

The Weekly Observer

March 14-18, 2022

The 28th edition of the weekly newsletter aggregating news on Japanese politics! This week focuses on the GOJ's decision to lift all pre-emergency measures, Japan's booster shots, the Japan-India summit, the Japan-Australia-India trilateral supply chain resilience initiative, Japan-U.S. joint exercises, North Korea's missile test, Chinese incursions into Japanese waters, MOD's new cyber and space units, the 89th LDP Convention, the FY 2022 budget vote, ruling and opposition parties preparing for the HoC election, progress on unfreezing the trigger clause on the gas tax, the BOJ's monetary easing policy, latest on the Kawai bribery scandal, the earthquake, the pensioners' cash handout, and more.

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I. News of the Week

1. Government Lifts Pre-emergency Measures

- On Thursday, the GOJ [lifted](#) COVID-19 pre-emergency measures (*man-en bōshi-tō jūten sochi*) in all prefectures for the first time since Jan. 9.
- Under the new guidelines, the 20,000 cap on large-scale events regulated under the pre-emergency measures will be lifted. The government will no longer request that people stay within their prefectures.
- The government will also [forgo](#) tracking individuals who have come into contact with those who test positive for COVID-19 in general businesses (excluding medical institutions and elderly care facilities), and will not request limiting access to the workplace.
- At a press conference on Wednesday, Prime Minister Kishida Fumio [said](#) the GOJ will promote the use of vaccination history and test kits to self-identify positive cases and move toward restoring “normal” life.
- Meanwhile, medical experts like Japan Medical Association President Nakagawa Toshio [say](#) restrictions should be gradually relaxed, and that the GOJ should be prepared to swiftly reimplement measures should case numbers increase again.

2. Japan Surpasses U.S. in Number of Administered Booster Shots

- At a press conference on Tuesday, Minister in Charge of Promoting Vaccinations Horiuchi Noriko [revealed](#) that Japan’s booster vaccination rate reached 31 percent, surpassing the United States and ranking sixth among G7 nations.
- [According](#) to “Our World in Data,” the five G7 countries besides Japan and the U.S. have reached 45 percent or higher, while the U.S. is currently at 29 percent.
- At a press conference on Wednesday, Prime Minister Kishida [said](#) the GOJ plans to acquire an additional 3 million times worth of the oral COVID-19 drug in addition to the 6.5 million it already has.
- The GOJ expects to have enough vaccine supply for a possible fourth vaccination—75 million doses from Pfizer and 70 million from Moderna. The budget for the oral pill, testing kits and vaccines stands at ¥1.35 trillion.

3. Japan-India Summit

- On Saturday, Kishida [met](#) Prime Minister Narendra Modi in India. The two discussed the Special Strategic and Global Partnership in the Indo-Pacific, as well as regional issues such as Ukraine, North Korea and Myanmar.

- During the meeting, Kishida said India is an important partner for “new capitalism” and pledged an investment of ¥5 trillion over the next 5 years to India.
- In the [joint statement](#), the leaders touch upon deepening cooperation to realize a free and open Indo-Pacific and a partnership for sustainable growth.
- The two countries also [exchanged](#) six documents, including the memorandum of cooperation in cyber security, yen loans to 7 projects in India, the industrial competitiveness partnership roadmap, and amendments to the bilateral EPA.
- The leaders [did not issue](#) condemnation for Russia’s aggression against Ukraine but agreed that unilateral changes to the status quo by force in any region of the world are unacceptable, and that conflicts must be resolved peacefully.

4. Japan-Australia-India Supply Chain Resilience Initiative

- On Tuesday, Minister of Economy, Trade and Industry Hagiuda Koichi [participated](#) in a trilateral discussion regarding the supply chain resilience initiative (SCRI).
- The ministers [confirmed](#) their determination to further develop SCRI to respond to supply chain disruptions in the Indo-Pacific region and to promote strong, sustainable, balanced and inclusive growth in the region.
- The ministers decided to formulate and promote supply chain principles in the region; affirmed their desire to strengthen resilience by promoting trade and investment diversification and supporting the use of digital technologies.
- The ministers also encouraged trilateral cooperation in key sectors, particularly manufacturing and services, to enhance supply chain resilience. They also encouraged further collaboration between JETRO, Austrade and Invest India to promote investment and business in these sectors.
- The ministers also affirmed the importance of cooperation with business and academia to promote best practice and to facilitate joint projects for SCR.
- The trilateral trade ministers’ meeting will be held once a year going forward.

5. Japan-U.S. Developments

- On Wednesday, the defense ministry [sent](#) defense equipment to Ukraine via U.S. military aircraft flying out of Yokota Air Base.
- The GSDF and U.S. Marines are [conducting](#) a joint exercise dubbed the Maritime Defense Exercise-Amphibious Rapid Deployment Brigade between March 6-25 at Camp Fuji. Transport aircraft V22 Osprey is [participating](#) for the first time.

- The aim of the exercise is to bolster the capabilities of Japan-U.S. remote island defense units amid China's maritime assertiveness in the East China Sea. A total of 400 GSDF and 620 Marines are taking part in the exercise.
- The ASDF [announced](#) Tuesday that it had conducted training with the U.S. Air Force using both sides' F-35A stealth fighters. Four aircraft from each side conducted combat training in the Sea of Japan west of Misawa base (Aomori).
- This was the first exercise between the same type aircraft since the deployment of the F-35A began in Misawa in Jan. 2018. The aim of the exercise was to show Japan-U.S. unity amid increasing Russian activity in the region.
- On Monday, former Prime Minister Abe Shinzo [met](#) with U.S. Ambassador to Japan Rahm Emanuel to exchange opinions on Ukraine and Taiwan. The two agreed on the importance of a FOIP and a stronger alliance. Abe [reportedly raised](#) the need for Japan to strengthen its defense capabilities.

6. Foreign Policy Developments

- On Friday, MOFA Asian and Oceanic Affairs Bureau Director-General Funakoshi Takehiro [exchanged opinions](#) on North Korea's latest missile test with U.S. Special Representative for the DPRK Sung Kim.
- Funakoshi and Kim [took part](#) in a trilateral phone conference on Monday with ROK Special Representative for Korean Peninsula Peace and Security Affairs Noh Kyu-duk. The three strongly condemned the DPRK's launch of an ICBM-class missile and agreed to continue close trilateral coordination.
- On Wednesday, the GOJ [formally protested](#) the violation of Japanese waters near the Senkaku Islands by four Chinese Coast Guard vessels. This was the first time Chinese vessels entered Japanese waters since Feb. 25.
- The GOJ also [protested](#) Tuesday an unapproved oceanographic survey conducted by a Chinese research vessel within Japan's EEZ (near [Kumejima](#)). Chinese research vessels have conducted similar surveys in the area in 2018 and 2019.
- At a Diet session on Monday, Prime Minister Kishida [pointed out](#) that Russia's reckless actions in Ukraine have proven the need to reform the UN and the Security Council, and that Japan will work toward that end.

7. Defense/Security Developments

- In an interview [published](#) Saturday, LDP National Defense Division Director Miyazawa Hiroyuki said nuclear sharing will only destabilize the security environment, and that the three non-nuclear principles must remain unchanged.

- This statement by a high-profile LDP lawmaker comes after the LDP Research Commission on Security [discussed](#) nuclear sharing on Wednesday. No lawmaker voiced strong support for the idea, meaning it is very unlikely that the party's proposal for the revised NSS will include nuclear sharing.
- On Friday, the defense ministry established the Space Operations Group (SOG), which will oversee all SDF space domain mission units. This group has grown out of the smaller Space Operations Squadron (SOS).
- The SOG will [operate](#) out of the ASDF's Fuchu base and include 70 officers. A squadron of 30 officers will also be tasked with sharing information with the GSDF, MSDF and ASDF. Future efforts [include](#) establishing a second SOS and launching an Space Situational Awareness (SSA) satellite.
- The defense ministry also [established](#) a cyber defense squadron on Thursday. The squadron integrates land, sea and air units and includes 540 officers. They will be tasked with responding to cyber attacks and managing the "defense information infrastructure," a shared network between MOD and the SDF.
- On Wednesday, the defense ministry [announced](#) that the North Korean projectile (ICBM-class) launched that day "failed" after its launch.
- The defense ministry [announced](#) on March 12 that Japan's first U.S.-manufactured unmanned reconnaissance aircraft "Global Hawk" was delivered to the ASDF Misawa Base in Aomori. It is capable of flying remotely for 36 consecutive hours.

8. LDP Party Convention

- On Sunday, LDP President Kishida [delivered](#) a speech at the 89th LDP Party Convention. In it, he spoke about the need for a new framework for world order, which begins with UN and Security Council reform.
- Kishida emphasized LDP-Komeito solidarity and called upon fellow lawmakers to deliver an electoral victory in the summer for political stability.
- The [slogan](#) for the House of Councillors election is likely to remain "politics of trust and empathy" (*shinrai to kyokan no seiji*).
- In his [report](#) on party activities, Secretary-General Motegi Toshimitsu emphasized what the party has accomplished under President Kishida and stated that only the LDP can protect the people's lives, property and Japan's national interest.
- The convention was [attended](#) by all LDP Diet lawmakers, guests including Komeito leader [Yamaguchi Natsuo](#) and Japan Business Federation Chairman [Tokura Masakazu](#), and over 1,200 leaders of prefectural party chapters.

9. Diet Proceedings

- The ruling and opposition parties [agreed](#) on Thursday to hold a vote on the FY 2022 budget (¥107.6 trillion) in the Upper House on March 22.
- The opposition party DPP [decided](#) on Wednesday that it will once again vote in favor of the budget in the Upper House. The decision comes after the party successfully lobbied the ruling coalition to actively consider lowering the gas tax.
- On Thursday, the Lower House [passed](#) amendments to the SDF Act, which relaxes the conditions that need to be met in order to rescue Japanese nationals in other countries.
- The “safely implemented” condition for transferring nationals will be relaxed to, as long as there are measures in place to avoid danger for swift evacuation. The SDF will also be able to rescue only foreign nationals, such as those working at Japanese embassies or JICA and those with Japanese spouses.
- On Monday, the Japan Innovation Party [submitted](#) a counter-draft of the bill promoting economic security. The draft includes stronger authority for the GOJ to penalize firms that do not comply with investigations into its suppliers for critical resources such as semiconductors and medical supplies.
- On the same day, business organizations [led](#) by the Japan Business Federation met with Minister for Economic Security Kobayashi Takayuki and requested that the bill take into account the burden additional regulations will impose on businesses, especially SMEs.

10. Contrast in Electoral Preparations Between Ruling and Opposition Parties

- On Friday, CDP leader Izumi Kenta [met](#) with the leaders of the JCP, Reiwa Shinsengumi and SDP to discuss electoral cooperation ahead of the summer election. The leaders agreed to unite behind as many candidates in the SMDs.
- There are reports that the delay in electoral cooperation, as well as the DPP’s decision to grow closer with the ruling coalition, will hinder the opposition’s ability to unite behind a single candidate in all 32 SMDs.
- Meanwhile, the ruling coalition [agreed](#) on Thursday that the LDP will endorse Komeito candidates in Saitama, Kanagawa, Aichi, Hyogo and Fukuoka’s MMDs, while Komeito will continue to arrange LDP candidate endorsements in SMDs.
- The LDP may also be working to break down opposition solidarity. On Wednesday, LDP Vice President Aso Taro [met](#) with the Japanese Trade Union Confederation (*Rengō*) President Yoshino Tomoko to discuss employment and wage trends. *Rengō* is the CDP and DPP’s single largest supporter.
- Aso also [met](#) with Abe and Motegi on Monday to discuss electoral cooperation among the three largest LDP factions. While the “mainstream” met, the

“anti-mainstream” leaders—former PM Suga, former Secretary-General Nikai Toshihiro and former Diet Affairs Chair Moriyama Hiroshi—[met](#) Tuesday.

11. Ruling Coalition to Unfreeze the Trigger Clause on the Gas Tax

- The ruling coalition and DPP [held](#) the second secretary general meeting on Wednesday to discuss measures to relieve upward pressure on crude oil prices.
- The three parties agreed to establish a working group to begin consultations on unfreezing the trigger clause, consistency with the existing subsidy for oil suppliers, and measures to avoid confusion among suppliers on the ground.
- The working group will be manned by former Chief Cabinet Secretary Kato Katsunobu, Komeito’s deputy policy chief Itoh Wataru and the DPP’s policy chief Otsuka Kohei.
- Both the prime minister and Secretary-General Motegi [insist](#) that all options are on the table, including temporarily lowering the gas tax by invoking the trigger clause.¹ However, there are [concerns](#) about its duration and loss of tax revenue.
- The GOJ has already [reached the ceiling](#) of its ¥25/liter subsidy for oil suppliers, set to continue beyond April, which aimed to maintain average national gas prices around ¥172/l. As of Monday, a ¥17.7/l subsidy has yielded a price control effect of ¥14.5, with gas prices at ¥175.2 (+¥0.6 from last week).

12. State of the Economy

- Bank of Japan Governor Kuroda Haruhiko [told](#) reporters Friday that the BOJ has no plans to tighten its monetary easing policy, despite a weaker yen (¥118 to the dollar for the [first time](#) in 5 years) meaning higher prices for imported commodities and costs for businesses and households.
- Kuroda [said](#) that higher commodity prices are adding to inflationary pressure but predicted increases will be transitory, unless global prices keep rising. He emphasized that loose monetary policy is necessary for pandemic recovery.
- [According](#) to GOJ data released on Friday, core consumer prices rose 0.6 percent in Feb. from last year, marking the fastest pace in two years mostly due to a 20.5 percent increase in energy bills.
- [According](#) to finance ministry data released on Wednesday, Japan logged a trade deficit of ¥668.3 billion in Feb. for the [7th consecutive month](#) due to higher energy costs. Exports sagged 0.5 percent from Jan.; imports climbed 2.7 percent.

¹ The trigger clause refers to the standard for lowering the gas tax by roughly ¥25/liter (added tax amount) when average gas prices exceed ¥160/l (the “trigger”) for 3 consecutive months.

- [According](#) to a labor force survey conducted by the internal affairs ministry, long-term unemployment reached 640,000 in Oct.-Dec. 2021, 31 percent higher than before the pandemic and surging to the highest levels since the “Lehman Shock” in 2008.
- A report [released](#) by the Japan Center for Economic Research on Monday [showed](#) that inflation-adjusted GDP shrank 1.4 percent in Jan. as the spread of the Omicron variant affected private consumption (down 0.4 percent from Dec.).

13. Other Political Developments

- The internal affairs ministry [announced](#) Friday that the special allocation tax distribution for FY 2021 was ¥1.75 trillion, a 7.9 percent increase from last year. A significant new addition was funding for local governments to support businesses and individuals affected by the higher crude oil prices.
- On Tuesday, an LDP Diet federation promoting the stable supply of electricity [submitted](#) a resolution to METI Minister Hagiuda urging the GOJ to swiftly restart nuclear power plants for stable supply.
- On Monday, prosecutors [indicted](#) 34 individuals, including Hiroshima Prefectural Assembly members, who were investigated for the 2019 House of Councillors election bribery scandal involving ex-justice minister Kawai Katsuyuki.
- The Tokyo District Public Prosecutors Office initially decided against indicting 100 individuals who received varying amounts of money from Kawai to help elect his wife, Anri, to the Upper House.
- However, after the Tokyo 6th Prosecution Examination Committee [released](#) its decision on the case in Jan., the Prosecutors Office reinvestigated 81 individuals and decided this week to indict 34 individuals.
- Of the 34, 25 accepted the bribery charges and face a summary indictment, while 9 denied the charges and will go through a full trial. If found guilty, the assembly members will lose their seats and their civil rights (temporarily).

14. Other Noteworthy News

- **Powerful Earthquake Hits Northeastern Japan:** Late [Wednesday night](#), the northeastern area hit by the 2011 Great East Japan Earthquake was hit with another earthquake. According to the Japan Meteorological Agency (JMA), one of the earthquakes registered a magnitude of 7.3, and an “upper 6” on Japan’s 7-point seismic intensity scale in parts of Miyagi and Fukushima. The seismic intensity value, measured in kine, was [close](#) to the value recorded during the 2011 earthquake. The JMA issued a tsunami warning; in Miyagi, a tsunami as high as 30 centimeters reached Ishinomaki Port. As a [result](#) of the earthquake, 4 people died and 107 were injured, while a Tohoku Shinkansen train heading to Sendai from Tokyo was [derailed](#).

Further effects of the earthquake [include](#) the temporarily turning off of the cooling system for spent nuclear fuel at the No. 1 and No. 3 reactors of Fukushima Daiichi, as well as the fuel pool pumps at the Onagawa plant in Miyagi. [Temporary power outages](#) occurred in Tokyo and the Tohoku region, with 4,600 units in Fukushima and Miyagi still out of power as of Thursday. On Friday, the GOJ [set up](#) a liaison office in the Cabinet Office Crisis Management Center to gather the latest information.

- **Cash Handout for Pensioners Hits a Snag:** On Friday, Chief Cabinet Matsuno [informed](#) LDP Policy Research Council Chair Takaichi Sanae that the GOJ would consider the proposed cash handout for pensioners as part of its additional economic measures. The plan to provide ¥5,000 to pensioners was proposed by Secretary-General Motegi and Komeito Secretary-General Ishii Keiichi to the prime minister on Tuesday. It came under fire almost immediately due to the very low amount compared to the ¥100,000 handout distributed two years ago, and the fact that Motegi [bypassed](#) the party approval process and went directly to the prime minister. The rationale behind the handout is said to be the need for a safety net for pensioners, who are set to [lose](#) around ¥3,000 yen on pensions in FY 2022 due to a decrease in wages for employed workers. The handout would [temporarily cover](#) these losses while the GOJ expects wages to increase. However, the timing of the proposal, just [four days](#) after the LDP and Komeito agreed to cooperate in the House of Councillors election, gave the impression that the proposal was an [attempt](#) to buy votes using public funds, as older voters tend to vote more consistently than younger voters. The proposal is also [criticized](#) for contradicting the 2016 amendment to legislation that adjusted pension amounts to worker wages. Matsuno's visit to Takaichi is a sign the LDP will thoroughly reconsider the proposal, instead of rushing it to ensure pensioners receive the money before the election (they receive April/May benefits a week before campaign season begins on June 22). For his part, Prime Minister Kishida [said](#) Thursday that the GOJ will consider ways to balance out inflation and rising commodity prices with the downward adjustment of pension amounts.

II. Public Opinion Polls

- An NHK [poll](#) released Sunday showed the Kishida Cabinet's approval rating was 53 percent, down 1 point from Feb., while disapproval was 25 percent, up 2 percent.
 - 43 percent of respondents said they support the Kishida Cabinet because there are no other options; 20 percent said because it is led by the party they support; and 17 percent said they trust Prime Minister Kishida.
 - 36 percent of respondents said they don't support the Kishida Cabinet because the cabinet has no capacity to act; 32 percent said because they have low expectations for its policies; and 14 percent said they don't support the LDP and/or Komeito.
 - 58 percent of respondents approve of the government's response to the Ukraine crisis, while 35 percent do not approve.

- 42 percent of respondents approve of the GOJ's sanctions including targeting assets of Putin, his followers and Russia's central bank, as well as export controls on semiconductors; 40 percent believe they should be stricter; and 7 percent believe the measures are too harsh.
 - 45 percent of respondents greatly approve of the GOJ's decision to accept Ukrainian evacuees; 40 percent somewhat approve; 8 percent don't approve as much; and 2 percent disapprove.
 - 42 percent of respondents are very concerned about the economic impact Russia's invasion will have on Japan; 40 percent have some concern; 9 percent have little concern; and 2 percent have no concern.
 - 58 percent of respondents said they approve of the government's coronavirus response so far, while 36 percent said they disapprove.
 - 35 percent of respondents said they believe relaxing border measures to accept 10,000 per day next month is appropriate; 30 percent said it should not be relaxed; and 27 percent said it should be relaxed further.
 - 56 percent of respondents said the GOJ should consider COVID-19 as an infectious disease and not similar to the seasonal flu, while 35 percent said it should be considered the same as the seasonal flu.
 - 59 percent of respondents don't believe Japan-ROK relations will change with the election of the new President Yoon Suk Yeol; 25 percent believe it will improve; and 4 percent said it will get worse.
 - 44 percent of respondents said they can't say for sure whether Japan should restart nuclear power plants; 27 percent said they oppose it; and 22 percent said they support it.
- The survey also collected data on the latest approval ratings of political parties.

Political Party	Approval Rating (%)
Liberal Democratic Party	38.4 (-3.1)
Constitutional Democratic Party	5.9 (-1.4)
Japan Innovation Party	4.5 (-0.7)
Komeito	3.8 (+0.3)
Democratic People's Party	1 (±0)
Japan Communist Party	2.3 (-0.1)
Reiwa Shinsengumi	0.6 (±0)
Independent	35.5 (+4.5)