Part VI

Non-Proliferation Regimes

Chapter 1. Export control regimes

Section 1. Overview and present status of export control regimes

The export control regimes are frameworks of export control coordination, which consist of countries, mainly industrialized countries, capable of supplying weapons and related dual - use goods and committed to non - proliferation, but not in the form of any legal obligation. There are five export control regimes as listed below which respond to controls on nuclear weapons, chemical and biological weapons, missiles, and conventional arms, respectively.

1. Nuclear Suppliers Group (NSG: Nuclear weapons)
2. Zangger Committee (ZC: Nuclear weapons)
3. Australia Group (AG: Chemical and biological weapons)
4. Missile Technology Control Regime (MTCR: Missiles)
5. Wassenaar Arrangement (WA: Conventional arms)

Japan participates in all of these export control regimes. Export control is a framework by which suppliers' side put restrictions against those who try to acquire and proliferate weapons of mass destruction or related materials to states of concern or terrorist groups. Japan has been contributing to strengthening these export control regimes, while making the best of such frameworks.

In each of these export control regimes, participating governments share common understanding concerning dual - use goods and technologies which could contribute to the development of weapons covered by respective regimes (e.g. rocket systems, high - performance computers, engineering machinery, advanced materials and software). These items are set out in detailed lists. The participating governments implement strict national export control over the items listed in the above - mentioned lists in accordance with their national laws and regulations. Furthermore, in these regimes, information on the activities of states of proliferation concern is exchanged. These regimes have also urged stringent export controls to non - participating countries.

While the coordination of export control through the export control regimes is very effective as a basis for ensuring non - proliferation, it is not necessarily perfect for fully achieving the non - proliferation goals. There are loopholes especially in the form of procurement from countries that neither participate in these regimes nor conduct strict export control. In addition, some developing countries are hostile to these export control regimes, claiming that the regimes constitute a "discriminatory club" composed of developed countries to hamper technology transfers. Therefore, it is important for Japan to encourage those countries to participate in the efforts for non - proliferation while firmly maintaining its own export control. From such viewpoint, Japan attaches importance to the strengthening of non - proliferation systems in the Asian region and thus has been making efforts to facilitate understanding of the importance of export control among non - participating countries in the export control regimes by actively offering various opportunities, such as the Asian Senior - level Talks on Non - Proliferation (ASTOP), to which officials in charge of non - proliferation policy in Asian countries are invited, the Asian Export Control Policy Dialogue in which officials in charge of export control policy in Asian countries participate, Asian Export Control Seminar, and seminars for nonproliferation of missiles,

as well as calling for thoroughly strengthening the export control mechanisms.

Section 2. Nuclear Suppliers Group (NSG)

1. Overview

The issue of nuclear proliferation first loomed when India conducted a nuclear test (claiming it "a peaceful nuclear explosion") in 1974, despite being under the international system, namely, the IAEA Safeguards. This event raised awareness on the necessity that certain conditions be required on the export of nuclear - related materials and equipment in order to avoid the risk of nuclear proliferation to the greatest extent possible. Based on this understanding, the Nuclear Suppliers Group (NSG) was established in 1978 to coordinate the conditions for export of nuclear - related materials and equipment among the countries that are capable of supplying those items.

Since the establishment of the NSG, participating governments have been implementing export control in accordance with the NSG Guidelines Part 1 (also referred to as "London Guidelines") which identify a set of conditions concerning the export of items especially designed or manufactured for use for nuclear activities and related technologies. Subsequently, such control was expanded to nuclear - related dual - use equipment, materials, software and related technologies that can be used both for industrial use and for nuclear activities (so - called "nuclear - related dual - use items"). As of the end of September 2007, 45 states including Japan participate in the NSG.

Export control is not, however, a legally binding obligation of NSG participating countries. Instead, it is implemented in accordance with the national laws and regulations of each participating country following to the guidelines, or a gentleman's agreement.

2. NSG Guidelines Part 1

Each participating government of the NSG exercises export control on those items especially designed or manufactured for nuclear activities and related technologies in accordance with the "NSG Guidelines Part 1." Under these guidelines, when any of the items listed as those subject to export control (items listed in the so - called "Trigger List") (nuclear materials such as plutonium and uranium, nuclear reactors and their auxiliary equipment, heavy water and reactor - grade graphite, and reprocessing plants and enrichment plants) are exported to a non - nuclear - weapon state, the recipient state is obliged to comply with the following four requirements: (a) the government of the recipient state shall give formal assurances to exclude uses which would result in any nuclear explosive device; (b) the recipient state shall have an agreement brought into force with the IAEA requiring the application of full - scope safeguards(Note); (c) the recipient state shall take measures to protect nuclear materials from any intrusion and contact from outside; and (d) the recipient state shall receive the same assurances as those required by the original supplying state from a third country in retransferring an imported item to that country.

(Note) Full-scope safeguards

Full-scope safeguards consist of such measures as accounting and control, containment, supervision and inspection that are implemented for all nuclear materials within the country to verify that the nuclear materials are used only for peaceful purposes and not for nuclear weapons or nuclear explosive devices.

3. NSG Guidelines Part 2

The Iraqi covert nuclear development programs unveiled after the end of the Gulf War raised awareness on the necessity to extend the range of control on relevant items. Accordingly, the NSG, under US initiative, started negotiations to elaborate new Guidelines. The NSG Guidelines Part 2, agreed upon in 1992, are intended to control exports of nuclear - related dual - use equipment, materials, software and related technologies, such as industrial machinery and materials, devices and components for uranium isotope separation, devices related to heavy - water production facilities, and test and measurement equipment for the development of nuclear - explosive devices. The basic principle of the NSG Guidelines Part 2 is not to authorize exports of nuclear - related dual - use equipment, materials, software, or related technologies:

- for use in a non - nuclear - weapon state in a nuclear explosive activity or an unsafeguarded nuclear fuel cycle activity;
- in general, when there is an unacceptable risk of diversion to such an activity, or when the transfers are contrary to the objective of averting the proliferation of nuclear weapons; or
- when there is an unacceptable risk of diversion to acts of nuclear terrorism.

4. Activities of the Nuclear Suppliers Group (NSG) and Japan's efforts

The NSG holds plenary meetings annually since 1991 to improve and strengthen the export control system on nuclear - related materials, equipment and technologies. The NSG holds Consultative Group (CG) meetings and related meetings several times a year.

The NSG aims to contribute to nuclear non - proliferation through the international export control of nuclear - related materials, equipment and technologies. Further, it has recently been expanding the scope of its activities, in addition to activities related to the coordination of export control among participating governments, to flexibly deal with various challenges concerning nuclear non - proliferation. One example is that the NSG revised its Guidelines to include anti - nuclear terrorism measures in 2002. Also, in response to the proposal of new measures to counter the threat of WMD announced by U.S. President George W. Bush in February 2004, the NSG has been continuing active exchanges of opinions concerning restrictions on the transfer of materials, equipment or technologies relevant to enrichment or reprocessing and the probability of making the additional protocol the prerequisite of their provision. In the Plenary Meeting in June 2005, the NSG achieved an agreement to modify the Guidelines for the purpose of suspending nuclear transfers to the countries in breach of its obligations to comply with its Safeguard Agreements. Furthermore, following the announcement of the North Korean nuclear test in October 2006, the NSG meeting held immediately after the announcement issued a Chairman's Statement expressing deep regret and grave concern. The adoption of UN Security Council Resolutions regarding North Korea and Iran, which refer to the NSG Guidelines, facilitated and promoted the exchange of opinions and views concerning the implementation of these Resolutions in respective participating countries and the information sharing on their implementation through their respective national export control systems.

Japan actively promotes peaceful use of nuclear energy, with its highly advanced nuclear technologies, as well as assuming a responsibility to implement strict export control on nuclear - related materials, equipment and technologies to avert the misuse of such technologies for development of nuclear weapons in other countries by any means. Therefore, Japan has redoubled its nuclear non - proliferation efforts through the NSG. Japan contributes positively to the activities of the NSG by, for example, assuming the role of the Point of Contact(POC) through its permanent mission to the International Organization in

Vienna.

Section 3. Zangger Committee

1. Overview

Article III (2) of the Treaty on the Nonproliferation of Nuclear Weapons (NPT), effective since 1970, stipulates that the Parties to the NPT undertake export control over specific nuclear - related materials and equipment. However, its description, on targeted items in particular, is relatively general. Therefore, through consultations advocated by Professor Zangger of Switzerland, a list of specific items subject to export control was finalized and agreed upon as the "Zangger List," in its Memorandum of Understanding. As of the end of September 2007, a total of 36 countries including Japan participate in the Zangger Committee, which meets twice a year.

The Zangger Committee was not explicitly establishesd by the provisions of NPT but is based on the voluntary participation of each state, and does not constitute any obligation to the NPT adherents. In addition, as is the case with the NSG, export control based on the Zangger List is not a legally - binding obligation of the participating governments but is implemented by the government of each member in accordance with its national laws, respecting the arrangements.

2. Coordination of export control

The items listed in the Zangger List are nuclear materials such as plutonium and uranium, nuclear reactors and their auxiliary equipment, heavy water and reactor - grade graphite and reprocessing plants and enrichment plants. There are three basic principles of the Zangger List, which are,

a) not to allow any diversion of directly transferred nuclear materials or those produced, processed or used by the facilities in which the transferred items are used, to the development of nuclear weapons or other nuclear explosive devices of a non - nuclear - weapon state not party to the NPT;

b) not to export nuclear materials mentioned in (a) and transferred items unless the export is subject to IAEA Safeguards when it comes to exporting to a non - nuclear - weapon state not party to the NPT; or

c) to oblige a recipient state not party to the NPT to accept the application of the IAEA Safeguards to the items which are to be re - exported.

3. Differences between the Nuclear Suppliers Group (NSG) and the Zangger Committee

While the NSG and the Zangger Committee have a common objective of contributing to nuclear non - proliferation through international export control, they are different in the following manner.

(1) The NSG has been functioning to deal with various challenges against nuclear non - proliferation promptly and flexibly without being restrained by the framework of the NPT. On the other hand, the Zangger Committee is a voluntary meeting that interprets Article III (2) of the NPT, and its activities remain within the framework of the NPT.

(2) In terms of specific activities, the export control by the NSG covers nuclear - related items and technologies, and nuclear - related dual - use goods and their related technologies, while export control by the Zangger Committee covers nuclear - related items only. In addition, while the NSG requires the application of full - scope safeguards in the recipient states as one of four conditions of export, the Zangger Committee only requires the application of safeguards to nuclear materials to be transferred.

The Zangger List of the Zangger Committee and the Trigger List of the NSG Guidelines Part 1 are required to beharmonized with each other content - wise. When event that either one of the lists is revised, the other list will be revised to reflect that revision after due consideration.

Section 4. Australia Group (AG)

1. Overview

The UN investigation teams revealed that chemical weapons were used by Iraq in 1984 during the Iran - Iraq War. Many of the materials used for the development of chemical weapons by Iraq were so called dual - use goods, which were widely used in private chemical industries and were acquired through ordinary trade transactions. This fact made countries recognize the need to enhance export control on chemical agents usable for chemical weapons development in order to prevent their own chemical industries from unintentionally helping other countries develop chemical weapons. However, as long as there are differences amongst countries in terms of the scope and the degree of implementation of export controls, countries that seek to develop chemical weapons will continue to procure such goods from those countries that have looser regulations. To close such loopholes, Australia proposed that the export control policies of countries that have the capability of producing chemical agents should be coordinated. The first meeting was convened inviting these countries in Brussels, Belgium in June 1985.

This framework has come to be called the "Australia Group (AG), " as it was proposed by Australia. Since the first meeting, Australia acts as the chair and the secretariat. The AG has subsequently expanded the subject of control to chemical and biological weapons - related dual - use goods and technologies, and has been working to prevent the proliferation of chemical and biological weapons to the states of concern through the coordination of export controls. As of the end of September 2007, 40 countries including Japan participate in the Group, holding the Plenary Meeting on an annual basis.

2. Coordination of export control

The Participating states of the AG aim to make their national export control more effective by reflecting the information exchanges and policy coordination carried out within the AG in their national export control system, for the purpose of achieving the common goal of non - proliferation of chemical and biological weapons.

Items subject to control as agreed in the AG are:

(1) 63 items of chemical precursors (chemical agents)

(2) 10 items that can be used in chemical weapons production facilities (reactor, storage container, etc.) and their related technologies

(3) 109 types of biological agents related to biological weapons (viruses and toxins against humans, animals and plants)

(4) 7 items that can be used in biological weapons production facilities and their related technologies.

In the licensing process of export of controlled items, the governments of participating states conduct careful examination so that these items will not be used for the development of chemical or biological weapons.

3. Recent developments and Japan's efforts

Chemical and Biological weapons are called the "poor man's nuclear weapon" since these weapons can be

developed and produced relatively cheaply compared to nuclear weapons. Their proliferation is currently considered as a serious concern for the international community. Despite the fact that the Chemical Weapons Convention (CWC) and the Biological Weapons Convention (BWC) were established for a comprehensive ban on chemical and biological weapons, concerns over the development of chemical and biological weapons still remain even after the entry into force of these conventions, since there are Non - Party States to the conventions and possible non - compliant States Parties. Therefore, the presence of the AG is important in complementing those conventions and making the chemical and biological weapons non - proliferation mechanism effective. Japan attaches great importance to coordinating policies and exchanging information with the AG member states regarding export control on chemical and biological weapons - related dual - use goods and technologies through the AG, as one of the pillars of Japan's efforts in the non - proliferation of chemical and biological weapons.

The AG is an informal gathering that mainly consists of developed countries capable of supplying chemical and biological weapons - related materials. There are persistent criticisms, therefore, from non - participating states including developing countries that the group is exclusive and discriminatory and impedes the development of the biotechnology and chemical industries of developing countries. Thus, the group has been making efforts, including establishing a website and offering explanations to non - participating states to clarify its purpose and outline of its activities.

The sarin attacks on the Tokyo subway in Japan in 1995 and the anthrax attacks in the United States in 2001 clearly showed that the development, acquisition and actual use of chemical and biological weapons by non - state actors such as terrorist groups is a real threat. In response to such situation, states participating in the AG unanimously recognize the necessity of strengthening measures to prevent the proliferation of chemical and biological weapons - related materials and technologies to non - state actors, as well as preventing states from developing, manufacturing and possessing these weapons, and they are further strengthening the functions of the Group through expansion of the scope of control.

At the Plenary Meeting in 2006, specific chemical agent processing equipment and biological agents that can be used for producing biological weapons were added to the export control list and agreed on the participation of Croatia. At the Plenary Meeting in 2007, participants exchanged information on recent proliferation concerns and countermeasures thereof.

Section 5. Missile Technology Control Regime (MTCR)

1. Overview

The Missile Technology Control Regime is an international framework designed to control exports of missiles capable of delivering weapons of mass destruction and related dual - use goods and technologies that could contribute to the development of such missiles. It was established by the G7 in April 1987, targeting missiles capable of delivering nuclear weapons and related dual - use goods and technologies. Then, the regime was expanded in July 1992 to control missiles capable of delivering not only nuclear weapons but also weapons of mass destruction including chemical and biological weapons and related dual - use goods and technologies. As of the end of September 2007, 34 governments including Japan participate in the regime.

2. Coordination of export control

MTCR participating governments make a list of missiles and space rockets as well as related

dual - use goods and technologies (navigation systems, software, etc.) as items subject to its export control, and control exports of the listed items by export licensing in accordance with their domestic laws, ordinances and regulations (in the case of Japan, the "Foreign Exchange and Foreign Trade Act," as well as the "Export Trade Control Order" and "Foreign Exchange Order," both enacted by virtue of the provisions of the Foreign Exchange and Foreign Trade Control Act). Examples of items controlled by the MTCR are as follows:

Category I items (their exports are, in principle, prohibited regardless of their purposes):

Complete rocket systems and unmanned aerial vehicle systems capable of deliveringat least a 500kg payload to a range of at least 300 km, and subsystems such as guidance sets or reentry vehicles, etc.

Category II items (subject to careful examination on a case - by - case basis, albeit their exports are, in principle, prohibited when considered to be used for the delivery of weapons of mass destruction):

Complete rocket systems and unmanned aerial vehicle systems capable of delivering less than a 500kg payload to a range of at least 300 km, propellants, structural materials, jet engines, accelerometers, gyroscopes, unmanned aerial vehicles with an aerosol dispensing system (of a certain capacity) (subject to control regardless of the range), etc.

3. Recent developments and Japan's efforts

Japan has been attaching great importance to the non - proliferation of missiles for its own security and regional and international peace and safety. Therefore, Japan has been a participant in the MTCR since its establishment and has striven for strict export control. Examples of recent activities are as follows and Japan is determined to continue contributing to MTCR - related activities.

(1) In addition to export control related activities based on the list of items, the MTCR recently encourages the introduction of a system which requires an export license for export of a non - listed item if the item is likely to contribute to missile development (catch - all control system). Japan introduced the catch - all system in April 2002. At the MTCR Plenary Meeting in Buenos Aires in September 2003, Japan, the United States, the EU and Russia submitted a joint proposal to include the implementation of said system in the MTCR Guidelines, which was approved.

(2) Furthermore, under the initiative of the MTCR Chair, the MTCR has been working with non - participating states with the recognition that it is important for not only MTCR participating states but also non - participating states to implement export control on missile - related materials and technologies. Japan and the ROK are the only MTCR participating states from Asia, and Japan has accordingly been working on Asian countries. Japan hosted the Asian Export Control Seminar in February 2007 to provide an opportunity for the MTCR Chair to introduce discussion at the MTCR meetings for ASEAN members and to exchange opinions about the missile non - proliferation issues.

Section 6. Wassenaar Arrangement (WA)

1. Overview

The Coordination Committee for Multilateral Strategic Export Controls (COCOM), whose purpose was to control the export of strategic materials from the Western states to the Communist states, lost its roles and was dissolved in March 1994 due to the end of the Cold War. On the other hand, frequent occurrence of new regional conflicts such as Iraq's invasion of Kuwait became a

problem. Therefore, the necessity of establishing an export control regime was strongly recognized in order to deal with the new challenge, i.e. preventing the excessive transfer and accumulations of conventional arms (such as warships and tanks, excluding weapons of mass destruction such as nuclear, chemical and biological weapons) that would threaten regional stability, and the dual - use goods and technologies required to manufacture conventional arms. As the result of consultations for more than two and half years amongst the former COCOM states together with Russia, the establishment of a new export control regime was agreed upon in Wassenaar, the Netherlands in 1995, and the "Wassenaar Arrangement on Export Controls for Conventional Arms and Dual - Use Goods and Technologies (WA)" began operation at the founding meeting in July 1996. As of the end of September 2007, 40 states including Japan participate in the WA.

The WA is, in effect, a gentleman's agreement without legal binding force, consisting of states capable of producing and supplying conventional arms and related dual - use goods and committed to taking action to prevent the proliferation of conventional arms and dual - use goods. While the target of the COCOM was limited to the Communist bloc, the scope of the WA covers all states and regions as well as non - state actors, and does not target any specific countries or regions.

The objectives of the WA are (1) to contribute to regional and international security and stability by preventing destabilizing accumulations of conventional arms and related dual - use goods and technologies, and (2) to prevent non - state actors such as terrorist groups from acquiring conventional arms and related dual - use goods and technologies as part of the global fight against terrorism.

2. Coordination of export control, etc.

The WA aims to achieve its objectives as mentioned above by (1) defining arms and dual - use goods and their performance levels subject to the export control, specifically, by preparing and revising the lists of goods subject to export control taking into account the progress in technologies, through consultations among the participating states, and (2) identifying the state of accumulation of weapons and other dual - use goods through the exchange of various information indicating what arms and/or dual - use goods have been transferred to which countries. The participating states are required to implement export control based on the lists of goods subject to control as agreed by the WA, and to provide a range of relevant information.

3. Recent developments

A fundamental review of the Wassenaar Arrangement to strengthen its function has been carried out once every four years. In the Plenary Meeting in 2003, the second Assessment Year of the WA since its establishment, regarding further enhancement of transparency of arms, which had been a longstanding concern, it was determined that small arms and light weapons would be added to the lists of goods subject to transfer notification in 2004. Although an agreement could not be reached on introducing denial notification of arms transfer, discussions will continue towards its introduction. Furthermore, the role of the WA as a global counter - terrorism measure was recognized. Consequently, the WA - participating governments started discussions concerning identifying arms and dual - use items procured or purchased by terrorists and how to control them.

It has become increasingly important to strengthen the export control of Man - Portable Air Defense Systems (MANPADS). In the WA, "Elements for Export Controls of MANPADS," agreed in 2000, was revised in 2003 to further strengthen the export control of MANPADS (see Reference).

In addition, an agreement was reached on introducing the export control system for items that are not on the lists (catch - all system for conventional arms), enhancing outreach activities to non - WA - participating countries, and strengthening arms brokering control.

The 2004 Plenary Meeting agreed on the participation of Slovenia. Furthermore, the participation of Estonia, Latvia, Lithuania, Malta and Croatia was also approved after going through authorization procedures.

At the 2005 Plenary Meeting, South Africa was approved as a new member state and the lists for terror - related items were reviewed so as to cope with the heightening threat of terrorism. It was also agreed to give high priority to outreach activities for non - participating states and international organizations.

At the 2006 Plenary Meeting, which was the first meeting participated in by representatives from all continents in the world, an agreement was reached on commencing dialogues with the Missile Technology Control Regime on the control of specific items. Participants also adopted best practices that would serve as the standard for controlling the intangible transfer of technology. Furthermore, as 2007 is the year of the quadrennial assessment of WA functions, the framework for conducting assessment was established.

4. Japan's efforts

Japan supports the objectives of the WA from the standpoint of maintaining both national security and global peace and stability, and was actively involved in the establishment process of the WA. Internally, Japan has enacted related laws and regulations including the "Foreign Exchange and Foreign Trade Act," "Export Trade Control Order" and "Foreign Exchange Order," and has been implementing strict export control on dual - use goods and technologies that are subject to the scope of the WA. Japan, as a principle, does not export arms and strongly advocates the enhancement of transparency of arms transfer under the framework of the WA and the UN Register of Conventional Arms. Japan is determined to continue to actively pursue the prevention of conflicts through the enhancement of transparency.

Chapter 2. Non-proliferation of missiles

Section 1. Present status of missile proliferation issue

Ballistic missiles can reach targets in a very short time once launched, and they are difficult to track by normal radar, as their warheads are much smaller than bombers. Together with nuclear weapons or chemical/biological weapons, ballistic missiles would cause catastrophe, even if their accuracy is somewhat low.

Therefore, the imposition of restrictions on missiles, which are effective means of delivering weapons of mass destruction including nuclear weapons, is important as a complement to international agreements that prohibit or restrict the manufacture and possession of weapons of mass destruction including nuclear weapons. Yet there is no international agreement that restricts the manufacture or possession of missiles.

In an attempt to prevent the proliferation of missiles, the Group of Seven (G7) established the "Missile Technology Control Regime (MTCR)" in 1987. The MTCR has been making efforts to prevent the spread of missile - related technologies through strict export control, as mentioned above.

However, it is becoming more and more difficult to completely block the proliferation of missile technologies solely by preventing the transfer of technologies from the industrial countries; some countries have developed their own missile technology or have received cooperation from countries other than MTCR - participating states that already possess missiles. North Korea has actually deployed Nodong missiles that can cover most of Japan's territory. The fact that a ballistic missile based on Taepodong 1 launched by North Korea leaped over Japan and landed in the Pacific Ocean in 1998 and that North Korea launched seven ballistic missiles including Taepodong 2 in 2006 reaffirmed that missiles would constitute a serious threat to Japan and that the North Korean ballistic missile activities have significant impacts on peace and stability in Northeast Asia. Furthermore, India, Pakistan and Iran have also repeated missile launch tests; quite a number of countries have come to possess missile technologies.

Section 2. Hague Code of Conduct (HCOC)

1. Background of adoption

In these circumstances where the proliferation of ballistic missiles came to raise concerns in the international community, MTCR - participating states found it difficult to prevent ballistic missile proliferation with the existing concerted conventional export control only and came to recognize the necessity to formulate a complementary framework on a global basis. Deliberation on the global framework started at the MTCR. During the MTCR Ottawa Plenary Meeting in September 2001, its internal discussion on the framework concluded and after the universalization process opened to all states (Paris meeting in February 2002 (with 78 states) and Madrid meeting in June 2002 (with 96 states)), "The Hague Code of Conduct against Ballistic Missile Proliferation (HCOC)" was adopted in the Hague, the Netherlands in November 2002, with the subscription of 93 states.

2. Overview of the HCOC

(1) Legal nature of the HCOC

The HCOC is the first document of international commitment for non - proliferation of ballistic missiles. The HCOC encompasses principles on the non - proliferation of ballistic missiles and

self - restraint regarding the testing, development and deployment of ballistic missiles and confidence - building measures as its major contents, it is not a legally binding international agreement, but is a document that presents subscribing states' political commitment to comply with the principles and measures in the HCOC.

(2) Contents of the HCOC

The HCOC mainly includes the principle of the non - proliferation of ballistic missiles, self restraint regarding the testing, development and deployment of ballistic missiles, the principle that space rocket programs should not be used to conceal ballistic missile programs, the principle of not supporting ballistic missile development programs of states that are likely to be developing weapons of mass destruction in contravention of the obligations and norms of international disarmament and non - proliferation treaties, and confidence - building measures (such as pre - launch notification for ballistic missiles and space rockets and annual policy reports).

(N.B. Implementation of these confidence - building measures does not serve as justification for ballistic missile activities.)

(3) HCOC - subscribing states

The number of subscribing states to the HCOC has increased from 93 at the time of its adoption to 127 as of the end of September 2007. For further universalizing the HCOC, subscribing states have continued to urge non - subscribing states to join the HCOC at the initiative of the Chair of the HCOC. The HCOC is open to the world and any state can join by submitting a diplomatic document to express its intention to subscribe, to the Austrian Government, which works as the Immediate Central Contact for the HCOC.

(4) UN General Assembly Resolution on the HCOC

During the 59th UN General Assembly held in December 2004, the UN General Assembly Resolution on the HCOC was adopted with the support of 161 countries. At the 60th UN General Assembly in 2005, a similar Resolution was adopted with the support of 158 countries. These Resolutions welcome the establishment of the HCOC and intend to encourage subscription to the HCOC. Japan was one of the co - sponsors of the Resolutions and actively worked on non - HCOC - subscribing states to support the Resolution in cooperation with the Chair of the HCOC.

Section 3. Japan's efforts

1. Efforts concerning ballistic missile proliferation issue

The issue of ballistic missile proliferation is an important issue in the context of Japan's security. There are several means to address the issue, such as diplomatic efforts toward states of concern, export control and the creation of multilateral frameworks. Japan has been attaching great importance to international coordination within the framework of the MTCR and has actively participated in the discussions on the HCOC. Japan has also conveyed its concern to those countries engaged in missile activities of concern on various occasions. In particular, Japan has been strongly urging North Korea to stop the development, testing, deployment and export of ballistic missiles, as North Korea's ballistic missile activities including its deployment of the Nodong missiles (with range covering most of Japan's territory) and launching tests of ballistic missiles including Taepodong 2 constitute a grave threat not only to Japan's security but also to international peace and security.

Japan has also had its experts attend the UN Panel of Governmental Experts on Missiles reestablished in 2007 for discussions on missile issues in all their aspects, making contribution by actively advocating the significance of coping with missile issues.

2. Efforts in the framework of the HCOC

In the process of drawing up the contents of the HCOC, Japan made various concrete proposals, with the North Korean ballistic missile activities in mind. The purport of the HCOC that space rocket programs should not be used to conceal ballistic missile programs and that pre - launch notification does not serve as justification for ballistic missile activities are the results of Japanese proposals. Ahead of the adoption of the HCOC, Japan explained its significance to the ASEAN member states on three occasions, jointly with Australia and the ROK.

As the HCOC needs to be further universalized and implemented smoothly in the future, Japan has taken every opportunity, such as at various seminars, briefing sessions, and the Asian Senior - level Talks on Non - Proliferation as well as bilateral talks, to encourage non - subscribing states, especially those in the ASEAN, for their understanding of and subscription to the HCOC. At present, the Philippines and Cambodia are the only ASEAN member states that subscribe to the HCOC. Japan will continue to work on other ASEAN member states for their subscription.

Furthermore, Japan pioneered in implementing pre - launch notification of space rockets for peaceful purposes and submitted an annual report on its space rocket policies at an early stage, aiming to contribute to the smooth implementation of confidence - building measures of the HCOC. In November 2005, Japan invited HCOC - subscribing states to a Space Center in Japan as a part of confidence - building measures of the HCOC. Such active attitude is highly appreciated by other HCOC - subscribing states. In order to ensure Japan's own security and regional and international peace and safety, Japan intends to continue its contribution so that the HCOC works to prevent ballistic missile proliferation as a universal and effective code of conduct.

(Reference) Man-Portable Air Defense Systems (MANPADS)

Background and present situation

Man - Portable Air Defense Systems as typified by the US - made Stinger are missiles that can be carried and launched by one or a few persons. They are easily concealed and relatively easily operated, yet capable of potentially catastrophic destruction of flying aircraft. Therefore, as weapons that especially terrorists strive to acquire and use, MANPADS have recently been recognized as a significant threat to the safety of civil aviation.

MANPADS are manufactured in many countries in addition to major exporting countries such as Russia, the United States and France. Those exported in the past are proliferating around the world without any appropriate control. Thus strict control on MANPADS manufactured and exported by each country is a critical issue to prevent terrorists and others from using them for attack on civil aviation.

Efforts of international community

1998	Conclusions of G8 Foreign Ministers: Called for "further work to be done to address the threat" by criminal use of MANPADS
2000	Plenary of the Wassenaar Arrangement (WA): Agreed on the "Elements for Export Controls of Man - Portable Air Defense Systems"
Jun. 2003	Evian Summit: Adopted the "Enhance Transport Security and Control of MANPADS: A G8 Action Plan"
Oct. 2003	APEC Bangkok Declaration on Partnership for the Future Agreed on the strict export control and secure stockpiling of MANPADS as well as the domestic actions to regulate production, transfer and brokering and banning their transfer to non - state actors
2003	Plenary of the WA: Agreed on the amended "Elements for Export Controls of MANPADS"
2004	MANPADS were newly added to the listed weapons subject to the UN Register of Conventional Arms subcategory under the category of "missiles and missile launchers."
2004	Sea Island Summit: Adopted the "G8 Secure and Facilitated International Travel Initiative (SAFTI)"

Efforts of Japan

Japan has been advocating the importance of stronger control of MANPADS based on the recognition that the proliferation of MANPADS to terrorists and other non - state actors would constitute a significant threat to civil aviation. Although MANPADS are being manufactured in Japan, Japan does not export MANPADS nor their essential parts. In addition, all MANPADS manufactured are delivered to the Japan Defense Agency and placed under their strict control.

Chapter 3. Proliferation Security Initiative (PSI)

Section 1. Background of its establishment and overview

As part of international efforts for the non - proliferation of weapons of mass destruction, missiles and their related materials, which are threats to global peace and security, various international export control regimes as well as international conventions such as the Treaty on the Non - proliferation of Nuclear Weapons (NPT) play an important role.

However, while these international frameworks are of much significance, complete prevention of proliferation of weapons of mass destruction, missiles, and their related materials is actually quite difficult, largely because there are countries of proliferation concern that do not observe the relevant international conventions, and non - state actors such as terrorists.

In light of such circumstances, the Bush administration of the United States has attached emphasis to the issue of proliferation of weapons of mass destruction and missiles since its inauguration, and has been strongly concerned about the development and transfer of weapons of mass destruction and missiles by states of proliferation concern, including North Korea, Iraq and Iran, especially since the September 11th terrorist attacks in 2001. In December 2002, President George W. Bush announced the "National Strategy to Combat Weapons of Mass Destruction" in which he advocated the necessity of a comprehensive approach to stop proliferation ((1) Counter - proliferation, (2) Non - proliferation and (3) consequence management to respond to WMD use).

On May 31, 2003, President Bush made an address during his visit to Krakow, Poland and announced the "Proliferation Security Initiative (PSI)" as a new arrangement to stop proliferation, while asking ten countries, including Japan, to participate in the PSI. The PSI may also be regarded as the embodiment of the concept of "interdiction" in "counter - proliferation" set out in the National Strategy to Combat Weapons of Mass Destruction.

The PSI intends to design and implement measures that can be readily used by participating states to interdict the transfer and transport of weapons of mass destruction, missiles and their related materials within the scope of international laws and national laws of respective states, for the purpose of interdiction of proliferation of weapons of mass destruction, missiles and their related materials that are a threat to peace and security of the international community. At present, more than 80 countries worldwide support the "Statement of Interdiction Principles," which prescribes the fundamental principles of PSI activities, and participate in and cooperate in PSI activities.

Section 2. Past experiences

1. Efforts for increasing the number of participating states and cooperative states (outreach activities)

In order to promote activities to interdict proliferation of weapons of mass destruction, missiles and their related materials under the PSI, it is essential to combine the efforts of multiple countries. Therefore, it is important to increase the number of participating states and cooperative states so that the web of interdiction efforts will become stable and extensive. At the time of the inauguration of the PSI, there were only 11 participating states, but they have increased to exceed 80 today as a result of vigorous

outreach activities.

2. Examination of the contents of activities through various meetings

During the first two years since its inauguration, the PSI actively held gatherings such as plenary meetings of director - general - level officials and experts meetings of deputy director - general - level officials. As a result of the in - depth discussions on PSI activities in these meetings, it has been confirmed that (1) the PSI is a framework to counter the proliferation of weapons of mass destruction, missiles and their related materials, which are threats to the entire international community, and it does not intend to target specific states of concern, (2) membership is not limited to the current participating states, and (3) PSI activities are conducted on the basis of the existing international law and domestic laws of respective participating states and shall not go beyond legal authority. During the 3rd Plenary Meeting in September 2003 (in Paris), the "Statement of Interdiction Principles" was adopted, which lays down the objectives of the PSI and fundamental principles of PSI activities to prevent proliferation. In June 2006, a High - Level PSI Political Meeting was held in Warsaw, commemorating the 13th anniversary of the PSI.

3. Active implementation of interdiction exercises

A total of 24 interdiction exercises (only exercises with assets; as of the end of October 2007) have been carried out worldwide since the inauguration of the PSI in various styles including land, maritime and air interdiction exercises, in order to ensure that actual operations to interdict proliferation of weapons of mass destruction, missiles and their related materials would be successful. Major achievements from these exercises include (1) improvement of the capability and skills of relevant organizations of respective countries to interdict proliferation of weapons of mass destruction, missiles and their related materials, (2) enhancement of mutual cooperation among relevant national agencies of the participating states, such as military organizations, authorities to enforce maritime laws, customs authorities, etc. and (3) outreaching effects on non - participating states.

[PSI interdiction exercises] (as of the end of October 2007)

[Interdiction exercises]

[2003]

Sep. 12 to 14:	Maritime interdiction exercise hosted by Australia (Pacific Protector) (in the Coral Sea of Australia)
Oct. 8 and 9:	Command post exercise for air interdiction hosted by the United Kingdom (in London)
Oct. 14 to 17:	Maritime interdiction exercise hosted by Spain (Sanso 03) (in the Mediterranean Sea)
Nov. 24 to 28:	Maritime interdiction exercise hosted by France (Basilic 03) (in the Mediterranean Sea)

[2004]

Jan. 11 to 17:	Maritime interdiction exercise hosted by the United States (Sea Saber) (in the Arabian Sea)
Feb. 19:	Air interdiction exercise hosted by Italy (Air Brake) (in Sicily)
Mar. 31 to Apr. 1:	Air interdiction exercise hosted by Germany (Hawkeye) (in Frankfurt)
Apr. 13 to 22:	Maritime interdiction exercise hosted by Italy (Clever Sentinel) (in the Mediterranean Sea)
Apr. 19 to 21:	Land interdiction exercise hosted by Poland (Safe Borders) (in Poland)
Jun. 23 and 24:	Command post exercise for air interdiction hosted by France (ASPE 04) (in Paris)
Sept. 27 to Oct. 1:	Table-top exercise for maritime interdiction hosted by the United States (PSI Game) (at the U.S. Naval War College)
Oct. 25 to 27:	Maritime interdiction exercise hosted by Japan (Team Samurai 04) (in the sea off Sagami Bay and in the Port of Yokosuka)
Nov. 8 to 18:	Maritime interdiction exercise hosted by the United States (CHOKE POINT 04) (in Key West)

[2005]

Apr. 8 to 15:	Maritime interdiction exercise hosted by Portugal (NINFA 2005) (in Lisbon and the sea off Portugal)
May 31 to Jun. 2:	Land interdiction exercise co-hosted by the Czech Republic and Poland (Bohemian Guard) (in Ostrava)
Jun. 7 and 8:	Air interdiction exercise hosted by Spain (Blue Action 2005) (in the Western Mediterranean area and at the Zaragoza Air Base)
Aug. 15 to 19:	Maritime interdiction exercise hosted by Singapore (Deep Sabre 2005) (in Singapore and its surrounding ocean area)
Oct. 3 to 7:	Table-top exercise hosted by Norway (PSI Game 2005) (in Bergen,)
Nov. 14 to 18:	Maritime interdiction exercise hosted by the United Kingdom (Exploring Themis 05) (in capital cities of participating states (Command post exercise: Nov. 14 to 16) and in the Indian Ocean (Live exercise: Nov. 17 and 18))

[2006]

Apr. 4 to 6:	Air interdiction exercise hosted by Australia (Pacific Protector 06) (in Darwin)
Apr. 4 and 5:	Maritime interdiction exercise hosted by the Netherlands (Top Port) (in Rotterdam)
May 24 to 26:	Interdiction exercise hosted by Turkey (Anatolian Sun 2006) (in capital cities of participating states (Command post exercise: May 24 to 26) and in Antalya, Turkey (Live exercise: May 25 and 26))
Jun. 21 and 22:	Interdiction exercise hosted by France (Hades 06) (in France)
Sept. 13 to 15:	PSI Maritime interdiction exercise co-hosted by Poland, Russia and Denmark (Amber Sunrise) (in the coast of the Baltic Sea)
Oct. 25 to 31:	Maritime interdiction exercise hosted by the United States (Leading Edge) (in capital cities of participating states (Command post exercise: Oct. 25 to 27) and in the Persian Gulf (Live exercise: Oct. 29 to 31))

[2007]

Apr. 26 and 27:	Air interdiction exercise hosted by Lithuania jointly with Poland, Latvia, and Estonia (Smart Raven) (in Vilnius and Siauliai, Lithuania)
May 27 to 29:	Maritime interdiction exercise hosted by Slovenia (Adriatic Gate 2007) (in Koper Bay, Slovenia)
Jun. 18 to 22:	Table-top exercise hosted by the United States (PSI Game) (at the U.S. Naval War College)
Oct. 13 to 15:	Maritime interdiction exercise hosted by Japan (Pacific Shield 07) (in the sea east of Izu Oshima Island, the Port of Yokosuka, and the Port of Yokohama)
Oct. 29 to 31:	Land and maritime interdiction exercise co-hosted by Ukraine, Poland, and Rumania (Eastern Shield 2007) (in Odessa, Ukraine)

Section 3. Japan's efforts

Japan considers it necessary to strengthen non - proliferation efforts in all stages encompassing not only import/export control procedures and domestic control processes but also at transportation stages. Japan has been actively involved in PSI activities including the following, with the recognition that the PSI is consistent with Japan's past efforts for non - proliferation of weapons of mass destruction, missiles and their related materials and contributes to the improvement of the national security of Japan.

1. Active outreach activities

As part of efforts to strengthen the non - proliferation regime in Asia, and with the recognition that Asian countries' cooperation and collaboration with Japan in activities to interdict proliferation of weapons of mass destruction will contribute to its own national security, Japan has been actively promoting outreach activities aiming to raise the level of understanding of Asian countries on the PSI and expand their participation. Japan will continue to actively encourage non - PSI countries, especially neighboring Asian countries, to support the principles of the PSI and participate in as well as cooperate with its activities. (For approaches to Asian countries, see Chapter 2, Part VII "Asian Senior - level Talks on Non - Proliferation.")

2. Active participation in PSI interdiction exercises (exercises hosted by other countries as well as hosting exercises)

During October 25 to 27, 2004, Japan hosted a maritime interdiction exercise "Team Samurai 04" carried out in the sea off Sagami Bay and in the Port of Yokosuka. Japanese vessels and aircraft belonging to the Japan Coast Guard, and Defense Agency (then) / Self - Defense Forces were deployed in this exercise, where a total of 21 countries participated, including countries that sent assets and personnel or observers.

Japan hosted the second maritime interdiction exercise "Pacific Shield 07" during October 13 to 15, 2007, in which Japanese vessels, aircraft, boarding and inspection teams were deployed from the Police, Customs and the Japan Coast Guard, as well as from the Ministry of Defense / Self - Defense Forces. A total of 40 countries - nearly double the participants in the 2004 exercise - participated in this exercise, including countries that sent observers and such countries as Australia, France, New Zealand, Singapore, the United Kingdom and the United States that sent assets and personnel.

Japan has sent observers to and participated in almost all of the exercises led by other countries. In particular, Japan made active contribution to the following exercises by deploying its vessels.

(i) Maritime interdiction exercise hosted by Australia (Pacific Protector) (Sep. 2003)
Patrol vessels and a special team of the Japan Coast Guard were deployed.

(ii) Maritime interdiction exercise hosted by Singapore (Deep Sabre 2005) (Aug. 2005)
Patrol vessels of the Japan Coast Guard and a vessel and patrol aircrafts of the Defense Agency (then) / Self-Defense Forces were deployed.

(iii) Air interdiction exercise hosted by Australia (Pacific Protector 06) (Apr. 2006)
An inspection team consisting of officials of the National Police Agency, the Tokyo Metropolitan Police Department and the Ministry of Finance (Japan Customs) were deployed.

PSI Maritime Interdiction Exercise "Pacific Shield 07" hosted by Japan

Japan hosted the second PSI maritime interdiction exercise "Pacific Shield 07" during October 13 to 15, 2007. In this exercise, vessels, aircrafts, boarding and inspection teams were deployed from relevant authorities in Japan, such as the National Police Agency, the Ministry of Finance (Japan Customs), the Japan Coast Guard, the Ministry of Defense / Self - Defense Forces and from other countries such as Australia, France, New Zealand, Singapore, the United Kingdom and the United States. Also, observers from a total of 40 countries including these asset - dispatching countries participated in the exercise.

During the three - day exercise, participating countries carried out demonstration exercises for interdiction activities on the sea and at ports respectively as follows.

(1) The first day (Oct. 13th): Exercises for inspection, detection, tracking, and boarding on the sea were carried out on the sea east of Izu Oshima Island. In Japan's exercise, vessels and patrol aircrafts of the Maritime Self - Defense Force inspected, detected and tracked a suspected vessel and then a boarding team on a Rigid - Hull Inflatable Boat (RHIB) boarded the vessel. Other countries also carried out similar exercises. (The Airborne Warning and Control System of the Air Self - Defense Force also carried out warning and surveillance activities.)

(2) The second day (Oct. 14th): Continued from the previous day's exercises, boarding and on - board inspection exercises (assumed to be on the sea) were carried out at the Yokosuka Shinko Port. Each inspection team consisting of officials of participating countries' navies, coast guards or customs including the Japan Maritime Self - Defense Force carried out exercises for boarding, interviews with the crew, and inspection of suspected materials.

(3) The third day (Oct. 15th): On - board inspection and cargo inspection exercises at ports were carried out at the Port of Yokohama. Assuming to interdict transshipment of chemical agents that can be used for producing nerve gas, a joint inspection team consisting of officials of the Police, the Japan Customs and the Japan Coast Guard carried out on - board inspection, cargo inspection and seizure of the suspected material. The Japan Ground Self - Defense Force carried out an exercise for decontaminating leaked chemical agents. The Australian Customs Service and the Singaporean Army also carried out exercises for inspection at ports.

"Pacific Shield 07" not only demonstrated Japan's and the international community's strong will to tackle proliferation at home and abroad, but also contributed to enhancing skills of related agencies from the participating countries and improving the effectiveness of proliferation interdiction measures. A port inspection exercise was conducted for the first time in Japan, and the coordination among the law - enforcement agencies in Japan was strengthened. The number of countries that sent observers in this exercise almost doubled, compared with the previous exercise, "Team Samurai 04," and was 40 in total. Many non - PSI supporting countries in the Asia - Pacific region and the Middle East participated in this exercise and deepened their understanding of the significance of efforts concerning the PSI and non - proliferation in general and of respective countries' policies. The whole process of the exercise was open to the media and a public event (Navy Ships Tours) was also held, with a view to improving the general public's understanding of the PSI activities.

The Maritime Self-Defense Force boarding team boarding the suspected vessel (Source: Ministry of Defense)

The NBC Terrorism Investigative Unit (Kanagawa Prefectural Police, Tokyo Metropolitan Police Department) collecting samples of the suspected material