended after November 30 due to the tightening of cross-border measures against the Omicron variant.

The Governments of Japan and the ROK share the view that, notwithstanding the challenging situation of the bilateral relations, exchanges between Japan and the ROK are important. In Japan, K-POP and related content is widely accepted, mainly among younger generations, and, particularly amidst the impacts of COVID-19 when citizens were asked to refrain from going out, Korean dramas and movies became widely popular amongst people of all ages. For the second consecutive year during the COVID-19 pandemic, the major Japan-ROK grassroots exchange program “Japan-Korea Exchange Festival” (Nikkan Koryu Omatsuri) was held online in both Tokyo and Seoul. The Government of Japan continues to work on promoting mutual understanding primarily between young people and building a friendly and cooperative relationship for the future through Japan’s Friendship Ties Programs (JENESYS 2021), and all exchange programs in 2021 were conducted online.

(G) Other Issues

The Governments of Japan and the ROK concluded Agreement between the Government of Japan and the Government of the Republic of Korea on the Protection of Classified Military Information (GSOMIA) in November 2016 in order to strengthen cooperation and coordination

between the two countries in the field of security and contribute to regional peace and stability. Afterwards, the agreement was automatically extended in 2017 and 2018. However, the Government of the ROK announced on August 22, 2019, its decision to terminate the GSOMIA in connection with Japan’s update of licensing policies and procedures on exports (see (E)) and notified the termination on the following day, August 23. Following this and after exchanges between Japan and the ROK, on November 22, the Government of the ROK announced that it would suspend the effect of the notification of termination of August 23. In view of the current regional security environment, the Government of Japan still considers it important for the Agreement to continue operating in a stable manner.

Sea of Japan is the only internationally established name for the sea area concerned, and the UN and governments of major countries such as the U.S. adopt Sea of Japan as the official name. Objections to this name, however, were first raised by the ROK and North Korea in 1992. Since then, the ROK and North Korea have been objecting to the name at the United Nations Group of Experts on Geographical Names (UNGEGN),²¹ the International Hydrographic Organization (IHO) and other international conferences. These assertions however are groundless, and Japan has firmly refuted these assertions each time they arise.²²

Furthermore, Japan has strongly requested the Government of the ROK through its diplomatic

²¹ A UN conference where experts on place names and geospatial information from each country discuss, from a technical point of view, the definitions of terms related to place names and the notion methods for place names. In 2017, the UN Conferences on the Standardization of Geographical Name, which had been held every five years, and the UN Group of Experts on Geographical Names, which had been held every two years, were integrated into the United Nations Group of Experts on Place Names (UNGEGN).

²² Ministry of Foreign Affairs website detailing the issue of the name of the “Sea of Japan”:
<https://www.mofa.go.jp/policy/maritime/japan/index.html>



channels to return cultural properties that were stolen and are currently in the ROK²³ to Japan as soon as possible, and Japan will continue to call on the ROK to take appropriate actions.

Other than these issues, Japan has provided supports and taken measures as much as possible from a humanitarian perspective in a wide range of fields, including responses for ethnic Koreans in Sakhalin,²⁴ addressing the issue of atomic bomb survivors living in the ROK,²⁵ and helping Hansen's disease patients admitted to sanitariums in the ROK.²⁶

B Japan-ROK Economic Relations

The total value of trade between the two countries amounted to approximately 9.30 trillion Japanese yen in 2021. Japan is the ROK's third largest trading partner, and the ROK is Japan's fourth largest trading partner. The ROK's trade deficit with Japan increased by approximately 16.9% from a year earlier, reaching approximately 2.25 trillion Japanese yen (Trade Statistics of Japan, Ministry of Finance). Japanese direct investment in the ROK totaled approximately 1.21 billion US dollars (up 52.8% from the previous year) (figures published by the ROK Ministry of Trade, Industry and Energy), making Japan the ROK's sixth largest source of foreign direct investment.

In November 2020, 15 countries, including Japan and the ROK, signed the Regional Comprehensive Economic Partnership (RCEP) Agreement, which is also the first Economic Partnership Agreement

(EPA) between Japan and the ROK. On December 3, 2021, the ROK deposited the ratification of the agreement with the depositary, the Secretary-General of ASEAN, and for the ROK the agreement entered into force on February 1, 2022.

Under WTO dispute settlement procedures, in November 2020 a panel found that the ROK's measures in "Korea – Sunset Review of Anti-Dumping Duties on Stainless Steel Bars" were in violation of the WTO Agreements and recommended that the measures be remedied, but in January 2021 the ROK filed a complaint with the WTO Appellate Body. Furthermore, in "Korea – Measures Affecting Trade in Commercial Vessels," bilateral consultations were requested in November 2018 and held in December 2018 (Subsequently, another round of consultations was requested to cover new support measures in the ROK, and they were held in March 2020.).

As for import restrictions on Japanese food products by the Government of the ROK, Japan is taking various opportunities to urge the ROK to remove the restrictions as soon as possible.

C Situation in the ROK

(A) Domestic Affairs

President Moon Jae-in, continuing from 2020, focused on the domestic policy response to COVID-19, including emphasizing the path toward recovery, inclusiveness, and a leap forward in his special speech on May 10, 2021 marking the start of his fifth year in office. In April a portion of

²³ After being stolen in Tsushima City, Nagasaki Prefecture in 2012 and shipped to the ROK, the "Kanzeon Bosatsu Statue" was collected and stored by the Government of the ROK. A Korean temple asserting ownership of the statue has filed a claim with the Daejeon District Court seeking to have the Government of the ROK hand over the statue, and in January 2017 the court issued a verdict of the first hearing to the plaintiff's side (the Korean temple). In response to this, the Government of the ROK appealed, and the matter is currently pending at the Daejeon High Court. The "Kanzeon Bosatsu Statue" is still being held by the Government of the ROK and has not been returned to Japan (as of the end of January 2022).

²⁴ For various reasons, before the end of World War II, people from the Korean Peninsula traveled to what was then known as Minami Karafuto (South Sakhalin) and were compelled to remain there for a long time after the war ended under the de facto rule of the Soviet Union, without being given the opportunity to return to the ROK. The Government of Japan is providing such people with support, such as to enable them to return home temporarily and to visit Sakhalin.

²⁵ This is the issue of provision of support to those who were exposed to the atomic bombs while living in Hiroshima or Nagasaki during World War II and subsequently went to live overseas. To date, Japan has provided support in the form of the Atomic Bomb Victim Health Handbook and allowances based on the Atomic Bombs Survivors' Assistance Act.

²⁶ In February 2006, the "Act on Payment of Compensation to Inmates of Hansen's Disease Sanatorium" was amended, and former residents of Hansen's disease sanatoriums outside of Japan, which were established by Japan before the end of World War II, were made eligible for compensation, similar to former residents of domestic sanatoriums. Additionally, in November 2019, the "Act on Payment of Compensation to Families of Former Patients of Hansen's Disease" was enacted, and the families of former inmates were also made eligible for compensation.

the Cabinet was reshuffled, including the appointment of Kim Boo-kyum, the former Minister of the Interior and Safety, as Prime Minister.

On April 7, mayoral special elections were held for the vacant mayoral offices of Seoul and Busan, two of the ROK's major cities, both of which were won by candidates from the largest opposition party, the People's Power Party. Prior to the special elections, soaring housing prices had become a social problem, particularly in large metropolitan areas such as Seoul. The victory of the opposition candidates is believed to have been due in part to a deterioration in public opinion toward the ruling party as a result of a real estate speculation scandal that involved employees at the Korea Land and Housing Corporation (LH).

In anticipation of the next presidential election, preliminary elections of each political party were held in the latter half of 2021 in the ROK. On October 10, the ruling Democratic Party elected Lee Jae-myung, then Governor of Gyeonggi province, as the party's presidential candidate. On November 5 the People's Power Party, the largest opposition party, elected former prosecutor general Yoon Seok-young as its presidential candidate. In opposition to the Moon administration's policies of prosecutorial reform, former prosecutor general Yoon resigned as prosecutor general on March 4 and joined the People's Power Party, the largest opposition party, on July 30. Voting for the presidential election was held on March 9, 2022, and former prosecutor general Yoon was elected. Preparations were made for the transition from the Moon administration, and former prosecutor Yoon is scheduled to assume the office of President on May 10, 2022 as the 20th President of the ROK.

Former President Roh Tae-woo passed away on October 26, 2021, and former President Chun Doo-hwan passed away on November 23, 2021.

(B) Foreign Policy

As vaccinations against COVID-19 began in earnest around the world in early 2021, the

Government of the ROK actively engaged in so-called "vaccine diplomacy." With vaccine swap agreements signed with the UK, Israel, and Romania, the Government of the ROK sought to use these as an opportunity to strengthen bilateral relations.

In parallel with these diplomatic initiatives that look toward the "post-COVID-19 era," relations with North Korea continued to be the most important issue for the Moon Jae-in administration. In an address to the UN General Assembly in September, President Moon Jae-in actively called for dialogue with North Korea, including a proposal for a "declaration to ending the War on the Korean Peninsula," but no progress was made in inter-Korean relations (see Inter-Korean relations in section C(B)).

As for relations with the U.S., President Moon Jae-in visited the U.S. in May, and held the first U.S.-ROK Summit Meeting with President Biden. At the summit meeting, the two leaders agreed to reaffirm their shared commitment to the complete denuclearization of the Korean Peninsula and to end the U.S.-ROK "Missile Guidelines," and they also agreed to establish the KORUS Global Vaccine Partnership to combat COVID-19. Additionally, U.S.-ROK Combined Command Post Training was conducted in March and August on a reduced scale due to the impacts of COVID-19. In 2021, following on from 2019 and 2020, the U.S. and ROK held two rounds of discussions for the 11th Special Measures Agreement (SMA) regarding the cost of stationing U.S. forces in the ROK after 2020, and in March 2021 the two countries agreed to a multi-year agreement with an effective period of six years (from 2020 to 2025).

With regard to relations with China, in April Foreign Minister Chung Eui-yong visited China for the first time since taking office and held a meeting at China-ROK Foreign Ministers' Meeting with State Councilor and Foreign Minister Wang Yi. In September, State Councilor and Foreign Minister Wang Yi visited the ROK and a Foreign Ministers' Meeting was held again. At both meetings, the

two countries reaffirmed their commitment to realizing the denuclearization of North Korea, and also agreed to promote the realization of Foreign and Defense Ministerial Meeting (2+2). However, President Xi Jinping's visit to the ROK, which both China and the ROK had coordinated, did not take place in 2021.

(C) Economy

In 2021, the GDP growth rate in Korea was 4.0% due to strong exports and private consumption, turning positive from the previous year when it fell to negative 0.9% due to impacts from the spread of COVID-19. The total amount of exports increased by 25.8% year on year to approximately 644.5 billion US dollars, while the total amount of imports increased by 31.5% year on year to approximately 615.0 billion US dollars, resulting in a trade surplus of approximately 29.5 billion US dollars (figures published by the Ministry of Trade, Industry and Energy).

As for domestic economic policies, the Moon Jae-in administration inaugurated in May 2017 has stressed the importance of "income-led growth" and "an employment-centered economy" revolving around people, and has significantly increased the minimum wage for two consecutive years since 2018. However, amidst such sharp rises drawing increased criticisms for causing job losses, in August 2021 the administration announced that the minimum wage in 2022 would be 9,160 won (up 5.1% year on year).

In recent years, the ROK has had a rapidly declining birthrate and aging population. In 2021, the total fertility rate was a record low of 0.81 children per woman, making the declining birthrate issue all the more serious.

The Moon Jae-in administration has implemented policies to curb real estate investment, but due to excessive demand associated with speculative home purchases by owners of multiple homes, condominium prices in Seoul have risen by approximately 70% in the four years since the administration was inaugurated. Real estate

prices continue to rise, and addressing this has become one of the most important issues for the administration.

In May, the Government of the ROK launched the "K-Semiconductor Strategy," which includes a variety of tax supports, tax credits, and human resource development, as a strategy aimed at building a stable domestic supply chain amidst the ongoing worldwide semiconductor supply shortages. Furthermore, in July the "K-Battery Development Strategy" was announced as a strategy to lead the global market amidst the remarkable growth of the battery industry in the ROK.

4 Southeast Asia

(1) Indonesia

As a major country in the Southeast Asia region with the fourth largest population in the world (at approximately 270 million people), Indonesia plays a leading role in the Association of Southeast Asian Nations (ASEAN). In addition, it has been showing initiative for various challenges facing the international community as a G20 member.

President Joko's second administration, which started in October 2019, is a stable administration where the ruling party occupies approximately 82% of the seats in the People's Consultative Assembly. This administration is working on (1) infrastructure development, (2) human resources development, (3) investment promotion, (4) bureaucratic reforms, and (5) appropriate execution of the state budget as its priorities. Indonesia's economic growth rate, which had consistently been maintained at around 5% in recent years, recorded negative growth in 2020 due to the impacts of COVID-19. As a strategic partner, Japan is actively promoting cooperation in infrastructure development and human resources development, which are priorities of the second Joko administration, and, in order to take measures against COVID-19 and strengthen Indonesia's health and medical systems, Japan is also providing assistance such as medical



Second Japan-Indonesia Foreign and Defense Ministerial Meeting ("2+2") (March 30, Tokyo)



Signing of the Japan-Indonesia Agreement concerning the Transfer of Defense Equipment and Technology (March 30, Tokyo)

equipment and approximately 6.88 million doses of COVID-19 vaccines (as of February 2022).

While international travel was restricted by the global spread of COVID-19, in 2021 Prime Minister Kishida held a Japan-Indonesia Summit telephone call (November) with President Joko, Foreign Minister Motegi met with Foreign Minister Retno four times (February, March, April, and June), and Foreign Minister Hayashi had a telephone call (December) with Foreign Minister Retno. At these meetings, Japan and Indonesia closely exchanged opinions on strengthening bilateral relations as well as on cooperation between the two countries on a variety of issues in the region and in the international community. Furthermore, Foreign Minister Motegi had face-to-face Japan-Indonesia Foreign Ministers' Meetings in March, June, and September to exchange views on bilateral relations as well as on regional affairs such as maritime issues and the situation in Myanmar.

Japan and Indonesia are also deepening their security cooperation, and in March Foreign Minister Motegi and Defense Minister Kishi held the Second Japan-Indonesia Foreign and Defense Ministerial Meeting ("2+2") in Tokyo with Foreign Minister Retno and Defense Minister Prabowo. On the occasion of this meeting, Foreign Minister Motegi and Defense Minister Prabowo signed the Agreement concerning the Transfer of Defense Equipment and Technology, which had been negotiated since 2015, and concurred to further deepen the bilateral security cooperation with the Agreement serving as its basis. The four Ministers also concurred that Japan and Indonesia will promote cooperation in the Sulu-Celebes Seas and surrounding areas as well as other maritime cooperation.

(2) Cambodia

Cambodia is located at a strategic point along the Southern Economic Corridor, and is a key country in strengthening connectivity and narrowing the development gap in the region. Cambodia had been averaging approximately 7% growth for the past 20 years, but GDP in 2020 was negative 3.1% due to the impacts of COVID-19. Japan has been cooperating with Cambodia by providing approximately 1.32 million doses of COVID-19 vaccines (as of February 2022).

Japan has cooperated on the peace process in Cambodia, through such actions as the deployment of full-scale PKO in 1992, which was the first time for Japan to do so, and on the subsequent



Japan-Cambodia Leaders' Video Conference (December 1, Tokyo; Photo: Cabinet Public Relations Office)

reconstruction and development after the achievement of peace. Bilateral relations were elevated to a “Strategic Partnership” in 2013. In November 2021 Foreign Minister Hayashi and Foreign Minister Prak Sokhonn held a telephone call, and in December Prime Minister Kishida and Prime Minister Hun Sen held telephone calls to exchange opinions on bilateral relations and regional affairs. As Cambodia is presiding over the ASEAN Chairmanship in 2022, both sides have agreed to cooperate for the success of the conference.

Regarding domestic affairs, the ruling Cambodian People's Party monopolized all seats in the 2018 National Assembly elections as the largest opposition, the Cambodia National Rescue Party, was dissolved in 2017. Following this, the Cambodian government announced measures to improve the democratic environment, such as promoting domestic dialogue and expediting judicial proceedings. As part of its efforts to boost Cambodia's democratic development, Japan has been supporting legal reform and implementing projects to promote dialogue between the government and civil society.

In the Khmer Rouge Tribunal, which Japan has been supporting for many years, the final hearing for the appeal in case 2-02 (former head of state as defendant) was held in August, and it is highly likely that the tribunal will be completed with a verdict scheduled for 2022.

(3) Singapore

Singapore is the most economically advanced country within ASEAN. Based on its omnidirectional foreign policy, the country maintains friendly relations with major countries including the U.S. and China.

In Singapore, the People's Action Party (PAP), led by Prime Minister Lee Hsien Loong, holds more than 90% of the seats from the 2020 general elections, and, with the basis of a stable political situation, is working to balance the economy and measures to combat COVID-19, including through promoting digitalization.



Parliamentary Vice-Minister for Foreign Affairs Kokuba meeting with Senior Minister of State, Ministry of Foreign Affairs and Ministry of Communications and Information Sim (August 11, Singapore)

Although COVID-19 has reduced the opportunities for high level officials to travel between Japan and Singapore, in 2021 telephone calls were held between Prime Minister Suga and Prime Minister Lee Hsien Loong in May, between Prime Minister Kishida and Prime Minister Lee in November, and between Foreign Minister Hayashi and Foreign Minister Balakrishnan in December, exchanging opinions on bilateral cooperation for a variety of regional issues. In terms of face-to-face meetings, the 15th Japan-Singapore Vice Minister-Level Policy Meeting was held in Tokyo in April to exchange opinions on bilateral relations and regional affairs. In August, Parliamentary Vice-Minister for Foreign Affairs Kokuba Konosuke visited Singapore and exchanged opinions with Senior Minister of State, Ministry of Foreign Affairs and Ministry of Communications and Information SIM Ann, on cooperation in measures to combat COVID-19 and in economic and security fields such as cooperation to realize a green society, digital cooperation, infrastructure cooperation in third-party countries, and maintaining and strengthening a multilateral free trade system. The two countries have worked together to provide developing countries with technical assistance through the “Japan-Singapore Partnership Program for the 21st

Century (JSP21),” which was signed in 1997. To date they have provided training approximately 400 courses with roughly 7,000 participants from ASEAN countries and other regions.

The Japan Creative Centre (JCC), which was opened in Singapore in 2009 as a platform to promote Japanese culture, distributed a variety of information and held events while taking measures against COVID-19 infections.

(4) Thailand

Thailand is one of the original member states of ASEAN, which was born of the “Bangkok Declaration” in 1967. It is located in the center of the Mekong region and is a geopolitically important country.

The establishment of diplomatic relations between Japan and Thailand dates back to the “Declaration of Amity and Commerce between Japan and Siam (Declaration of Amity)” in 1887. The current bilateral relations is a “Strategic Partnership” in which both countries cooperate not only bilaterally, but also in the region and the international community. In addition, as a result of many years of official development assistance and investment by private companies from Japan, Thailand has become a major production center for Japanese companies, including the automobile industry, and today Thailand is an indispensable part of the Japanese economy as a part of the global supply chain, with close to 6,000 Japanese companies operating in Thailand and more than 80,000 Japanese nationals living in Thailand.

Due to restrictions on travel following the spread of COVID-19, no in-person visits by dignitaries were conducted in 2021. Despite that, telephone calls were held between Prime Minister Suga and Prime Minister Prayut in April, between Prime Minister Kishida and Prime Minister Prayut in November, between Foreign Minister Motegi and Deputy Prime Minister and Minister of Foreign Affairs Don in March and August, and between Foreign Minister Hayashi and Deputy Prime Minister and Minister of Foreign Affairs



Fifth Meeting of the Japan-Thailand High Level Joint Commission (August 11)

Don in November. Furthermore, in August the Fifth Meeting of the Japan-Thailand High Level Joint Commission was held online as a place to exchange opinions for promoting cooperation in the economic fields of both countries. Foreign Minister Motegi and Deputy Prime Minister and Minister of Foreign Affairs Don served as co-chairs, the relevant ministries and agencies from both countries participated, and high-level exchanges continued.

On the domestic front of Thailand, against a background of economic and social disparities and the deterioration of the economic situation due to the spread of COVID-19, protests against the government and the monarchy have become active, especially among young people, and the unstable situation is continuing. Japan has been cooperating with Thailand to help stabilize its economy and society during the COVID-19 pandemic, such as by providing approximately 2.04 million doses of vaccines to Thailand (as of February 2022).

(5) Timor-Leste

Timor-Leste, the first country that achieved independence in the 21st century (in 2002), is strategically important in the Indo-Pacific region, and is situated in a critical sea lane between Australia and Indonesia. The country has realized peace and stability with the support of the international community and has been building the nation based on democracy. As its economy is highly dependent on natural resources such as petroleum and natural gas, the country has been

working to diversify its industry as a matter of the highest national priority. On the diplomatic side, Timor-Leste continues to work on coordination with ASEAN countries toward joining ASEAN, which is the most important diplomatic issue for Timor-Leste.

Japan has continued to support Timor-Leste since even before its independence, and maintained good relations with the country. In 2021 Japan provided food to areas affected by floods and COVID-19, and supported the training of young administrative officers. Additionally, Japan and Timor-Leste signed an exchange of notes on the development plan for Presidente Nicolau Lobato International Airport. In response to the spread of COVID-19, Japan has provided approximately 170,000 doses of COVID-19 vaccines (as of February 2022) and is also providing support such as provision of medical equipment.

(6) The Philippines

The Philippines had consistently maintained a high growth rate of 6% or more since 2012, but in 2020 a negative growth rate of 9.6% year on year was recorded due to the impact of restrictions on domestic economic activities that were introduced upon the spread of COVID-19. However, the growth rate bounced back to positive 5.6% in 2021, year on year. President Duterte maintained high public confidence in his COVID-19 control measures, and continued to exercise strong leadership in response to priority issues such as anti-corruption, public safety and counter-terrorism. As for the Mindanao Peace Process, which experienced delay in the decommissioning and disarmament work with the Moro Islamic Liberation Front (MILF) due to COVID-19, the Bangsamoro Organic Law was amended, and the efforts to conceive an autonomous government is continuing toward 2025.

Japan and the Philippines celebrated the 65th anniversary of the normalization of diplomatic relations and the 10th anniversary of the “Strategic Partnership” in 2021. While no dignitary visits

took place during the year due to the impacts of COVID-19, Summit telephone calls by Prime Minister Suga and Prime Minister Kishida with President Duterte, in May and in December were held respectively, alongside Foreign Ministers’ telephone calls by Foreign Minister Motegi and Foreign Minister Hayashi with Secretary of Foreign Affairs Locsin, in April and in December, to further strengthen Japan-Philippines relations which are in a “golden age.” They discussed bilateral relations and regional issues, and concurred on strengthening cooperation in the Sulu-Celebes Seas and their surrounding areas.

On the security cooperation front, the 4th Japan-Philippines Maritime Dialogue was held in October, to promote cooperation and exchange views on better maritime security, while deliberations are underway toward the launch of a Foreign and Defense Ministerial Meeting (“2+2”). Meanwhile, on the economic cooperation front, the 11th Meeting of the Japan-Philippines High Level Joint Committee on Infrastructure Development and Economic Cooperation was held, to affirm that Japan’s commitment of one trillion yen in public and private finances in five years from 2017 was fulfilled ahead of schedule, as well as to announce that Japan’s commitment to assisting the formulation of the Subic Bay Regional Development Master Plan was accomplished. Overall, Japan continues to render strong support to the Philippines’ “Build, Build, Build” infrastructure development program. In addition, as part of the response to COVID-19, Japan extended assistance to the Philippines to facilitate the vaccination system and to provide approximately 3.08 million doses of COVID-19 vaccines (as of February 2022).

(7) Brunei

Its abundance in natural resources has enabled Brunei to realize a high economic standard and generous social welfare. As such, the country enjoys political and economic stability. Although it is a constitutional monarchy and has a Legislative

Council, the Sultan concurrently serves as the Prime Minister, Minister of Finance and Economy, Minister of Defence and Minister of Foreign Affairs, and therefore holds an impressively strong authority. Located in the center of Southeast Asia, the country is one of the claimant countries in the South China Sea and has adopted a balanced diplomacy built on the pillar of promoting ASEAN unity and centrality.

Although Brunei's economic growth is expected to remain positive in 2021, supported by rising oil prices and oil refining operations via a joint oil refining venture with China, the Government of Brunei is aiming for economic diversification to avoid overreliance on energy resources.

As for relations with Japan, diplomatic relations were established in 1984, and the two countries have developed excellent bilateral relations in various areas. In addition, the two countries enjoy a close relationship between the imperial and royal families, and in 2019 His Majesty Sultan Haji Hassanal Bolkiah attended the Ceremony of the Enthronement of His Majesty the Emperor. Brunei is an important country for the stable supply of energy resources to Japan. Around 70% of Brunei's liquefied natural gas (LNG) exports are bound for Japan, and LNG from Brunei makes up around 5% of the total LNG import to Japan. Brunei served as the ASEAN Chairmanship in 2021, and against the backdrop of COVID-19, Japan worked closely with Brunei, holding seven Japan-Brunei Foreign Ministers' telephone calls and one face-to-face Japan-Brunei Foreign Ministers' Meeting with Minister for Foreign Affairs Erywan, who also serves as the ASEAN special envoy, and the two Ministers exchanged opinions on bilateral cooperation, important regional issues, and the situation in Myanmar in particular. Additionally, as support for measures against COVID-19, Japan provided approximately 100,000 doses of COVID-19 vaccines (as of February 2022), and also provided 50,000 medical N95 masks through the Asia-Europe Foundation (ASEF) stockpiling project that is funded by Japan.

(8) Viet Nam

Located next to sea lanes in the South China Sea and sharing a long border with China, Viet Nam is a geopolitically important country. Given that the country embraces the third largest population in Southeast Asia, and is experiencing a surge in the number of people in middle-income brackets, Viet Nam is a promising market. The country is currently striving to achieve stable economic growth through the stabilization of the macroeconomy including control of inflation, the promotion of foreign investment by the development of infrastructure and the improvement of the investment environment. Viet Nam served as the ASEAN Chairman in 2020 and as a non-permanent member of the UN Security Council from 2020 to 2021, expanding its role in the international community.

Japan and Viet Nam have been advancing cooperation in a variety of areas under the Extensive Strategic Partnership for Peace and Prosperity in Asia. High-level exchanges between the two countries were actively conducted even amidst the COVID-19 pandemic, and between March and September 2021, there were a total of six telephone calls between the two countries' leaders, legislative presidents, and foreign ministers. In November, Prime Minister Chinh visited Japan as the Kishida administration's first visit from a foreign head of state as a Guest on an official working visit. At the Japan-Viet Nam Summit Meeting, the two leaders confirmed (1) Additional donations of COVID-19 vaccines (7.35 million doses of COVID-19 vaccines have already been provided as of the end of February 2022) and cooperation in COVID-19 measures such as public-private collaboration in cooperative vaccine development, (2) Cooperation for post-COVID-19 economic revitalization, such as the DX Initiative between Japan and Viet Nam, the Supply Chain Diversification Initiative, and improving the environment around Vietnamese technical intern trainees, (3) Cooperation on common issues of the international community, such as climate change,



Japan-Viet Nam Summit Meeting (November 24, Tokyo)

(4) Cooperation in the fields of cyber security and hygiene, and in security fields such as improving maritime security capabilities, and (5) Strengthen cooperation toward 2023, the 50th anniversary of the establishment of diplomatic relations between Japan and Viet Nam. Viet Nam has essentially been a country with great affinity toward Japan. The number of Vietnamese visiting Japan grew from about 40,000 in 2011 to over 490,000 in 2019. The number of Vietnamese living in Japan rose from about 40,000 in 2011 to about 430,000 at the end of December 2021, the second largest group of foreign residents after China.

(9) Malaysia

Comprised of the Peninsular Malaysia of the Malay Peninsula and East Malaysia of Borneo, Malaysia is a geopolitically important country facing the South China Sea and the Strait of Malacca that is situated in a crucial spot in the Indian Ocean and Pacific Ocean. In addition, it is a federal state comprised of 13 states and three federal territories, and also a multiethnic state comprised of Bumiputra (Malay including indigenous peoples) (69%), Chinese (23%) and Indian people (7%), among others.

Prime Minister Ismail Sabri, who took office in August 2021, is focusing on measures to combat COVID-19 and on economic recovery while stabilizing domestic politics.

Japan has been promoting cooperation, including in the security and economic fields, based on the “Strategic Partnership,” and, in 2021, Japan provided Malaysia with approximately one million doses of COVID-19 vaccines, cold chain equipment for vaccines, and medical equipment. Although the number of high level officials’ visits between the two countries decreased compared to previous years due to the impacts of COVID-19, there were telephone calls between Prime Minister Kishida and Prime Minister Ismail Sabri in December, as well as between Foreign Minister Hayashi and Foreign Minister Saifuddin in December, and, they exchanged opinions on cooperation between the two countries on regional and international issues, in addition to strengthening bilateral relations.

In the field of human resources development, through the Look East Policy, which serves as a foundation for the good bilateral relationship between Japan and Malaysia and was begun by Prime Minister Mahathir in 1982, more than 26,000 Malaysian people have studied or have been trained in Japan so far. The policy is celebrating its 40th anniversary in 2022, so further exchanges between the two countries are expected (see the Column on page 75). The two countries have been cooperating in making the Malaysia Japan International Institute of Technology (MJIIT), which was opened in September 2011, a base for Japanese-style engineering education in ASEAN countries. In addition, discussions are being held to establish a branch school of the University of Tsukuba in Malaysia, and, if realized, it will be the first overseas branch school to be established by a Japanese university. On the economic front, roughly 1,500 Japanese companies have been operating in Malaysia, which demonstrates a continued close relationship between the two countries.

The 40th anniversary of the Look East Policy

2022 marks the 40th anniversary of Malaysia's Look East Policy.

The Look East Policy was proposed by then-Prime Minister Mahathir and began in 1982. Believing that the Japanese work ethic, enthusiasm for learning and working, morals, and management skills were the driving force behind Japan's development, he advocated for learning these from Japan in order to develop Malaysian economy and society.

Under the Look East Policy, a large number of students have been dispatched to Japanese universities and technical colleges. In addition, Japanese private companies, local governments and the Japan International Cooperation Agency (JICA) have accepted trainees and helped them to acquire industrial technologies and management skills.

The Look East Policy is mainly funded by the Government of Malaysia, but Japanese yen loans enabled the programs to continue when Malaysian public finances faced difficulties caused by the Asian Financial Crisis in the late 1990s.

The policy has continued through successive administrations in Malaysia, and has sent more than 26,000 students and trainees to Japan under this policy. The human resources nurtured by the Look East Policy have not only supported the development of industry and society in Malaysia, but also played an important role as a bridge between Japan and Malaysia. Developing people, who have familiarity and affinity with Japan over many years under this policy is likely to be one reason that Malaysia is now clearly one of the friendliest countries to Japan.

More than half of the Under-Secretary level officials of Malaysian government ministries and agencies have experienced studying or training in Japan including those under the Look East Policy (as of December 2021). Many of those who are succeeding in the business community have either studied or been trained in Japan. The people with Japanese skills and a good knowledge of Japanese work ethics have been encouraging Japanese companies to start business in Malaysia, and thus further producing those who are well-versed in Japan through training programs implemented by each company. Such process is a virtuous cycle of human resource development.

The spirit of the Look East Policy, that is, the development of the economy and society through human resource development, is still meaningful. On the other hand, the Look East Policy has been evolving through adapting to the issues and needs that are changing in response to the changes in society. Japan has not only welcomed students and trainees from Malaysia under the Look East Policy, but also provided assistance for human resource development in Malaysia. The Government of Japan has expanded support from the area of

job training such as assistance for the Centre for Instructor and Advanced Skill Training (CIAST) in the 1980s, to the field of higher education including assistance to establish the Malaysia-Japan International Institute of Technology (MJIT) in the 2010s as well as to the opening of the University of Tsukuba's branch campus in Malaysia - the first ever branch of a Japanese university abroad.

Through many commemorative events planned in 2022, the Government of Japan will reinforce ties with the various stakeholders and organizations that have contributed to nurturing cooperation between Malaysia and Japan over the past 40 years, which Japan hopes will lead to developing the long-lasting friendship and cooperative partnership between both countries.



Logo of the 40th anniversary of the Look East Policy



Graduation ceremony at the University of Malaya for students at the Special Preparatory Program to enter Japanese universities under the Look East Policy (February 2020)

(10) Myanmar

A general election was held in Myanmar in November 2020, and the National League for Democracy (NLD) won an overwhelming victory. However, after the general election, the Myanmar Armed Forces asserted that there was election fraud, such as duplication of voter list information. The Government of Myanmar did not accept these claims, and before dawn on February 1, 2021, the Myanmar Armed Forces detained NLD leaders, including State Counsellor Aung San Suu Kyi. On the same day, the acting president declared state of emergency and delegated full authority to Senior General Min Aung Hlaing. The people opposed the Myanmar Armed Forces' coup d'état, and the Civil Disobedience Movement (CDM) spread nationwide. Demonstrations of tens of thousands of people were held on consecutive days in addition to boycotts by officials at public institutions. In response, the Myanmar Armed Forces and the Myanmar Police Force suppressed the protestors by shooting at them.

Japan has grave concerns about the situation in Myanmar. In addition to the statement issued by the Foreign Minister on the day of the coup d'état, Japan has urged the Myanmar Armed Forces to immediately cease the violence against civilians, to release detainees including State Counsellor Aung San Suu Kyi, and to swiftly restore the democratic political system. Additionally, at the Mekong-Japan Foreign Ministers' Meeting in August, Foreign Minister Motegi strongly urged Myanmar to release the detained persons and to swiftly restore Myanmar's democratic political system. Based on the belief that it is important to support ASEAN's efforts to overcome the situation in Myanmar and to achieve concrete results from the "Five-Point Consensus" agreed at the ASEAN Leaders' Meeting held in April, Japan is working closely with ASEAN to realize the dispatch of ASEAN's Special Envoy as well as dialogue with all parties concerned, including pro-democracy forces.

In the international arena, the coup d'état and

violence were condemned by the G7 in two G7 Foreign Ministers' Statements, and the G7's position on Myanmar was also clarified in the G7 Foreign and Development Ministers' Meeting Communiqué and in the Carbis Bay G7 Summit Communiqué. At the UN, Japan has been cooperating with the international community participating in consensus (unanimous adoption by all members of the Council) on Human Rights Council resolutions (in February, March, and July) on the situation in Myanmar, participating as a co-sponsor of the resolution in February, voting in favor of the UN General Assembly resolution on Myanmar in June after participating as a co-sponsor, and co-sponsoring a resolution in November at the United Nations General Assembly Third Committee. Furthermore, in March Japan condemned the violence by the Myanmar Armed Forces in a Joint Statement of Chiefs of Defense.

Since February 1, Japan has been actively providing humanitarian assistance through international organizations to directly benefit the people of Myanmar, including 9 million US dollars via the ICRC and WFP for internally displaced persons from Rakhine State and 2.09 million US dollars via UNICEF for cold chain support in March, 4 million US dollars in May via WFP for food aid, and 5.8 million US dollars in July via the UNHCR, WFP, and UNICEF for emergency grant aid, for a total of 20.89 million US dollars in aid provided to Myanmar citizens who are in need due to the coup d'état. In addition, Japan is also providing support for COVID-19-related measures, such as the provision of oxygen concentrators. Japan will take necessary measures while closely monitoring the situation.

(11) Laos

Laos is a land locked country bordering all of the countries in the Mekong region, and therefore is a key country for Mekong connectivity. In domestic affairs in 2021, the 11th Congress of the Lao People's Revolutionary Party (LPRP) was convened in January, and Prime Minister Thongloun

was elected as General Secretary of the party. In February the 9th National Assembly election was held, and, at the first session of the National Assembly at the end of March, Prime Minister and General Secretary Thongloun was appointed as President and General Secretary, Vice President Phankham was appointed as the Prime Minister, and the new structure of the Party and government for the next five years was solidified. On the economic front, in August the National Assembly approved a new national agenda on economic and financial issues in addition to the existing five-year national socioeconomic development plan, and specific numerical targets, including a return to economic growth of 4%, were also set. In November, the UN General Assembly approved Laos' graduation from Least Developed Country (LDC) status, and Laos is expected to fully transition out of LDC status after a five-year transition period.

In April a Japan-Laos Summit telephone call was held, followed by the announcement of the "Action Plan for Advancement of Strategic Partnership between the Lao PDR and Japan," which will serve as a guideline for cooperation over the next five years. As part of the COVID-19-related cooperation under the plan, Japan has so far provided approximately 940,000 doses of COVID-19 vaccines (as of February 2022). In addition, Japan has provided a variety of support in line with local needs, such as providing freezers for vaccine storage as part of its "Last One Mile Support" and providing oxygen concentrators and other medical equipment as emergency grant aid. In terms of cultural exchange, progress was made in the strategic partnership between both countries even during the COVID-19 pandemic, such as the online Laos Festival that was held in September. In January 2022, Foreign Minister Hayashi held a telephone call with Foreign Minister Saluemxay, and the two foreign Ministers confirmed the expansion and deepening of the relationship between the countries through the implementation of the "Action Plan for Advancement of

Strategic Partnership between the Lao PDR and Japan."

5 South Asia

(1) India

Geopolitically, India is an extremely important country as it is positioned at the center of sea lanes in the Indian Ocean that connect Asia and Africa. Additionally, India is the third largest economy in Asia, with the world's second largest population and a huge middle-income group. In recent years, India has been implementing a variety of economic initiatives, including "Make in India," and has been realizing steady economic growth. Although India's economy has substantially contracted due to the spread of COVID-19, it is aiming for an economic recovery through the promotion of its manufacturing industry with the new "Self-reliant India" campaign, and real GDP is recovering to pre-COVID-19 levels. In diplomatic relations, the "Act East" policy has been laid down in implementing active diplomacy to promote concrete cooperation in the Indo-Pacific region, thereby enabling India to gain more influence in the international arena as a global power.

Japan and India are the two largest democratic countries in Asia, sharing common fundamental values, such as democracy and the rule of law, as well as strategic interests, and under the "Japan-India Special Strategic and Global Partnership," have broadly deepened cooperation in their economies, security, people-to-people exchanges, etc.



Japan-India Summit Meeting
(September 23, U.S.; Photo: Cabinet Public Relations Office)

The Japan-India relationship is blessed with the greatest potential for development of any bilateral relationship in the world, and its importance is increasing as the uncertainty of the existing international order increases. Additionally, India is an important partner in realizing a “Free and Open Indo-Pacific (FOIP),” and multilateral cooperation, such as between Japan, Australia, India and the U.S., is progressing. The deepening of bilateral and multilateral cooperation between Japan, which faces the Pacific Ocean, and India, which is located in the center of the Indian Ocean, will greatly contribute to the peace and prosperity of the Indo-Pacific region. India is also an indispensable player in building the economic order in the Indo-Pacific region, and in that sense, it is expected that India will return to the RCEP Agreement in the future.

In 2021, amidst the response to COVID-19, Japan and India continuously had high-level exchanges of views, including Japan-India Summit meetings and telephone calls. At the Meeting of G7 Foreign and Development Ministers held in the UK in May, a Japan-India Foreign Ministers’ Video Teleconference Meeting was held, and in September, Prime Minister Suga and Prime Minister Modi held a face-to-face Japan-India Summit Meeting during Prime Minister Suga’s visit to the U.S. to attend the Second Japan-Australia-India-U.S. Summit Meeting. At the October summit telephone call held immediately after Prime Minister Kishida assumed the office of Prime Minister and at the November Foreign Ministers’ telephone call held immediately after Foreign Minister Hayashi assumed the office of Foreign Minister, the leaders confirmed that Japan and India, as well as Japan, Australia, India and the U.S., would work closely toward the realization of a FOIP. They also looked ahead to 2022, the 70th anniversary of the establishment of diplomatic relations between Japan and India, and agreed to raise the “Japan-India Special Strategic and Global Partnership” to an even higher level. In July, with Prime Minister Modi in attendance, a

launch ceremony was held for the “International Cooperation and Convention Center in Varanasi,” which was constructed via grant aid from Japan, and Prime Minister Suga sent a video message in which he expressed the hope that it would become a symbol of the friendship between Japan and India. Moreover, numerous working-level discussions between Japan and India have been realized. In January, there was a joint committee established based on the Comprehensive Economic Partnership Agreement, in February, there were disarmament and non-proliferation talks, in September, there was a Maritime Dialogue and a Joint Committee Meeting on High-Speed Rail Project, and in November, there was a Space Dialogue teleconference.

Additionally, in response to the serious spread of COVID-19 in India since April, Japan cooperated in strengthening India’s health and medical systems by providing ventilators and oxygen concentrators to India.

(2) Pakistan

Pakistan is situated in a strategic location connecting Asia and the Middle East. Thus, its political stability and economic development are essential for the stability and growth of the region. Pakistan is also one of the most important countries in the context of international counter-terrorism measures. Furthermore, the country embraces a population of more than 200 million, and approximately 65% of the total population is under 30 years old, thus making its economic potential high. In foreign relations, the India-Pakistan relationship has remained tense since August 2019 when the Government of India decided to revoke Article 370 of the Constitution, which recognized the special status of Jammu and Kashmir. Under the “All Weather Strategic Cooperative Partnership,” the relationship with China has been enhanced in a wide range of fields toward the construction of an economic corridor between China and Pakistan (CPEC), which is an important constituent element of China’s “Belt and

Road” initiative. Regarding the relationship with the U.S., U.S. forces withdrew from Afghanistan in August, and, as U.S.-Pakistan relations had been centered around Afghanistan-related responses, it is worth paying attention to see how the relationship develops. Pakistan places great importance on its relationship with Afghanistan because Afghanistan’s stability is directly linked to Pakistan’s stability, and, even after the change in the situation in Afghanistan in August, Pakistan has been actively pursuing diplomacy, including relations with the Taliban, such as by hosting the Council of Foreign Ministers of the Organization of Islamic Cooperation (OIC) in December. On the economic front, Pakistan’s growth rate had fallen due to the impacts of COVID-19 but is now on a recovery trend. The Khan administration has faced a serious shortage of foreign currency reserves since its inauguration in 2018, and has been working on the implementation of IMF programs.

With regard to relations with Japan, in addition to Foreign Minister Motegi holding a Japan-Pakistan Foreign Ministers’ Meeting with Foreign Minister Qureshi on the occasion of the UN General Assembly in September, discussions have been held at the working level to maintain and strengthen bilateral relations, such as a High-Level Economic Policy Dialogue that was held in March and a Security Dialogue that was held in June in the teleconference format. When the situation in Afghanistan deteriorated, Japan received cooperation from Pakistan for the safe departure from Afghanistan of Japanese nationals and local embassy and JICA staff.

Additionally, Japan has provided grant aid to Pakistan in the fields of health, water hygiene, and disaster prevention, etc., and has also provided cold chain development support and debt relief measures as support in the fight against COVID-19.

(3) Bangladesh

Bangladesh, in which Muslims account for

around 90% of the population, is a democratic country located in the Bay of Bengal and is geopolitically very important as an intersection between India and ASEAN. In terms of diplomacy, with the deterioration in peace and order in Rakhine State of Myanmar since August 2017, more than 700,000 displaced persons have flooded into Bangladesh, but their return has not yet been realized. There are concerns that their prolonged displacement will put a growing burden on the host community and that local peace and order will deteriorate. On the economic front, Bangladesh maintained positive growth despite being impacted by COVID-19, and, in FY2020, achieved an economic growth rate of 3.51%. With a population of around 165 million people, Bangladesh has a production base with abundant low cost and high-quality labor, and the high potential of its market from considerable infrastructure demand is continuing to attract attention. The number of Japanese affiliated companies developing business in the country has increased from 61 in 2005 to 329 in 2020. However, the securing of a stable supply of electric power as well as infrastructure improvement remain as challenges for foreign companies investing in the country.

As for relations with Japan, after the Third Japan-Bangladesh Foreign Secretary Level consultation held online in February, in June, Foreign Minister Motegi and Foreign Minister Abdul Momen held a Japan-Bangladesh Foreign Ministers’ telephone call, and, in addition to confirming cooperation for bringing COVID-19 to a close and for further strengthening diplomatic relations toward the 50th anniversary in 2022 of the establishment of diplomatic relations, the Ministers had a close discussion on how to deal with the problem of the displaced persons from Rakhine State in Myanmar.

Additionally, Japan provided an emergency support loan of 40 billion Japanese yen to support Bangladesh’s response to COVID-19 and also provided approximately 4.55 million doses of Japanese-made AstraZeneca COVID-19 vaccines via the COVAX Facility by the end of 2021, for

which Bangladesh expressed its gratitude. In this way, Japan is continuing its efforts to strengthen bilateral relations with Bangladesh, which has been friendly toward Japan.

(4) Sri Lanka

Sri Lanka is situated in a strategic location on the sea lanes in the Indian Ocean. The country is traditionally one of the friendliest countries to Japan and its geopolitical and economic importance is note-worthy. With regard to domestic politics, after President Gotabaya Rajapaksa was elected in the November 2019 presidential election, in the general election which was postponed to August 2020 due to the impact of COVID-19, the ruling Sri Lanka Podujana Peramuna party led by Prime Minister Mahinda Rajapaksa won with 145 seats, greatly exceeding a majority (113 seats) in parliament. On the economic front, after the end of the conflict, the economy of Sri Lanka was growing at an annual rate of 7% and maintained steady annual growth of over 3% in recent years. In 2020, the economy was depressed due to the impacts of COVID-19, but it has been on a recovery trend, with positive growth of 4.3% in the first quarter of 2021 and positive growth of 12.3% in the second quarter. Further growth is expected based on the recovery from negative growth in 2020 and on the country's geopolitical importance and access to the Indian market. As for relations with Japan, bilateral relations are being maintained and strengthened, such as through the 2nd Japan Sri Lanka Senior Official Level Policy Dialogue in February and the teleconference meeting between Defense Minister Kishi Nobuo and President Rajapaksa (concurrently serving as Defense Minister).

In terms of support for measures against COVID-19 and in response to requests by Sri Lanka, by the end of 2021, Japan has provided 1.46 million doses of Japanese-made AstraZeneca COVID-19 vaccines via the COVAX Facility and has provided cold chain development support, for which Sri Lanka expressed its gratitude.

(5) Nepal

Nepal has geopolitical importance as an inland state in South Asia between the great powers of China and India. In domestic affairs, Sher Bahadur Deuba, the President of the Nepali Congress Party, was appointed as Prime Minister in July and a new government was inaugurated. On the economic front, the new administration is prioritizing the reconstruction of industries impacted by COVID-19 and the development of infrastructure to improve the investment environment. For many years, Japan has been a major donor to Nepal and the two countries have traditionally built friendly relations through a variety of exchanges including between the imperial family and the former royal family, and through mountaineering.

Nepal has been impacted by the spread of COVID-19, and by the end of 2021, Japan has provided Nepal with 1.61 million doses of Japanese-made AstraZeneca COVID-19 vaccines via the COVAX Facility and has also provided cold chain development support.

In April, Japan also exchanged notes regarding grant aid to provide health and medical equipment (for MRIs and CTs, etc.) that contributes to preventing underlying diseases from worsening, and has additionally been providing debt relief through the Debt Service Suspension Initiative and supporting Nepal through international organizations to prevent the spread of COVID-19. Nepal has expressed its gratitude for such support from Japan. In December, the International Conference on Nepal's Reconstruction 2021 was held in Kathmandu, and Parliamentary Vice-Minister for Foreign Affairs Honda Taro sent a video message on Japan's reconstruction assistance in Nepal after the April 2015 earthquake.

(6) Bhutan

Bhutan sets Gross National Happiness (GNH) as a guideline of the administration and is working on the priority issues of reducing poverty, improving the quality of healthcare and education, gender equality, the preservation of the environment,

culture and traditions, stabilization of the macroeconomy, etc., under the 12th Five-Year Plan (from July 2018 until June 2023). Since the outbreak of COVID-19, Bhutan has introduced strict border control measures to prevent the spread of COVID-19.

Bhutan has traditionally been friendly toward Japan, and there is a rich history of exchanges between the Japanese Imperial and Bhutanese Royal families. Amid concerns about the impact of COVID-19, Japan provided Bhutan with support for the development of a cold chain for vaccines.

(7) The Maldives

Situated in a strategically important location in the Indian Ocean, the Maldives is an important partner to Japan in achieving a “Free and Open Indo-Pacific.” Economic growth in the Maldives is mainly led by fishing and tourism, which account for about 30% of GDP, and the country’s per-capita GDP has reached the highest level in South Asia. However, the economy in 2020 sharply fell due to the spread of COVID-19, primarily from the shock to the tourism industry, but in 2021, the economy turned to positive growth. In domestic affairs, the Solih administration was launched in November 2018. In the parliamentary election held in April 2019, the ruling Maldivian Democratic Party (MDP) captured two-thirds of the seats in parliament, thus solidifying the political footing of the administration of President Ibrahim Mohamed Solih. Since his inauguration, President Solih has been promoting a foreign policy of strengthening cooperation with every country that hopes to build mutually beneficial relations, and of advancing cooperation with other countries in the region including India.

Regarding relations with Japan, in June, Foreign Minister Motegi and Foreign Minister Abdulla Shahid held a Japan-Maldives Foreign Ministers’ telephone call and, when Foreign Minister Shahid visited Japan in August as the President of the 76th session of the United Nations General Assembly, he paid a courtesy call to Prime

Minister Suga and had a meeting with Foreign Minister Motegi. Additionally, in response to the spread of COVID-19 within the Maldives, Japan has provided approximately 110,000 doses of Japanese-made AstraZeneca COVID-19 vaccines via the COVAX Facility by the end of 2021 and has provided cold chain development support, for which the Maldives expressed gratitude. In these ways, such efforts are continuing to strengthen bilateral relations.

6 Oceania

(1) Australia

A Brief Summary and Overview

In the Foreign Policy White Paper issued by the Australian Government in November 2017, it was announced that as the guidelines for foreign policy of the next 10 years, Australia will, among others, promote an open, inclusive and prosperous Indo-Pacific region, oppose protectionism, promote and protect international rules, while also strengthening cooperation with partners including Japan. This foreign policy has continued to be upheld even after Prime Minister Scott Morrison replaced Prime Minister Malcolm Turnbull in August 2018.

With the region facing a variety of issues, the “Special Strategic Partnership” between Japan and Australia, which share fundamental values and strategic interests, is more important than ever. The two countries’ strategic visions toward maintaining and strengthening a free and open international order based on the rule of law in the Indo-Pacific region are aligned in wide-ranging areas. With the Prime Ministers’ annual mutual visits and close coordination between the Foreign Ministers serving as the basis, the two countries have been further deepening multi-layered cooperation and collaboration in all areas toward stability and prosperity of the international community. Furthermore, multilateral coordination and partnerships such as the Japan-U.S.-Australia, and Japan-U.S.-Australia-India relations are being steadily strengthened.

The two countries are promoting free trade, including the TPP11 Agreement and the Regional Comprehensive Economic Partnership (RCEP) Agreement. Australia is the fifth largest trading partner for Japan, and Japan is the third largest trading partner for Australia. The two countries are further developing mutually complementary economic relations based on the Japan-Australia Economic Partnership Agreement (EPA), which marks the seventh anniversary of its effectuation, the TPP11 Agreement that entered into force at the end of 2018, and the RCEP Agreement that entered into force in January 2022.

At the June Japan-Australia Summit Meeting between Prime Minister Suga and Prime Minister Morrison, the two leaders affirmed their intention to steadily enhance security cooperation between their countries, and to raise bilateral relations to a higher level. The two leaders also welcomed the announcement of the “Japan-Australia Partnership on Decarbonisation through Technology” including supporting energy transitions in Asia and other regions, and affirmed the importance of enhancing bilateral economic relations together in the public and private sectors. Immediately after Prime Minister Kishida assumed the office of Prime Minister, at the October Japan-Australia Leaders Video Teleconference Meeting, the two leaders confirmed that they would further strengthen the Japan-Australia “Special Strategic Partnership” and continue to work together toward the realization of a “Free and Open Indo-Pacific (FOIP).” Regarding bilateral relations, the two leaders affirmed that they would further (1) deepen the cooperation in security and defense and economy areas, (2) strengthen cooperation with allies and like-minded countries, including through Japan-Australia-India-U.S. cooperation, in order to contribute to the peace and prosperity in the Indo-Pacific, and (3) cooperate on global issues including climate change.

At the Japan-Australia Leaders Video Teleconference Meeting in January 2022, the two leaders welcomed the signing of the



Japan-Australia Leaders Video Teleconference Meeting (January 6, 2022, Tokyo; Photo: Cabinet Public Relations Office)

Japan-Australia Reciprocal Access Agreement (RAA). Prime Minister Kishida showed his recognition that security and defense cooperation between Japan and Australia continue to be a model case for Japan to strengthen security and defense cooperation with other countries. The two leaders exchanged opinions on security and defense cooperation, regional affairs, working together with allies and like-minded countries, disarmament/non-proliferation, and the economy, and they shared the view that Japan and Australia will further strengthen bilateral relations and embody their commitment toward the realization of a FOIP.

Between foreign ministers, in May, Foreign Minister Motegi held a Japan-Australia Foreign Ministers' Meeting with Minister for Foreign Affairs Payne. Minister Motegi shared the view that the range of cooperation between Japan and Australia has been steadily expanding, as shown by the development of security and defense cooperation, as well as cooperation on clean energy including hydrogen in the economic field. The two Ministers confirmed that they will continue to develop bilateral relations. Additionally, at the Japan-Australia Foreign Ministers' Video Teleconference Meeting in November and at the Meeting of G7 Foreign and Development Ministers in December, Foreign Minister Hayashi and Minister for Foreign Affairs Payne agreed to elevate the “Special Strategic Partnership” between Japan and Australia to a

higher level and to work through close communication toward the realization of a FOIP.

B Cooperation in the Security Field

To ensure peace and prosperity of the Indo-Pacific region, Japan and Australia have continued to steadily strengthen and expand cooperation in the field of security.

In June, the Ninth Japan-Australia Foreign and Defence Ministerial Consultations (“2+2”) were held. The Ministers shared their strategic recognition considering regional security challenges, and confirmed the importance of elevating security and defence cooperation between Japan and Australia to a new level so as to contribute to the peace, stability and prosperity of the Indo-Pacific and beyond, thereby realizing a FOIP. In January 2022, the Japan-Australia RAA was signed at the Japan-Australia Leaders Video Teleconference Meeting. The Agreement establishes the procedures and the status of the forces of either Japan or Australia when they visit the other country to engage in cooperative activities, and will facilitate the implementation of cooperative activities between the forces of the two countries, will further promote security and defense cooperation between the two countries, and will enable both Japan and Australia to further contribute to the peace and stability of the Indo-Pacific region. The Australia-Japan Leaders’ Meeting Joint Statement issued at the meeting states that cooperation between Japan and Australia in the field of economic security will also be strengthened. In addition, both Japan and Australia are U.S. allies, and will work to further strengthen Japan-U.S.-Australia cooperation.

C Economic Relations

As shown by Japan and Australia spearheading the TPP11 Agreement, which entered into force in December 2018, the two countries are working closely and demonstrating leadership in promoting the regional free trade order, including the RCEP Agreement. Mainly industrial products such

as automobiles are being exported from Japan to Australia, while mainly energy resources such as coal and natural gas, and agricultural products such as beef are being imported into Japan from Australia, in mutually complementary economic relations that have been developed steadily over the years. In recent years new cooperation efforts have been progressing, such as hydrogen-related efforts. Since the spread of COVID-19, with the movement of goods, funds and people between Japan and Australia stagnating, the two countries are discussing ways to develop economic relations in a way that is compatible with measures to prevent the spread of COVID-19.

D Cultural and People-to-People Exchanges

There exists a foundation for affinity toward Japan in Australia cultivated over many years, as shown by the fact that approximately 400,000 people in Australia learn the Japanese language (the fourth largest group in the world), and that there are over 100 sister city relations. Until travel restrictions were enforced due to the spread of COVID-19, a variety of initiatives had been implemented in order to strengthen the foundation of Japan-Australia relations, including the promotion of mutual understanding through JENESYS, an exchange program to promote understanding of Japan that includes young people, and the “New Colombo Plan” as well as the Young Political Leaders Exchange. Both Japan and Australia will continue to work on the appropriate and steady operation of the Japan-Australia Working Holiday Program.

E Cooperation in the International Community

In order to make an active contribution to peace and stability in the international community, the two countries have been strengthening cooperation in wide-ranging areas. In particular, cooperation has been deepened in addressing various issues facing the Indo-Pacific region such as maritime security and nuclear and missile development by North Korea. Australia

deployed the Royal Australian Navy frigate HMAS BALLARAT in mid-May and the frigate HMAS WARRAMUNGA in late October to undertake monitoring and surveillance activities in the adjacent ocean areas around Japan. By doing so, for the fifth and sixth times since 2018, Australia has engaged in monitoring and surveillance activities against illicit maritime activities, including ship-to-ship transfers with North Korean flagged vessels, which are prohibited by UN Security Council resolutions. In addition, from early to late March and from mid-August to mid-September, Australia engaged in monitoring and surveillance activities for the eighth and ninth time since 2018 by aircraft, using Kadena Air Base.

(2) New Zealand

A Brief Summary

Japan and New Zealand share fundamental values, such as democracy and a market economy. The two countries have been maintaining good relations over the years. In recent years, under the “Strategic Cooperative Partnership,” the two countries have been strengthening bilateral cooperation in areas including the economy, security and defense cooperation and people-to-people exchanges, as well as cooperative relations on issues facing the region and the international community. In the general election in October 2020, the ruling Labour Party, led by Prime Minister Jacinda Ardern, signed a cooperation agreement (non-Cabinet participation cooperation agreement) with the Greens, and a new administration was inaugurated.

B High-Level Discussions

Amidst the global spread of COVID-19, Japan and New Zealand have been closely exchanging opinions on COVID-19 responses, Japan-New Zealand cooperation in Pacific Island countries, and the regional situation. At the 41st Japan-New Zealand Foreign Ministry Consultations in September, the two sides discussed various matters such as cooperation in the COVID-19 response

and bilateral relations including strengthening security cooperation as well as global cooperation around the Indo-Pacific region. The two countries reaffirmed that they will cooperate more closely in support of a FOIP.

C Economic Relations

The two countries enjoy complementary economic relations and have closely cooperated on the steady implementation of the TPP11 Agreement, which entered into force in December 2018, and the promotion of free trade structures including the RCEP Agreement and WTO reforms. In 2021, private companies in both countries began full-scale hydrogen production projects that use renewable energy. Furthermore, in the fields of food and agriculture, the “New Zealand Hokkaido Dairy Collaboration Project” designed to improve the profitability of dairy farming in Japan has been implemented since 2014, and the “New Zealand Hokkaido Sheep Collaboration Project” was additionally launched in 2018 with the aim of vitalizing the sheep industry in Hokkaido.

D Cultural and People-to-People Exchanges

People-to-people exchanges between Japan and New Zealand, such as for youths, take place through exchange programs like JENESYS, and a cumulative total of 1,100 people had participated by 2019. By 2021, more than 3,300 people have also participated in the Japan Exchange and Teaching (JET) Program, which invites foreign youth (on average approximately 100 people annually), and active exchanges are continuing. Additionally, the 44 sister city relations that have been cultivated between Japan and New Zealand over many years are fertile ground for people-to-people exchanges, and networking between sister cities is making progress with the aim of promoting mutual understanding among youth. During the Olympic and Paralympic Games Tokyo 2020, New Zealand sent its largest-ever delegation, of more than 210 Olympic athletes, to Japan, and they interacted with local Japanese governments.

E Cooperation in the International Community

The two countries are cooperating closely for the peace and stability of the international community, including the UN. In particular, against illicit maritime activities, including ship-to-ship transfers with North Korean-flagged vessels, which are prohibited by UN Security Council resolutions, between late April and late May and in November, New Zealand engaged in monitoring and surveillance activities for the fourth and fifth times since 2018 by aircraft, using Kadena Air Base. Furthermore, Japan and New Zealand have collaborated in regional cooperation frameworks such as the East Asia Summit (EAS), the ASEAN Regional Forum, Asia-Pacific Economic Cooperation (APEC) and the Pacific Islands Leaders Meeting (PALM). They are also cooperating over economic development in the Pacific Island region. Through these efforts, the two countries are playing a proactive role for the regional stability and development.

(3) Pacific Island Countries

A Brief Summary and Overview

Pacific Island countries and Japan are bound by the Pacific Ocean, have deep historical ties, and are important partners in such areas as cooperation in the international arena and the supply of fishery and mineral resources. They are becoming increasingly important as a cornerstone of a FOIP, as they are located at the heart of the Pacific Ocean. As one of Japan's important policies in diplomacy with Pacific Island countries, Japan has been holding the Pacific Islands Leaders Meeting (PALM) once every three years since 1997. In June 2021, the seventh meeting of the Interagency Committee for the Promotion of Cooperation with Pacific Island Countries, which is comprised of relevant governmental ministries and agencies, was held under the leadership of Special Advisor to the Prime Minister Kihara Minoru and Special Advisor to the Prime Minister Izumi Hiroto. In addition to discussing specific measures for strengthening

policies toward Pacific Island countries, it was confirmed that, in preparation for PALM9, further discussions would be held in order for relevant ministries and agencies to continue to cooperate and to promote "All Japan" efforts. Afterwards, at PALM9 in July, Prime Minister Suga held bilateral leaders' video teleconference meetings with the leaders of 13 island countries. Amidst the continuing impacts of COVID-19, Japan has utilized a variety of opportunities to further strengthen relations with Pacific Island countries, including through the provision of vaccines and cold chain development.

Additionally, in response to the volcanic eruption in Tonga and the tsunami in January 2022, Japan Disaster Relief teams (Self-Defense Forces) promptly provided emergency relief supplies, and Japan provided emergency grant aid.

B Pacific Islands Leaders Meeting (PALM)

In July 2021, PALM9 was held via video conference with Prime Minister Suga and Prime Minister Natano of Tuvalu as co-chairs, and the leaders and representatives of 19 countries and regions participated, including Japan, 14 Pacific Island countries, Australia, New Zealand, New Caledonia, and French Polynesia. PALM9 discussions centered on the five priority areas for the next three years: (1) COVID-19 Response and Recovery, (2) Sustainable Oceans based on the Rule of Law, (3) Climate Change and Disaster Resilience, (4) Strengthening Foundation for Sustainable and Resilient Economic Development, and (5) People-to-People Exchanges and Human Resource Development. "The Ninth Pacific Islands Leaders Meeting (PALM9) Leaders Declaration" and annexed documents "Factsheet – Japan's support since the 8th Pacific Islands Leaders Meeting (PALM8)" and "Joint Action Plan for Strengthening Pacific Bonds and for Mutual Prosperity" were adopted as an outcome of the discussions (see the Special Feature on page 86).

The Ninth Pacific Islands Leaders Meeting (PALM9)

On July 2, the Ninth Pacific Islands Leaders Meeting (PALM9) was held via video-conference. The Pacific Islands Leaders Meeting (PALM) is a leaders' summit held once every three years since 1997 with the aim of facilitating candid exchanges of views at the summit level on various challenges faced by the Pacific Islands region, in order to contribute to the stability and prosperity of the region. At the same time, it aims to strengthen the partnership between Japan and the Pacific Islands region.

To date, eight PALM meetings have been convened. PALM9 was chaired jointly by Prime Minister Suga and Prime Minister Kauea Natano of Tuvalu, and attended by the leaders of 19 countries and regions: Japan, 14 Pacific Island countries (Tuvalu, Cook Islands, Fiji, Kiribati, the Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Vanuatu), as well as Australia, New Zealand, New Caledonia, and French Polynesia.

At PALM9, Prime Minister Suga announced Japan's Pacific Bond (KIZUNA) Policy, which aims to further strengthen Japan's cooperation with the Pacific Island countries through an "All Japan" approach, toward the realization of a "Free and Open Indo-Pacific (FOIP)." He also announced Japan's intention to engage in people-to-people exchanges and human resource development for more than 5,500 people, alongside steady development cooperation over the next three years. At PALM9, discussions were held on the following priority areas for the next three years: (1) COVID-19 Response and Recovery, (2) Sustainable Oceans based on the Rule of Law, (3) Climate Change and Disaster Resilience, (4) Strengthening Foundation for Sustainable and Resilient Economic Development, and (5) People-to-People Exchanges and Human Resource Development. In particular, with regard to COVID-19 measures, Prime Minister Suga stated that Japan will provide support to the Pacific Island countries in areas such as the development of cold chain equipment, as well as supply vaccines through the COVAX Facility. The Pacific Island countries greatly appreciated the role that PALM has played so far, and expressed their appreciation toward the realization of Japan's commitments set out in PALM8 and its new commitments for the next three years in the five priority areas.

Furthermore, Prime Minister Suga stated that the PALM process was continuously evolving, and that the leaders were able to have concrete, action-oriented discussions at PALM9. In response, the PALM leaders welcomed the further strengthening of the PALM process and shared the view that Japan and the Pacific Island countries would continue to work closely together.

The outcome of the discussions was the adoption of "The Ninth Pacific Islands Leaders Meeting (PALM9) Leaders Declaration," and its annexed documents, "Joint Action Plan for Strengthening Pacific Bonds and for Mutual Prosperity" and "Factsheet – Japan's support since the 8th Pacific Islands Leaders Meeting (PALM8)." The Joint Action Plan summarized concrete actions in the five priority areas to be jointly taken by Japan and the Pacific Island countries over the next three years, under "the Pacific Bond (KIZUNA) Policy."



The Ninth Pacific Islands Leaders Meeting (PALM9) (July 2. Photo: Cabinet Public Relations Office)

C Meetings with Dignitaries

At the bilateral leaders' video teleconference meetings held with the leaders of 13 island countries at PALM9, Prime Minister Suga stated that he would like to continue working to realize a FOIP, and also expressed his intention to continue supporting each country in terms of fighting COVID-19, infrastructure development, and improving disaster response capabilities. In response to this, each country expressed its gratitude, including for Japan's support so far, and confirmed that they would promote cooperation in various fields.

In September, Parliamentary Vice-Minister for Foreign Affairs Nakanishi Satoshi held a meeting with Republic of Palau Ambassador Matsutaro, and both sides expressed their gratitude to each other for their efforts to develop the relations between Japan and Palau.

D Cultural and People-to-People Exchanges

At PALM9, "People-to-People Exchanges and Human Resource Development" were positioned as one of the five priority areas, and Japan announced that it would actively engage in human exchanges and human resource development for more than 5,500 people at various levels and in various fields over the next three years. As part of those efforts, Japan will promote people-to-people exchanges among university students through JENESYS. Furthermore, from FY2016 Japan commenced the Pacific Leaders' Educational Assistance for Development of State (Pacific-LEADS) for young government administrators of Pacific Island countries. Currently renamed the SDGs Global Leader Program, the program accepts young government officials and private human resources from Pacific Island countries to universities and graduate schools in Japan.

7 Regional and Inter-Regional Cooperation

In the Indo-Pacific region, the world's growth center, it is important to ensure peace and

prosperity for the entire region, and by extension for the world, by realizing a free and open order based on the rule of law. From this perspective, Japan strategically advances initiatives toward realizing a "Free and Open Indo-Pacific (FOIP)" through various regional cooperative frameworks, including cooperation with like-minded countries such as Australia, India, ASEAN countries, and Europe, Japan-ASEAN, Japan-Mekong cooperation, ASEAN Plus Three (Japan, China and the Republic of Korea (ROK)), East Asia Summit (EAS), ASEAN Regional Forum (ARF), and Asia-Pacific Economic Cooperation (APEC), while maintaining the Japan-U.S. Alliance as the cornerstone of its foreign policy. In particular, the "ASEAN Outlook on the Indo-Pacific (AOIP)," which was adopted by ASEAN in 2019, shares fundamental principles with FOIP, such as the rule of law, freedom and openness. While respecting the centrality and unity of ASEAN, Japan will further expand the support of the international community for AOIP, and intends to implement concrete ASEAN-Japan cooperation that contributes to the principles of AOIP, and, as an "Indo-Pacific State," contribute to the stability and prosperity of the entire Indo-Pacific region.

(1) The Association of Southeast Asian Nations (ASEAN)

Located in the center of the vast Indo-Pacific, ASEAN is key to the realization of a FOIP. At the ASEAN-related Summit Meetings held in November 2015, it was declared that the three councils of the "ASEAN Political-Security Community Council," the "ASEAN Economic Community Council" and the "ASEAN Socio-Cultural Community Council" would be established within 2015 (2015 Kuala Lumpur Declaration on the Establishment of the ASEAN Community). Also, "ASEAN2025: Forging Ahead Together" was adopted as a guiding policy for the ASEAN Community for the 10 years from 2016 to 2025. In June 2019, the AOIP was adopted.

In East Asia where ASEAN plays an important role as a center of regional cooperation,

multi-layered regional cooperation, such as ASEAN Plus Three (Japan, China and the ROK), EAS and ARF, is operating with ASEAN at its center, and cooperative relationships in a wide range of areas including politics, security and the economy have been established.

On the economic front, ASEAN has concluded the ASEAN Free Trade Area (AFTA) as well as other EPAs and FTAs with various countries including Japan, China, the ROK and India, thereby expanding the ASEAN centered free trade zone. In November 2020, the Regional Comprehensive Economic Partnership (RCEP) Agreement was signed by 15 countries, including Japan and 10 ASEAN countries, and it entered into force on January 1, 2022. While working closely with participating countries to ensure the full implementation of the RCEP Agreement, Japan will continue to play a leading role for the future participation of India in the Agreement, as India declined signing.

(2) Issue of the South China Sea

The issue with regard to the South China Sea is directly related to the peace and stability of the region and is a legitimate concern of the international community. As a stakeholder that makes use of the South China Sea, the issue is also an important matter of interest for Japan, which depends on sea transport for most of its resources and energy.

China has continued and strengthened its actions to unilaterally change the status quo and increase regional tensions against the rule of law and openness, such as with further militarization of disputed features (see Chapter 3, Section 1, 3 (4)). Furthermore, China has not changed its position of not accepting the Arbitral Tribunal's award²⁷ to the Philippines and China, and has continued to assert maritime claims that are inconsistent with

the United Nations Convention on the Law of the Sea (UNCLOS).

The international community, including Japan, has expressed serious concerns about China's unilateral attempts to change the status quo and render them *faits accomplis*. Japan also strongly opposes unilateral attempts to change the status quo by force or coercion and from the standpoint that the three principles of the rule of law at sea should be consistently adhered (see Chapter 3, Section 1, 6 (2)), has also consistently emphasized the importance of all the concerned parties related to the South China Sea to work toward peaceful settlement of disputes based on international law, in particular UNCLOS. Additionally, Japan has pointed out that China's assertions regarding baselines in the South China Sea are not based on relevant provisions of UNCLOS and that it is important to protect the freedom of navigation and overflight, including in the sea and airspace surrounding and above maritime features found to be low-tide elevations that do not have territorial sea and territorial airspace of their own according to the award of the Arbitral Tribunal. Japan has also pointed out that the basis of the "historical rights" claimed by China is not clear under international law, and the Arbitral Tribunal ruled that the "historical rights" based on the "nine-dash line" claimed by China were found to be contrary to UNCLOS and were clearly denied. In July 2021, which marked five years since the Arbitral Tribunal's award as to the disputes between the Philippines and China, Foreign Minister Motegi issued a statement reiterating Japan's position on the importance of the rule of law and on the principle of peaceful settlement of disputes in accordance with international law.

In 2018, negotiations on the Code of Conduct (COC) in the South China Sea commenced

²⁷ In January 2013, the Government of the Philippines instituted arbitral proceedings under the United Nations Convention on the Law of the Sea (UNCLOS) as to the disputes between the Philippines and China regarding the South China Sea. The Arbitral Tribunal organized by these proceedings rendered the final award on July 12, 2016. Japan issued a statement by the Foreign Minister on the same day, stating, "As the Tribunal's award is final and legally binding on the parties to the dispute under the provisions of UNCLOS, the parties to this case are required to comply with the award. Japan strongly hopes that the parties' compliance with the award will eventually lead to the peaceful settlement of disputes in the South China Sea."

between China and ASEAN. Japan considers that the COC should be effective, substantive, consistent with UNCLOS and respect the legitimate rights and interests of all stakeholders who use the South China Sea, and has advocated for the importance of such efforts leading to demilitarization of the area and to the realization of a peaceful, open South China Sea.

(3) Japan-ASEAN Relations

ASEAN is key to the realization of a FOIP, and realizing a more stable and prosperous ASEAN is absolutely essential to the stability and prosperity of the region as a whole. Based on this recognition, Japan is actively supporting ASEAN's efforts in accordance with "ASEAN Community Vision 2025" for further integration even after the establishment of the ASEAN Community, while steadily implementing the "Vision Statement on ASEAN-Japan Friendship and Cooperation" and the "Joint Statement of the ASEAN-Japan Commemorative Summit" that were both adopted at the ASEAN-Japan Commemorative Summit Meeting held in Tokyo in 2013. Based on the "Joint Statement of the 23rd ASEAN-Japan Summit on Cooperation on ASEAN Outlook on the Indo-Pacific" that was adopted in November 2020 at the 23rd ASEAN-Japan Summit Meeting, Japan is embodying cooperation with ASEAN in line with the AOIP's priority areas of maritime cooperation, connectivity, the Sustainable Development Goals (SDGs), and economic and other possible areas of cooperation. The Statement was the first joint statement on AOIP adopted by ASEAN with external partners, and has been followed by similar joint statements between ASEAN and other dialogue partners.

In 2021, Japan demonstrated that it was strongly promoting efforts toward the realization of both FOIP and AOIP, including the ASEAN-Japan Foreign Ministers Meeting in August and the 24th ASEAN-Japan Summit Meeting in October, under the chairmanship of Brunei. Furthermore, 2023 is the 50th Year of ASEAN-Japan Friendship and Cooperation, and Japan has expressed its



The 24th ASEAN-Japan Summit Meeting (teleconference)
(October 27, Prime Minister's Office; Photo: Cabinet Public Relations Office)

intention to hold a Commemorative Summit Meeting in Japan and to raise ASEAN-Japan relations to a new stage, and it was welcomed by the ASEAN side.

At the 24th ASEAN-Japan Summit Meeting, Prime Minister Kishida introduced Japan's assistance to ASEAN to counter COVID-19 as follows: (1) Provision of more than 16 million doses of COVID-19 vaccines, a cumulative total of approximately 32 billion Japanese yen worth of grant aid which included development of cold chain system, etc., under "Last One Mile Support" and approximately 195 billion Japanese yen worth of financial assistance in near-interest-free yen loans, and (2) Japan intends to fully support the ASEAN Centre for Public Health Emergencies and Emerging Diseases (ACPHEED), which was declared to be officially established at the 23rd ASEAN-Japan Summit Meeting in 2020.

As for ASEAN-Japan cooperation, he expressed Japan's strong and consistent support for ASEAN centrality and unity, and stated that Japan has been advancing concrete cooperation in line with the AOIP priority areas based on the ASEAN-Japan Joint Statement on AOIP Cooperation, and introduced the Progress Report on a total of 73 projects which included 49 cooperation projects announced at the 2020 Summit as well as 24 additional projects.

Regarding climate change, the "ASEAN-Japan Climate Change Action Agenda 2.0" was published, and it was announced that Japan would

promote cooperation with ASEAN countries toward the realization of carbon neutrality. In addition, Prime Minister Kishida said that Japan will provide comprehensive support to ASEAN countries through the formulation of roadmaps for energy transition, technical cooperation, and human resource development, including those under the Asia Energy Transition Initiative (AETI).

In terms of post-COVID-19 cooperation, he indicated his intention to enhance cooperation in a wide range of areas, which will contribute to achieving the SDGs, including climate change, clean energy, healthcare such as universal health coverage (UHC) and disaster prevention, as well as areas including digital transformation, quality infrastructure investment, and supply chain resilience.

ASEAN countries expressed their high evaluation and appreciation for Japan's leadership to counter COVID-19, and they expressed their high evaluations of and strong hope for Japan's continued close cooperation on the AOIP.

For regional and international affairs, with regard to North Korea, Prime Minister Kishida asked for continued understanding and cooperation of each country toward the immediate resolution of the abductions issue, and ASEAN countries expressed their support. He also clarified Japan's position on the South China Sea issue and on the situation in Myanmar.

(4) Mekong-Japan Summit Meeting **(Participating Countries: Cambodia, Laos, Myanmar, Thailand, Viet Nam and Japan)**

The Mekong region (Cambodia, Laos, Myanmar, Thailand and Viet Nam) is the core of the Indo-Pacific and is Japan's Strategic Partner with strong economic growth and potential. Peace and prosperity in the Mekong region are extremely important to Asia as a whole, including Japan, since it contributes to narrowing the development gap in the region and promoting regional integration within ASEAN. Japan has been holding the Mekong-Japan Summit Meeting every year since

2009 in order to steadily implement Mekong-Japan cooperation. The Mekong-Japan Summit Meeting was postponed in 2021 due to circumstances such as COVID-19, but there has been no change in Japan's position of emphasizing cooperation with the Mekong region, and Japan continues to maintain its steadfast commitment to the region. Japan will continue to contribute to the prosperity and development of the region as a reliable partner for Mekong region countries.

(5) ASEAN Plus Three **(Participating Countries: 10 ASEAN countries and Japan, China and the ROK)**

The Asian financial crisis in 1997 prompted the launch of ASEAN Plus Three, in the form of adding the three countries of Japan, China and the ROK to ASEAN. ASEAN Plus Three has been developed with a focus on areas such as finance and food security. It currently covers cooperation in 24 fields, including finance, agriculture and food, education, culture, tourism, public health, energy and the environment. Under the "ASEAN Plus Three Cooperation Work Plan (2018-2022)" adopted in August 2017, the ASEAN Plus Three countries have been making further progress on cooperation in various fields.

At the ASEAN Plus Three Foreign Ministers' Meeting held in August and at the 24th ASEAN Plus Three Summit Meeting held in October, Foreign Minister Motegi and Prime Minister Kishida each spoke about Japan's support to ASEAN for measures against COVID-19 as well as ASEAN Plus Three cooperation, and then emphasized the importance of promoting cooperation in line with the principles and priority areas of the AOIP that shares fundamental principles with FOIP.

In terms of COVID-19 support, Prime Minister Kishida stated that Japan would provide (1) full support for ACPHEED, (2) full support to further promote medical support and for the provision of safe, effective and quality-assured vaccines, and (3) near interest-free financial assistance in yen loans to ASEAN countries as economic



The 22nd ASEAN Plus Three Foreign Ministers' Meeting (tele-conference) (August 3, Tokyo)

revitalization support. Prime Minister Kishida also spoke about expanded investment in quality infrastructure through the “Initiative on Overseas Loan and Investment for ASEAN,” and about further expansion of the “ASEAN-Japan Economic Resilience Action Plan.”

Regarding ASEAN Plus Three cooperation, Prime Minister Kishida expressed Japan's intention to (1) support further utilization of the ASEAN Plus Three Emergency Rice Reserve (APTERR) to respond to COVID-19, (2) work towards the full implementation of the RCEP Agreement and promote the materialization of Data Free Flow with Trust (DFFT), (3) cooperate to stabilize the international crude oil market, and (4) welcomed the entry into force of the amended Chiang Mai Initiative Multilateralisation (CMIM) Agreement. In response, the ASEAN side expressed its gratitude for the support from Japan, China, and the ROK for ASEAN's response to COVID-19. Several countries expressed their expectations for the operationalization of regional medical reserves and for further cooperation in vaccine development, production and procurement. They emphasized the importance of enhancing regional cooperation, including the early entry into force of the RCEP Agreement, to achieve a sustainable recovery from COVID-19.

For regional and international affairs, with regard to North Korea, Prime Minister Kishida asked for continued understanding and cooperation of each country toward the immediate

resolution of the abductions issue. He also clarified Japan's position on the situation in Myanmar.

(6) East Asia Summit (EAS) (Participating Countries: 10 ASEAN countries and Japan, China, the ROK, Australia, New Zealand, India, the U.S. and Russia)

Launched in 2005, the EAS is the premier forum of the region, which aims to facilitate candid dialogue among leaders on issues of importance to the region and the international community, and to promote leaders-led cooperation in politics, security and the economy. Moreover, many democratic nations take part in the EAS, and it is expected that the EAS will contribute to the sharing of fundamental values in the region, including democracy and the rule of law, as well as to strengthening international rules and norms concerning trade and investment.

At the EAS Foreign Ministers' Meeting teleconference held in August, Foreign Minister Motegi clarified Japan's position on the issue concerning North Korea, including the abductions issue, on the situation in the East China Sea and in the South China Sea, on the situation in Hong Kong, and on the human rights situation in the Xinjiang Uygur Autonomous Region (XUAR).

At the 16th EAS held in October, Prime Minister Kishida reiterated that Japan highly values and fully supports the AOIP, and called on each country to support the AOIP. He also explained that Japan and ASEAN are steadily promoting concrete cooperation that contributes to the principles of the AOIP.

Regarding regional and international affairs, Prime Minister Kishida expressed serious concerns over and strongly opposed to continued activities that violate Japan's sovereignty in the East China Sea, as well as activities that are raising tensions and actions that are against the rule of law taken in the South China Sea. He stated that the COC on the South China Sea should be in line with UNCLOS and should respect the legitimate rights and interests of all stakeholders using the



The 16th East Asia Summit (EAS) (teleconference) (October 27, Prime Minister's Office; Photo: Cabinet Public Relations Office)

South China Sea. He also stated the importance of peace and stability across the Taiwan Strait and expressed his strong opposition to any economic coercion. Other countries expressed concern about the issue of the South China Sea, and also commented on the importance of freedom of navigation and flight over the South China Sea, and on the importance of the peaceful resolution of disputes in line with international law, including UNCLOS.

Prime Minister Kishida expressed serious concerns about the situation in Hong Kong and the human rights situation in the XUAR, and other countries also expressed concerns.

On North Korea, Prime Minister Kishida stated that North Korea also launched ballistic missiles in October and that the peace and security of the region and international community is under threat. He also stated that the full implementation of the United Nations Security Council resolutions, including “ship-to-ship transfer” measures, is essential to achieve the complete, verifiable and irreversible dismantlement (CVID) of all weapons of mass destruction and ballistic missiles of all ranges of North Korea. In addition, he asked for the continued understanding and cooperation of all countries toward the immediate resolution of the abductions issue. The participating countries also made remarks on the importance of denuclearization in the Korean Peninsula and the full implementation of the United Nations Security Council resolutions.

As for the situation in Myanmar, Prime Minister Kishida stressed again the position of the Government of Japan, that it strongly urges the stop of violence, the release of those who are detained and the restoration of Myanmar's democratic political system. He also urged Myanmar to constructively respond in order to enable the visit of Brunei Minister of Foreign Affairs II and ASEAN Special Envoy Dato Erywan to Myanmar as soon as possible. In addition, he mentioned that, to turn around the situation, Japan intends to deal with the issue by upholding engagement as a key principle, to continue to fully support ASEAN's efforts and to actively provide humanitarian assistance. The participating countries also mentioned the importance of cooperating for the swift implementation of the “Five-Point Consensus,” including the visit of ASEAN Special Envoy Erywan, and humanitarian assistance to the people of Myanmar.

(7) Japan-China-ROK Trilateral Cooperation

Trilateral cooperation among Japan, China and the ROK continues to be vital from the perspective of promoting exchanges and mutual understanding among the three countries that enjoy geographical proximity and share deep historical ties. Furthermore, as economies that play a major role in the world economy and serve as the force driving prosperity of the East Asian region, trilateral cooperation among Japan, China and the ROK is one of the areas of cooperation that has huge potential in efforts to tackle various issues in the international community.

In order to promote practical cooperation in a variety of fields, working-level discussions were held, including the Japan-China-ROK Consultative Meeting on Consumer Politics in November and the Japan-China-ROK Consumer Policy Council in December. In August, Japan hosted the Japan-China-ROK Ministerial Conference on Transport and Logistics online and the Trilateral Culture Ministers' video teleconference to overcome the impacts of COVID-19 and discuss the direction

of trilateral cooperation in the post COVID-19 era. Practical exchanges of views were conducted between the Ministers of the three countries, and joint statements were adopted.

(8) Asia-Pacific Economic Cooperation (APEC) (See Chapter 3, Section 3, 3 (2))

Consisting of 21 economies (countries and regions) in the Asia-Pacific region, APEC promotes regional economic integration and cooperation across the region among the member economies on a voluntary basis. As the Asia-Pacific region is positioned as the “world’s growth center,” strengthening economic cooperation and trust in the economic aspect in this region is crucial in pursuing Japan’s further economic development.

At the APEC 2021 – New Zealand summit teleconference in November, in addition to the Leaders’ Declaration, the “Aotearoa Plan of Action” for implementing the “APEC Putrajaya Vision 2040” was adopted as an addendum to the Leaders’ Declaration. Prime Minister Kishida, who attended the summit, expressed his determination to put the Japanese economy on a new growth trajectory and contribute to the growth of the Asia-Pacific region by aiming to realize new capitalism.

(9) South Asian Association for Regional Cooperation (SAARC)

SAARC was officially inaugurated in 1985 with multiple objectives such as enhancing the welfare

of citizens of the South Asian countries, and cooperation and collaboration in economic and social development and cultural areas. As of 2020, SAARC has eight member states (India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives and Afghanistan) and nine observer countries and institutions including Japan. As a relatively loose framework of regional cooperation, SAARC has worked primarily on economic, social and cultural areas, through summit meetings and meetings of the Council at the ministerial level (foreign ministers’ meetings). As part of youth exchange between Japan and SAARC, Japan has invited 3,615 people to date.

(10) Indian Ocean Rim Association (IORA)

IORA is a regional organization whose main purpose is to promote economic cooperation in the Indian Ocean rim region, and Japan has been participating as a dialogue partner country since 1999. At the IORA Day 2021 reception, held in March to commemorate the 24th anniversary of the establishment of IORA, Foreign Minister Motegi sent a video message and expressed that Japan will continue to work with IORA toward the realization of a FOIP. Additionally, in November, Parliamentary Vice-Minister for Foreign Affairs Honda Taro attended the 21st IORA Council of Ministers Meeting via teleconference, explaining Japan’s support for IORA member countries in such areas as response to COVID-19 and climate change policies, including for disaster prevention.