

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 3.7 billion live in East Asia Summit (EAS) participating countries¹ excluding the U.S. and Russia. This represents about 47% of the world's population.² Their combined nominal gross domestic product (GDP) is 32.7 trillion US dollars (2021), and accounts for more than 30% of the world total.³

Furthermore, the total imports and exports of EAS participating countries excluding the U.S. and Russia are 13.4408 trillion US dollars (2021), which is comparable to the EU's imports and exports of 13.0421 trillion US dollars.⁴ The region enjoys close economic relations and sees growing interdependence. Further economic growth is expected, and the strong growth within the region will also bring 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



Prime Minister Kishida's visit to Indonesia (April 29, Jakarta, Indonesia; Photo: Cabinet Public Affairs Office)



Japan-U.S.-ROK Summit Meeting (June 29, Madrid, Spain; Photo: Cabinet Public Affairs Office)

financial systems still under development, environmental pollution, unstable demand and supply of food and resources, frequent natural disasters, terrorism, and aging populations.

Against this backdrop, Japan has been actively engaging in diplomacy including at the leaders' and foreign ministers' levels. In 2022, even amidst the impacts of the novel coronavirus disease (COVID-19), the Prime Minister and Foreign Minister of Japan actively engaged in face-to-face diplomacy and worked

¹ ASEAN (member states: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam), Australia, China, India, Japan, the ROK, and New Zealand

² United Nations Population Fund

³ World Bank

⁴ International Monetary Fund (IMF)

to maintain and develop good relations with neighboring countries. Prime Minister Kishida visited India and Cambodia in March as his first bilateral visit after assuming the office of Prime Minister, and from April to June he visited several countries in Southeast Asia and held bilateral leaders' meetings. Furthermore, when the Japan-Australia-India-U.S. (Quad) Leaders' Meeting was held in Tokyo in May, Prime Minister Kishida met with Australian Prime Minister Anthony Albanese, who had just assumed the office of Prime Minister, and met with Indian Prime Minister Narendra Modi. In June at the NATO Summit Meeting in Spain, a Japan-U.S.-Republic of Korea (ROK) Summit Meeting was held for the first time in about four years and nine months.

In September, Prime Minister Kishida held Summit Meetings with and met with the leaders of many Asian and Oceanian countries who visited Japan to attend the state funeral for the late Prime Minister ABE Shinzo. In October, Prime Minister Kishida visited Australia, and in November he visited Cambodia, Indonesia, and Thailand to attend the ASEAN-related Summit Meetings, the G20 Bali Summit and the APEC Economic Leaders' Meeting. In Cambodia, Prime Minister Kishida attended the ASEAN-Japan Summit, the ASEAN Plus Three (Japan-China-ROK) Summit, and the EAS, and confirmed the further strengthening of Japan-ASEAN relations, which would mark the 50th Year of Friendship and Cooperation in 2023. Furthermore, Prime Minister Kishida deepened discussions on urgent issues facing the region and the international community, including Russia's aggression against Ukraine, the situations in the East China Sea and South China Sea, and the situation in North Korea, and confirmed Japan's will to strengthen cooperation with the relevant countries. Taking advantage of this series of meetings, Prime Minister Kishida also held summit meetings with the leaders of several ASEAN countries, with President of the ROK Yoon Suk Yeol, and with President of China Xi Jinping.

In February, Foreign Minister Hayashi visited Australia and the U.S., attended the Japan-Australia-India-U.S. (Quad) Foreign Ministers' Meeting and the Japan-U.S.-ROK Foreign Ministers' Meeting, and also met with the Foreign Ministers of Australia, India, and the ROK. In April, Foreign Minister Hayashi held the first Japan-Philippines Foreign and Defense Ministerial

Meeting ("2+2") in Tokyo, and from the end of April to the beginning of May, he visited Mongolia, Fiji, Palau, and the ROK and held Foreign Ministers' Meetings. In July, Foreign Minister Hayashi took advantage of the opportunity presented by the G20 Foreign Ministers' Meeting in Indonesia and held bilateral meetings with the foreign ministers of the participating countries and also held a Japan-U.S.-ROK Foreign Ministers' Meeting. In August, Foreign Minister Hayashi attended ASEAN-related Foreign Ministers' Meetings held in Cambodia and had meaningful discussions on a wide range of topics, from specific cooperation in the region, with ASEAN at its core, to the regional situation. He also had bilateral meetings with foreign ministers of ASEAN countries respectively, and participated in the Japan-U.S.-Australia Trilateral Strategic Dialogue. In November, Foreign Minister Hayashi attended the APEC Ministerial Meeting held in Thailand and held Foreign Ministers' Meetings with Vietnam, Thailand, and Papua New Guinea.

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, Japan and the U.S. have held 16 Summit Meetings and 25 Foreign Ministers' Meetings, including telephone calls (as of January 2023). The two countries have been working closely at multiple levels, including at the summit level and at the foreign minister level, to promote cooperation toward realizing a "Free and Open Indo-Pacific (FOIP)" and to address various issues in the Indo-Pacific Region, including China, North Korea, and Russia.

In January, Prime Minister Kishida held a Japan-U.S. Summit Video Teleconference Meeting with President Biden, and the two leaders shared their intention to coordinate closely under the strong Japan-U.S. Alliance and to deepen cooperation with like-minded countries

toward realizing FOIP. Furthermore, based on the importance of Japan-U.S. economic cooperation in the Indo-Pacific region, the two leaders concurred on the launch of the ministerial Japan-U.S. Economic Policy Consultative Committee (the Economic “2+2”), and Prime Minister Kishida welcomed the U.S.’ commitment to the region including the Indo-Pacific Economic Framework for Prosperity (IPEF).

In May, President Biden visited Japan for the first time since assuming the presidency, and held a Japan-U.S. Summit Meeting with Prime Minister Kishida. With Russia’s aggression against Ukraine shaking the very foundations of the rules-based international order, under the recognition that the Indo-Pacific is a region of vital importance to global peace, security and prosperity, the two leaders concurred that Japan and the U.S. will lead the international community and continue to work closely with like-minded countries toward the realization of FOIP. President Biden reiterated the U.S. commitment to the defense of Japan, and the two leaders concurred to communicate more closely between Japan and the U.S. to ensure that extended deterrence remains unwavering. Furthermore, President Biden announced the launch of the IPEF, and the two leaders released a joint statement outlining the future direction for strengthening the Japan-U.S. Alliance, including affirming their commitment to promoting FOIP. Prime Minister Kishida also utilized this opportunity to host the Japan-Australia-India-U.S. (Quad) Leaders’ Meeting. At the Meeting, the leaders of the four countries welcomed that the vision of a free and open Indo-Pacific is resonating in various regions around the world, and that proactive efforts are underway in various regions, and shared the view in further deepening engagement and cooperation with each country and region.

Foreign Minister Hayashi visited the U.S. in July and held a Japan-U.S. Foreign Ministers’ Meeting with Secretary of State Antony Blinken, where the two Ministers reconfirmed their commitment to expand and deepen security and defense cooperation between Japan and the U.S. and to further strengthen the deterrence and response capabilities of the Japan-U.S. Alliance. Furthermore, Foreign Minister Hayashi, Minister of Economy, Trade and Industry Hagiuda Koichi, Secretary of State Blinken, and Secretary of

Commerce Gina Raimondo held the Economic “2+2”, which Prime Minister Kishida and President Biden had agreed to launch during the Japan-U.S. Summit Video Teleconference Meeting in January. The Ministers reaffirmed their determination to lead international cooperation in areas such as economic policy of both countries, the establishment of a regional economic order including in the Indo-Pacific region, and economic security.

A bipartisan delegation, led by Vice President Kamala Harris, visited Japan for the state funeral for the late Prime Minister ABE Shinzo in September, reflecting the breadth and depth of the Japan-U.S. Alliance. After a courtesy call to Prime Minister Kishida by Vice President Harris, Prime Minister Kishida had a dinner with the U.S. delegation and remembered former Prime Minister Abe. The two sides also concurred to continue close cooperation between Japan and the U.S. toward further strengthening the Japan-U.S. Alliance and realizing FOIP.

In November Prime Minister Kishida visited Phnom Penh, Cambodia to attend ASEAN-related Summit Meetings, held a Japan-U.S. Summit Meeting with President Biden, welcomed the progress made on the IPEF and the Economic “2+2,” and the two leaders concurred on promoting efforts to realize FOIP.

In January 2023, the Japan-U.S. Security Consultative Committee (Japan-U.S. “2+2”) was held in Washington D.C. in person for the first time in two years, and both Japan and the U.S. firmly reiterated their commitment to champion a free and open Indo-Pacific region.

In January 2023, Prime Minister Kishida, who was visiting Washington, D.C., held a Japan-U.S. Summit Meeting with President Biden. Prime Minister Kishida stated that he will strengthen efforts to realize FOIP, and in response President Biden reiterated the unwavering U.S. commitment to the region. Based on this, the two leaders concurred that Japan and the U.S. will continue to promote endeavors to realize FOIP. The Joint Statement of the United States and Japan, which was issued as a result of the Japan-U.S. Summit Meeting, states that their cooperation today is unprecedented, rooted in a shared vision of FOIP and a peaceful and prosperous world, and guided by their shared values and principles, including the rule of law.

(Japan's Efforts on the Issue of Comfort Women)

(See 3(2)B(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. Furthermore, 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, the Ninth Periodic Report on the Implementation of the CEDAW in September 2021, and the examination of the Seventh Report of Japan under the International Covenant on Civil and Political Rights in October 2022.

Installations of comfort woman statues⁵ have been observed not only in the ROK but also in some other countries and regions. Such moves are extremely regrettable and incompatible with the position of the Government of Japan. 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](https://www.mofa.go.jp/policy/postwar/page22e_000883.html)



2 China / Mongolia, etc.

(1) China

A Situation in China

(A) Domestic Affairs

In March, the 5th session of the 13th National People's Congress (NPC) was held, and Premier Li Keqiang delivered the government work report. As a goal for 2022, he said that "We must maintain overall social stability and triumphantly welcome the Party's 20th National Congress," and emphasized stable management of the government until the National Congress of the Communist Party of China (CPC).

The 20th National Congress of the CPC was held in October. In the Central Committee Report, Xi Jinping, General Secretary of the CPC Central Committee, highlighted three major achievements in the decade since the 18th National Congress of CPC, "We embraced the centenary of the Communist Party of China; we ushered in a new era of socialism with Chinese characteristics; and we eradicated absolute poverty and finished building a moderately prosperous society in all respects." He then declared that the CPC will "advance the rejuvenation of the Chinese nation on all fronts through a Chinese path to modernization," "Basically realize socialist modernization" through "substantially grow[ing] the per capita GDP to be on

par with that of a mid-level developed country," etc. by 2035, and "realize the Second Centenary Goal of building China into a great modern socialist country in all respects" by 2050. Furthermore, as future goals, the "14th Five-Year Plan" and the government policies identified in the government work report were basically followed, and stating "We will endeavor to bring prosperity to all, and prevent polarization," emphasizing that the realization of common prosperity is a medium-term goal. Furthermore, he mentioned that China is "pursuing high-quality development" and will "promote [a] high-standard [of] opening up, and accelerate efforts to foster a new pattern of development that is focused on the domestic economy and features positive interplay between domestic and international economic flows." He also mentioned improving the resilience and safety of industrial and supply chains, and the independence and self-reliance and strength in science and technology, strongly emphasizing economic security.

Furthermore, the first plenary session of the 20th CPC Central Committee was held the day after the CPC National Congress closed. The new central leadership of the CPC, with Xi Jinping as General Secretary, was elected, marking Xi Jinping's third term

⁵ 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.

as General Secretary. Several of General Secretary Xi's former direct subordinates were also elected to the new leadership.

The international community continues to express high interest in China's human rights situation, including in the Xinjiang Uygur Autonomous Region (XUAR). Japan believes that it is important that universal values and principles of the international community, such as freedom, respect for fundamental human rights, and the rule of law, are guaranteed in China, and Japan has also taken summit meetings and Foreign Ministers' meetings as opportunities to directly communicate its position to the Government of China and express serious concern about the situations in Hong Kong, XUAR, and other regions. 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 Organizing 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 2022, as in the previous year, at the UN Human Rights Council in June and the Third Committee of the UN General Assembly in October, joint statements expressing serious concerns about the human rights situation in China, particularly the human rights violations in the XUAR, were delivered, and Japan was the only participating country from Asia. In the National Diet of Japan, the House of Representatives in February and the House of Councillors in December adopted the Resolution regarding the serious human rights situation in Xinjiang Uighur and other areas. As for Hong Kong, the G7 issued a Foreign Ministers' Statement⁶ about the selection of the Chief Executive in May, expressing grave concern over the selection process.

The Government of Japan will continue to make steady efforts while closely cooperating with the international community.

(B) Economy

At the NPC in March, Premier Li Keqiang stated that the economic situation in 2022 is "facing significantly increasing risks and challenges," and set a growth rate target of around 5.5% with a policy of "placing the highest priority on stability and pursuing progress amidst stability." As for economic measures, he emphasized that "aggressive fiscal policies will improve effectiveness," and proposed tax cuts and refunds of approximately 2.5 trillion CNY for the full year and the issuance of 3.65 trillion CNY in special local government bonds. However, the full-year real GDP growth rate for 2022 increased by 3.0% year on year, and by quarter, the first quarter (January to March) increased by 4.8% year on year, the second quarter (April to June) increased by 0.4% year on year, the third quarter (July to September) increased by 3.9% year on year, and the fourth quarter (October to December) increased by 2.9% year on year, all of which fell short of their targets.

From around March, sporadic lockdowns and severe curfew measures were repeatedly implemented in Shanghai City, the center of China's economic activity, and other areas as COVID-19 spread. In May, the State Council held a meeting on stabilizing the national economy, recognizing that, "Since March, and especially since April, economic indicators such as employment and mining production have clearly slowed, and in some respects, the situation is more difficult than in 2020 during the COVID-19 pandemic." Premier Li Keqiang, stating that "We must strive to return the economy to a growth track as soon as possible," announced that the State Council would issue workable implementation details for a package of economic support measures by the end of May and would closely track their implementation.

In response to the economic slowdown in the second quarter, General Secretary Xi Jinping stated in July at

6 G7 Foreign Ministers' Statement on the Hong Kong Chief Executive Selection
https://www.mofa.go.jp/press/release/press3e_000376.html



a meeting of the Political Bureau of the CPC Central Committee that the government will “maintain economic operations within a reasonable range, and strive to achieve the best possible results.” Additionally, he indicated that the government would work aggressively to increase demand so as to achieve economic recovery, with a fiscal policy in which local governments will use up to the maximum amount of local government special bonds, a monetary policy which will maintain reasonable and ample liquidity and increase lending to businesses, and guidelines to promote new lending by policy banks and the use of infrastructure construction investment funds. Furthermore, regarding the sluggish real estate market, while stating that the government will maintain its position of “houses for living in, not speculation,” the government will support real demand and demand for relocation, and will guarantee the reliable delivery of housing on the responsibility of local governments.

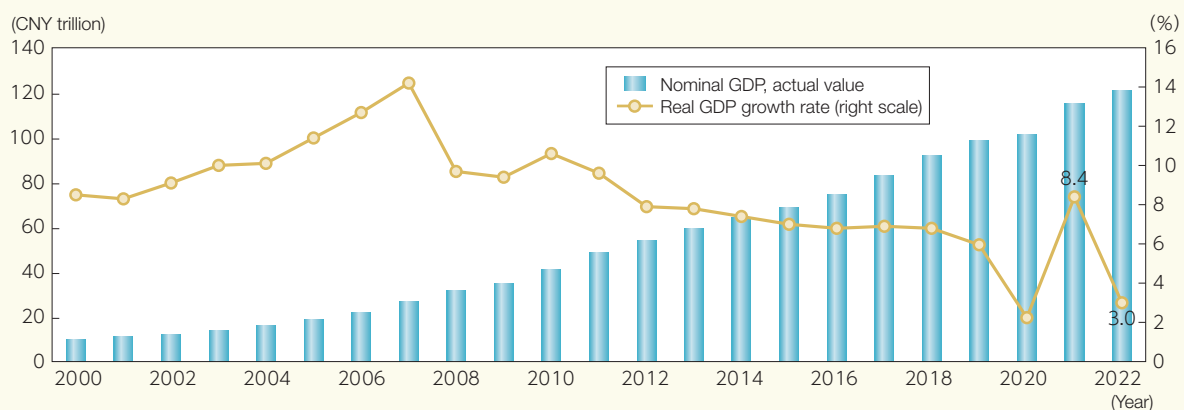
The Central Economic Work Conference held in December indicated that there was still hope for an economic recovery in 2023, although the foundations for an economic recovery were still not solid. It was then stated that, for economic activity in 2023, the government will maintain its policy from 2022 of “making economic stability a top priority and pursuing steady progress while ensuring economic stability,” and continuing an aggressive fiscal policy and a moderate monetary policy, thereby formulating high-quality development. Furthermore, as a priority issue the government will focus on boosting domestic demand and prioritize the recovery and expansion of consumption.

(C) Response to COVID-19

COVID-19 spread from China to the rest of the world, and in China the authorities have taken strict measures such as promptly identifying infection sources and close contacts based on the travel history of infected individuals, restricting movement in infected areas, and mass PCR testing of residents. Although the spread of COVID-19 was controlled in a relatively short period of time, since March, COVID-19 began to simultaneously spread in major Chinese cities such as Beijing, Shanghai, and Guangdong, creating the most serious situation since the lockdown of Wuhan City in Hubei Province in the early stages of the COVID-19 pandemic in 2020. In particular, the de facto lockdown in Shanghai City, which lasted for approximately two months from late March, had a tremendous impact on people’s lives and economic activities. While other countries were steering their policies toward coexistence with COVID-19, China maintained its “zero-COVID” policy. At the CPC National Congress in October, General Secretary Xi Jinping stated that the Central Committee’s infection prevention policies had achieved important and positive results in balancing infection control and economic and social development.

In November, the government announced 20 measures that stipulated shortening quarantine periods and curtailing excessive quarantine measures, but strict quarantine measures, including curbs on going out, continued due to the nationwide resurgence of COVID-19 infections, including in major cities such as Guangdong, Chongqing, and Beijing. Amidst this

China’s GDP



Source: National Bureau of Statistics of China

situation, protests and demonstrations against the “zero-COVID” policy, including mourning activities that were triggered by a fire that occurred in Urumqi in the XUAR in late November, broke out in Shanghai, Beijing, and other cities.

In December, China's National Health Commission, on the grounds that the COVID-19 virus had attenuated, lowered the infectious disease level for COVID-19 and announced policies such as abolishing isolation measures for infected individuals and whole-sale PCR testing. As a result of the complete abolition of the “zero-COVID” policy that had been in place up until then and the rapid transition of quarantine policies in such a short period of time, there was a nationwide surge in the number of infected individuals and critically ill patients, and the medical system was temporarily strained. The World Health Organization (WHO) expressed serious concerns about this situation and requested detailed information on the state of COVID-19 infections in China.

(D) Foreign Policy

Even in 2022, for the time being, diplomacy continued with a combination of face-to-face diplomacy by Director of the Office of the Central Commission for Foreign Affairs Yang Jiechi and State Councilor and Foreign Minister Wang Yi and others, as well as by a combination of telephone calls and video teleconferences by President Xi Jinping, Premier Li Keqiang, and others. In July, Indonesian President Joko Widodo visited Beijing, and in September, President Xi Jinping visited Kazakhstan and Uzbekistan as his first foreign trip since his January 2020 visit to Myanmar, where he attended the Shanghai Cooperation Organisation (SCO) summit. After the National Congress of the CPC, China gradually resumed face-to-face diplomacy, with German Chancellor Olaf Scholz and the leaders of several other countries visiting China, and in November, Premier Li Keqiang attended the East Asia Summit (EAS) and President Xi Jinping attended the G20 Summit and the APEC Economic Leaders' Meeting, while vigorously holding bilateral meetings with the leaders of other countries.

At the 20th National Congress of the CPC that was held in October, President Xi Jinping recognized the situation, saying “At present, momentous changes of

a like not seen in a century are accelerating across the world... and a significant shift is taking place in the international balance of power, presenting China with new strategic opportunities in pursuing development.” On top of that, through comments such as “The world has once again reached a crossroads in history, and its future course will be decided by all the world's peoples,” “[China] is committed to ... deepening and expanding global partnerships based on equality, openness, and cooperation, ... Building a human community with a shared future is the way forward for all the world's peoples,” and “China plays an active part in the reform and development of the global governance system... and works to make global governance fairer and more equitable,” President Xi Jinping clearly stated that China would increase its influence on cooperative mechanisms such as BRICS and SCO, and increase the representation and voices of emerging markets and developing countries. He also indicated that China will actively participate in rule-making for global security. Its impact on China's future diplomacy will be closely watched.

Continuing on from 2021, severe confrontations between the U.S. and China were seen in a variety of fields. Channels for dialogue, including between both leaders, were basically maintained, although these channels for dialogue were restricted for a certain period when tensions between the U.S. and China increased over Speaker of the House of Representatives Nancy Pelosi's visit to Taiwan. President Biden and President Xi Jinping had telephone calls in March and July, as well as their first face-to-face meeting in November. According to a statement from the U.S. government, the meeting covered a wide range of topics over approximately three hours, including U.S.-China relations, transnational challenges, human rights, the situations in Taiwan, Ukraine, and North Korea. Furthermore, there were also multiple dialogues held between National Security Advisor Jake Sullivan and Director of the Office of the Central Commission for Foreign Affairs Yang Jiechi and between Secretary of State Blinken and State Councilor and Foreign Minister Wang Yi.

In May, Secretary of State Blinken delivered a speech entitled “The Administration's Approach to the People's Republic of China,” in which he stated that “China is

the only country with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it,” adding that the U.S.-China relationship is “one of the most complex and consequential relationships.” The National Security Strategy unveiled by the U.S. in October notes that the “PRC presents America’s most consequential geopolitical challenge” and that “the PRC is the only competitor with both the intent to reshape the international order and the power to do it,” pointing out that “Beijing has ambitions to create an enhanced sphere of influence in the Indo-Pacific and to become the world’s leading power” and adding that the U.S. will strengthen ties with its allies and take a stand against China.

At the same time, the U.S. has also indicated a policy of cooperating with China on matters of shared interests. The National Security Strategy states that, on issues such as climate change, infectious disease control, and nuclear non-proliferation, “We will always be willing to work with the PRC where our interests align” and “we intend to work together to solve issues that matter most to the people of both countries.” At the U.S.-China summit meeting in November, President Biden also emphasized the need to work together to address global challenges such as climate change, global macroeconomics including debt relief, health security, and food security, and the two leaders are said to have agreed to hold dialogues and cooperate on these issues. Stable U.S.-China relations are important not only for Japan, but also for the entire international community. 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).” Furthermore, at the 20th CPC National Congress in 2022, he reiterated this point, stating that “Achieving the goals for the centenary of the People’s Liberation Army in 2027

and more quickly elevating our people’s armed forces to world-class standards are strategic tasks for building a modern socialist country in all respects.” China has been increasing its defense expenditures about 39-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-civilian integration strategy”, has been extensively and rapidly enhancing the quality and quantity of its military power centered on its nuclear and missile capabilities and naval and air forces, in addition, placing importance on ensuring its superiority in new domains of outer space, cyberspace, the electromagnetic spectrum, AI, and unmanned systems, and promoting the modernization of its military through “integrated development of mechanization, informatization and the application of smart technologies.” In 2022, continuing on from the previous year, Japan has confirmed movements such as navigation by Chinese naval survey vessels in Japan’s territorial waters on the south of Yakushima, joint navigations by Chinese and Russian naval vessels around Japan, and joint flights by Chinese and Russian strategic bombers around Japan, and in addition, Japan has also confirmed Chinese vessels entering the contiguous zone around the Senkaku islands. Additionally, China launched multiple ballistic missiles in August, five of which landed in Japan’s exclusive economic zone (EEZ). In the South China Sea, China has continued and strengthened its actions to unilaterally change the status quo by force and increase regional tensions against the rule of law and openness, such as with further militarization of disputed features.

In recent years, China has grown to have a great influence on the international community, not only politically and economically, but also militarily. China’s current external stance and military activities are a matter of serious concern to Japan and the international community. It is unprecedented and represents the greatest strategic challenge to ensuring the peace and security of Japan and the peace and stability of the international community, as well as to strengthening the international order based on the rule of law, to which Japan should respond with its comprehensive national power and in cooperation with its allies, like-minded countries and others. With regard to China’s

rapid strengthening of its military capabilities and expansion of military activities, Japan will strongly encourage China to improve transparency and to cooperate constructively with international efforts for arms control, disarmament and other such efforts, in cooperation with its allies, like minded countries and others. Furthermore, in order to nurture a relationship of trust between China and Japan, Japan will enhance communication with China in the security field, including through dialogues and exchanges such as the Japan-China Security Dialogue. Additionally, Japan will promote efforts between Japan and China, including the establishment of frameworks to avoid and prevent unforeseen situations with China, such as the Maritime and Aerial Communication Mechanism between the Japanese and Chinese defense authorities. In this way, Japan, in cooperation with related countries, intends to strongly urge China to improve its transparency to dispel the concerns of the international community, including Japan, while further promoting mutual trust in Japan-China relations.

B Japan-China Relations

(A) Bilateral Relations: General

The relations with neighboring China are one of Japan's most important bilateral relations, and the two countries have close economic ties and people-to-people and cultural exchanges. While there are various possibilities between Japan and China, there are a number of challenges and concerns, including unilateral attempts to change the status quo by force or coercion in the East China Sea and South China Sea as well as the situation surrounding the Senkaku Islands, a series of military activities around Taiwan, which in particular, includes the landing of ballistic missiles within the waters near Japan including its EEZ. Peace and stability across the Taiwan Strait is also important. Furthermore, Japan is seriously concerned about the situation in Hong Kong and the human rights situation in the XUAR. At the same time, both Japan and China have a great responsibility for the peace and prosperity of the region and international community. Japan will firmly maintain and assert its position, and strongly request responsible actions by China, while at the same time continuing dialogue including on issues of concern and cooperating 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 2022, high-level communication, including between leaders, was continuously conducted. 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.

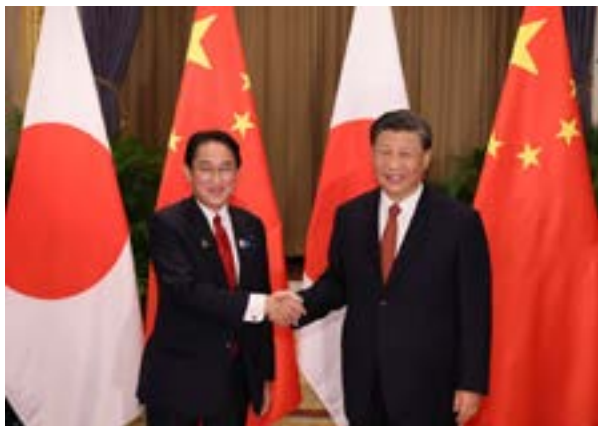
On May 18, a video conference was held between Foreign Minister Hayashi and State Councilor and Foreign Minister Wang Yi. Foreign Minister Hayashi stated that the two sides must strive to realize their important shared vision for a constructive and stable relationship which was agreed upon at the Japan-China summit telephone call in October 2021, and State Councilor and Foreign Minister Wang concurred. Foreign Minister Hayashi, noting the difficulties Japan-China relations are facing and the extremely severe public opinion in Japan toward China, stated that both sides need to say what needs to be said while continuing dialogues and to cooperate in appropriate ways in areas needing cooperation, and that each side needs to fulfil their responsibilities to the international society. Foreign Minister Hayashi also expressed serious concern over the situations in the East China Sea, including the situation surrounding the Senkaku Islands, as well as the South China Sea, Hong Kong, and the XUAR, and stated the importance of peace and stability in the Taiwan Strait. Furthermore, Foreign Minister Hayashi reiterated the position of the Government of Japan regarding the temporary detention of a Japanese diplomat and the detention of Japanese nationals in China. Furthermore, Foreign Minister Hayashi strongly called for the prompt removal of import restrictions on Japanese food products. Both Ministers confirmed that they will promote dialogue and cooperation related to Japan-China economic relations in a variety of areas and at a variety of levels in an appropriate manner and stressed the importance of pushing forward people-to-people and economic exchanges between the two countries through efforts on both sides. Amidst the various impacts of COVID-19, Foreign Minister Hayashi requested that China take appropriate measures including those to ensure the safety of Japanese residents and to protect the legitimate economic activities of Japanese companies. As for regional situations,

regarding the situation over Ukraine, Foreign Minister Hayashi called on China to play a responsible role to maintain international peace and security, noting that Russia's aggression against Ukraine constitutes a clear violation of international law, including the United Nations Charter. Regarding North Korea, the two Ministers exchanged views on the recent situation. Foreign Minister Hayashi stated that the international community must make concerted efforts to realize denuclearization, and the two Ministers confirmed that they will continue to coordinate closely including on understanding and support toward the early resolution of the abductions issue.

On September 28, Chief Cabinet Secretary MATSUNO Hirokazu received a courtesy call from Mr. Wan Gang, Vice Chairman of the Chinese People's Political Consultative Conference National Committee, who was visiting Japan to attend the state funeral of the late Prime Minister ABE Shinzo, and Chief Cabinet Secretary Matsuno expressed his gratitude to Vice Chairman Wan for his visit to Japan to attend the state funeral of former Prime Minister Abe Shinzo. In response, Vice Chairman Wan stated that his attendance was on behalf of the Chinese government and that he wished to once again express his heartfelt condolences. He also stated that his visit to Japan indicated the importance the Chinese side attaches to Japan-China relations, as well as to the Kishida administration. The two sides shared the recognition that on the occasion of the 50th anniversary of the normalization of diplomatic relations between Japan and China in 2022, it is important that both sides strive to realize their shared vision for "building a constructive and stable relationship" which was agreed between the leaders of the two countries.

On November 17, Prime Minister Kishida, who was on a visit to Thailand to attend APEC-related Summit Meetings, held his first face-to-face Summit Meeting with President Xi Jinping. Prime Minister Kishida referred to the telephone summit call in October 2021 when the two leaders agreed on a broad direction of establishing a "constructive and stable Japan-China relationship." Prime Minister Kishida also said that as Japan and China marked the 50th anniversary of the normalization of diplomatic relations, bilateral exchanges are steadily recovering, despite the impact

of the spread of a new COVID-19 variant. Prime Minister Kishida went on to state that, while Japan-China relations face many challenges and issues as well as various possibilities for cooperation, both countries have huge responsibilities for the peace and prosperity of the region as well as the international community, and that, for these challenges and issues the two countries face, both sides should accelerate their efforts to build a "constructive and stable Japan-China relationship," where both sides engage in candid dialogue, act together as responsible nations on international challenges, and cooperate on common issues. President Xi Jinping stated that Japan-China relations have a wide range of common interests as well as possibilities for cooperation and that the importance of Japan-China relations will not change. President Xi Jinping went on to express his desire to work with Prime Minister Kishida to build a Japan-China relationship that is commensurate with the demands of the new era. Prime Minister Kishida expressed grave concern about the situation in the East China Sea, including the situation surrounding the Senkaku Islands, as well as about military activities by China around Japan, such as the landing ballistic missiles within the waters near Japan including its EEZ in August 2022. At the same time, the two leaders agreed on the early launch of a hotline under the Maritime and Aerial Communication Mechanism between the Japan-China defense authorities, as well as the strengthening of communication through the Japan-China Security Dialogue and other channels. Prime Minister Kishida reiterated the importance of peace and stability across the Taiwan Strait, once again called on China to respond to Japan's position on human rights and the detention of Japanese nationals, and strongly called for the prompt lifting of import restrictions on Japanese food products. Prime Minister Kishida expressed his expectation that China will make positive contributions to the international community under established international rules. The two leaders shared the view that mutually beneficial cooperation is possible in the specific areas of economy and people-to-people exchanges, and agreed that they will encourage cooperation in areas such as the green economy, including environment and energy conservation, as well as medical care, nursing care and healthcare. At the same time, Prime Minister Kishida



Japan-China Summit Meeting (November 17, Thailand, Bangkok; Photo: Cabinet Public Affairs Office)

stated that it is important that China guarantees the legitimate business activities of Japanese companies by ensuring a transparent, predictable, and fair business environment. The two leaders also agreed to revitalize bilateral people-to-people exchanges, including between the youth who will lead the future of the two countries. The two leaders agreed to hold the Japan-China High-Level Economic Dialogue and the Japan-China High-Level People-to-People and Cultural Exchange Dialogue at an early date. Prime Minister Kishida stressed the need for both countries to act as responsible nations under the global rules on international issues, such as climate change and development finance. Regarding the situation over Ukraine, Prime Minister Kishida called on China to play a responsible role in maintaining international peace and security. Furthermore, the two leaders shared the concern that Russia's indication of the use of nuclear weapons in Ukraine is extremely alarming, and agreed on the view that nuclear weapons must never be used and that nuclear war must never be waged. Regarding North Korea, Prime Minister Kishida expressed his expectation that China will fulfill its role, including in the UN Security Council, while referring to his serious concern about North Korea's increased nuclear and missile activities. He also requested understanding and support toward the immediate resolution of the abductions issue and the two leaders confirmed that they would continue to work closely together on this issue. Finally, the two leaders agreed to maintain close communications at all levels including at the leaders' level.

Furthermore, even amidst the COVID-19 pandemic, in November the Japan-China High-Level Consultation on Maritime Affairs was held, and Japan

and China continued to exchange their views, such as on a variety of issues related to the East China Sea and other areas.

In addition, on the occasion of the IISS Shangri-La Dialogue on June 12, a face-to-face Japan-China Minister of Defense Meeting was held between Defense Minister KISHI Nobuo and State Councilor and Defense Minister Wei Fenghe.

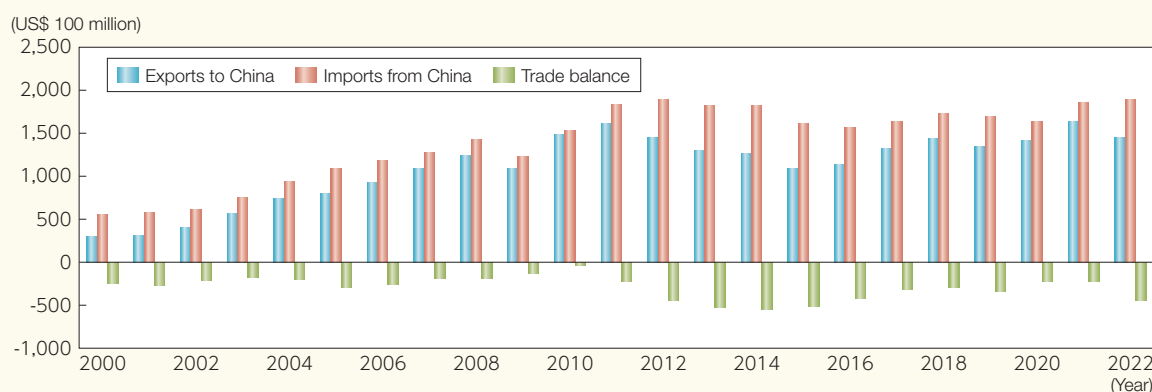
On February 21, a member of the Japanese Embassy in China was temporarily detained by the Chinese authorities against the person's will in Beijing. This case is a clear violation of the Vienna Convention on diplomatic relations and is inadmissible and completely unacceptable, and, as such, Japan lodged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

(B) Japan-China Economic Relations

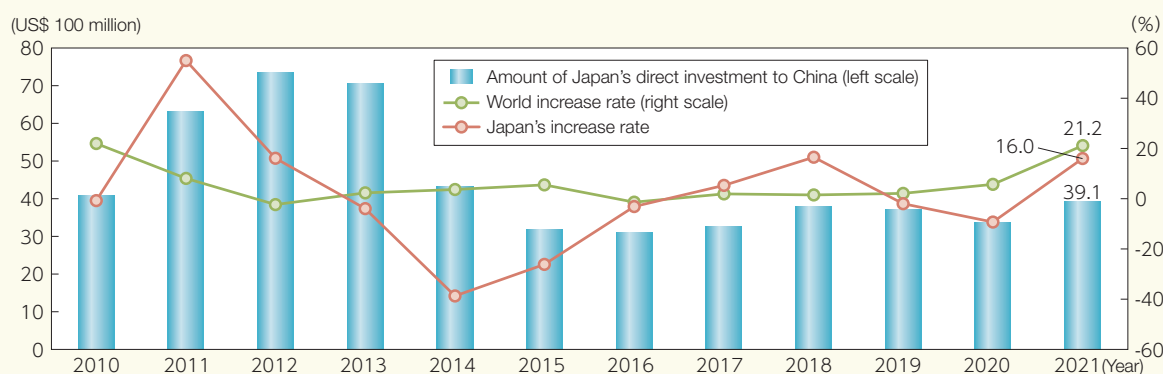
Economic relations between Japan and China, including trade and investment, are very close. The global spread of COVID-19 has had a major impact on Japan-China economic relations since 2020, and travel between Japan and China continues to be significantly restricted. However, even under such circumstances, economic activities between Japan and China in 2022 showed a greater recovery than in the previous year, and the total trade between Japan and China (excluding Hong Kong) amounted to about 43.8 trillion yen in 2022 (14.3% increase year on year), and China has been the largest trading partner for Japan for 16 consecutive years. Moreover, according to Chinese statistics, Japan's direct investment in China was about 3.913 billion US dollars (16.0% increase year on year, as estimated from officially published information on investment) in 2021. Japan ranks third in terms of the amount of direct investment to China (Singapore ranks first, the ROK second, the U.S. fourth, and Germany 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 Foreign Ministers' Video Conference held in May, both Ministers confirmed to promote dialogue and cooperation related to Japan-China economic relations in a variety of areas and at a variety of levels in an appropriate manner, and stressed the importance of

Japan's Value of Trade with China



Japan's direct investment to China



pushing forward the people-to-people and economic exchanges between the two countries through efforts on both sides. At the Japan-China Summit Meeting held in November, the two leaders shared the view that mutually beneficial cooperation is possible in specific areas of economy and exchanges of people, and agreed that they will encourage cooperation in areas such as green economy including environment and energy conservation, as well as medical care, nursing care and healthcare. Additionally, as private-sector level economic exchanges, in September Premier Li Keqiang held a high-level online dialogue with the Japanese business community, and in November the eighth Japan-China Business Leader and Former High-Level Government Official Dialogue (Japan-China CEO Summit) was held online.

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

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

Since November 2020, China has restricted the scope of visa applications to business people who have already obtained a letter of invitation issued by a local government, but from June 2022, a letter of invitation was no longer required for visa applications. Since August, border measures have gradually been eased, such as resuming the issuance of long-term study visa. However, China is not allowing the new entry of foreign nationals for the purpose of tourism or short-term study in China, and strict border measures, such as continuing quarantine measures after entering China, are still in place (as of the end of January 2023).

The number of visitors to Japan from China was approximately 189,000 in 2022 (as of the end of February 2023, provisional value from the Japan National Tourism Organization (JNTO)). Although

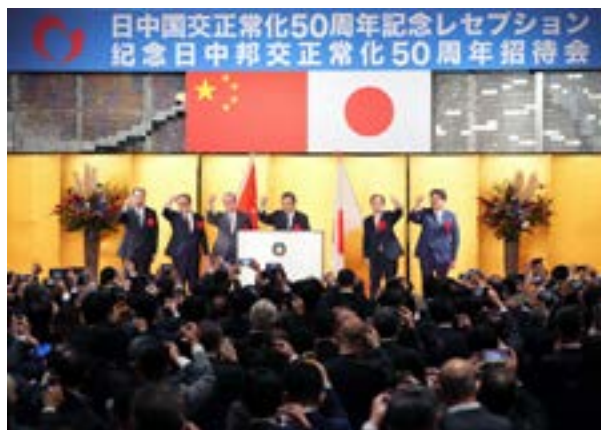
this value has significantly grown when compared to the previous year (finalized value from JNTO), the flow of people between Japan and China has not yet fully recovered to pre-COVID-19 levels.

(Exchanges in various fields)

2022 marks the 50th anniversary of the normalization of Japan-China relations, and in cooperation with the 50th Anniversary of the Normalization of Japan-China relations Executive Committee for Promotion of Japan-China Exchange chaired by KEIDANREN (Japan Business Federation) Chairman TOKURA Masakazu, more than 220 exchange projects were certified for the 50th anniversary in a variety of fields such as cultural, economic, educational, tourism, and local areas. These exchanges were held in person between Japan and China, as well as through online formats. On September 29th,



Opening ceremony for Japan Festival Shenyang, commemorating the 50th anniversary of the normalization of Japan-China relations (June 11, Shenyang, China)



Reception to celebrate the 50th anniversary of the normalization of Japan-China relations, hosted by the 50th anniversary of the normalization of Japan-China relations Executive Committee for Promotion of Japan-China Exchange (September 29, Tokyo)

the actual day of the 50th anniversary, a commemorative reception hosted by the 50th Anniversary Executive Committee was held in Tokyo, where messages commemorating the 50th anniversary exchanged between Prime Minister Kishida and President Xi Jinping were introduced. On the same day, a commemorative reception was also held in Beijing by the Chinese People's Association for Friendship with Foreign Countries and the China-Japan Friendship Association.

As for Japan-China youth exchanges, in 2022, as in 2021, even though face-to-face exchange projects could not be implemented due to cross-border travel restrictions caused by COVID-19, youth exchanges such as the "JENESYS" Friendship Ties Program were achieved online, for the purpose of promoting mutual understanding and understanding of Japan between students and researchers from both countries.

(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, Marine Surveillance vessels first intruded into Japanese territorial sea surrounding the Senkaku Islands.⁷

⁷ 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>



During 2022, 28 incidents were recorded in which China Coast Guard vessels intruded into the Japanese territorial sea surrounding the Senkaku Islands (the numbers were 34 in 2021 and 24 in 2020). Since May 2020, Chinese Coast Guard vessels have intruded into the Japanese territorial sea of the Senkaku Islands and there have been incidents in which China Coast Guard vessels frequently attempt to approach Japanese fishing boats in those waters. The number of confirmed days in 2022 in which China Coast Guard vessels navigated in the contiguous zone around the Senkaku Islands reached a record high of 336 days, and the situation remains severe, as evidenced by an incident in December 2022 in which an intrusion into Japan's territorial sea lasted more than 72 hours, the longest ever recorded. 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 China's such unilateral attempts to change the status quo by force, through diplomatic routes the Government of Japan has repeatedly lodged strong protests, has called for the prompt withdrawal of Chinese vessels from Japan's territorial waters, and has demanded that such incidents be prevented from reoccurring. 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.

Chinese naval vessels and aircraft have also been accelerating their activities in the sea and airspace around Japan, including in the East China Sea. In 2022, continuing on from the previous year, Japan confirmed multiple instances in which Chinese Navy survey ships navigated in Japanese territorial waters south of Yakushima. Joint flights by Chinese and Russian strategic bombers were confirmed in May and November, and continuing on from the previous year, joint navigation by Chinese and Russian vessels was confirmed in September. In July, a Chinese naval vessel entered the contiguous zone around the Senkaku Islands. Based on past movements of Chinese naval vessels in the waters surrounding Japan, the Government of Japan has strong concerns about the navigation of Chinese naval vessels in Japanese territorial waters. Furthermore, because the joint actions of Chinese and Russian militaries in the vicinity of Japan are a serious concern for Japan's security, Japan has appropriately communicated Japan's position to the Chinese side regarding each incident.

In August, in a series of military activities around Taiwan, China launched multiple ballistic missiles, five of which landed within Japan's EEZ. This series of military activities by China is a serious issue that concerns the security of Japan and the safety of its people, and seriously affects the peace and stability of the region and the international community. This is a matter of serious concern, and the Government of Japan strongly condemned and protested against the actions taken by China.

Chinese aircraft activity, including by unmanned aerial vehicles, continues to occur, and the number of times 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.

China has been continuing its unilateral activities to develop natural resources while the EEZ and the

continental shelf between Japan and China in the East China Sea remain pending delimitation. In addition to the four structures built by the Chinese side prior to the “2008 Agreement,” the Government of Japan has confirmed 12 new structures built between June 2013 and May 2016 that are west of the geographical equidistance line. Moreover, since May 2022, two new structures have been installed, and Japan has confirmed that a total of 18 structures have been installed in 16 locations so far (at two of the 16 locations, two structures have been integrated into a single structure). 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 for the conclusion of international agreements based 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 maritime scientific surveys in the waters around Japan, including in Japan's EEZ in 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. Additionally, 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. At the Japan-China Summit Meeting in November 2022, it was agreed that the “hotline between the defense authorities of Japan and China” under this mechanism would be put into operation as soon as possible, and work is underway to establish it (as of the end of January 2023). 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 it enables 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



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



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)

In the waters around the Yamato Bank in the Sea of Japan, the number of warnings to Chinese fishing vessels to leave is on the decline, but illegal fishing by Chinese fishing vessels was still confirmed in 2022. Utilizing opportunities such as Japan-China High-Level Consultation on Maritime Affairs, Japan has, at various levels, repeatedly conveyed its concerns and has strongly urged China to take effective steps, including strengthening measures such as providing guidance to those engaged in fishing.

(Japanese Food Import Restrictions Issue)

Regarding the import restrictions placed on food and agricultural products from Japan by China, Japan continues to strongly push at all levels for the removal of these restrictions, including at the Japan-China Foreign Ministers' Video Conference in May between Foreign Minister Hayashi and State Councilor and Foreign Minister Wang Yi, and at the Japan-China Summit Meeting in November between Prime Minister Kishida and President Xi Jinping. Japan will continue to take every opportunity to urge the Chinese side for the prompt removal of these restrictions.

(Cases of Detainment of Japanese Nationals)

In regard to successive 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 addition to these individuals, three more individuals have returned to Japan after serving their sentences, in October 2022, December 2022, and January 2023, respectively. 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.

(Overseas Chinese Police Outposts)

In September and December, Spanish NGO Safeguard Defenders released a report stating that regional police authorities in China had established outposts called "service stations" in more than 50 countries, including Japan, and pointed out the possibility that these outposts were being used to strengthen crackdowns outside of China and to monitor and threaten overseas Chinese nationals. With regard to this matter, Japan lodged a protest to China through diplomatic channels, stating that it would be absolutely unacceptable if activities that infringe upon Japan's sovereignty are taking place. Japan will continue to cooperate with relevant ministries and agencies, as well as with the G7 and other relevant countries, and strive to collect and analyze information, and take appropriate measures.

(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 2022, 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 field surveys for and excavation/collection of abandoned chemical weapons shells in various parts of China (as of December, approximately 60,000 abandoned chemical weapons have been destroyed).

(2) Taiwan

A Domestic Affairs and Economy

From the end of March when the outbreak of the Omicron COVID-19 variant caused a significant increase in community transmission of COVID-19, Taiwan gradually shifted to a "with-COVID-19" policy, and from September 29, visa exemption measures were fully resumed, including for Japan.

On November 26, Taiwan's quadrennial local

elections were held, and in addition to the opposition Kuomintang (KMT) maintaining control of numerous local leader positions, the KMT also secured major victories by recapturing major special municipalities, and the ruling Democratic Progressive Party (DPP) suffered a heavy defeat in which its number of local leader positions was reduced. Following the election results, President Tsai Ing-wen resigned as Chair of the DPP.

Taiwan's economy in 2022 is forecast to have real annual GDP growth of plus 2.43% against a backdrop of continued growth in external demand, centered around semiconductors and other IT products, as well as a gradual recovery in private consumption.

B Cross-strait Relations and External Relations

From August 2 to 3, U.S. Speaker of the House of Representatives Nancy Pelosi visited Taiwan, met with President Tsai Ing-wen, and held a joint press conference with her. China announced on August 2 that it would hold military exercises, including live-fire exercises, around Taiwan from August 4 to 7. On August 4, multiple ballistic missiles landed in the waters near Japan including its EEZ, and numerous Chinese military aircraft flew over the Taiwan Strait median line on consecutive days. During this time, the websites of public institutions in Taiwan were hit by cyberattacks, and Foreign Minister Jaushieh Joseph Wu said that the cyberattacks were confirmed to have originated from Chinese and Russian IP addresses. China also temporarily suspended imports of Taiwanese citrus fruits and other products from August 3, and announced economic sanctions against "Taiwan independence elements" on August 16.

On August 4, the G7 issued an urgent Foreign Ministers' Statement⁸ calling on China not to unilaterally change the status quo by force, and Japan urged China to immediately suspend its military exercises. That evening, President Tsai Ing-wen stated to the international community that Taiwan is committed to maintaining the status quo of peace and stability across the Taiwan Strait, that peace across the Taiwan Strait is

a joint regional responsibility, and that Taiwan is open to constructive dialogue.

On August 10, China announced its third white paper on Taiwan entitled "The Taiwan Question and China's Reunification in the New Era," which followed the 1993 and 2000 white papers on Taiwan by the Government of China, with the new white paper stating that "the Taiwan authorities, led by DPP, have redoubled their efforts to divide the country." At the CPC National Congress in October, General Secretary Xi Jinping stated in his report that "We will continue to strive for peaceful reunification with the greatest sincerity and the utmost effort, but we will never promise to renounce the use of force, and we reserve the option of taking all measures necessary."

Active visits to Taiwan by parliamentarians and legislators, etc. from various countries' legislatures have continued, including by parliamentarians and legislators from Japan, the U.S., European countries, as well as from Indonesia and Ukraine.

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. From this perspective, Japan has consistently supported Taiwan's participation as an observer to the WHO General Assembly.

C Japan-Taiwan Relations

In December 2022, the Japan-Taiwan Exchange Association and the Taiwan-Japan Relations Association, which are private-sector contact organizations between Japan and Taiwan, celebrated their 50th anniversary. For Japan, Taiwan is an extremely crucial partner and an important friend, with which it shares fundamental values and principles 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

⁸ G7 Foreign Ministers' Statement on Preserving Peace and Stability Across the Taiwan Strait
https://www.mofa.go.jp/press/release/press3e_000433.html



between Japan and China. The sentiments of Japanese and Taiwanese citizens toward each other are generally favorable. In a survey conducted in January 2022 by the Japan-Taiwan Exchange Association, 77% of Taiwanese respondents said they “felt close to Japan” or “relatively felt close to Japan,” and, according to a survey conducted in November 2021 by the Taipei Economic and Cultural Representative Office in Japan, 76% of Japanese respondents said that they “felt close to Taiwan” or “relatively felt close to Taiwan.”

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

In March, the Japan-Taiwan Exchange Association and the Taiwan-Japan Relations Association signed a Memorandum of Understanding on Food Safety and Food Imports, bringing the total number of agreements between the two associations to 59.

In September, Taiwan-Japan Relations Association Chairman Su Jia-chyuan, former legislative speaker Wang Jin-pyng, and Taipei Economic and Cultural Representative Office in Japan representative Frank CT Hsieh from Taiwan attended the state funeral for the late Prime Minister ABE Shinzo.

(3) Mongolia

A Domestic Affairs

At the end of 2021, the Oyun-Erdene Administration made efforts toward realizing the “New Recovery Policy” it announced in late 2021, which is for economic self-reliance after COVID-19 (policies aimed at recovery of border ports, energy, industry, urban and rural development, green development, and public sector efficiency).

In March, the Government of Mongolia practically abolished quarantine measures against individuals entering Mongolia, and greatly eased infection control measures and restrictions in the country.

In August, following a ruling of unconstitutionality by the Constitutional Court of Mongolia that invalidated a provision in the 2020 constitutional

amendment that restricted the number of State Great Hural (Parliament of Mongolia) members who could serve as Cabinet Ministers (the provision stipulated that no more than four State Great Hural members, in addition to the Prime Minister, could serve as Cabinet Ministers), the Cabinet was reshuffled and a number of State Great Hural members were appointed as Cabinet Ministers (Foreign Minister B. Battsetseg, who is not a member of the State Great Hural, remains as a Cabinet minister).

In order to contribute to solving the problem of climate change, President U. Khurelsukh vigorously promoted the “One Billion Trees” initiative, which he announced at the General Debate of the UN General Assembly in 2021. Also, he encouraged efforts to improve domestic food self-sufficiency, in response to recent sharp rises in the prices of daily necessities, including food, due to external factors.

B Foreign Policy

Mongolia, which is dependent on China and Russia for its economy and energy, has been seeking to maintain relations with both neighboring countries as well as to further strengthen ties with “third neighbors” in the wake of Russia’s aggression against Ukraine. Starting with Foreign Minister Hayashi’s visit to Mongolia from late April to early May, numerous foreign dignitaries have visited Mongolia, including Foreign Minister of Russia Sergei Lavrov (July), State Councilor and Foreign Minister of China Wang Yi (August), UN Secretary-General António Guterres (August), and Foreign Minister of Republic of Korea Park Jin. Furthermore, when President Khurelsukh attended the Shanghai Cooperation Organisation (SCO) summit in September, he held a trilateral meeting with the leaders of China and Russia, and also held meetings with the leaders of other participating countries. Prime Minister L. Oyun-Erdene also actively visited other countries, including Singapore, Russia, and Germany.

C Economy

China had closed the major border checkpoints between Mongolia and China since November 2021 in order to prevent the spread of COVID-19, and border restrictions had been prolonged even into 2022 (the border restrictions were relaxed in May 2022), which caused

Column

A Promise Fulfilled: Reunited After 28 Years

“When you grow up, I will invite you to Mongolia.”

One day, a young man from Mongolia made this promise to a little Japanese girl in his host family in Japan. It was the summer of 1994.

At the time, the Government of Japan and the Japan International Cooperation Agency (JICA) were conducting a variety of invitation programs for training in Japan to support Mongolia building a new country in its transition to democracy and a market economy in 1990. As part of these initiatives, the young man came to Japan for a little over a month and spent several days with a Japanese family. He sipped *sake* (*Japanese alcohol*) together with the family almost every night, and, while they didn't understand each other's language, he felt that they had a real connection. In the house where three generations lived together, there was a little girl who was about the same age as the daughter he had left back in Mongolia. He was particularly fond of this little girl, and he made her the promise when it was time for him to go back to Mongolia.

After returning to Mongolia, he was unable to fulfill his promise, and time passed quickly. In October 2019, he represented Mongolia at the Ceremony of the Enthronement of His Majesty the Emperor. Then, he requested the liaison official of the Ministry of Foreign Affairs, “Please find my host family from back then.”

He did not remember the name of the place or even the family members, and the only clues he had were a few photos that were pasted in an album, so the search got off to a rocky start. At last, however, the person was found, who said that “Khurlee (a common name for “Khurelsukh”) stayed at our house.” It was the family of TAKAMURA Mitoshi in Aomori Prefecture, and the little girl had grown up and become a mother.

Khurlee, who had become the Prime Minister of Mongolia, immediately sent an invitation to the family. However, due to the COVID-19 pandemic, the family was unable to visit Mongolia.

In June 2021, Khurlee ran for President and won a complete victory to become the President of Mongolia. However, even as President, he never forgot his promise. In 2022, the 50th anniversary of the establishment of diplomatic relations between Japan and Mongolia, he once again invited his family to Mongolia. Then finally, in July, during the “Naadam,” Mongolia's largest festival, the four generations of the TAKAMURA family finally visited Mongolia and reunited with President Khurelsukh. The President and his family extended a warm welcome to the TAKAMURA family. After 28 years, the promise between the young Mongolian man, Khurlee, and the little Japanese girl was finally fulfilled.

In September, a grandchild of the TAKAMURA family was among the participants of the “Aomori Youth Speech Contest” held in Gonohe Town, Aomori Prefecture. He spoke about his family's visit to Mongolia and their exchanges there over the summer.

This story, originating from an encounter 28 years ago, continues to be passed on to the next generation.



Photo from the photo album of President Khurelsukh (called “Khurlee”). President Khurelsukh is in the center of the front row (1994, Aomori Prefecture)



President Khurelsukh and members of the TAKAMURA family reunited in Mongolia (Photo: TAKAMURA family)

trade with China to stagnate as well as soaring import prices. In addition to this, due to factors such as external shocks (stagnant trade with Russia and Europe, and soaring prices) caused by Russia's aggression against Ukraine, Mongolia's growth rate in 2022 is expected to be 3.71% (forecast as of September 2022). On the other hand, domestic demand was revitalized with the relaxation of domestic COVID-19 restrictions from February. According to government economic statistics for 2022, exports increased by 35.7% and imports increased by 27.2% year on year. In the statistics for September, Mongolia recorded a 25.4% increase in tax revenue and a 52.0% increase in industrial production.

D Japan-Mongolia Relations

The year of 2022, the 50th anniversary of the establishment of diplomatic relations between Japan and Mongolia, turned out to be a year with various events including visits by dignitaries of the two countries, dialogues and cooperation, and other exchanges, in order to overcome the COVID-19 pandemic and make it a year of restoration of people-to-people exchanges, as well as to make it a year to look back on the past 50 years and create the foundation and bonds for the next 50 years.

From late April to early May, Foreign Minister Hayashi visited Mongolia, held a Japan-Mongolia Foreign Ministers' Meeting, paid a courtesy call to the President and Prime Minister, and exchanged views on bilateral relations and regional situations including on Ukraine and North Korea. Then, Prime Minister Oyun-Erdene, Foreign Minister Battsetseg, and Minister of Energy B. Chojilsuren attended the state funeral for

the late Prime Minister ABE Shinzo in September, and a Summit Meeting with Prime Minister Kishida and a working lunch with Foreign Minister Hayashi were held. Furthermore, in November President Khurelsukh made an official visit to Japan, held a Japan-Mongolia Summit Meeting with Prime Minister Kishida, and Japan and Mongolia announced that they would upgrade their relationship to a "special strategic partnership for peace and prosperity," and released a joint statement, and the annex to the joint statement outlining the content of the cooperation that the two countries will undertake over the next 10 years.

In 2022, a variety of projects to commemorate the 50th anniversary of the establishment of diplomatic relations between Japan and Mongolia, as well as youth exchange promotion projects, were implemented in both countries throughout the year. As part of this, in late August, the 50th Anniversary Delegation headed by HAYASHI Motoo, Chairman of the 50th Anniversary Executive Committee for the Establishment of Diplomatic Relations, visited Mongolia and, in addition to meeting with dignitaries such as the President, Chairman of the State Great Hural, and Prime Minister, they participated in "Ikh Khuralдай," symposium that was organized by private organizations, and the "White Road" dance festival held in Sukhbaatar Square. Also, from July to September, the Ministry of Foreign Affairs of Japan hosted the Japan-Mongolia Student Forum (three-day online study session and two-night, three-day exchange camp), where students from both countries deepened mutual understanding and exchanges.

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, as well as settlement of the unfortunate past in accordance with the Japan-DPRK Pyongyang Declaration

of September 2002. In 2022, North Korea launched ballistic missiles with an unprecedented frequency and in unprecedented manners, launching ballistic missiles 31 times (at least 59 launches) including missiles that flew over Japan and multiple intercontinental ballistic missile (ICBM)-class ballistic missiles. The series of actions by North Korea, including ballistic missile launches that exacerbate the situation, constitutes a

grave and imminent threat to Japan's national security and poses a clear and serious challenge to the international community. It is 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 Republic of Korea (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)⁹ and will continue to make utmost efforts to realize the return of all abductees at the earliest possible date, while working 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 the series of relevant UN Security Council resolutions.

In April, a military parade was held to celebrate the 90th anniversary of the founding of the Korean People's Revolutionary Army, and in his speech, President of the State Affairs Commission Kim Jong Un is reported to have said "we will continue to take measures for further developing the nuclear forces of our state at the fastest possible speed." At the military parade, it was also reported that the columns of the latest tactical missile units, a column of super-large Multiple Launch Rocket Systems (MLRS), columns of strategic missiles, and a Hwasong-17 intercontinental ballistic missile were on display. In September, the 7th Session of the 14th Supreme People's Assembly was held, and a decree "On the DPRK's Policy on the Nuclear Forces" was discussed and adopted. At the 7th session, it was also reported that President Kim stated that, with regard to North Korea's nuclear weapons, "we have drawn the line of no retreat regarding our nuclear weapons," and "herein lies the great importance of the legalization of the policy of the nuclear forces," as well as "even

a moment around the difficulties we are experiencing now; we can never give up the nuclear weapons," "we will make the nuclear combat posture consolidated in every way," and that "it is also necessary to steadily step up the deployment of cutting-edge strategic and tactical weapon systems."

In 2022, North Korea launched ballistic missiles with an unprecedented frequency and in unprecedented manners, launching ballistic missiles 31 times (at least 59 launches). On January 5 and 11, it launched ballistic missiles that it called "hypersonic missiles." Additionally, North Korea announced that it had 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, "tactical guided missiles" on January 17 and 27, and a "long-range cruise missile" on January 25. On January 30, North Korea launched what appeared to be an intermediate-range ballistic missile (IRBM) "Hwasong-12," and launched an ICBM-class ballistic missile on February 27 and March 5 for what they claimed as important tests for developing a "reconnaissance satellite." Furthermore, approximately one week after the launch of a ballistic missile on March 16, which was assumed to have not flown successfully, on March 24 North Korea launched an apparently new type of ICBM-class ballistic missile. It was estimated that this missile had a flight distance of approximately 1,100 kilometers, with 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. In response to North Korea's provocative actions, on April 1, the Government of Japan announced further measures against North Korea and additionally designated four entities and nine individuals as subject to asset freezes and other measures.

Following these launches, North Korea launched a ballistic missile on May 4, a submarine-launched ballistic missile (SLBM) on May 7, three ballistic missiles on May 12, and on May 25 launched an ICBM-class ballistic missile and a ballistic missile. On May 27, following the launch of a series of ballistic missiles,

⁹ 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.

which included ICBM-class ballistic missiles, the U.S. proposed a new UN Security Council resolution that included tougher sanctions. Although the resolution received the support of the 13 Security Council Member States other than China and Russia, it was rejected due to the veto exercised by China and Russia. On the other hand, at the UN General Assembly held on June 8 and 10, numerous member states criticized North Korea's nuclear and missile activities and its violation of the Security Council's resolutions. During this period, on June 5, North Korea launched eight ballistic missiles from multiple locations.

North Korea also launched a cruise missile on August 17, and then launched a series of ballistic missiles on September 25, 28, and 29 in a short period of time. On October 1, 4, 6, 9, and 14, North Korea launched ballistic missiles and, on October 4, a ballistic missile flew over Japan. On October 18, the Government of Japan, as further measures against North Korea, additionally designated five entities involved in North Korea's nuclear and missile development as subject to asset freezes and other measures.

North Korea launched ballistic missiles on November 2, 3, 9, and 18, including the launch of a possible ICBM-class ballistic missile. The ICBM-class ballistic missile on November 18 was estimated to fly a distance of approximately 1,000 kilometers, with a maximum altitude that exceeding 6,000 kilometers and fall within Japan's EEZ, approximately 200 kilometers west of Oshima-Oshima Island in Hokkaido. On December 2, the Government of Japan, as further measures against North Korea, additionally designated three entities and one individual involved in North Korea's nuclear and missile development as subject to asset freezes and other measures.

On December 18, North Korea launched two ballistic missiles claiming as a crucial test of final stage for the development of "reconnaissance satellite," and five days later, on December 23, it launched another ballistic missile. Furthermore, on December 31, 2022, and January 1, 2023, North Korea launched ballistic missiles that it termed "super-large MLRS."

As a result of the measures taken against North Korea so far, the Government of Japan has designated 137 entities and 121 individuals in total as subject to asset freezes and other measures.

Regarding North Korea's nuclear activities, the U.S. State Department released their assessment in May that North Korea could be ready to conduct a nuclear test at the Punggye-ri test site in the northeastern part of North Korea in the same month. Additionally, in May it was also reported that the ROK's National Intelligence Service (NIS) revealed that North Korea had completed all preparations for its seventh nuclear test and was waiting on the timing to conduct the test. In June, the U.S. State Department also indicated that North Korea had completed preparations for a nuclear test. In September, the International Atomic Energy Agency (IAEA) Director General's report pointed out that there were indications that North Korea had reopened Adit 3 and constructed several new support buildings at the nuclear test site located near the settlement of Punggye-ri.

(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 the collaboration 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 collaboration at multiple levels, through holding Summit Meetings, Foreign Ministers' Meetings, Vice-Ministerial Meetings, and Heads of Delegation Meetings for the Six-Party Talks. On June 29, on the occasion of the NATO Summit Meeting in Madrid, Spain, a Japan-U.S.-ROK Summit Meeting was held for the first time in about four years and nine months. On November 13, Japan-U.S.-ROK Summit Meeting was held in Phnom Penh, Cambodia, on the occasion of the ASEAN-related Summit Meetings. The three leaders shared the recognition that bilateral and trilateral

cooperation among Japan, the U.S., and the ROK is becoming increasingly important in the face of North Korea's provocations, which are unprecedented both in their frequency and their manner, and a looming possibility of further provocations. They concurred to work together to take resolute actions toward the complete denuclearization of North Korea. After the meeting, the "Phnom Penh Statement on Trilateral Partnership for the Indo-Pacific" was released. Following this, in response to North Korea's launch of an ICBM-class ballistic missile on November 18, an emergency meeting was held by the leaders of Japan, the U.S., the ROK, Australia, Canada, and New Zealand who were attending the APEC Economic Leaders' Meeting in Bangkok, Thailand, at which the leaders condemned the ballistic missile launch in the strongest possible terms and concurred that it is absolutely unacceptable. At the Foreign Minister level, a Japan-U.S.-ROK Foreign Ministers' Meeting was held in Honolulu, the U.S., on February 12, and in Bali, Indonesia, on July 8, on the occasion of the G20 Foreign Ministers' Meeting. On September 22, a Japan-U.S.-ROK Foreign Ministers' Meeting was held in New York, the U.S., on the occasion of the UN General Assembly. The three Foreign Ministers aligned their views on how to respond to further provocations by North Korea, including another nuclear test, and on future measures toward the complete denuclearization of North Korea. The three Foreign Ministers also concurred to further enhance the collaboration among Japan, the U.S., and the ROK at multiple levels. After the meeting, a joint statement on the Japan-U.S.-ROK Trilateral Ministers' Meeting was released. On November 21, following North Korea's launch of an ICBM-class ballistic missile on November 18, the "G7 Foreign Ministers' Statement on the Launch of an Intercontinental Ballistic Missile by the Democratic People's Republic of Korea (DPRK)" was released.

As part of the Japan Coast Guard's patrolling activities and the Self-Defense Forces' surveillance operations, 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 transfers¹⁰ 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, and France, in addition to U.S. aircraft, have, based on the UN Status of Forces Agreement, used U.S. military facilities and areas in Japan to engage in surveillance operations against illicit maritime activities, including ship-to-ship transfers. Furthermore, monitoring and surveillance activities were conducted in the waters surrounding Japan, including the East China Sea, by naval vessels such as multiple vessels of the U.S. Navy, the French Navy frigate *VENDÉMIAIRE*, the Royal Australian Navy frigates HMAS *PARRAMATTA* and HMAS *ARUNTA*, the Royal Canadian Navy frigate HMCS *VANCOUVER*, and the UK Royal Navy frigate HMS *TAMAR*. 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 constitute a universal issue among the international community as a violation of basic human

¹⁰ In this context, "ship-to-ship transfers" refers to the transfers to or from North Korea-flagged vessels of any goods or items at sea, which UN Security Council resolution 2375 (adopted in September 2017) prohibits the UN member states from facilitating or engaging in.

rights. In addition, the abductions issue is a humanitarian issue with a time constraint. Not just the abductees themselves, but also their families having reached an advanced age, and they continue to work toward the resolution of this problem with a determination to “never give up.” 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 2023, Prime Minister Kishida gave a policy speech where he stated: “the abductions issue, one of our highest priorities, is a grave humanitarian issue and we have no time to lose in resolving it. I will resolutely make every possible effort to achieve the return of all the abductees to Japan at the earliest possible date, seizing every possible opportunity. I am determined to meet with President Kim Jong Un 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 in February, 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 Taro held a meeting with the North Korean Minister of Foreign Affairs Ri Yong Ho at the UN headquarters. In September 2022, Prime Minister Kishida addressed the 77th Session of the United Nations General Assembly, declaring “I am determined to meet with President Kim Jong Un without any conditions.”

(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 Summit Meeting, ASEAN-related Summit Meetings, and UN meetings. With regard to the U.S., President Trump raised the abductions issue with President 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 President 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. Furthermore, at the small group dinner that followed, President Trump again raised the abductions issue, and a serious discussion was held between the leaders. Moreover, at the Japan-U.S. Summit Video Teleconference Meeting on January 22, 2022, and at the Japan-U.S. Summit Meeting on May 23, 2022, Prime Minister Kishida asked for full understanding and cooperation again for the immediate resolution of the abductions issue, and gained further support from President Biden. During his visit to Japan in May, President Biden met with the family members of the abductees, listened carefully and earnestly to the families’ sentiments and their requests for U.S. support in resolving the abductions issue as soon as possible,

and encouraged them. Furthermore, at the October 4 Japan-U.S. Summit Telephone Meeting, the November 13 Japan-U.S. Summit Meeting, and the January 13, 2023 Japan-U.S. Summit Meeting, Prime Minister Kishida asked for continued understanding and cooperation toward the resolution of the abductions issue, to which President Biden offered his full 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 President 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 Meeting on November 17, 2022, Prime Minister Kishida requested President Xi Jinping's understanding and support toward the immediate resolution of the abductions issue, and the two leaders confirmed that they would continue to work closely together on this issue. 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 6, 2022 Japan-ROK Summit Telephone Meeting and the November 13 Japan-ROK Summit Meeting, Prime Minister Kishida asked for continued understanding and cooperation for the resolution of the abductions issue, and once again gained President Yoon Suk Yeol's support. At the UN Human Rights Council in April 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 President Kim in Panmunjom, and in October 2019, U.S.-North Korea working-level talks were convened in Stockholm, Sweden. However, after this, no concrete progress was made in dialogues between the U.S. and North Korea.

Through President Biden's North Korea policy review in April 2021, 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. In October 2022, the U.S. released a new National Security Strategy (NSS), indicating that it would seek sustained diplomacy toward the complete denuclearization of the Korean Peninsula and that it would strengthen extended deterrence in the face of North Korean weapons of mass destruction and missile threats. At the Japan-U.S.-ROK Summit Meeting in November, the three leaders shared the recognition that bilateral and trilateral cooperation among Japan, the U.S., and the ROK is becoming increasingly important as North Korea continues its provocations, and in the Phnom Penh Statement on Trilateral Partnership for the Indo-Pacific that was released after the meeting, President Biden reiterated that the U.S. commitment to defend Japan and the ROK is ironclad and backed by the full range of capabilities, including nuclear. At the same time, 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 President Kim said in his speech at the 7th Session of the 14th Supreme People's Assembly in September: "in direct proportion to the increase of the period of suffering imposed on our people by the U.S.'s brutal hostile policy against us, our absolute strength is continuing to be built up at exponential speed and the security threat they have to face is increasing in direct proportion;" "there will never be such a thing as our abandonment

of the nuclear weapons or denuclearization first, nor will there be any negotiations to this end or bargaining chip in these process;" and "our Republic's nuclear forces represent the destiny of the country and the people and their lasting prestige." From September 25 to October 9, President Kim directed the "military drills of the Korean People's Army units for the operation of tactical nukes," and, on October 10, he is reported to have said "the enemies have still talked about dialogue and negotiation while posing military threats to us, but we have no content for dialogue with the enemies and felt no necessity to do so."

Furthermore, at the 6th Enlarged Plenary Meeting of the 8th Central Committee of the Workers Party of Korea (WPK), held from December 26 to 31, President Kim is reported to have said that the U.S. was "pushing forward the realization of triangular cooperation with Japan and South Korea on a full scale while working hard to establish a new military bloc like an Asian version of NATO," emphasized the need to strengthen military capabilities, and highlighted "the importance and necessity of mass-producing tactical nuclear weapons and calls for an exponential increase of the country's nuclear arsenal."

In response to a series of provocations by North Korea, including ballistic missile launches, the U.S. decided to additionally designate individuals and entities as subjects of its own sanctions in January, March, April, May, August, October, November, and December of 2022, respectively.

(B) Inter-Korean Relations

In May, President Yoon Suk Yeol's administration was inaugurated in the ROK with the goal of "normalizing inter-Korean relations." In his inaugural address, President Yoon stated; "if North Korea genuinely embarks on a process to complete denuclearization, we are prepared to work with the international community to present an audacious plan that will vastly strengthen North Korea's economy and improve the quality of life for its people." In August during the Liberation Day speech, he proposed "the audacious initiative"

on the condition of genuine and substantial progress on denuclearization of North Korea, and referred to the implementation of a large-scale food program; assistance for power generation, transmission and distribution infrastructure; projects to modernize ports and airports for international trade, as well as technical assistance program to enhance North Korea's agricultural productivity, assistance to modernize hospitals and medical infrastructure, international investment and financial support initiatives. In response to this, North Korea released a statement in August by Kim Yo Jong, Vice Department Director of the Central Committee of the WPK, describing the "audacious initiative" by the ROK as "the height of absurdity as it is an impracticable one" and commenting that it was not a new one, but a replica of 'denuclearization, opening and 3000' raised by their President Lee Myung Bak.

In October, using U.S.-ROK military exercises as a pretext, North Korea carried out provocative actions, including repeated ballistic missile launches, bombardments with multi-launch rockets, and demonstrations by military aircraft. The ROK criticized North Korea for repeatedly shelling the zone where all live-fire artillery drills and field training exercises were agreed to be ceased in the "Agreement on the Implementation of the Historic Panmunjom Declaration"¹¹ in the Military Domain"¹² that was adopted at the Inter-Korean Summit Meeting in 2018. Also in October, the Government of the ROK additionally designated subjects of its own sanctions against North Korea for the first time in about five years, citing a series of North Korea's missile launches and other reasons. When North Korea launched a number of missiles in November, one ballistic missile landed near the ROK's territorial waters, south of the Northern Limit Line (NLL), for the first time since the division of Korea. The ROK strongly denounced this action. In response to North Korea's launch of an ICBM-class ballistic missile in November, the ROK in December additionally designated subjects of its own further sanctions against North Korea. At the end of December, North Korean drones violated the ROK's airspace, and one flew as far as Seoul.

11 "Panmunjom Declaration on Peace, Prosperity and Reunification of the Korean Peninsula" signed at the Inter-Korean Summit between President Moon and President Kim on April 28, 2018. President Kim's intention for the denuclearization of North Korea was affirmed in writing.

12 Based on this agreement, which was adopted as a result of the Inter-Korean Summit in September 2018, measures were taken that include the suspension of military exercises around the Military Demarcation Line (MDL), the establishment of a no-fly zone over the MDL, and withdrawal of some guard posts in the demilitarized zone.

(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 China and North Korea have exchanged congratulatory messages between President Kim and President Xi Jinping on occasions such as the anniversary of the founding of their “countries,” and in August the Central Committee of the WPK of North Korea expressed its full support for China’s Taiwan policy in a letter of solidarity that was addressed to the Central Committee of Communist Party of China (CPC). Between Russia and North Korea, in addition to sending congratulatory message on occasions such as the anniversary of the founding of their “countries,” in July 2022 it was reported that North Korea “recognized” the “independence” of the “Donetsk People’s Republic” and “Luhansk People’s Republic” in eastern Ukraine. Additionally, North Korea made moves to defend Russia’s position regarding its aggression against Ukraine, such as issuing a statement in October in support of purported “incorporation” of certain regions of Ukraine by Russia.

Trade between China and North Korea, which accounts for approximately 90% of North Korea’s entire external trade excluding inter-Korean trade, also significantly reduced when compared to pre-COVID-19 levels due to traffic restrictions following the global spread of COVID-19. Although it was announced in January that the cross-border rail freight between Dandong, China, and Sinuiju, North Korea, would be resumed, in April, it was announced again that this service would be temporarily suspended. However, later in September, a spokesperson for the Ministry of Foreign Affairs of China said that it was decided to resume this service through friendly consultations. As a result, the China-North Korea trade volume in 2022 greatly exceeded that of the previous year, but has yet to recover to pre-COVID-19 levels.

(D) Other Issues

In 2022, a total of 49 drifting or wrecked wooden vessels presumed to be from North Korea were discovered (18 in 2021) on Japan’s coast with the Sea of Japan. 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 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

In January 2021, for the first time in approximately five years, North Korea held a Congress of the WPK, which is the highest decision-making institution in the WPK, and President Kim, while emphasizing “people-first politics,” gave an activity summary of achievements/reflections on the past five years and of future issues, mentioned the continuation of nuclear and missile development, external relations such as U.S.-North Korea relations, and inter-Korean relations. In December 2021, at the 4th Plenary Meeting of the 8th Central Committee of the WPK, based on the principle of “people-first politics,” the economy, emergency anti-epidemic projects, and the strengthening of “national” defense capabilities were promoted as major issues for 2022.

Amidst the global COVID-19 pandemic, in August 2020 North Korea “shut the border tighter” and to date had not reported any COVID-19 infections, but in May 2022 the Omicron variant was confirmed and its “national” anti-epidemic work was shifted to “the maximum emergency epidemic prevention system,” and at its peak, nearly 400,000 “new fever cases” were reported to have occurred per day.

At the 5th Enlarged Plenary Meeting of the 8th Central Committee of the WPK held in June, President Kim is reported to have said that the situation was a “harsh and difficult period unprecedented in the history” compounded by “the severe health crisis,” and then praised to strenuously push forward with the implementation of the economic policies and steadily directed great efforts to strengthen the “national” defense capability. Other personnel appointments were also reported, including the election of a member of the Political Bureau of the Central Committee of the

WPK and the appointment of Choe Son Hui as the Minister of Foreign Affairs.

In August, “new fever cases” were no longer reported and President Kim declared victory in “the great anti-epidemic war” at the “National” Meeting of Reviewing the Emergency Anti-epidemic Work.

In September, the 7th Session of the 14th Supreme People’s Assembly was held. Continuing from 2021, President Kim made a policy speech in which he reiterated the success of measures to address COVID-19, stating that North Korea had “defended the security of the nation and the people,” advanced tasks including the farming work and construction projects as achievements to be proud of, and stated that North Korea was “laying foundations and assets for the country’s economic development and promotion of the people’s wellbeing.” Furthermore, he reportedly stated that “while administering vaccination in a responsible way, we should recommend all residents wear masks” from November to prepare for the influenza virus as well as COVID-19.

At the end of December, the 6th Enlarged Plenary Meeting of the 8th Central Committee of the WPK was held, with President Kim reportedly evaluating that “2022 was a time which was by no means meaningless” and defined 2023 as a year of attaining key goals in “the improvement of the people’s living standard.” Additionally, based on the recognition that international relations have been shifted to a “new Cold War” system and a push for multipolarization is further expediated, the principles of external work, such as “the principle of struggle against the enemy - might for might, frontal match” were clarified.

At the ceremony of donating the “super-large multiple launch rocket system” that was held during the Enlarged Plenary Meeting, it was reported that President Kim delivered a speech in which he praised the contributions of the working class in the munitions industry in increasing the defense capabilities.

(B) Economy

It was reported that at the 8th Congress of the WPK in January 2021, President Kim presented the new “five-year plan for the national economic development” (2021 to 2025) centered around self-reliance and self-prosperity while referring to difficulties due to

sanctions, natural disasters and the global health crisis.

In particular, North Korea’s economic situation in 2022 may still be severe due to a series of UN Security Council resolutions and sanctions against North Korea by various countries, as well as natural disasters. President Kim himself has admitted that “the economic difficulties facing us now are severe” (administrative policy speech at the 7th Session of the 14th Supreme People’s Assembly in September).

Since February 2020, the amount of trade with China, North Korea’s largest trading partner, was significantly reduced due to the global spread of COVID-19. The China-North Korea trade volume in 2022 greatly exceeded that of the previous year, but has yet to recover to pre-COVID-19 levels.

E Other Issues

Defectors who have fled North Korea have to be kept in hiding to avoid being cracked down on 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 Situation in the ROK

(A) Domestic Affairs

On March 9, the ROK presidential election was held, and former Prosecutor General Mr. Yoon Suk Yeol of the People Power Party, the largest opposition party at the time, was elected, defeating Mr. Lee Jae-myung of the Democratic Party of Korea. On May 10, former Prosecutor General Yoon took office as the 20th President of the ROK. In his inaugural address, he stressed the importance of universal values such as freedom, and international norms, also expressed his desire to build a nation that fulfills its responsibility as a trusted member of the international community.

The nationwide local elections and National Assembly by-elections were held on June 1. The ruling People Power Party won 12 out of 17 electoral districts for metropolitan mayors and governors, and won five out of seven electoral districts for the National Assembly by-elections. Meanwhile, the National Assembly continue to be divided with the opposition party, the Democratic Party of Korea, holding the majority number of seats. The ruling and opposition parties were bitterly divided over various issues including the Yoon administration's foreign and defense policies, the response of the former Moon Jae-in administration regarding the shooting of a ROK public official by North Korea's army, the investigation into the Democratic Party of Korea's leader Lee Jae-myung and his associates, and the Financial Year 2023 budget proposal.

On October 29, a crowd surge by citizens who had gathered for Halloween in Itaewon, Seoul, turned into a deadly stampede, and 159 people were killed, with two Japanese nationals among them. Criticism mounted over the inadequate response by the police and the authorities at the time of the accident, which later led to the arrest of senior police officers.

(B) Foreign Policy

With the inauguration of the Yoon administration in May, which advocated for the "normalization of North and South Korean relations," the ROK's policy toward North Korea changed dramatically. On August 15, during his speech for the Liberation Day, President Yoon proposed an "audacious initiative" to provide a variety of economic aid under the condition of substantial denuclearization by North Korea. However, North Korea rejected the proposal and still continues with a variety of military provocations (for more information on inter-Korean relations, see section 2, 3(1)C (B)).

As for relations with the U.S., President Joseph Biden visited the ROK in May shortly after President Yoon's inauguration ceremony, held his first U.S.-ROK Summit Meeting with President Yoon, and issued a Joint Statement. The Joint Statement recognized that the growing threat posed by North Korea is increasing, and emphasized the importance of the rules based international order and economic security. The statement also reaffirmed extended deterrence and referred

to the expansion of the scope and scale of joint military exercises between the U.S. and the ROK, including the deployment of strategic assets. Furthermore, U.S.-ROK combined command exercises were conducted in April. Additionally, in August, U.S.-ROK joint exercises, including field maneuver trainings, were conducted, with the exercises being evaluated for the transition of wartime operational control.

In terms of relations with China, Chinese Vice President Wang Qishan attended the presidential inauguration ceremony in May. In August, ROK Foreign Minister Park Jin visited Qingdao, China, to meet with Minister of Foreign Affairs Wang Yi and for a bilateral meeting. At the G20 Summit held in Indonesia in November, President Yoon held his first Summit Meeting with President Xi Jinping of China. After the meeting, the ROK announced that they had agreed to further mature and develop their bilateral relations based on mutual respect, mutual benefit, and common interests.

During his presidential campaign, President Yoon pledged that he would make the ROK into a "Global Pivotal State that contributes to freedom, peace, and prosperity." After the inauguration of the administration, Foreign Minister Park announced that the ROK would formulate an "Indo-Pacific Strategy" toward the realization of the plan. At the ASEAN-ROK Summit Meeting in November, President Yoon announced the outline of the ROK's "Strategy for a Free, Peaceful, and Prosperous Indo-Pacific Region," stating that, through solidarity and cooperation with ASEAN and other major countries, the strategy would be implemented based on three major visions of Freedom, Peace, and Prosperity, and under three major principles of cooperation: Inclusiveness, Trust, and Reciprocity. At the end of December, the Government of the ROK released the full text of the strategy.

(C) Economy

In 2022, the GDP growth rate in the ROK fell from 4.0% to 2.6% in comparison to the previous year. The total amount of exports increased by 6.1% year-on-year to a record high of 683.9 billion US dollars. However, since the total amount of imports increased by 18.9% in comparison to the previous year to approximately 731.2 billion US dollars due to the soaring global

energy and raw material prices, the ROK's trade balance turned into a deficit for the first time in 14 years, reaching a record high of approximately 47.2 billion US dollars (figures published by the Ministry of Trade, Industry and Energy).

At the time of its inauguration in May, the Yoon administration announced economic policies based on four pillars: "A dynamic economy that puts the private sector at its core," "An economy that pushes toward economic leaps by addressing structural issues," "A leading economy that prepares for the future," and "An inclusive economy that moves forward together." Three new economic policies were released in July and August. In order to abolish the policy of abandoning nuclear power generation, the new Regime's Energy Policy was announced in July, and the "measures to achieve national housing stability" was released in August in order to normalize the real estate market. With regard to semiconductor policy, the "Semiconductor Superpower Strategy" was also released in July.

In recent years, the ROK has had a rapidly declining birthrate and aging population. In 2022, the total fertility rate was a record low of 0.78 children per woman, making the declining birthrate issue all the more serious.

B Japan-ROK Relations

(A) Bilateral Relations

The ROK is an important neighboring country with which Japan should cooperate in dealing with various issues of the international community. 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. However, in spite of the above, situations unacceptable to Japan have continued in the last few years, including the issue of former civilian workers from the Korean Peninsula (CWKs), moves that go against the spirit and intent of the Japan-ROK agreement on the issue of comfort women in 2015, and the Takeshima dispute. In the current international environment where the rules-based

international order is being threatened, there is no question as to the importance of promoting Japan-ROK and Japan-U.S.-ROK strategic coordination and as such, it is necessary to resolve issues of concern, and further advance sound Japan-ROK relations.

Based on this recognition, following the inauguration of a new administration in the ROK in 2022, there was active high-level contact between the two countries. In March, Prime Minister Kishida had a telephone call with President-elect Yoon, who had been elected as the 20th President of the ROK. Prime Minister Kishida extended his congratulations on Mr. Yoon's electoral victory, and both sides concurred to improve relations between the two countries. Following this, a delegation from the upcoming Yoon administration (ROK-Japan Delegation for Policy Consultation) visited Japan in April and exchanged views with Minister for Foreign Affairs Hayashi. In May, Foreign Minister Hayashi attended the inauguration of President Yoon as a Special Envoy of the Prime Minister. In June, Prime Minister Kishida and President Yoon met for the first time in Madrid, where the NATO Summit was held, through the occasions of Japan-U.S.-ROK Summit and NATO Asia-Pacific partners (AP4) Leaders' Meeting.

In July, Foreign Minister Park visited Japan, which was the first bilateral visit in four years and seven months by a ROK Foreign Minister. Foreign Minister Hayashi and Minister Park had a broad and candid exchange of views on the overall Japan-ROK relations, including on the issue of CWKs. Furthermore, President Yoon expressed his strong intention to improve Japan-ROK relations in his speeches on August 15 and on August 17, the 100th day of his inauguration, and the Government of Japan welcomed these statements. In September, informal talks were held between the leaders of Japan and the ROK in New York on the occasion of the UN General Assembly. The two leaders noted that Japan and the ROK are important neighbors who should cooperate with each other in the current strategic environment. They shared the view on the importance of promoting Japan-ROK and Japan-U.S.-ROK cooperation and decided to instruct their officials to accelerate ongoing consultations among the diplomatic authorities to resolve issues of concern. Furthermore, at the ASEAN-related Summit in November, Prime Minister Kishida held a Japan-ROK Summit Meeting



Japan-ROK Summit Meeting (November 13, Phnom Penh, Cambodia; Photo: Cabinet Public Affairs Office)

with President Yoon for the first time in three years. The two leaders confirmed that they will cooperate on issues with North Korea, and on the realization of “Free and Open Indo-Pacific (FOIP).” Regarding the issue of CWKs, the two leaders reaffirmed that they would pursue an early resolution of this issue, building on the accelerated talks between the diplomatic authorities following the instructions given by the two leaders in September in New York. After close communication between the Foreign Ministers and other diplomatic authorities, on March 6, 2023, the Government of the ROK announced its position on the issues of CWKs. On the same day, the Government of Japan expressed its stance that it values the measures announced by the Government of the ROK, as a move toward restoring Japan-ROK relations, which had been severely strained due to the ROK Supreme Court ruling in 2018, to a sound footing.

Furthermore, throughout 2022, in response to North Korea’s repeated launches of ballistic missiles, there were a number of telephone conversations between the Foreign Ministers of Japan and the ROK. Close communication between the Governments of Japan and the ROK continued through consultations between Vice-Ministers and Director-Generals on numerous occasions.

The ROK’s marine research activities and military exercises around Takeshima continued in 2022. The Government of Japan lodged strong protests against them. The Government of Japan will continue to respond appropriately to this matter based on its consistent position.

(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). Furthermore, 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.¹³

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.

Since the inauguration of the Yoon administration in May 2022, there has been close communication between the diplomatic authorities of Japan and ROK on this issue. Foreign Minister Park, who visited Japan in July, stated that the Government of the ROK would work to come up with a desirable solution before the assets of Japanese companies were liquidated, and the two Foreign Ministers agreed to resolve the issue as soon as possible. At the Japan-ROK Summit Meeting in November, the two leaders reaffirmed to pursue an early resolution of this issue, building on the accelerated talks between the diplomatic authorities following the instructions of the two leaders during the leaders' talks held in New York in September. Subsequently, after further close communication between the Foreign Ministers and other diplomatic officials, on March 6, 2023, the Government of the ROK announced its position on the issue of CWKs. In response, on the same day, Foreign Minister Hayashi expressed the Japanese government's stance, stating that it values the measures announced by the ROK government as a move toward restoring Japan-ROK relations, which had been severely strained due to the ROK Supreme Court ruling in 2018, to a sound footing, and that the Government of Japan hopes to see a robust expansion of political, economic and cultural exchanges between the two countries, together with the implementation of the announced measures.¹⁴



Japan-ROK Summit Meeting (March 16, 2023, Tokyo; Photo: Cabinet Public Affairs Office)

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 between Japan and the ROK 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, in 1995, 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 and provided “atonement money” to each former comfort woman in Asian and other countries, including the ROK. Furthermore, successive Prime Ministers have sent letters expressing their “apology and remorse” to former comfort women.

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

¹³ See References on the Issue of Former Civilian Workers from the Korean Peninsula (CWKs)

¹⁴ Ministry of Foreign Affairs website explaining President Yoon's visit to Japan on March 16 and 17, 2023: https://www.mofa.go.jp/a_o/na/kr/page1e_000593.html



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 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, 2022, 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 statue¹⁵ 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.

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, 2021, this judgment was confirmed.¹⁶ 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 the 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 has strongly urged 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

15 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.

16 See References on the Issue of Comfort Women

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 40 for 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

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 platforms.¹⁷ Japan has also repeatedly lodged strong protests against the ROK over matters such as South Korean citizens including members of the ROK's National Assembly landing on the island, and the ROK's military exercises and marine surveys in and around Takeshima.¹⁸ In 2022, military exercises and maritime surveys 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 persistent 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,¹⁹ 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.

17 In February 2008, the Ministry of Foreign Affairs published a pamphlet entitled "Takeshima: 10 points to understand the Takeshima Dispute." 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. Furthermore, 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>

18 In May, July, and August 2022, the activities of ROK marine research vessels were spotted in Japanese territorial waters around Takeshima and within Japan's EEZ. ROK armed forces conducted military training related to Takeshima in July and December 2022. 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.

19 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.



(F) Exchanges and Travel

In 2018, the number of people making visits between the two countries was approximately 10.49 million people, but since early 2020, travel between Japan and the ROK significantly decreased due to the strengthening of border measures related to COVID-19, and in 2021, approximately only 30,000 people made trips between the two countries. In 2022, due to visa exemption measures resuming in both countries and the resumption of flights between Japan and the ROK including the Haneda-Gimpo route, the number of travelers has gone up with the number of visitors between Japan and the ROK reaching about 1.31 million people.

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 Korean dramas and movies have become widely popular amongst people of all ages. In 2022, the major Japan-ROK grassroots exchange program “Japan-Korea Exchange Festival” (Nikkan Koryu Omatsuri) was held as an in-person event in Seoul for the first time in three years (held online in Tokyo). The Government of Japan works 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 2022). After online exchanges were held in FY2020 and FY2021, in-person exchanges have partially resumed in 2022.

(G) Other Issues

The Governments of Japan and the ROK concluded the 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) above) 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),²⁰ 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.²¹

Furthermore, Japan has strongly requested the Government of the ROK through its diplomatic channels to return cultural properties that were stolen and are currently in the ROK²² to Japan as soon as possible, and Japan will continue to call on the ROK to take appropriate steps.

Japan has provided support and taken measures as much as possible from a humanitarian perspective in various fields, including responses for ethnic Koreans

20 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).

21 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>

22 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 in February 2023 the Daejeon High Court reversed the initial ruling and dismissed the plaintiff's claim, but the plaintiff filed an appeal. 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 February 2023).



in Sakhalin²³ addressing the issue of atomic bomb survivors living in the ROK,²⁴ and helping Hansen's disease patients admitted to sanitariums in the ROK.²⁵

C Economy

The total value of trade between the two countries amounted to approximately 11.52 trillion Japanese yen in 2022. Japan is the ROK's fourth largest trading partner, and the ROK is Japan's fifth largest trading partner. The ROK's trade deficit with Japan increased by approximately 19.7% from a year earlier, reaching approximately 2.69 trillion Japanese yen (Trade Statistics of Japan, Ministry of Finance). Japanese direct investment in the ROK totaled approximately 1.53 billion US dollars (up 26.3% from the previous year) (figures published by the ROK Ministry of Trade,

Industry and Energy), making Japan the ROK's fourth largest source of foreign direct investment (excluding the Cayman Islands from the ranking).

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.

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.

4 Southeast Asia

(1) Indonesia

Indonesia is a major country in the Southeast Asia region with the fourth largest population in the world (at approximately 270 million people) and situated in a strategic location on sea lanes such as the Strait of Malacca. Indonesia plays a leading role in the Association of Southeast Asian Nations (ASEAN) and has often been taking the initiative in efforts to address various challenges in the regional and international community while serving as the sole G20 member from ASEAN.

President Joko's second administration, which started in October 2019, is a stable administration where the ruling parties coalition occupies approximately 82% of the seats in the House of Representatives. This administration's priorities are (1) infrastructure development, (2) human resources development, (3) investment promotion, (4) bureaucratic reforms, and (5) appropriate

execution of the state budget. 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, but returned to positive growth of 3.6% in 2021. As a strategic partner, Japan is actively promoting cooperation in infrastructure development and human resources development, which are priorities of the second Joko administration.

Prime Minister Kishida visited Indonesia in April for the first time after assuming the office of Prime Minister, President Joko Widodo also visited Japan in July to hold a face-to-face summit meeting, and another bilateral summit meeting took place in November on the sidelines of the G20 Bali Summit. At the summit meeting in July, President Joko stated, regarding the import restriction imposed by Indonesia on Japanese food products after the Tokyo Electric Power Company

²³ 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.

²⁴ 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.

²⁵ 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.



Japan-Indonesia Summit Meeting (April 29, Bogor, Indonesia; Photo: Cabinet Public Affairs Office)

(TEPCO)'s Fukushima Daiichi Nuclear Power Station Accident, that all import restrictions on Japanese food products had been lifted, thereby resulting in the complete elimination of the restrictions. Prime Minister Kishida also had a telephone call with President Joko in March and October. Foreign Minister Hayashi had a telephone call with Foreign Minister Retno Marsudi in February and November and had a face-to-face meeting in July. Given that Indonesia played an important role as the holder of the G20 presidency in 2022 and will chair ASEAN in 2023, the two countries closely exchanged views at these respective meetings on strengthening bilateral relations and working together to address various issues in the region and the international community.

(2) Cambodia

Cambodia, located in the Mekong region, 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, and, although GDP growth in 2020 was negative due to the impacts of COVID-19, in 2021 it returned to positive growth at 3.0%

Japan has cooperated with Cambodia's peace, reconstruction, and development efforts, including in the first full-scale deployment of UN peacekeeping operations (PKO) in 1992. In recent years, Japan has also developed its economic ties with Cambodia as Japanese companies have expanded their operations within the country

At the Japan-Cambodia Summit Meeting in March, Prime Minister Kishida and Prime Minister Hun Sen released a Joint Statement indicating the direction of

cooperation between Japan and Cambodia, and also confirmed that they would cooperate in regional and international arenas. At the Japan-Cambodia Summit Meeting in November, based on the progress in cooperation between the two countries, the two leaders concurred to upgrade their bilateral relationship to a "Comprehensive Strategic Partnership" on the occasion of the 70th anniversary of the establishment of diplomatic relations between Japan and Cambodia in 2023.

Regarding domestic affairs, the Cambodia National Rescue Party, the largest opposition party, was dissolved in 2017, and the ruling Cambodian People's Party monopolized all seats in the 2018 National Assembly elections. 17 political parties participated in the commune elections in June 2022, with the ruling party winning approximately 80% of the seats. 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.

The Khmer Rouge Tribunal, which Japan has supported for many years, completed its judicial process in November 2022 with a ruling in appeals court case 002/02 (in which the former heads of state were the defendants).

(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 COVID-19 countermeasures and the economy, such as through rapid COVID-19 measures, economic measures, and the promotion of policies aimed at post-COVID-19 growth. In April, the PAP chose Minister of Finance Lawrence Wong as a candidate for the next Prime Minister.

In 2022, there were reciprocal visits at the summit and foreign ministers' level. Prime Minister Kishida visited Singapore in June and Foreign Minister Hayashi visited Singapore in October, while Prime Minister Lee

Hsien Loong visited Japan in May and September and Foreign Minister Vivian Balakrishnan visited Japan in May. On these occasions, summit meetings and foreign ministers' meetings were held, and there were exchanges of views on further strengthening bilateral relations and on the various issues facing both the region and the international community. During Prime Minister Kishida's visit to Singapore in June, it was announced that negotiations would commence on the Agreement concerning the Transfer of Defense Equipment and Technology between the Government of Japan and the Government of the Republic of Singapore.

The two countries have worked together to provide developing countries with technical assistance through the "Japan-Singapore Partnership Program for the 21st Century (JSPP21)," which was signed in 1997. To date they have provided approximately 400 training courses with roughly 7,300 participants from ASEAN countries and other regions (as of the end of December 2022). 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 from the "Bangkok Declaration" in 1967. It is located in the center of the Mekong region and is a geopolitically important country. 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 approximately 80,000 Japanese nationals living in Thailand.

2022 marked the 135th anniversary of diplomatic relations between Japan and Thailand. Since the formulation of the "Strategic Partnership" between Japan and Thailand in 2012, the two countries have deepened bilateral ties in a wide range of areas, and there were active high-level exchanges in 2022. Prime Minister Kishida visited Thailand in May, met with Prime Minister Prayut Chan-o-cha for the Japan-Thailand Summit Meeting, and signed the Agreement between



Welcome ceremony during Prime Minister Kishida's visit to Thailand (May 2, Bangkok, Thailand; Photo: Cabinet Public Affairs Office)

the Government of Japan and the Government of the Kingdom of Thailand concerning the Transfer of Defense Equipment and Technology. Furthermore, Prime Minister Prayut visited Japan in May and met with Prime Minister Kishida for the Japan-Thailand Summit Meeting. In November, Foreign Minister Hayashi visited Thailand for the APEC Ministerial Meeting, held a Foreign Ministers' Meeting with Deputy Prime Minister and Foreign Minister Don Pramudwinai, and signed a "Five-Year Joint Action Plan on Japan-Thailand Strategic Economic Partnership" that charts out bilateral economic cooperation in the next 5 years. Based on the further expansion of bilateral relations like this, Prime Minister Kishida held a Japan-Thailand Summit Meeting with Prime Minister Prayut in November, and the two leaders concurred to elevate the bilateral relationship to a "Comprehensive Strategic Partnership."

Because of the implementation of border restriction measures due to the spread of COVID-19, Thailand's economy declined in 2020 and 2021 due to the decrease in the number of overseas tourists, etc. However, with the gradual easing of border restrictions in 2022, the number of tourists has steadily recovered, and in the second quarter (April to June) of 2022, Thailand's GDP level recovered to about 99% of its pre-COVID-19 level.

(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. In 2022 the country celebrated the 20th anniversary of its

independence, has realized peace and stability with the support of the international community, and has been building the nation based on democracy. Presidential elections were held in March and April, and President Ramos-Horta was elected. As its economy is highly dependent on natural resources such as petroleum and natural gas, the country has been working on industrial diversification as a matter of the highest national priority. On the diplomatic side, Timor-Leste is continuing to work in coordination with the relevant countries toward joining ASEAN and the WTO, and in November an agreement was reached in principle on Timor-Leste's ASEAN membership.

Japan established diplomatic relations with Timor-Leste upon its independence, and 2022 marks the 20th anniversary of the establishment of diplomatic relations between Japan and Timor-Leste. In 2022, Japan also conducted active face-to-face diplomacy with Timor-Leste. In May, Parliamentary Vice-Minister for Foreign Affairs MIYAKE Shingo attended the inauguration ceremony for President Ramos-Horta as a Special Envoy of Prime Minister Kishida, and made courtesy calls to and met with President Ramos-Horta, Prime Minister Taur Matan Ruak, and Minister of Foreign Affairs and Cooperation Adaljíza Magno. In August and September, Foreign Minister Hayashi held a Japan-Timor-Leste Foreign Ministers' Meetings with Minister of Foreign Affairs and Cooperation Magno, and the two Ministers exchanged views on bilateral relations and on various issues facing the region and the international community. Japan has continued to support Timor-Leste since even before its independence, and maintained good relations with the country. In



Parliamentary Vice-Minister for Foreign Affairs Miyake paying a courtesy call to President-elect Ramos-Horta as a Special Envoy of Prime Minister Kishida (May 18, Dili, Timor-Leste)

2022, Japan supported the restoration of infrastructure damaged by flooding and landslides in 2021, and has supported the training of young government officials. Furthermore, National Road No.1, which Japan supported via loan aid, was opened, with the inauguration ceremony being held in August.

(6) The Philippines

The Philippines is a maritime nation on Japan's sea lanes, and shares strategic interests with Japan. Although the Philippines' economy experienced negative growth in 2020 due to the impact of COVID-19, it achieved a V-shaped recovery with 5.6% growth in 2021, and it aims to achieve 6.5% to 8% annual growth going forward, and to become a middle-income country by 2024. President Ferdinand Marcos, who took office in June, won a landslide victory with the largest share of the vote in history, and is aiming for economic development and poverty reduction through agricultural development, tourism promotion, education reform, digital transformation, proactive infrastructure development, and energy security. As for the Mindanao Peace Process, despite the delays seen in the decommissioning and disarmament work with the Moro Islamic Liberation Front (MILF) due to COVID-19, based on the amended Bangsamoro Organic Law, the effort to conceive an autonomous government is continuing toward 2025.

Japan and the Philippines resumed visits by dignitaries, which had been interrupted due to the impact of COVID-19, beginning with visits by the Philippines' Foreign and Defense Ministers to Japan for the first Japan-Philippines Foreign and Defense Ministerial Meeting ("2+2") in April. The two countries are further strengthening their Strategic Partnership, which marks its 11th year. As for relations with the Marcos administration, Prime Minister Kishida held a telephone call with President-elect Marcos in May, and Foreign Minister Hayashi attended President Marcos' inauguration ceremony in June as a Special Envoy of Prime Minister Kishida and paid a courtesy call to the President. Since then, a Japan-Philippines Summit Meeting was held in September, and Foreign Ministers' telephone calls were held in July and August, with active discussions on strengthening bilateral cooperation and on the regional situation. Vice President Rodrigo Duterte visited Japan



Foreign Minister Hayashi paying a courtesy call to President Marcos as a Special Envoy of Prime Minister Kishida (June 30, Manila, Philippines)

for the state funeral for the late Prime Minister ABE Shinzo in September. In terms of economics, the 12th and 13th meetings of the Japan-Philippines High Level Joint Committee on Infrastructure Development and Economic Cooperation were held in February and November respectively, and discussions were held to render dynamic support for the Philippines to become a middle-income country and for its “Build Better More” infrastructure policy. Additionally, the deployment of Japanese personnel for the decommissioning and disarmament of the Mindanao Peace Process began in March, and the Subic Bay Regional Development Master Plan, which Japan helped formulate, was released in April.

(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 it recorded an economic growth rate of 1.1% in 2020, Brunei had a negative economic growth rate in 2021 due to the impact of COVID-19. Brunei’s economy is supported by rising oil prices and

operations via a joint oil refining venture with China, but the Government of Brunei is aiming for economic diversification to avoid overreliance on energy resources.

Japan and Brunei established diplomatic relations in 1984, and the two countries have developed excellent bilateral relations in various areas. In 2022, Foreign Minister Hayashi held a Japan-Brunei Foreign Ministers’ Meeting with Minister for Foreign Affairs II Dato Erywan, and the two Ministers exchanged views on bilateral cooperation and on various issues facing the region and the international community. Moreover, Japan and Brunei are continuing to build a close relationship between the imperial and royal families, as His Majesty Sultan Haji Hassanal Bolkiah attended the Ceremony of the Enthronement of His Majesty the Emperor in 2019 and Her Royal Highness Princess Hajah Masna (Ambassador-at-Large at the Ministry of Foreign Affairs) attended the state funeral for the late Prime Minister ABE Shinzo in September, 2022. Brunei is an important country for the stable energy supply 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.

(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’s economic growth rate from 2020 to 2021 fell to around the 2% level due to severe lockdowns caused by the spread of COVID-19, but, in 2022, achieved an economic growth rate of 8.02% due to the shift to a “living with COVID-19” policy.

Japan and Viet Nam have been advancing cooperation in a variety of areas under the Extensive Strategic Partnership for Peace and Prosperity in Asia. In May,



Japan-Viet Nam Summit Meeting (May 1, Hanoi, Viet Nam; Photo: Cabinet Public Affairs Office)

Prime Minister Kishida visited Viet Nam and held a Japan-Viet Nam Summit Meeting. At the meeting, the two leaders affirmed to (a) promote cooperation in the security field through capacity building assistance to the Vietnamese military in the area of cyber security, among others, (b) promote economic cooperation including the diversification of supply chains, digital transformation, and technological innovation, (c) establish a platform for dispatching technical intern trainees, and (d) cooperate to support enhancing disaster prevention capacity through the launch of an earth observation satellite. There have also been active high-level exchanges between the two countries, such as the September visit to Japan by President Nguyen Xuan Phuc and Ms. Truong Thi Mai, Chairwoman of the Viet Nam – Japan Parliamentary Friendship Association. The number of Vietnamese residing in Japan, primarily technical intern trainees, is also increasing, from approximately 40,000 in 2011 to over 430,000 by the end of December 2021, making Vietnamese nationals the second largest number of foreign residents in Japan by country after China. The Treaty between Japan and the Socialist Republic of Viet Nam on Mutual Legal Assistance in Criminal Matters also took effect in August 2022, and it is expected that more substantial legal assistance will be implemented in the future.

(9) Malaysia

Comprised of the Peninsular Malaysia of the Malay Peninsula and the 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 and Pacific Ocean.

Furthermore, 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) (70%), Chinese (22%) and Indian people (7%), among others.

The Ismail Sabri administration, which was inaugurated in August 2021, focused on post-COVID-19 economic recovery while stabilizing domestic affairs, but as a result of the general election held in November 2022, the Anwar administration took office.

On the occasion of the 60th anniversary of the establishment of diplomatic relations between Japan and Malaysia and the 40th anniversary of the Look East Policy in 2022, former Prime Minister ABE Shinzo visited Malaysia in March as a Special Envoy of Prime Minister Kishida. The two countries have strengthened bilateral relations through the May visit to Japan by Prime Minister Ismail Sabri and five of his Cabinet Ministers, including Foreign Minister Saifuddin Abdullah, and the October visit to Malaysia by Foreign Minister Hayashi, and during these visits there were exchanges of views on cooperation between the two countries and on various issues facing the region and the international community.

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. In 2022, numerous events were held to commemorate the 40th anniversary of the policy, and discussions and initiatives were held to ensure that the policy continues to develop to effectively meet the needs of the times. The



Official logo for the 40th anniversary of the Look East Policy

two countries have been cooperating in making the Malaysia Japan International Institute of Technology (MJIT), 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 campus of the University of Tsukuba in Malaysia, and, if realized, it will be the first overseas branch campus to be established by a Japanese university. On the economic front, roughly 1,600 Japanese companies have been operating in Malaysia, which demonstrates a continued close relationship between the two countries.

(10) Myanmar

Since the coup d'état by the Myanmar military on February 1, 2021, many civilians have died as a result of armed suppression by the Myanmar security authorities, and in some areas, there have been intermittent clashes between the Myanmar military and ethnic armed organizations, the People's Defense Forces (PDF) and others. On the political front, there have been executions of Myanmar citizens, including pro-democracy activists in July, and Aung San Suu Kyi was convicted for a total of 33 years in prison, while on the economic front, there was turmoil caused by the forced conversion of foreign currency in April, and as such, the situation is deteriorating. On February 1, 2022, one year after the coup d'état, the Government of Japan released a statement by Foreign Minister Hayashi that expressed concern about the continued lack of action to improve the situation, and once again strongly urged the Myanmar military to take concrete actions to (1) immediately stop the violence, (2) release those who are detained, and (3) swiftly restore Myanmar's democratic political system. In addition, when the aforementioned executions were carried out, the Government of Japan released a statement by Foreign Minister Hayashi, stating that Japan seriously deplores these actions by the Myanmar military to completely go against the "release of the detainees," which Japan has consistently called for. Furthermore, a joint statement with like-minded countries and a G7 Foreign Ministers' Statement were also issued. In order

to break out of the current situation, Japan has been cooperating with the international community and giving maximum support to ASEAN's efforts, including Cambodia, as ASEAN Chair, based on the belief that it is important to achieve concrete results, especially ASEAN's "Five-Point Consensus."²⁶

At the UN, Japan has been cooperating with the international community joining each consensus on Human Rights Council resolutions (on the situation in Myanmar) in April and July, participating as a co-sponsor of the resolution in April, and co-sponsoring a resolution in November at the United Nations General Assembly Third Committee.

In terms of humanitarian assistance, on January 30 the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) in Myanmar announced the Myanmar Humanitarian Response Plan 2022, which aims to support 6.2 million people in urgent need among 14.4 million in humanitarian need, out of the population of 54 million people in Myanmar. In response to this, on February 8, the Government of Japan announced that, through international organizations and the ASEAN Secretariat, it would provide humanitarian assistance totaling approximately 18.5 million US dollars to provide food, daily necessities, and medical supplies, etc., to people in Myanmar in need, and on April 1, Japan announced emergency grant aid totally 8.3 million US dollars to support internally displaced persons, mainly in the southeast and northwest of the country. So far, in order to improve the humanitarian situation in Myanmar, which continues to deteriorate, the Government of Japan has provided a total of more than 47 million US dollars in humanitarian assistance through international organizations and the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management (AHA Centre) since the coup d'état on February 1, 2021. Japan will continue to actively provide humanitarian assistance in order to stand by the people of Myanmar who are facing difficulties.

26 The Five-Point Consensus was announced at the ASEAN Leaders' Meeting held on April 24, 2021. It calls for (1) immediate cessation of violence, (2) commencement of constructive dialogue among all parties concerned, (3) mediation of the dialogue process by a special envoy of the ASEAN Chair, (4) providing humanitarian assistance through the AHA Centre, and (5) visiting Myanmar to meet with all parties concerned by the special envoy and delegation.

(11) Laos

Laos is a landlocked country bordering all of the countries in the Mekong region, and therefore is a key country for Mekong connectivity. In domestic affairs in 2022, one year has passed since the 11th Congress of the Lao People's Revolutionary Party (LPRP) and election of members for the 9th National Assembly. In addition to changes such as the promotion of Minister of Foreign Affairs Saleumxay Kommasith to Deputy Prime Minister and Minister of Foreign Affairs, as well as changes in Cabinet Ministers, Prime Minister Phankham Viphavanh retired in December due to health problems, and Deputy Prime Minister Sonexay Siphandone was appointed as the new Prime Minister. Economically, Laos' economic growth rate, which fell to 0.5% in 2020 due to the impact of COVID-19, recovered to 2.5% in 2021, but in 2022 sharp inflation, fuel shortages, and price hikes due to the international situation were major stumbling blocks that affected the people's lives. Efforts to stabilize public finances, which is the top priority for the Government of Laos, include implementing a national agenda on economic and fiscal issues, and will continue to be required.

Prime Minister Phankham visited Japan in April for a Japan-Laos Summit Meeting, and in August a Japan-Laos Foreign Ministers' Meeting was held in Phnom Penh, Cambodia. At both meetings, it was confirmed that the two countries would further expand their

Strategic Partnership in the lead up to the 50th anniversary of ASEAN-Japan friendship and cooperation in 2023 and the 70th anniversary of the establishment of diplomatic relations between Japan and Laos in 2025.

In July, Japan's Ministry of Justice, Ministry of Foreign Affairs, Ministry of Health, Labour and Welfare, and National Police Agency and Laos' Ministry of Labour and Social Welfare exchanged a memorandum of cooperation regarding residence status for "Specified Skilled Workers." Furthermore, in August, a handover ceremony was held for the Nam Ngum 1 Hydropower Station Expansion Project, leaving an impression of Japan's long-standing contributions to the power plant, which is depicted on the national emblem of Laos. In response to both countries easing border measures, Deputy Prime Minister Sonexay, Head of Central Committee for Organization and Personnel Sysay Leudetmounsone, Minister of Energy and Mines Daovong Phonekeo, and Minister of Planning and Investment Khamjane Vongphosy successively visited Japan, and from Japan, in December State Minister for Foreign Affairs TAKEI Shunsuke visited Laos. Furthermore, momentum for the promotion of trade and investment between the two countries has increased through the holding of Laos investment promotion seminars and the dispatch of business missions from both sides.

Reference

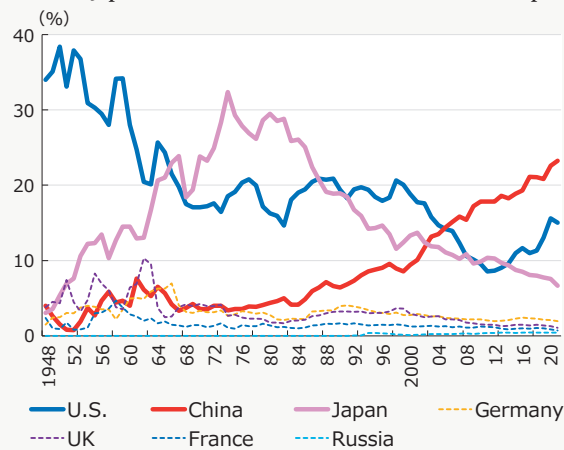
 Relations between Southeast Asia and Japan, the U.S., China, etc., Seen Through Economic Data¹

Trade: Since 2001, Trade between Southeast Asia and China has dramatically increased. In the mid-2000s, China overtook the U.S. as an export destination for the region, but in recent years exports to the U.S., primarily from Viet Nam, have increased again. On the other hand, although Japan was once the primary export destination for the region, its share has continued to decline over the long term. In 2021, Japan ranked third in terms of its share in the region's exports, and second in terms of imports.²

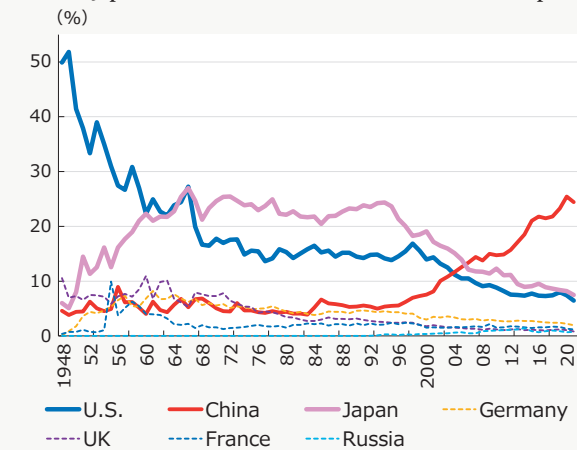
Investment: The U.S. has the largest share of Foreign Direct Investment (FDI) in the region, mainly due to investment in Singapore. Japan's share of FDI in the region has been declining slightly in recent years, but it has maintained its presence primarily through investment in Thailand and the Philippines. Over the past few years China's share of FDI in the region has increased. Singapore, a high-income country in the region, has also been heavily investing in neighboring countries.

Finance: Although in recent years some countries in Southeast Asia have increased the amount of external debt that they owe to China, Japan has a significantly large presence in the region as a whole and is the largest bilateral creditor country.

Share of Japan, the U.S., China, etc. in Southeast Asia's exports



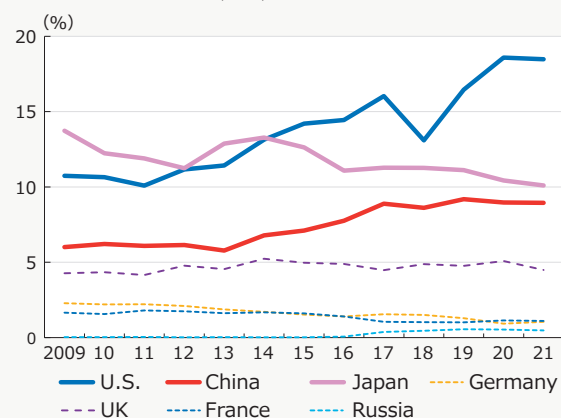
Share of Japan, the U.S., China, etc. in Southeast Asia's imports



Note 1: Prepared by MOFA based on IMF (DOTS) data.

Note 2: Figures for China are the sum of Mainland China, Hong Kong, and Macau. Graphs for past figures may be skewed due to missing data, etc.

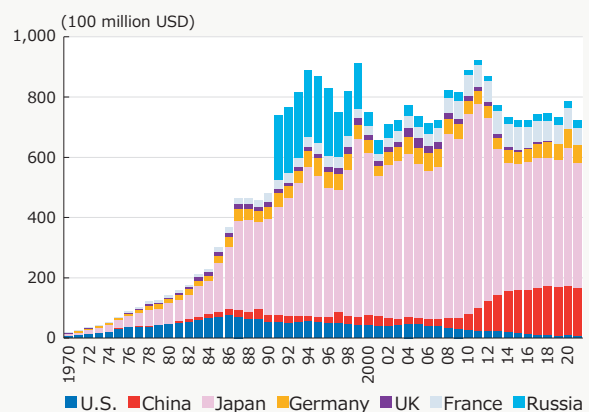
Share of Japan, the U.S., China, etc. in the Foreign Direct Investment (FDI) stock in Southeast Asia



Note 1: Prepared by MOFA based on IMF (CDIS) data.

Note 2: Singapore alone accounts for about 70% of the inward FDI stock in the region.

Bilateral External Debt in Southeast Asia



Note 1: Prepared by MOFA based on data from the World Bank (IDS).

Note 2: The graph illustrates the sum of bilateral external debt in the public sector and in the private sector (private sector external debt guaranteed by the public sector).

1. See page 193 for notes regarding this data.

2. While only a limited number of countries such as Japan, the U.S., and China are illustrated in the chart, the rankings in the text are for all countries/regions for which data is available (including countries, etc., in the relevant region).

5 South Asia

(1) India²⁷

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 in 2021 real GDP recovered 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 and principles, 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. 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 steadily 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



Second Japan-India 2+2 Foreign and Defence Ministerial Meeting (September 8, Tokyo)

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 Regional Comprehensive Economic Partnership (RCEP) Agreement in the future.

2022 marks the 70th anniversary of the establishment of diplomatic relations between Japan and India, and high-level exchanges of views, including summit meetings, have continued. At the Japan-Australia-India-U.S. (Quad) Foreign Ministers' Meeting held in Australia in February, a Japan-India Foreign Ministers' Meeting was also held. In March, Prime Minister Kishida visited India as his first bilateral visit after assuming the office of Prime Minister, and at the Japan-India Summit Meeting with Prime Minister Narendra Modi, the two leaders confirmed that they would put the annual mutual visit back on track, and also reaffirmed the importance of further promoting efforts among Japan, Australia, India, and the U.S. toward the realization of FOIP. At the Japan-Australia-India-U.S. (Quad) Leaders' Meeting held in May and the Japan-India Summit Meeting held in September when Prime Minister Modi visited Japan to attend the state funeral for the late Prime Minister ABE Shinzo, the two leaders agreed to develop the Japan-India Special Strategic and Global Partnership. In September, the Second

²⁷ Ministry of Foreign Affairs website detailing Prime Minister Kishida's visit to India in March 2023:
https://www.mofa.go.jp/s_sa/sw/in/page1e_000582.html



Japan-India 2+2 Foreign and Defence Ministerial Meeting and the 14th Japan-India Foreign Ministers' Strategic Dialogue were held, reaffirming that any attempts to unilaterally change the status quo by force are unacceptable, not only in the Indo-Pacific, but also in any region, and that a peaceful resolution based on international law needs to be sought. Furthermore, a number of working-level discussions have been held between Japan and India, and in June the Joint Committee Meeting on Mumbai-Ahmedabad High-Speed Railway and the Japan-India Cyber Dialogue were held.

(2) Pakistan

Pakistan is situated in a strategic location connecting Asia and the Middle East, and its political stability and economic development are essential for the stability and growth of the region. The country has 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 2022, heavy rains from mid-June to September caused flood damage in the province of Sindh and other parts of Pakistan, resulting in enormous human and property damage. It was also a major blow to the economy, which was on a recovery trend.

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," Pakistan's 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. In domestic affairs, Prime Minister Imran Khan resigned in April due to the passage of a no-confidence motion in Parliament, and Prime Minister Shehbaz Sharif was newly appointed after a nomination election.

In 2022, Japan and Pakistan celebrated the 70th anniversary of the establishment of diplomatic relations, and in April, Prime Minister Kishida and Prime Minister Sharif sent congratulatory messages. In August, Parliamentary Vice-Minister for Foreign Affairs

HONDA Taro visited Pakistan, and a Japan-Pakistan Foreign Ministers' Meeting was held between Foreign Minister Hayashi and Foreign Minister Bilawal Bhutto Zardari at the ASEAN-related Foreign Ministers' Meetings. In September, Prime Minister Kishida held a Japan-Pakistan Summit Meeting with Prime Minister Sharif at the UN General Assembly, and the two leaders concurred to further strengthen bilateral relations. A Government Business Joint Dialogue was also held in September, and there was an exchange of views on ways to promote bilateral trade and to improve the investment environment.

In addition to the grant aid that Japan has so far provided to Pakistan in the fields of health, water and sanitation, and disaster prevention, etc., as a measure to address the flood disaster, Japan also provided tents and plastic sheets as emergency relief supplies, as well as deciding on and extending emergency grant aid of 7 million US dollars through international organizations. In light of the worsening humanitarian and security situation caused by the flood disaster, Japan provided emergency assistance of approximately 38.98 million US dollars in the areas of health and medical care, water and sanitation, food and nutrition, and seeds and fertilizers through contributions to international organizations such as the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), the United Nations World Food Programme (WFP), and the Food and Agriculture Organization of the United Nations (FAO), etc., in order to ensure stability in the country. Furthermore, in January 2023, Parliamentary Vice-Minister for Foreign Affairs AKIMOTO Masatoshi attended the International Conference on Climate Resilient Pakistan that was held in Geneva, and announced that, subject to domestic procedures, Japan would continue to provide approximately 77 million US dollars in additional assistance in 2023 and beyond, including in the areas of disaster prevention, health and medical care, and agriculture.

(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 (as of the end of December 2022), 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 has been steadily growing, and in 2021, achieved an economic growth rate of 6.9%. With a population of around 166 million people, Bangladesh has a production base with abundant high-quality labor, and the high potential of its market from considerable infrastructure demand is attracting attention. The number of Japanese affiliated companies developing business in the country has increased from 61 in 2005 to 324 in 2021. 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.

In 2022, Japan and Bangladesh celebrated the 50th anniversary of the establishment of diplomatic relations, and in February Prime Minister Kishida and Prime Minister Sheikh Hasina sent congratulatory video messages. Foreign Minister Abdul Momen visited Japan in April and September and held Japan-Bangladesh Foreign Ministers' Meetings with Foreign Minister Hayashi, and during his visit in September, he attended the state funeral for the late Prime Minister ABE Shinzo. Parliamentary Vice-Minister for Foreign Affairs Honda visited Bangladesh in July, and State Minister for Foreign Affairs TAKEI Shunsuke visited Bangladesh in November.

(4) Sri Lanka

Sri Lanka is situated in a strategic location on the sea lanes in the Indian Ocean. The country is traditionally a friendly country to Japan and its geopolitical and economic importance is note-worthy. With regard to domestic politics, domestic and external debt increased due to major policy changes, including large-scale tax cuts from 2019 and the stagnation of the domestic economy due to the spread of COVID-19. The economic crisis, including shortages of fuel, food, and medicine, along with prolonged power outages and record inflation caused by a severe shortage of foreign

currency against the backdrop of deficits in the international balance of payments and the budget balance, has led to a public outcry, and since March there have been frequent demonstrations demanding the resignation of President Gotabaya Rajapaksa. On July 9, there were large-scale protests demanding the President's resignation, and in response to some of the protestors who occupied the presidential palace, the presidential office, and the prime minister's office, President Gotabaya Rajapaksa fled the country on July 13 and resigned on July 14. Prime Minister Ranil Wickremesinghe was then inaugurated as the new President on July 21.

On April 12, Sri Lanka's Ministry of Finance announced measures to temporarily suspend payments on its external debt pending a debt restructuring in line with the International Monetary Fund's (IMF) economic adjustment program. On May 18, the grace period for interest payments on 78 million US dollars' worth of long-term foreign currency denominated government bonds expired, triggering the country's first sovereign debt default. As a result of discussions with the IMF, the Government of Sri Lanka reached a staff-level agreement on September 1 for an Extended Credit Facility (EFF) worth 2.9 billion US dollars for a 48-month period. In addition to measures to address the country's current inflation and to secure essential goods, efforts are being made toward the approval of the IMF Executive Board for the agreement, including revenue and expenditure reform, formulation of the 2023 budget, state-owned enterprise reforms, and debt restructuring. With a negative economic growth of 8% to 9% expected in 2022, the country is working to restore economic stability and sustainability through a series of policy reviews.

In response to the deteriorating humanitarian situation in Sri Lanka due to the economic crisis, Japan, in cooperation with international organizations, has provided a total of 22.7 million US dollars in grant assistance, including 6.5 million US dollars in humanitarian aid to provide medicines and food to the country.

Japan and Sri Lanka celebrated the 70th anniversary of the establishment of diplomatic relations in 2022, and related events were held in both countries. In August, Foreign Minister Hayashi and Foreign Minister Ali Sabry held a Japan-Sri Lanka Foreign Ministers' Meeting at the ASEAN-related Foreign

Ministers' Meetings; in September, when President Wickremesinghe visited Japan to attend the state funeral for the late Prime Minister ABE Shinzo, Prime Minister Kishida and President Wickremesinghe held a Japan-Sri Lanka Summit Meeting and Foreign Minister Hayashi paid a courtesy call to President Wickremesinghe; and in October, Foreign Minister Hayashi and Foreign Minister Sabry had a Foreign Ministers' telephone call.

(5) Nepal

Nepal has geopolitical importance as an inland state in South Asia between the great powers of China and India. In domestic affairs, Prime Minister Pushpa Kamal Dahal was newly appointed in December following the results of federal elections in November for the House of Representatives.

For many years, Japan has been a major donor to Nepal and the two countries have traditionally built friendly relations through people-to-people exchanges such as mountaineering.

Japan has continued to support Nepal, where transition from a monarchy to a federal democracy took place in 2008, for the consolidation of democratization and the strengthening of governance, by dispatching experts to assist in the improvement of legal system and capacity of the media sector, among others. In November, an election observer team headed by State Minister for Foreign Affairs Takei visited Nepal and inspected polling and vote counting stations for the House of Representatives election, confirmed that the elections were being held in a free, transparent, and fair manner, interviewed election managers on the operational status of polling and vote counting stations and future improvements, and met with the electoral commissioner.

In 2022, Japan and Nepal celebrated the 120th anniversary of student exchanges, and events were held in both countries.

(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



State Minister for Foreign Affairs Takei paying a courtesy call to Princess Wangchuck of Bhutan (November 22, Thimphu, Bhutan)

traditions, stabilization of the macroeconomy, etc., under the 12th Five-Year Plan (from July 2018 until June 2023).

Bhutan has traditionally been friendly toward Japan, and there is a rich history of exchanges between the Japanese Imperial and Bhutanese Royal families. In September, Princess Ashi Euphelma Choden Wangchuck visited Japan to attend the state funeral for the late Prime Minister ABE Shinzo and met with Prime Minister Kishida. Prime Minister Kishida expressed his intention to continue to strengthen bilateral relations including in the agricultural sector. State Minister for Foreign Affairs Takei also visited Bhutan in November.

(7) The Maldives

Situated in a strategically important location in the Indian Ocean, the Maldives is an important partner to Japan in realizing a “Free and Open Indo-Pacific (FOIP).” Economic growth in the Maldives is mainly led by fishery and tourism, which account for about 30% of its GDP, and the country’s per-capita GDP has reached the highest level in South Asia region. The Maldives’ tourism industry was hit hard by the spread of COVID-19, but the number of tourists is currently returning to pre-COVID-19 levels, led by the recovery of those from Western countries (as of December 2022). 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.

2022 was the 55th anniversary of the establishment of diplomatic relations between Japan and the Maldives, and Foreign Minister Hayashi and Foreign Minister Abdulla Shahid sent congratulatory messages in November. In May, Parliamentary Vice-Minister for Foreign Affairs MIYAKE Shingo attended the 78th General Assembly of the UN Economic and Social Commission for Asia and the Pacific (ESCAP) and

met with Foreign Minister Shahid. In September, in addition to a Foreign Ministers' telephone call between Foreign Minister Hayashi and Foreign Minister Shahid, a Japan-Maldives Foreign Ministers' Meeting was held when Foreign Minister Shahid came to Japan to attend the state funeral for the late Prime Minister ABE Shinzo, and the two Ministers agreed to cooperate even more closely toward the realization of FOIP. State Minister for Foreign Affairs Takei also visited the Maldives in December.

Column

Japan-Southwest Asia Exchange Year 2022

What do you think of when you hear the words “Southwest Asia”? Is it curry? Curry is, of course, the region’s signature dish, but it is by no means the only one. The seven countries of Southwest Asia – Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka – are rich in individuality and blessed with ancient civilizations, abundant nature and rich cultures. But did you also know that they have long and deep relationships with Japan?

The countries of Southwest Asia have great affinity toward Japan and have long built friendly relations with Japan. In 2022, Japan celebrated commemorative milestones^(Note) with each of these countries and, in order to further deepen exchanges with the region, Japan designated 2022 as “Japan-Southwest Asia Exchange Year” and held a variety of related events in Japan and throughout Southwest Asia.

At the kickoff event held in January, Parliamentary Vice-Minister for Foreign Affairs HONDA Taro invited the Ambassadors of Southwest Asian countries to Japan, as well as other participants, for a “*Kakizome* Party” (*kakizome* is a traditional event in Japan when people write calligraphy for the first time at the beginning of a new year). The participants expressed their hopes and wishes for the Exchange Year by writing New Year’s calligraphy to celebrate the beginning of the Japan-Southwest Asia Exchange Year and to wish for the further deepening of friendly relations between Japan and each country. Parliamentary Vice-Minister for Foreign Affairs Honda wrote “交友知香” (“*Ko Yu Chi Ka*” in *kanji* characters) and expressed his wish for the deepening of friendship amid the rich mellow spice aroma of the Southwest Asian countries and the traditional Japanese ink aroma hanging in the air while writing calligraphy.

In October, MOFA participated in one of the largest curry festivals in Japan, held in Shimokitazawa, Tokyo, in order to promote exchanges between Japan and Southwest Asian countries through curry, a food culture that is common to both Japan and Southwest Asia.

Additionally, during this Exchange Year, a variety of organizations in Japan and Southwest Asian countries applied for their events to be endorsed as commemorative events, and the official logo was used to make the anniversary year even more exciting.

Furthermore, “an official of MOFA, MINAMI Asiako” @southasiako2022, an official Twitter account of MOFA, provided updates on events held by Japanese embassies in Southwest Asian countries, interesting information about Southwest Asia, and stories from officials of MOFA that are involved with the region to bring Southwest Asia closer to many people. These posts helped to familiarize about 3,000 followers with Southwest Asia.

The long-standing bonds between Japan and Southwest Asia, which have continued from time immemorial to the present, were further deepened through the Japan-Southwest Asia Exchange Year 2022 and have begun to take their next step into the future as steadfast partners.



Ambassadors to Japan and other representatives of each country showing their thoughts in calligraphy at the “*Kakizome* Party” kickoff event for the Exchange Year (January 27, Tokyo)



Exchange Year banner set up on the main road at the Shimokitazawa Curry Festival (October, Tokyo)



The official logo for “Japan-Southwest Asia Exchange Year 2022”

This logo, illustrated with origami pigeons, symbols of peace and friendship, expresses hope for the further development of friendly ties between Japan and the Southwest Asian countries.

Note: Anniversaries between Japan and Southwest Asian countries in 2022

- 50th Anniversary of the Establishment of Diplomatic Relations between Japan and Bangladesh
- 35th Anniversary of the conclusion of the JOCV Agreement between Japan and Bhutan
- 70th Anniversary of the Establishment of Diplomatic Relations between Japan and India
- 55th Anniversary of the Establishment of Diplomatic Relations between Japan and the Maldives
- 120th Anniversary of International Student Exchanges between Japan and Nepal
- 70th Anniversary of the Establishment of Diplomatic Relations between Japan and Pakistan
- 70th Anniversary of the Establishment of Diplomatic Relations between Japan and Sri Lanka

Reference

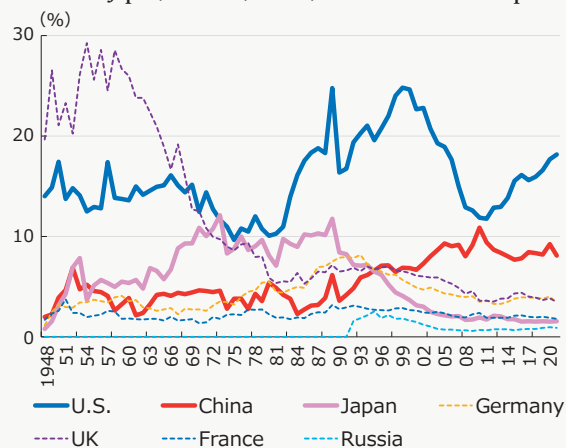
Relations between South Asia and Japan, the U.S., China, etc., Seen Through Economic Data¹

Trade: In recent years, the U.S. has become the top destination for the region's exports. The U.S.'s share had been declining since around 2000, but in the 2010s exports from India increased and the U.S.'s share as an export destination began rising again. In terms of imports, China's share of the region's import has increased in recent years. In 2021, Japan ranked 19th in terms of its share in the region's exports and was 11th in terms of imports.²

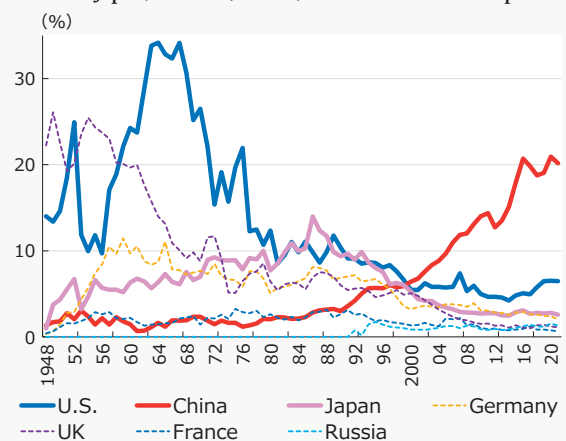
Investment: The FDI to India alone accounts for approximately 90% of the total inward FDI stock in the region. The U.S. and the U.K. make up a large portion through large investment in India, and Japan also has a certain share. Mauritius is the top investor in India. China has a strong investment presence in Pakistan, Sri Lanka, and Nepal, while India, a regional power, has heavily invested in Nepal and Bhutan.

Finance: In the 2010s, Pakistan, Bangladesh, and Sri Lanka increased their debt to China, making China the largest bilateral creditor country as of 2021. Japan ranks second after China.

Share of Japan, the U.S., China, etc. in South Asia's exports



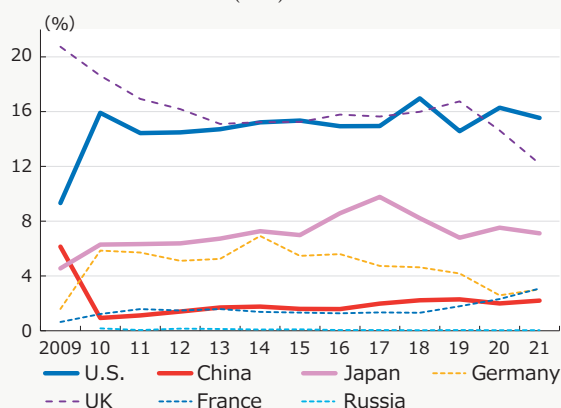
Share of Japan, the U.S., China, etc. in South Asia's imports



Note 1: Prepared by MOFA based on IMF (DOTS) data.

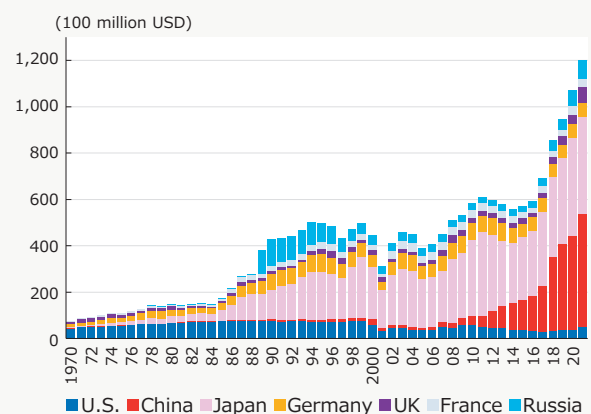
Note 2: Figures for China are the sum of Mainland China, Hong Kong, and Macau. Graphs for past figures may be skewed due to missing data, etc.

Share of Japan, the U.S., China, etc. in the Foreign Direct Investment (FDI) stock in South Asia



Note 1: Prepared by MOFA based on IMF (CDIS) data.

Bilateral External Debt in South Asia



Note 1: Prepared by MOFA based on data from the World Bank (IDS).

Note 2: The graph illustrates the sum of bilateral external debt in the public sector and in the private sector (private sector external debt guaranteed by the public sector).

1. See page 193 for notes regarding this data.

2. While only a limited number of countries such as Japan, the U.S., and China are illustrated in the chart the rankings in the text are the rankings for all countries/regions for which data is available (including the countries, etc., in the relevant region).

6 Oceania

(1) Australia

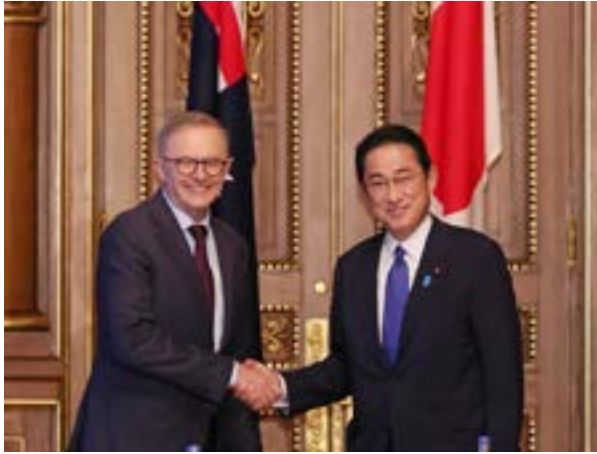
A Brief Summary and Overview

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 basically has continued to be upheld even after Prime Minister Anthony Albanese (Labor Party) replaced Prime Minister Scott Morrison (Coalition) in May 2022.

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 exercising leadership in promoting free trade, including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP) Agreement. Australia is the fifth largest trading partner for Japan, and Japan is the second 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 eighth anniversary of its effectuation, the CPTPP that entered into force at the end of 2018, and the RCEP Agreement that entered into force in January 2022.

At the Japan-Australia Leaders Video Teleconference Meeting in January, Prime Minister Kishida and Prime Minister Morrison welcomed the signing of the Japan-Australia Reciprocal Access Agreement (RAA), and Prime Minister Kishida showed his recognition that security and defense cooperation between Japan and Australia would continue to be a model case for Japan to strengthen security and defense cooperation with other countries. The two leaders also exchanged views on security and defense cooperation, regional affairs, cooperation with allies and like-minded countries, disarmament and non-proliferation, and the economy, and concurred to further strengthen the Japan-Australia relationship and embody their commitment toward the realization of a “Free and Open Indo-Pacific (FOIP).” At the Japan-Australia Leaders Meeting in May, Prime Minister Kishida and newly inaugurated Prime Minister Albanese, affirmed that Japan and Australia will continue to work closely together on the basis of three pillars: (1) deepening cooperation in the areas of security and defense and economy; (2) further coordination with allies and like-minded countries, including cooperation between Japan, Australia, India and the U.S., to contribute to peace and prosperity in the Indo-Pacific region; and (3) cooperation on global issues such as climate change. Following the passing of former Prime Minister Abe, a Japan-Australia Summit Telephone Meeting was held in July, and at the state funeral in September, a delegation consisting of incumbent Prime Minister Albanese and three former Prime Ministers (namely, former Prime Ministers John Howard, Tony Abbot, and Malcolm Turnbull) visited Japan to show respect for former Prime Minister Abe and Japan, and Prime Minister Albanese met with Prime Minister Kishida. In October, Prime Minister Kishida visited Perth, Australia, and held a Japan-Australia Leaders’ Meeting with Prime Minister Albanese. The two leaders shared the view that given the deepening of cooperation, particularly in the areas of security and defense cooperation, FOIP, and resources and energy, the Special Strategic Partnership between Japan and Australia had been elevated to a new level.



Japan-Australia Leaders Meeting (May 24, Tokyo; Photo: Cabinet Public Affairs Office)

Foreign Minister Hayashi held an in-person Japan-Australia Foreign Ministers' Meeting with Foreign Minister Marise Payne in February and then via a telephone call in April, and the two Ministers confirmed the further strengthening of Japan-Australia relations. In May, Foreign Minister Hayashi had an informal talk with new Foreign Minister Penny Wong, and Foreign Minister Hayashi further mentioned that he hoped to continue to work closely for the realization of FOIP, as well as to further strengthen the Special Strategic Partnership between Japan and Australia. In July, Foreign Minister Hayashi and Foreign Minister Wong held a Japan-Australia Foreign Ministers' Meeting, and Foreign Minister Hayashi expressed his willingness to work closely as the security environment in the Indo-Pacific region becomes more challenging. Furthermore, in December, at the Tenth Japan-Australia 2+2 Foreign and Defence Ministerial Consultations ("2+2"), a Japan-Australia Foreign Ministers' Meeting was held with Foreign Minister Wong, and Foreign Minister Hayashi stated that Japan and Australia have become central pillars of coordination among like-minded countries in the Indo-Pacific region, and that the Special Strategic Partnership between Japan and Australia has been elevated to a new dimension.

Through such frequent high-level dialogues, Japan and Australia have communicated and contributed as the core of cooperation among like-minded countries in various fields as described below.

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 January, at the Japan-Australia Leaders Video Teleconference Meeting, Japan and Australia signed the Japan-Australia Reciprocal Access Agreement (RAA). This Agreement establishes procedures between Japan and Australia for the cooperative activities conducted by the defense force of one country while visiting the other country, and defines the status of the visiting force. It also facilitates the implementation of cooperative activities between the defence forces of both countries, further promotes security and defense cooperation between the two countries, and enables both Japan and Australia to further contribute to the peace and stability of the Indo-Pacific region. In October, at the Japan-Australia Leaders' Meeting, the two leaders signed the Japan-Australia Joint Declaration on Security Cooperation. The Declaration not only includes enhancing interoperability through joint exercises, defense equipment and technology cooperation, and cooperation in new areas such as cyberspace, and outer space, but it also includes content that reflects the unparalleled closeness of the Japan-Australia relationship, with the two sides aligning their strategic assessments and consulting on contingencies that may affect regional security interests. In December, the Tenth Japan-Australia 2+2 Foreign and Defence Ministerial Consultations ("2+2") were held, shortly after the Leaders' Meeting in October, and the four Ministers followed up on the outcomes of the Leaders' Meeting. The four Ministers discussed regional and global issues based on the common understanding among the leaders and confirmed that the strategic assessment of both sides is very close, and decided on bilateral cooperation that should be implemented as soon as possible based on the Japan-Australia Joint Declaration on Security Cooperation. In terms of diplomacy, the four Ministers confirmed that they would promote cooperation in the Pacific Island countries and cooperation in economic security and in the cyber and space fields, and, in terms of defense, that they would promote various forms of cooperation, including building stronger interoperability.

C Economic Relations

As shown by Japan and Australia spearheading the CPTPP, 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.

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 415,000 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 *PARRAMATTA* in late June and the frigate HMAS *ARUNTA* in late October to undertake surveillance operations in the adjacent ocean areas around Japan. By doing so, for the seventh and eighth times since 2018, Australia has engaged in surveillance operations against illicit maritime activities, including ship-to-ship transfers with North Korean flagged vessels, which are prohibited by

UN Security Council resolutions. Furthermore, from late February to late March, Australia engaged in surveillance operations for the 10th time since 2018 by aircraft, using Kadena Air Base.

(2) New Zealand

A Brief Summary and Overview

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, defense cooperation and people-to-people exchanges, as well as cooperative relations on issues facing the region and the international community.

B High-Level Consultations

Amidst the complicated regional situation, Japan has been closely exchanging views with New Zealand, which is located in the Asia-Pacific region and which shares fundamental values with Japan. 2022 marked the 70th anniversary of the establishment of diplomatic relations between Japan and New Zealand, and in April, Prime Minister Kishida held a Japan-New Zealand Summit Meeting with Prime Minister Jacinda Arden, who visited Japan as one of her first destinations after resuming overseas visits. The two leaders discussed bilateral relations and cooperation in the international arena, and concurred to further strengthen the “Strategic Cooperative Partnership” between Japan and New Zealand to realize FOIP. In September, at the UN General Assembly, informal talks were held between the two leaders, and they affirmed that they will continue coordination between the two countries on the regional situations, the CPTPP, and others.

C Economic Relations

The two countries enjoy complementary economic relations and have closely cooperated on the steady implementation of the CPTPP and RCEP Agreement, and the promotion of free trade structures including the RCEP Agreement, WTO reforms, and the Indo-Pacific Economic Framework for Prosperity (IPEF). In July, economic consultations were held amongst

high-level officials to share information on the economic situation in both countries, and a meaningful exchange of views took place on a wide range of areas, including bilateral trade and investment relations, cooperation in the environmental and renewable energy fields, and close cooperation in international economic frameworks, including the CPTPP. At the Japan-New Zealand Summit Meeting that was held in April, the two leaders affirmed to continue cooperation in the economic field, including on hydrogen-related cooperation toward decarbonization as well as space cooperation.

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 2022. By 2022, 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 exchanges between sister cities with the aim of promoting mutual understanding among youth have resumed following the easing of border measures in both countries.

E Cooperation in the International Community

The two countries are cooperating closely for the peace and stability of the international community in the international arena, including the UN. The two countries are playing a proactive role for regional stability and development, for example by cooperating in regional cooperation frameworks such as the East Asia Summit (EAS), the ASEAN Regional Forum (ARF), the Asia-Pacific Economic Cooperation (APEC) and the Pacific Islands Leaders Meeting (PALM) and by strengthening cooperation in the Pacific Islands region.

(3) Pacific Island Countries²⁸

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 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, and in July 2021 the Ninth Pacific Islands Leaders Meeting (PALM9) was held via video-conference. Under the Pacific Bond (KIZUNA) Policy, a policy announced at PALM9 to further strengthen cooperation between Japan and the Pacific Island countries, Japan is working to further strengthen relations with the Pacific Island countries, centered on the five priority areas of (a) COVID-19 Response and Recovery, (b) Sustainable Oceans based on the Rule of Law, (c) Climate Change and Disaster Resilience, (d) Strengthening the Foundation for Sustainable and Resilient Economic Development, and (e) People-to-People Exchanges and Human Resource Development. Furthermore, in response to volcanic eruptions and the tsunami disaster in Tonga in January 2022, Japan promptly provided emergency relief goods via the Japan Disaster Relief (Self-Defense Forces) Unit and extended emergency grant aid, and emergency goods for drought damage were also provided to Kiribati in July and to Tuvalu in October.

B Partners in the Blue Pacific (PBP)

At a meeting of senior officials from like-minded countries (Japan, Australia, New Zealand, the U.S., and the UK) held in Washington D.C., the U.S., on June 23 and 24, participating countries concurred to launch the Partners in the Blue Pacific (PBP) framework for cooperation among like-minded countries that support prosperity, resilience, and security in the Pacific region. The participating countries also confirmed that they would cooperate in a variety of ways, including

²⁸ Pacific Island countries: Palau, Federated States of Micronesia, Marshall Islands, Nauru, Kiribati, Tuvalu, Samoa, Cook Islands, Niue, Tonga, Fiji, Vanuatu, Solomon Islands, and Papua New Guinea

information sharing, based on the needs of Pacific Island countries. In September, the first Partners in the Blue Pacific Ministerial Meeting was held in New York, the U.S., and in addition to Foreign Minister Hayashi, the Foreign Ministers of Australia, New Zealand, the UK and the U.S. were present, as well as representatives of the Pacific Island countries and regions, including Fiji Prime Minister and Minister for Foreign Affairs Bainimarama (the Chair of the Pacific Islands Forum (PIF)). At the meeting, a joint statement was adopted. The PBP members emphasized that they will promote close dialogue and cooperation with the Pacific Island countries, and the representatives of Pacific Islands region welcomed the PBP's intention for close dialogue and cooperation, and expressed their expectations for concrete cooperation in the future.

C Meetings with Dignitaries

In April, Prime Minister Kishida held a Japan-Tuvalu Summit Meeting with Prime Minister Kausea Natano, who was visiting Japan for the 4th Asia-Pacific Water Summit. Additionally, Parliamentary Vice-Minister for Foreign Affairs UESUGI Kentaro visited Solomon Islands and paid a courtesy call to Prime Minister Manasseh Sogavare and Foreign Minister Jeremiah Manele. Parliamentary Vice-Minister for Foreign Affairs Uesugi conveyed Prime Minister Kishida's message that Japan is concerned about the security cooperation agreement between China and Solomon Islands.

In May, Foreign Minister Hayashi visited Fiji and Palau, the first visit by a Japanese Foreign Minister in three years, paid courtesy calls to the Prime Minister of Fiji and the President of Palau, held a meeting with PIF Secretary General Henry Puna in Fiji, and a Japan-Palau Foreign Ministers' Meeting in Palau.

In August, Prime Minister Kishida, who was visiting the U.S. to attend the Tenth Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), had a short informal talk with Fiji Prime Minister Bainimarama.

In September, Prime Minister Kishida held a Japan-Palau Summit Meeting and a working lunch with Palau President Surangel Whipps, who was visiting Japan for



Japan-Palau Summit Meeting (September 9, Tokyo; Photo: Cabinet Public Affairs Office)

the first time since assuming the office of President.

Furthermore, on September 27, Prime Minister Kishida held a Japan-Papua New Guinea Summit Meeting with Prime Minister James Marape, who had visited Japan to attend the state funeral for the late Prime Minister ABE Shinzo.

Through these and other meetings, Japan has reiterated that it will continue to provide strong support to the Pacific Island countries under the Pacific Bond (KIZUNA) Policy, has exchanged views on international and regional situations, and has confirmed that it will continue to closely work together with the Pacific Island countries.

D People-to-People Exchanges and Human Resource Development

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 from 2021 to 2024. As part of those efforts, Japan promotes 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.

Reference

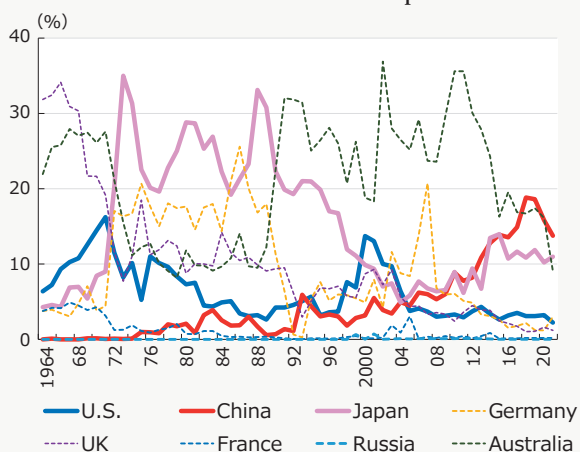
Relations between Pacific Island Countries and Japan, the U.S., China, etc., Seen Through Economic Data¹

Trade: Until the 1990s, the Pacific Island countries primarily traded with Japan and Australia, a regional power. However, in recent years China's share of both import and export has increased, surpassing Australia to take the top spot (especially in terms of import). In 2021, Japan ranked second in terms of its share in the region's export, and fifth in terms of the region's import.²

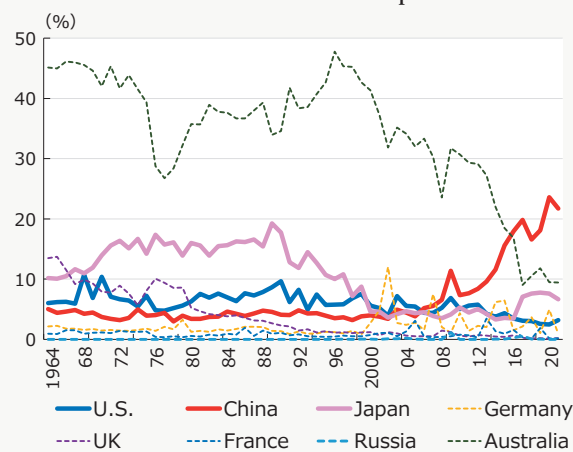
Investment: Regional power Australia's share of FDI stock in the region is extremely large at 40% (Much of the FDI in the region is directed to Fiji. Australia appears large as it is the top investor to Fiji). The share of FDI from other countries is less than 10%.

Finance: China has an extremely large presence in bilateral external debt, with Papua New Guinea accounting for approximately 60% of the region's external debt to China. In 2021, Japan was the third largest bilateral creditor country after China and Australia.

Share of Japan, the U.S., China, etc. in Pacific Island Countries' Exports



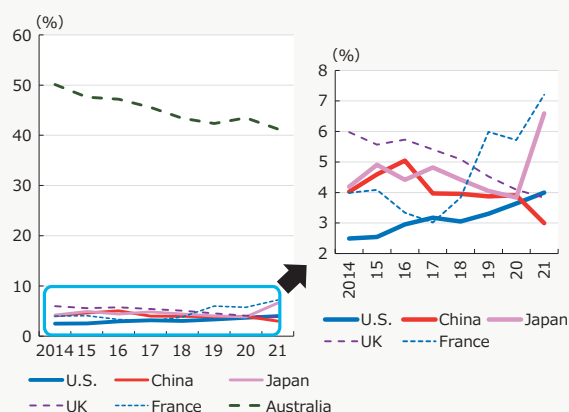
Share of Japan, the U.S., China, etc. in Pacific Island Countries' Imports



Note 1: Prepared by MOFA based on IMF (DOTS) data.

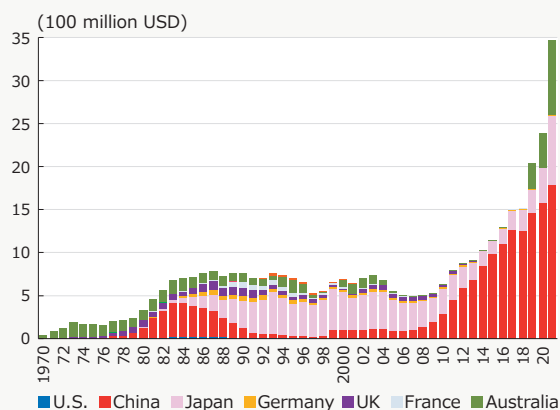
Note 2: Figures for China are the sum of Mainland China, Hong Kong, and Macau. Graphs for past figures may be skewed due to missing data, etc.

Share of Japan, the U.S., China, etc. in the Foreign Direct Investment (FDI) stock in Pacific Island Countries.



Note 1: Prepared by MOFA based on IMF (CDIS) data.

Bilateral External Debt in Pacific Island Countries



Note 1: Prepared by MOFA based on data from the World Bank (IDS).

Note 2: The graph illustrates the sum of bilateral external debt in the public sector and in the private sector (private sector external debt guaranteed by the public sector).

1. See page 193 for notes regarding this data.

2. While only a limited number of countries such as Japan, the U.S., and China are illustrated in the chart, the rankings in the text are for all countries/regions for which data are available (including the countries, etc. in the relevant region).

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),"²⁹ adopted by ASEAN in 2019, shares fundamental principles with FOIP, such as the rule of law, freedom and openness. While respecting the ASEAN centrality and unity, Japan will further expand the support of the international community for AOIP, and intends to implement concrete Japan-ASEAN cooperation conducive 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 heart of the vast Indo-Pacific, ASEAN is key to the realization of FOIP. At the ASEAN-related Summit Meetings held in November 2015, ASEAN declared to establish three communities; "ASEAN Political-Security Community," the "ASEAN Economic Community" and the "ASEAN Socio-Cultural Community" within 2015 (2015 Kuala Lumpur Declaration on the Establishment of the ASEAN Community). Moreover, "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 been continuing and strengthening 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

²⁹ AOIP was adopted at the ASEAN Summit Meeting in June 2019. In addition to strengthening ASEAN centrality in the Indo-Pacific region, AOIP sets out to promote cooperation in areas such as maritime cooperation, connectivity, SDGs, and the economy based on the principles of openness, transparency, inclusiveness, rules-based frameworks, good governance, respect for sovereignty, non-interference, complementarity with existing cooperation frameworks, equality, mutual respect, mutual trust, mutual benefit, and respect for international laws including the UN Charter, the UNCLOS, and other relevant UN conventions.

the Arbitral Tribunal's award³⁰ 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*, as well as actions that increase regional tensions. 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. Foreign Minister Hayashi 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 July 2022, in addition to the statement issued in July 2021, which marked five years since the Arbitral Tribunal's award as to the disputes between the Philippines and China.

In 2018, negotiations on the Code of Conduct (COC) in the South China Sea commenced between China and ASEAN. Japan considers that the COC should be effective, substantive, and 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 and open South China Sea.

(3) Japan-ASEAN Relations

Realizing a more stable and prosperous ASEAN, the key to the realization of FOIP, is absolutely essential to the stability and prosperity of the region as a whole. 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" adopted at the ASEAN-Japan Commemorative Summit to commemorate the 40th Year of ASEAN-Japan Friendship and Cooperation in 2013. Furthermore, based on the "Joint Statement of the 23rd ASEAN-Japan Summit on Cooperation on ASEAN Outlook on the Indo-Pacific", adopted in 2020, Japan has been building up concrete cooperation in line with 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 2023, Japan and ASEAN



Official logo for the 50th Year of ASEAN-Japan Friendship and Cooperation
The catchphrase is "Golden Friendship, Golden Opportunities."

³⁰ In January 2013, the Government of the Philippines instituted arbitral proceedings under 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."

will also celebrate the 50th Year of Friendship and Cooperation. In the lead up to the 50th anniversary year, the official logo and catchphrase of “Golden Friendship, Golden Opportunities,” selected from a large number of entries by the general public, were jointly announced at the ASEAN-Japan Foreign Ministers’ Meeting in August 2022. Furthermore, the ASEAN-Japan Summit held in November agreed, with the support of many countries, that a Commemorative Summit to be held in Tokyo around December 2023. At this Commemorative Summit meeting, Japan and ASEAN will announce a new vision for ASEAN-Japan relations.

At the ASEAN-Japan Foreign Ministers’ Meeting in August and at the ASEAN-Japan Summit in December, Foreign Minister Hayashi and Prime Minister Kishida, respectively, reiterated Japan’s strong and consistent support for ASEAN centrality and unity, and introduced concrete cooperation in line with AOIP. In particular, at the Summit Meeting, a Progress Report on AOIP cooperation was released, introducing the fact that, since the 2020 Joint Statement, there have been a total of 89 concrete cooperation projects in total. Regarding economic recovery from the COVID-19 pandemic, Prime Minister Kishida introduced Japan’s financial support loans of approximately 295 billion yen in total to ASEAN countries as part of Japan’s support to the ASEAN Comprehensive Recovery Framework (ACRF), and reaffirmed Japan’s continued commitment to assisting the sustainable growth of ASEAN countries. He also expressed Japan’s intention to continue supporting the ASEAN Centre for Public Health Emergencies and Emerging Diseases (ACPHEED) including through the dispatch of Japanese health experts.

Heading toward the 50th Year of ASEAN-Japan Friendship and Cooperation next year, Prime Minister Kishida stated that Japan would enhance cooperation in the areas of maritime cooperation such as maritime traffic safety, assistance for connectivity such as quality infrastructure investment, healthcare including universal health coverage, measures to address climate change and disaster prevention, and also cooperation in a wide range of economic areas such as supply chain resilience, digital technology and food security. He additionally stated that Japan would like to realize the Asia Zero Emissions Community initiative by fully mobilizing its know-how and experience.



25th ASEAN-Japan Summit (November 11, Phnom Penh, Cambodia; Photo: Cabinet Public Affairs Office)

In response to this, ASEAN countries expressed appreciation and gratitude to the various efforts mentioned above, such as assistance for the recovery from the COVID-19 pandemic and for the establishment of the ACPHEED. They also highly valued Japan’s cooperation on the AOIP and expressed high expectation for continued close cooperation.

Prime Minister Kishida also stated that Japan and ASEAN share the view on many points regarding regional and international issues. He addressed issues such as Myanmar, Russia’s aggression against Ukraine, the East China Sea and the South China Sea, and North Korea, clearly stating Japan’s position.

In response, some ASEAN countries mentioned the importance of the freedom of navigation and overflight in the South China Sea, and of the respect for international law, in particular UNCLOS, among other matters. Furthermore, some ASEAN countries expressed concern over tensions caused by North Korea’s ballistic missile launches, and mentioned the importance of the denuclearization of the Korean Peninsula and the full implementation of the relevant UN Security Council resolutions as well as their support for the immediate resolution of the abductions issue.

(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. From this perspective, Japan has been holding the Mekong-Japan Summit Meeting every year since 2009. Although the 2021 and 2022 Mekong-Japan Summit Meetings were postponed due to circumstances such as the COVID-19 pandemic and the situation in Myanmar, Japan will continue to steadily implement Mekong-Japan cooperation and 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 ASEAN Plus Three was established in 1997, when the Asian financial crisis triggered the addition of three countries (China, Japan, and the ROK) to ASEAN. ASEAN Plus Three has developed with a focus on areas such as finance and food security. Today, it covers cooperation in 24 areas, including finance, agriculture and food, education, culture, tourism, health, energy and the environment. Under the “ASEAN Plus Three Cooperation Work Plan (2018-2022),” further cooperation has developed in each area.

At the ASEAN Plus Three Foreign Ministers' Meeting held in August, the new “ASEAN Plus Three Cooperation Work Plan (2023-2027)” was adopted. There, Foreign Minister Hayashi introduced Japan's



23rd ASEAN Plus Three Foreign Ministers' Meeting (August 4, Phnom Penh, Cambodia)

initiatives in support of COVID-19 countermeasures, food security, regional financial cooperation, and maritime cooperation as examples of Japan's active contributions to ASEAN Plus Three. He also stressed that Japan supports ASEAN unity and centrality and that Japan values cooperation in line with the AOIP. Furthermore, China asserted its position on the situation in Taiwan, and Foreign Minister Hayashi stated that Japan expects the peaceful resolution of cross-strait issues through dialogue.

At the 25th ASEAN Plus Three Summit Meeting held in November, with regard to ASEAN Plus Three cooperation, Prime Minister Kishida expressed Japan's intention to steadily promote initiatives, including in new areas such as the digital economy and resilient agriculture, based on the new ASEAN Plus Three Cooperation Work Plan starting from 2023. Furthermore, he also stated that Japan would also promote the following specific cooperation in line with the four priority areas of the AOIP within the ASEAN Plus Three framework: (a) regarding maritime cooperation, Japan will support the training of Vessel Traffic Services (VTS) operators and will provide support for the formulation of National Action Plans and ocean monitoring on marine plastic litter; (b) regarding connectivity, Japan will facilitate quality infrastructure investment and will support soft connectivity such as Information and Communication Technologies (ICTs), development of legal systems, fostering of people-to-people exchanges; (c) toward achieving SDGs, Japan will support the ASEAN Plus Three Emergency Rice Reserve (APTERR) and the ASEAN Food Security Information System (AFSIS), support the ASEAN Centre for Public Health Emergencies and Emerging Diseases (ACPHED) for its expeditious operationalization, support balanced decarbonization, and assist ASEAN in formulating an ASEAN Climate Change Strategic Action Plan toward 2030; and (d) regarding economy and finance, Japan will invest in innovation and start-ups, enhance the resiliency of supply chains, further strengthen the functions of the Chiang Mai Initiative Multilateralisation (CMIM)³¹,

31 Chiang Mai Initiative Multilateralisation (CMIM) is a framework that was agreed upon at the 2nd ASEAN Plus Three Finance Ministers' Meeting in Chiang Mai, Thailand in May 2000, in response to the Asian currency crisis of 1997-98, with the aim of preventing a recurrence of the currency crisis within the East Asian region. In order to prevent a regional chain reaction and the spread of financial crises, short-term US dollar funds are provided in local currencies through currency swaps (exchanges) to countries that have experienced difficulties in making foreign currency payments.

and contribute to initiatives that improve financial resiliency against the impacts of financial digitalization and natural disaster risks, etc.

Regarding regional and international affairs, Prime Minister Kishida clearly stated Japan's position on the situations over Ukraine, North Korea, and Myanmar. He also asked for continued understanding and cooperation toward the immediate resolution of the abductions issue. Finally, he expressed his intention to deepen cooperation under ASEAN Plus Three framework in order to maintain and strengthen a free and open international order based on the rule of law, not force, in the region.

(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 and principles 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 held in August, Foreign Minister Hayashi strongly condemned Russia's aggression against Ukraine. He also strongly condemned that the ballistic missiles launched by China landed in the sea close to Japan, including its Exclusive Economic Zone (EEZ), and reiterated the importance of peace and stability across the Taiwan Strait. He also clearly stated Japan's position on the situation in North Korea, including the abductions issue, the situation in the East China Sea and South China Sea, Hong Kong, the human rights situation in the Xinjiang Uygur Autonomous Region (XUAR), and the situation in Myanmar.

At the 17th East Asia Summit held in November, with regard to regional cooperation, Prime Minister Kishida stated that Japan consistently supports ASEAN centrality and unity, and reiterated that Japan values

implementing cooperation in line with the priority areas of the AOIP.

Regarding regional and international affairs, Prime Minister Kishida stated that Russia's aggression against Ukraine violates international law and any unilateral attempts to change the status quo by force should never be tolerated anywhere in the world, and stressed that Russia's threat to use nuclear weapons is absolutely unacceptable, let alone their actual use. Russia's aggression against Ukraine was also condemned by other participating countries.

Prime Minister Kishida pointed out that China's activities that infringe upon Japan's sovereignty had been continuing and intensifying in the East China Sea and that actions, such as militarization and coercive actions, that escalate tensions in the region continue in the South China Sea. Referring to ballistic missiles that landed in the waters near Japan including its EEZ in August this year, he stated that the peace and stability across the Taiwan Strait is an important issue which directly impacts regional security as well. Prime Minister Kishida also expressed serious concerns about the situation in Hong Kong and the human rights situation in the XUAR. Furthermore, he expressed his strong opposition to any economic coercion in the region. The importance of freedom of navigation and overflight in the South China Sea and of the peaceful resolution of disputes in accordance with international law, in particular UNCLOS, was also mentioned, and the importance of peace and stability of the Taiwan Strait was emphasized by other participating countries. Some countries also expressed concerns on the situation in Hong Kong and mentioned the human rights situation in the XUAR, and economic coercion.

Regarding North Korea, Prime Minister Kishida stated that North Korea had been launching the spate of ballistic missiles with extremely high frequency, and that these missile launches constitute a clear and serious challenge to the international community and cannot be tolerated. He then reiterated that it is essential for the international community to come together and fully implement the relevant UN Security Council resolutions for achieving the CVID (complete, verifiable and irreversible dismantlement) of all weapons of mass destruction and ballistic missiles of all ranges of North Korea. Furthermore, Prime Minister Kishida asked



17th EAS (November 13, Phnom Penh, Cambodia; Photo: Cabinet Public Affairs Office)

for continued understanding and cooperation toward the immediate resolution of the abductions issue. Concerns about North Korea's extremely high frequency of ballistic missile launches were also expressed by other participating countries, and the importance of the denuclearization of the Korean Peninsula and the full implementation of the relevant UN Security Council resolutions as well as the early resolution of the abductions issue were also addressed.

As for Myanmar, Prime Minister Kishida expressed that Japan seriously deplores the deteriorating situation in Myanmar and provides its utmost support for ASEAN's efforts for the implementation of Five-Point Consensus. He also called for the immediate cessation of violence as well as safe and unhindered humanitarian access. Other participating countries also expressed serious concerns over the situation in Myanmar and emphasized the importance of implementing the Five-Point Consensus.

(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 continue and promote practical cooperation in a variety of fields while also paying close

attention to the situation with COVID-19, the 13th Japan-China-ROK Culture Ministers' Meeting in August, and the 23rd Tripartite Environment Ministers Meeting among China, Japan, and the ROK and the Fifteenth Tripartite Health Ministers Meeting in December were held online, where the Ministers of the three countries exchanged views and released Joint Statements. In October, the 15th Trilateral Cultural Content Industry Forum was held face-to-face in the ROK, and working-level consultations were also conducted.

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

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 economic aspects in this region is crucial in pursuing Japan's further economic development.

At the APEC Economic Leaders' Meeting, which was held face-to-face in November in Bangkok, Thailand for the first time in four years, the Bangkok Goals on the Bio-Circular-Green (BCG) Economy, which describes efforts for sustainable growth in the APEC region after COVID-19 pandemic, was endorsed, in addition to the 2022 Leaders' Declaration. Prime Minister Kishida, who attended the meeting, expressed his determination to put the Japanese economy on a new growth trajectory and to contribute to inclusive and sustainable growth of the Asia-Pacific region by aiming to realize a new form of 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 2022, SAARC has eight member states (India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan, the Maldives and Afghanistan) and nine observer countries and institutions including Japan. As a relatively loose framework of regional cooperation,

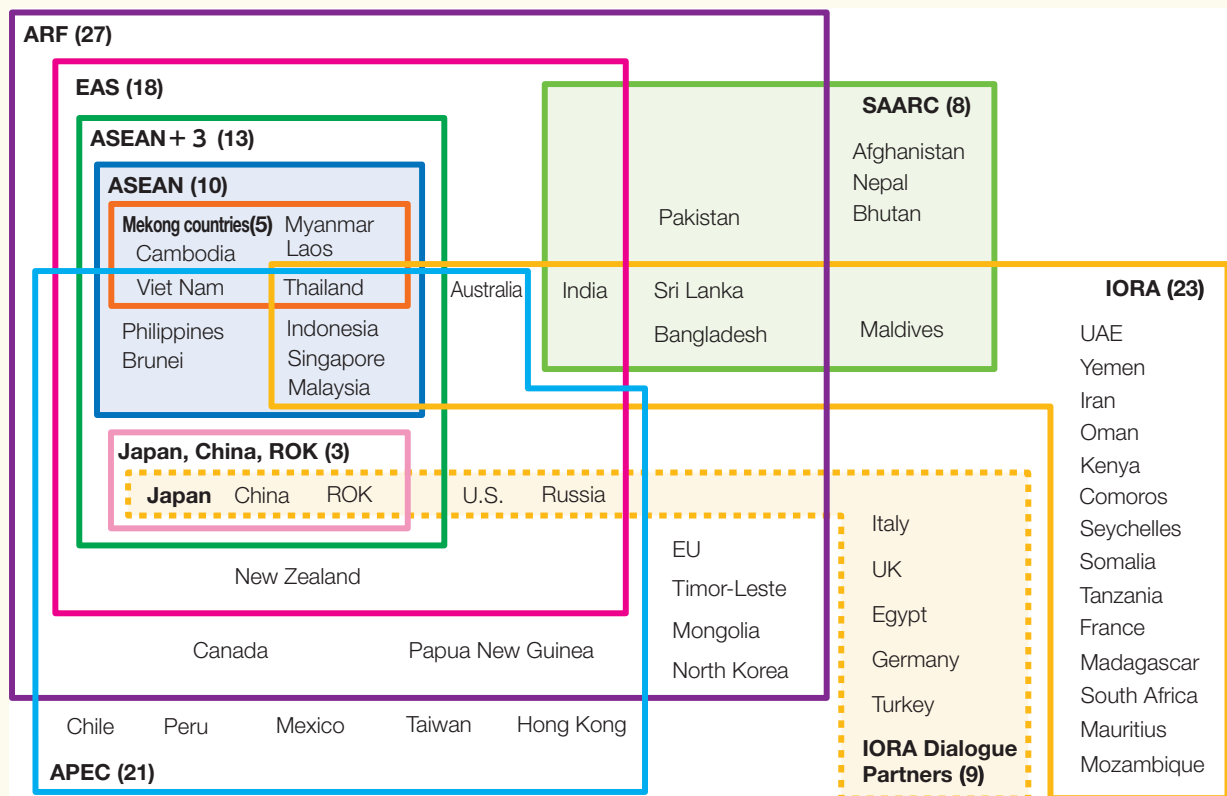
SAARC has worked primarily on economic, social and cultural areas, through summit meetings and meetings of the Council at the ministerial level (Foreign Ministers' meetings). As part of the youth exchange between Japan and SAARC, Japan has invited 3,615 people as of the end of 2022.

(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. State Minister for Foreign Affairs TAKEI Shunsuke attended the 22nd Meeting of the IORA Council of Ministers, and introduced Japan's support for IORA member countries in strengthening maritime security capabilities and climate change measures as part of Japan's efforts to realize FOIP. He also explained the importance of transparent and fair development finance.

Major Frameworks of the Asia-Pacific Region



The numbers within () indicate the number of participating countries, regions, or organizations

<Abbreviations>

- ASEAN (Association of Southeast Asian Nations)
- EAS (East Asia Summit)
- ARF (ASEAN Regional Forum)
- APEC (Asia-Pacific Economic Cooperation)
- SAARC (South Asian Association for Regional Cooperation)
- IORA (Indian Ocean Rim Association)