

## ***The Weekly Observer***

August 16-20, 2021

*The 17<sup>th</sup> edition of the weekly newsletter aggregating news on Japanese politics! This week focuses on the re-extension and expansion of the COVID-19 state of emergency, possible revisions to COVID-19 policy, the possibility of a third vaccine shot, news of a first-ever LDP-Taiwan ruling party strategic dialogue, the MOD's budget request, the prime minister's speech commemorating the 76<sup>th</sup> anniversary of the end of WWII, opposition demands for an extraordinary Diet session, increase in the number of bankruptcies, controversy over the decision to allow children to attend the Paralympic Games, the latest on the LDP and House of Representatives election, Japan's response to the situation in Afghanistan, and more.*

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## **I. News of the Week**

### **1. Japan Expands and Extends COVID-19 State of Emergency Again**

- Prime Minister Yoshihide Suga announced at a press conference on Tuesday that the COVID-19 state of emergency would be extended until September 12. Japan confirmed a record-high 25,876 cases on Friday, while Tokyo topped 5,000 for a third consecutive day.
- Starting Friday, Tokyo, Saitama, Chiba, Kanagawa, Osaka and Okinawa will be joined by Ibaraki, Tochigi, Gunma, Shizuoka, Kyoto, Hyogo and Fukuoka as prefectures under a state of emergency.
- Ten prefectures joined Hokkaido, Fukushima, Ishikawa, Aichi, Shiga and Kumamoto as prefectures under pre-emergency measures (*man-en bōshi-tō jūten sochi*), a step below a state of emergency.
- The prime minister said that the three pillars for the government's coronavirus response going forward are 1) forming an adequate medical system, 2) controlling the spread of the virus and 3) the vaccination drive.
- Under the measures, governors can request businesses to limit the number of people using certain facilities, as well as large commercial facilities such as department stores to limit visitors in areas people use often, including underground food halls.
- The government will promote remote work and paid leave to reduce commuters by 70 percent; establish facilities and acquire oxygen concentrators for COVID-19 patients whose symptoms worsen; and distribute two drugs necessary for antibody cocktail treatment in areas under a state of emergency or pre-emergency measures.
- The National Governors Association decided on Friday to submit an emergency proposal to the government requesting stronger measures, including a lockdown, to stop the movement of people. Suga is currently against such measures.

### **2. Government Considers Revising COVID-19 Policy**

- Suga said that the country is experiencing an unprecedented spread of the virus. He characterized the current situation as a crisis. On Wednesday, Shigeru Omi, head of the government's coronavirus expert panel, also called the situation a "disaster", but primarily in the Tokyo metropolitan area.
- Perhaps due to this assessment, Suga said that while the cabinet discussed a nationwide state of emergency, the situation was not equally poor across the country to merit such a decision.
- The education ministry sent out a notification to school boards across the country on Friday, noting that while local municipalities can decide to close schools, it

should be done after careful consideration. Those under the age of 20 testing positive has increased sixfold from 3,450 to 22,960 between July 17-August 17.

- According to Omi, an insufficient testing system means the real case tally could be higher than reported. *Sankei* reported Wednesday that while the rate of those testing positive without symptoms is usually around 30 percent of the total, Tokyo's data is around 10 percent, suggesting numbers are underreported.
- The government will also consider revising its standards for the alert level (stages) and declaring a state of emergency by September 12. Instead of daily case tallies, the new standards will give more weight to the number of patients with severe symptoms and how adequately medical care is being given where it is required.
- This revision will reflect expected changes in the number of patients once enough people are vaccinated and new treatments are approved for use. The primary concern will then shift to how well the medical system is functioning.
- The current lack of hospital beds—coupled with the new government policy limiting bed use to those with severe symptoms or at risk of developing severe symptoms—has resulted in 63 percent of patients recuperating at home who have called an ambulance to be turned away by hospitals.

### 3. Japan Prepares for Possible Third Inoculation

- The Cabinet Office reports that, as of Friday, around 115.7 million shots have been administered across the country. Of the total population, 51 percent have been vaccinated once, while 40 percent have been vaccinated twice.
- Vaccine czar Taro Kono said Thursday that the government is preparing to swiftly vaccinate healthcare personnel for a third time in October (eight months since second shot) should the health ministry decide it is necessary.
- He also said Monday that the government has a contract with Pfizer to receive enough vaccines for people to receive a third shot next year. It already expects to receive 194 million doses for this year.
- Kono said Tuesday that the government will be able to distribute enough vaccines to every workplace vaccination site that has completed their applications by the week of September 5.
- Tokyo Governor Yuriko Koike revealed Wednesday that the Tokyo Metropolitan Government will set up a vaccination site in August to promote vaccination among those in their twenties and thirties who have not been vaccinated yet. Unlike regular vaccination sites, no reservation will be necessary.
- Suga said last Friday that he aims to vaccinate 80 percent of the population twice by the beginning of October.

#### 4. Foreign Policy Developments

- Chief Cabinet Secretary Katsunobu Kato said Thursday that liquidation of assets over the wartime labor issue would put Japan-South Korea relations in a very severe situation.
- He was responding to reports that a South Korean court approved the seizure and collection of a payment intended for Mitsubishi Heavy Industries Engine Systems from a South Korean company that can be provided to plaintiffs as compensation.
- Reports on Wednesday suggest the LDP's foreign policy and national defense division chiefs will meet online with lawmakers from Taiwan's ruling party this month to discuss security issues, especially regarding Chinese maritime activities around both country's territorial waters.
- On Tuesday, the foreign ministry protested a South Korean conservative lawmaker's landing on the Takeshima Islands, which Japan claims sovereignty over. The lawmakers landed on Sunday, the first occasion in over two years.
- Foreign Minister Toshimitsu Motegi is currently on a ten-day trip to the Middle East, which started on Sunday. He will visit Egypt, Palestine, Israel, Jordan, Turkey, Iran and Qatar.
- So far, the minister has discussed the situation in Afghanistan, the Israel-Palestine conflict and the importance of a rules-based world order with his counterparts. He is expected to also discuss the coronavirus response and call on the new Iranian government to play a constructive role in promoting stability in the region.

#### 5. Defense-related Developments

- On Thursday, the defense ministry finalized its decision to request around ¥5.4 trillion (≈\$49.2 billion) for the FY 2022 budget. It reflects an increasing need to improve the JSDF's preparedness in response to a militarily active China.
- This is around the same amount requested for FY 2021 (¥5.489 trillion), but with specific article requests (*jikō yōkyū*), which do not require a specific dollar amount to be disclosed, the budget formed at the end of the year is likely to be more than ¥5.342 trillion, the current record-high set in FY 2021.
- Specifically, the budget request includes the radar repair cost for the Aegis-equipped destroyer that will replace the axed Aegis Ashore missile defense system, and around ¥300 billion for developing new defense equipment such as a new missile based off of the GSDF's Type 12 Surface-to-Ship Missile.

- It also includes a request to increase the number of officials, technical officers and JSDF personnel working at the MOD's Acquisition, Technology & Logistics Agency (*Bōei Sōbi-chō*) from 1,820 to 1,920 personnel.
- Meanwhile, the refurbishment cost for the ASDF's F-15 fighter, which is said to be around ¥240 billion, was included as a specific article request. As for the Aegis-equipped destroyer, construction costs were not included in this year's request and will be reflected sometime after FY 2023.
- *Asahi* reported Thursday that multiple issues involving cost, construction time and operational use could push back its inclusion in the budget request by a few years. Actual operation could be delayed as much as ten years, a serious concern in terms of leaving a gap in defense capabilities.

#### 6. 76th Anniversary of the End of WWII on Sunday

- On Sunday, Suga delivered a speech at the annual memorial ceremony on the anniversary of Japan's surrender in World War II.<sup>1</sup> Like Abe, he did not refer to "lessons" learned from World War II or Japan's responsibility for its wartime aggression in other Asian countries.
- In his address, Suga said that Japan will keep its vow that the ravages of war will never be repeated. Borrowing from former prime minister Shinzo Abe, he signaled Japan would work with other countries to tackle global issues under the banner of "proactive pacifism".
- Emperor Naruhito expressed his deep remorse over the war, and said he earnestly hopes that the ravages of war will never be repeated again.
- On the same day, Environment Minister Shinjiro Koizumi, Education Minister Koichi Hagiuda, Minister for the World Expo 2025 Shinji Inoue and Abe visited Yasukuni Shrine, which is seen by neighboring countries as a symbol of Japan's past militarism. Suga did not visit but made an offering (*tamagushi*) under the name "LDP President Yoshihide Suga".
- Similar to last week, when Defense Minister Nobuo Kishi and Economic Revitalization Minister Yasutoshi Nishimura visited Yasukuni, China and South Korea criticized the decision by sitting ministers to visit the controversial shrine.

#### 7. Political Developments

- On Thursday, METI Minister Hiroshi Kajiyama came to an agreement with the IAEA to begin implementing the on-site safety review of the release of treated radioactive water at Fukushima Daiichi Power Plant in September.

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<sup>1</sup> "Reiwa San-nendo Zenkoku Senbotsusha Tsuitōshiki Sōri Daijin Tōben 令和3年度全国戦没者追悼式総理大臣式辞"  
[Prime Minister's Speech at the 2021 National Memorial Service for War Dead], Prime Minister's Office of Japan, August 15, 2021, [https://www.kantei.go.jp/jp/99\\_suga/statement/2021/0815sikiji.html](https://www.kantei.go.jp/jp/99_suga/statement/2021/0815sikiji.html)

- IAEA senior officials will meet with Japanese officials and technical experts in September to assess whether discharging treated water will have an adverse impact on people or the environment.
- Four opposition parties—the Constitutional Democratic Party, Communist Party, Democratic People's Party and Social Democratic Party—held a joint meeting on Tuesday, demanding an extraordinary Diet session be called as soon as possible.
- Yukio Edano, leader of the CDP, the largest opposition party, pointed out that Japan is facing the greatest crisis in the post-war period due to the coronavirus. He indicated a willingness to participate in a debate with Suga on the country's coronavirus response.
- The National Personnel Authority announced Tuesday that 38.5 percent of candidates who successfully passed the general civil service examination were women. This is the highest rate since the current exam structure began in 2012.

#### 8. State of the Economy

- Data released by the internal affairs ministry on Friday showed that July's core consumer price index (CPI excluding volatile fresh food prices) was down 0.2 percent to 99.8, decreasing for a 12th consecutive month.
- Mobile fees fell 39.6 percent due to major phone companies lowering their prices after facing pressure from the government. Since the new calculation method places more weight on such fees, the index was dragged down despite close to a 20 percent average increase in energy prices.
- Data released by Teikoku Databank on Thursday showed that 1,905 companies have gone bankrupt since the COVID-19 pandemic began.<sup>2</sup> By industry, eateries, construction, and hotels recorded the most bankruptcies.
- On Wednesday, the government added rare-earth metals to its list of industries subject to tougher restrictions on foreign investment. The government has been exploring ways to protect key industries from problematic foreign investments.
- Foreign investors will be required to notify the government before investing in a range of connected fields, including mining, building survey ships, component analysis, and construction of ports on remote islands.
- Data released by the Cabinet Office on Monday showed that real GDP growth for the April-June period was 1.3 percent, a 0.3 percent increase from the last period. Although it was the first increase in two quarters, mostly due to capital investment by companies, the growth rate was largely flat due to the state of emergency.

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<sup>2</sup> "Shingata Korona Uirusu Kanren Tōsan 新型コロナウイルス関連倒産" [Bankruptcies Related to COVID-19], Teikoku Databank, last updated August 19, 2021, <https://www.tdb.co.jp/tosan/covid19/index.html>

9. Debate Erupts Over Children Attending the Paralympic Games

- The IPC, the organizing committee, Tokyo and the Government of Japan agreed on Tuesday to hold the Paralympic Games, set to begin on August 24, without spectators. An exception will be made for children and students, who may choose to attend to learn more about people with disabilities through a school program.
- This decision was met with fierce opposition from viral disease experts and education committees alike. Omi, head of the government's coronavirus expert panel, said the decision should be made carefully given the COVID-19 situation has worsened compared to when the Olympic Games were about to begin.
- On Wednesday, all four participating members of Tokyo's board of education opposed the decision, arguing that it would not be the best option to send students to the games during a "crisis".
- As of Wednesday, around 132,000 students are indicating an interest in taking part in the program. Some schools have already indicated that they expect all students will participate in the program.

10. New Candidates Show an Interest in Running for LDP President

- On Friday, both Shigeru Ishiba and Yasutoshi Nishimura signaled their intent to not run for the presidency. Ishiba said it didn't feel right to announce his candidacy during a pandemic, while Nishimura said he is preoccupied with his current job leading the government's coronavirus response.
- On Thursday, former policy research council chairman Fumio Kishida indicated an interest in running for LDP president. Many in his faction urged him to run, especially if the race turns out to be a multi-candidate one.
- The same day, current Policy Research Council Chair Hakubun Shimomura met with Secretary-General Toshihiro Nikai to inform him that he would like to run for the presidency. Shimomura is part of the Hosoda faction (*Seiwakai*), the largest faction in the LDP which former prime minister Abe is a part of.
- Former internal affairs minister Sanae Takaichi also met with Nikai to express her intention to run for the presidency.
- The media reports that the newly extended state of emergency means the LDP presidential election is likely to take place as originally planned in September. The prime minister's plan to call a House of Representatives election first has effectively been denied.
- Meanwhile, when asked by reporters on Tuesday about his intentions to run for reelection, Suga said that he will definitely run for the presidency again. Environment Minister Koizumi said Friday that he will support Suga's reelection.



11. Lower House Election Unlikely to be in September

- A resurgence in coronavirus cases largely due to the “delta” variant has thrown a wrench in Suga’s plans for the House of Representatives election. His original plan was to call the election after the Paralympics and before the LDP election.
- If he calls a snap election before the current term for Lower House lawmakers ends on October 21, the election can be delayed until November 28. Some LDP lawmakers support this to give the party some time to regain voters’ approval.
- If he waits out the rest of the term, the Public Offices Election Act stipulates that the election must be held within thirty days before the end of the term, which is by October 20. The opposition, which wants an election while disapproval is high, is demanding Suga choose this option.
- *Asahi* reported Wednesday that Suga has left some room for a September snap election by extending the COVID-19 state of emergency by only a few weeks until September 12.
- Sensing an opportunity to dethrone the ruling coalition, the opposition is beginning to align ahead of the election. The DPP decided Tuesday that it will accept the memorandum signed on July 16 with the CDP for electoral cooperation.
- Some within the party had called the deal unfair because it stated that when campaigning for proportional representation seats, both parties would support the party fielding a candidate in single-member districts. The CDP is fielding far more candidates than the DPP.
- DPP leader Yuichiro Tamaki also said Wednesday that it is indispensable to have unity” with the Communist Party. He had said before that the party would not join a coalition government with the JCP.

12. Other Noteworthy News

- **Government Ponders Afghanistan Response:** Foreign Minister Motegi participated in the G7 foreign ministers’ meeting held late Thursday night. The focus of the online meeting was the situation in Afghanistan, where the Taliban seized power two weeks before the U.S. was set to complete its troop withdrawal. At the meeting, Motegi emphasized the importance of ensuring freedom for humanitarian organizations in the country and working with a wide range of countries, including neighboring countries. In the joint statement, the ministers discussed the importance of close and effective cooperation to allow evacuations from Kabul.<sup>3</sup> A similar joint statement was signed by Japan and more than 100 countries and regions on August 15. When asked at a

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<sup>3</sup> Dominic Raab, "Afghanistan: G7 Foreign and Development Ministers' Meeting, chair's statement, 19 August 2021," Group of Seven, August 19, 2021, <https://www.gov.uk/government/news/g7-chairs-statement-august-19-2021>

press conference after the meeting whether Japan would recognize the Taliban government as the legitimate government of Afghanistan, Motegi said the government will closely monitor the situation and see whether it is headed in a new direction such as respecting women's rights. On evacuations, the foreign ministry said in a meeting with the ruling party on Thursday that it is considering the evacuation of embassy and JICA employees in Afghanistan. They will be offered safe evacuation either to Japan or a safe third country. Japan has already evacuated twelve embassy employees on a U.K. aircraft to Dubai on Tuesday.

- **Toyota Faces Massive Production Cut Next Month:** Toyota Motor said Thursday that it will reduce global production next month by 40 percent from its original plan. It says a spike in coronavirus cases and lockdowns in Southeast Asia have caused issues in obtaining adequate supply of certain parts necessary for production. According to the company's press release, production in fourteen factories and twenty-seven manufacturing lines will be halted for as long as twenty-two days. Global production will be reduced by 360,000 units, of which 140,000 were to be produced domestically. Meanwhile, the company assures that its production plan of 9.3 million automobiles for the current period until March 2022 will remain unchanged. As a result of this announcement, Toyota's shares fell 5 percent at one point on Friday. The shortage in supply of parts has spread to other automakers, with Nissan shutting down its plant in Tennessee last week due to the impact the pandemic has had on procurement of semiconductor chips from Malaysia. Experts say the pandemic has exposed the vulnerabilities inherent in a supply chain that relies on essential parts being produced in Southeast Asia.

## II. Public Opinion Polls

- Below is a table comparing polling data across several outlets from the last two weeks (number in parenthesis shows change from last month):

Media Outlet	Date of Release	Approval (%)	Disapproval (%)
Kyodo <sup>4</sup>	8/16	32 (-4)	51 (+1)
Jiji <sup>5</sup>	8/13	29 (±0)	48 (-2)
NHK <sup>6</sup>	8/10	29 (-4)	52 (+6)
Yomiuri Shimbun <sup>7</sup>	8/10	35 (-2)	54 (+1)
TBS/JNN <sup>8</sup>	8/9	33 (-10)	64 (+9)

<sup>4</sup> "Japan PM Suga Cabinet's approval rate drops to record low 31.8%," *Kyodo News*, August 16, 2021.

<sup>5</sup> "Naikaku Shiji Yokobai Nijūkyū Paacento Korona Taiō "Hyōka sezu" Hansūgoe—Jiji Yoron Chōsa 内閣支持、横ばい 29% コロナ対応「評価せず」半数超—時事世論調査" [Cabinet Approval Maintained at 29% More Than Half "Disapprove" of COVID-19 Response—Jiji Public Opinion Poll], *Jiji*, August 13, 2021.

<sup>6</sup> "Naikaku Shijiritsu 内閣支持率" [Cabinet Approval Rating], *NHK*, August 10, 2021.

<sup>7</sup> "Nisen-nijūichinen Hachigatsu Denwa Zenkoku Yoron Chōsa Shitsumon to Kaitō 2021年8月 電話全国世論調査 質問と回答" [August 2021 Questions and Answers from Phone Public Opinion Poll], *Yomiuri Shimbun*, August 10, 2021.

<sup>8</sup> "Suga Naikaku Shijiritsu wa? 菅内閣 支持率は?" [Suga Cabinet's Approval Rating?], *TBS/JNN*, August 9, 2021.

<i>Asahi Shimbun</i> <sup>9</sup>	8/8	28 (-3)	53 (+4)
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- Suga's approval for the Kyodo poll released on Monday was a record low.
  - 65 percent of respondents said they do not want Suga to remain prime minister.
  - 29 percent of respondents approved of the government's coronavirus response, down five percent from July, while 68 percent disapproved, up four percent.
  - 76 percent of respondents said they felt the vaccination program was sluggish.
  - 80 percent of respondents are worried about the government's policy limiting use of hospital beds in areas experiencing a resurgence in case numbers to those with severe symptoms, at risk of developing severe symptoms or with moderate symptoms who are at risk of developing severe symptoms.
  - 60 percent of respondents cited the Olympic Games as one of the contributory factors to the rapid surge of infections in the country.
  - 63 percent of respondents expressed some degree of satisfaction with holding the Olympic Games, while 31 percent were dissatisfied.
  - 65 percent of respondents want the Paralympic Games to be held without spectators, while 19 percent want it cancelled altogether.
- A *Reuters* poll released Thursday showed 40 percent of Japanese firms saw the LDP and Komeito winning a comfortable majority in the House of Representatives.<sup>10</sup>
  - 33 percent of the firms expect the ruling coalition to lose a significant amount of seats, while 25 percent see them falling short of a majority.
  - 39 percent of the firms want Taro Kono to be the next prime minister of Japan, followed by Shigeru Ishiba and Fumio Kishida.
  - The firms want the government to prioritize economic measures and the coronavirus response after the House of Representatives election.

<sup>9</sup> "Asahi Shimbun Yoron Chōsa—Shitsumon to Kaitō (Hachigatsu Nana, Yōka Jisshi) 朝日新聞世論調査—質問と回答〈8月7、8日実施〉" [Asahi Shimbun Opinion Poll—Questions and Answers (Conducted 8/7-8)], *Asahi Shimbun*, August 8, 2021.

<sup>10</sup> Tetsushi Kajimoto, "Most Japan firms want Suga out of power despite Olympics success: Reuters poll," *Reuters*, August 19, 2021.