

The Weekly Observer

February 20-24, 2022

The 63rd edition of the weekly newsletter aggregating news on Japanese politics. This week focuses on the G7 Leaders' video conference on Ukraine, Foreign Minister Hayashi's speech at the emergency UN session, North Korea's missile launches, Japan-PRC diplomatic and security talks, the G7 finance ministers and central bank governors' meeting, UN Security Council meetings on Ukraine and North Korea, Japan-U.S.-ROK and Japan-U.S. exercises in response to North Korea's missile launches, the April by-elections, the LDP-Komeito-DPPFP working level talks, the BOJ Governor nominee's nomination hearing, the January CPI, and more.

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I. News of the Week

1. G7 Leaders' Video Conference

- On Friday, Prime Minister Kishida Fumio [hosted](#) an online G7 leaders' meeting as this year's G7 Chair. President Zelenskyy of Ukraine also participated in the meeting. It marked one year since the war began.
- Kishida stressed that the G7 will demonstrate its strong determination to stop Russia's aggression and uphold the rules-based international order, through concrete efforts including stringent sanctions and robust support for Ukraine. He added that he plans to strongly emphasize non-use of nuclear weapons at the G7 Summit.
- Kishida announced additional sanctions against Russia: freezing assets of Russian individuals and organizations; adding entities to the export ban; expanding the export ban to items that contribute to the enhancement of Russian industrial capacity, such as drone-related items; and freezing assets of Russian financial institutions.
- The leaders [agreed on the establishment](#) of an Enforcement Coordination Mechanism to implement measures against evasion and circumvention of sanctions. They called on third parties to cease providing material support to Russia or face severe costs.
- The leaders announced that the G7 has increased financial support for Ukraine to \$39 billion for 2023. Kishida explained that Japan is providing an additional \$5.5 billion in addition to previously announced \$1.6 billion humanitarian assistance.

2. FM Hayashi Calls for Work Towards Peace Guided by the Rule of Law

- On Thursday, Minister for Foreign Affairs Hayashi Yoshimasa delivered [remarks](#) at the Emergency Special Session of the UN General Assembly in relation to the resolution entitled "Principles of the Charter of the United Nations underlying a comprehensive, just and lasting peace in Ukraine."
- Hayashi stated that "peace must be based on principles," and that the aggressor calling for peace is "unjust peace."
- He urged Russia to withdraw its troops immediately and unconditionally from Ukraine. He stated that Russia's nuclear threats and possible use of nuclear weapons "shall never be tolerated."
- He stated that the UN must be reformed to restore trust in the organization. This will entail not only Security Council reform, but enhanced roles for the General Assembly, Secretary-General, the Economic and Social Council, the Peacebuilding Commission, and other bodies.

- Hayashi ends the statement by suggesting that the world work towards peace guided by the rule of law and that 2024 be the year of a strengthened UN.

3. North Korea Launches Multiple Missiles

- On Monday, North Korea [launched](#) two short-range ballistic missiles eastward, which flew approximately 350-400 km (max. altitude 50-100 km) and landed in the Sea of Japan outside Japan's EEZ.
- Defense Minister Hamada Yasukazu [said](#) that North Korea is determined to reinforce its nuclear and missile capabilities vis-a-vis the United States and that MOD expects further provocative actions including missile launches and nuclear tests.
- North Korea also [launched](#) a Hwasong-15 ICBM on Saturday, which flew approximately 900 km at a maximum altitude of 5,700 km and landed inside Japan's EEZ around 200 km west of Hokkaido's Oshima-Oshima Island.
- The foreign ministers of Japan, the U.S., and ROK [met](#) on Saturday on the sidelines of the Munich Security Conference to strongly condemn the missile launch. They shared the view that launches constitute a grave and imminent threat to regional security and pose a clear and serious challenge to the international community. The ministers reaffirmed that they will continue to work closely together toward the complete denuclearization of North Korea.
- After [both launches](#), MOFA Director-General for Asian and Oceanian Affairs Funakoshi Takehiro had phone calls with U.S. Special Representative for DPRK Sung Kim and ROK Special Representative Kim Gunn.

4. Japan and China Hold Multifaceted Talks

- On Wednesday, Foreign Minister Hayashi [received a courtesy call](#) from PRC Vice Minister of Foreign Affairs Sun Weidong who was in Japan for the bilateral diplomatic consultations and security dialogue.
- *17th Security Dialogue*: First one [held](#) in four years attended by both MOFA and MOF officials. Japan expressed serious concern regarding Chinese military activities with Russia around the Senkaku Islands and the East China Sea. The two sides agreed to continue coordination to begin operating the defense hotline in the spring.
- *28th Diplomatic Consultation*: The two sides [agreed](#) to accelerate efforts to construct a "constructive and stable relationship" amid numerous challenges and concerns. The two sides agreed to continue close communication at various levels.

- *Military to Military Dialogue*: The MOD [exchanged opinions](#) with the Chinese Military Commission regarding various issues pertaining to regional affairs and conveyed Japan's position appropriately. They discussed future Japan-PRC defense cooperation and exchanges.
- *Economic Partnership Consultation*: The Japanese side [explained](#) that it is important to ensure a transparent, predictable, and fair business environment and to ensure legitimate business activities of Japanese companies. The two sides agreed to accelerate arrangements for a high-level economic dialogue as soon as possible.

5. Foreign Policy Developments

- On Thursday, the UN General Assembly [held an emergency session](#) and passed a resolution, 141 to 7, calling for the end of the war in Ukraine. It also emphasized accountability for most serious crimes through independent national or international investigations and prosecutions to ensure justice for all victims.
- The G7 Finance Ministers and Central Bank Governors' meeting was held in Babelgaru, India. The [joint statement](#) strongly condemned Russia, reaffirmed support for Ukraine, announced additional financial support for Ukraine, and committed to supporting G20 efforts to support low- and middle-income countries.
- On Monday, Kishida [delivered a speech](#) at the Tokyo Global Dialogue hosted by The Japan Institute of International Affairs. He reiterated his determination to lead the world diplomatically on a range of global issues such as energy and food security, economic security, climate change, health, and development.
- The UN Security Council [held](#) an emergency session regarding North Korea's missile launches, but failed to pass a resolution condemning the launches due to China and Russia's opposition. The [joint statement](#) issued by other members including Japan and the U.S. strongly condemned the launches as "reckless" and "dangerous" and violating multiple UNSC resolutions.
- NHK [reported](#) Sunday that the GOJ is arranging to invite India and Australia, as well as countries from the Global South, to the G7 Summit on May 19 in Hiroshima. The GOJ aims to discuss global issues with these countries too.

6. Defense/Security Developments

- On Friday, Defense Minister Hamada [said](#) that the GOJ will carefully consider revising the rules for the transfer of defense equipment given its importance to creating a desirable security environment, specifically peace and stability in the Indo-Pacific and by deterring unilateral attempts to change the status quo by force.

- On Wednesday, MOD [announced](#) that the Japan-U.S.-ROK trilateral conducted a ballistic missile defense exercise in the Sea of Japan. The exercise was conducted in response to North Korea's ballistic missile launch on Feb. 18.
- On Tuesday, Hamada [said](#) that it is important to hold sincere talks with the PRC on issues and challenges including the situation with the balloon.
- The MOD [announced](#) that it will establish an expert panel to discuss ways in which it can secure personnel for the JSDF. They will discuss improving personnel working environment and work styles and plan to submit recommendations by the summer.
- On Sunday, MOD [announced](#) that the two JSDF F-15s and four U.S. Military F-16s and two bombers conducted a joint exercise in airspace above the Sea of Japan. It was in response to North Korea's ballistic missile launch on Feb. 18.

7. Two Months until the April By-Elections

- Thursday [marked](#) two months until the five by-elections on April 23. The districts are Chiba-5, Wakayama-1, Yamaguchi-2 and 4, and Upper House Oita district.
- The timing overlaps with the second half of the unified local elections and will likely determine when Kishida calls the snap election. The LDP aims to win all five races ahead of the next Lower House election.
- The overall trend is that the LDP has been successful in fielding candidates, while the opposition has failed to unite under a single candidate.
- In Chiba-5, for example, the CDP, Japan Innovation Party, DPFP, and JCP all plan to field their own candidates. The seat was vacated by the now-resigned LDP lawmaker Sonoura Kentaro who faced a money scandal.
- The Wakayama and Yamaguchi districts have also been more difficult for the opposition given they are all conservative strongholds. The two Yamaguchi districts belonged to former Prime Minister Abe Shinzo and ex-defense minister Kishi Nobuo.

8. Other Political Developments

- On Friday, Kishida [instructed](#) METI Minister Nishimura Yasutoshi to carefully assess current economic trends to determine the timing of utility bill price hikes requested by power companies. In effect, he postponed the price hike expected in April.
- On Wednesday, the LDP [approved](#) the revised Immigration Control Act. The GOJ aims to submit it to the Diet early next month. Among other things, it will deport foreigners who attempt to apply for refugee status more than three times without

detaining them, as well as permit detainees to live with “supervisors” outside facilities. It will also establish a new protective status for evacuees who do not meet the conditions to be considered refugees (like Ukrainians).

- On Tuesday, the LDP, Komeito, and DPFP working level teams [agreed](#) to revive as early as possible the three-way talks with labor (RENGO) and business (Keidanren) to apply pressure for wage increases. The meeting will reportedly be held next month.
- A majority of Upper House lawmakers [agreed](#) to impose a punishment of “parliamentary apology” (third most severe punishment) to lawmaker Higashitani Yoshikazu of the NHK Party. Higashitani has been absent from Diet sessions since he won in the July 2022 Upper House race. If he does not comply, the Upper House will consider removing him from parliament (most severe punishment).
- On Monday, Kishida [stated](#) that he would like to reverse the trend of the declining birthrate in Japan through his unprecedented policies related to children and child-rearing.

9. Nominee for BOJ Governor Faces Nomination Hearing

- On Friday, Ueda Kazuo, nominee for BOJ governor, [attended](#) his nomination hearing in the Lower House Steering Committee.
- He stated that although the inflation rate is 4 percent and above the 2 percent target, this is likely to fall below 2 percent in the second half of the year as it is cost-push inflation, not demand-pull inflation.
- He conceded that it will still take time for sustainable and stable inflation of 2 percent. Given this, he stated that the BOJ’s current monetary policy is appropriate. He said that it is necessary to maintain the policy to support the economy.
- He stated that he would like to realize sustainable and stable inflation while implementing the appropriate policy to raise wages structurally in line with government policies and the business world’s activities.
- He characterized the next five years (term) as the “finishing touches” to realize a stable inflation rate. He also said that he has not considered revising the GOJ-BOJ joint statement.

10. Other Key Economic/Financial Developments

- According to the [internal ministry’s release](#) on Friday, January’s CPI excluding volatile fresh food items was 104.3, up 4.2 percent from the same month last year. This is the [first time](#) since September 1981 that the rate of increase was 4.2 percent.

- Of 522 items researched, prices for 414 items went up from the same month last year, while prices for 64 items fell. This is viewed largely as a result of a weak yen and high energy costs.
- The GOJ [decided](#) that it aims for at least 35 percent of electricity procured by government ministries and agencies in FY 2023 to be renewable energy (60 percent by FY 2030). It aims for high standards to encourage decarbonization efforts.
- *Nikkei* [reported](#) Thursday that METI plans to establish in around summer 2023 a new division within the Agency for Natural Resources and Energy to tackle hydrogen and ammonia issues. It will be tasked with securing non-fossil fuel energy sources and contributing to the green transformation (GX).
- On Monday, BOJ Deputy Governor Amamiya Masayoshi [said](#) that communication with the market will be a difficult yet important task as the Bank explores an exit from its monetary easing policy. His term ends on March 19.

II. Public Opinion Poll

- A FNN/*Sankei* poll [released](#) on Monday showed the Kishida Cabinet's approval rating was 41 percent, up three points from [January](#), while disapproval was 53 percent, down five points.
 - 45 percent of respondents said that they support the Cabinet because it is better than other Cabinets; 25 percent said because it is centered around the LDP; and 16 percent said because they trust the prime minister's character.
 - 41 percent of respondents said that they do not support the Cabinet because it lacks executive ability; 29 percent said because its policies are not good; and 18 percent said because it is centered around the LDP.
 - 55 percent of respondents said they do not approve of the GOJ's COVID-19 response, while 34 percent said they approved.
 - 65 percent of respondents said they believe the GOJ's decision to allow individuals to decide whether they want to keep masks on starting March 31 was good, while 28 percent said it was not good.
 - 73 percent of respondents said they believe they will keep masks on starting March 13, while 25 percent said they want to go mask-free for the most part.
 - 56 percent of respondents said they believe the people should not have to shoulder a larger burden, such as through taxation, for policies addressing the declining birth rate, while 40 percent said an increase can't be helped.
 - 57 percent of respondents said they believe the income restriction on child allowance should not be abolished like some lawmakers suggest, while 38 percent said they believe it should be.

- 55 percent of respondents said they oppose incremental hikes on the corporate, income, and tobacco tax to finance increased defense spending, while 40 percent said they support it.
- 64 percent of respondents said they believe the bill promoting the understanding of LGBT persons should be passed during this Diet session, while 27 percent said they believe it does not have to be.
- 71 percent of respondents said they support same-sex marriage, while 20 percent said they oppose it.
- 57 percent of respondents said they believe the new BOJ governor should revise the Bank's monetary easing policy, while 27 percent said they believe the policy should be maintained.
- 38 percent of respondents said they want the prime minister to prioritize economic and employment policies such as wage hikes; 35 percent said policies addressing the declining birthrate and supporting childrearing; 22 percent said pensions, health care, and senior care; and 11 percent each said security including reinforcing defense and environment/energy policies.
- The survey also collected data on the latest approval ratings of political parties.

Political Party	Approval Rating (%)
Liberal Democratic Party	35 (+4)
Constitutional Democratic Party	6 (-2)
Japan Innovation Party	6 (± 0)
Komeito	4 (+1)
Japan Communist Party	2 (-1)
Democratic Party for the People	2 (± 0)
Reiwa Shinsengumi	1 (-1)
Suffrage Party (Sanseitō)	1 (± 0)
Social Democratic Party	1 (+1)
NHK Party	1 (± 0)
Independent (No Party)	41 (-1)