

The Weekly Observer

January 1-5, 2024

The 101st edition of the weekly newsletter aggregating news on Japanese politics. This week focuses on Foreign Minister Kamikawa's visit to Ukraine, increased funding for OSA, the Noto Peninsula earthquake, the JAL-JCG aircraft crash at Haneda, the first arrest of a lawmaker over the LDP's slush fund scandal, ex-State Minister of Justice Kakizawa's arrest, a volatile start to the year for financial markets, and more.

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I. News of the Week

1. Foreign Policy Developments

- On Sunday, MOFA [announced](#) that Minister for Foreign Affairs Kamikawa Yoko visited Ukraine and held a meeting with Foreign Minister Dmytro Kuleba.
- Kamikawa [informed](#) Kuleba that Japan will provide ¥5.4 billion through the NATO fund for drone tracking systems, and five mobile gas turbine generators and seven large transformers, benefitting more than five million Ukrainians. She [told](#) Prime Minister Denys Shmyhal that Japan will continue to support Ukraine's recovery and reconstruction through the bilateral public-private conference next month.
- On Friday, Kamikawa [departed](#) Japan for her first diplomatic trip of the year to Poland, Finland, Sweden, the Netherlands, the United States, Canada, Germany, and [Turkiye](#). She is expected to reiterate the importance of a free and open international order based on the rule of law.
- Kamikawa [held](#) a phone meeting with South Korean Foreign Minister Park Jin, who will soon leave his post. The two concurred on continuing close communication between diplomatic authorities.
- On Thursday, Japan, the United States, and South Korea [held](#) the first trilateral Indo-Pacific Dialogue amongst senior diplomats in Washington, D.C. They reiterated opposition to any unilateral attempts to change the status quo by force or coercion and the importance of peace and stability across the Taiwan Strait ahead of the presidential election next week.

2. Defense/Security Developments

- NHK [reported](#) on December 31 that MOFA plans to increase funding and personnel for "official security assistance" (OSA) starting next fiscal year. Japan has agreed to provide OSA to the Philippines, Bangladesh, Malaysia, and Fiji this year.
- The GOJ has appropriated ¥5 billion for next year, double this year's budget, to provide OSA possibly to Vietnam and Djibouti.
- *Sankei* [reported](#) that Japan plans to provide capacity building assistance for the first time in the Solomon Islands and Djibouti in FY 2024, as part of efforts to counter growing Chinese influence in the Indo-Pacific region and Africa. Djibouti will be the first case of capacity building provided in Africa.

- *Nikkei* [reported](#) that the GOJ plans to operationalize in 2025 domestically manufactured “undersea drones” that can sustain water pressure 7,000 meters underwater. The aim is to use these for rare earths and seismic activity surveys.
- Current models of autonomous underwater vehicles (AUVs) can only dive 4,000 meters. Japan Agency for Marine-Earth Science and Technology (JAMSTEC) will take charge of the project, which would enable Japan to survey 98 percent of its EEZ.

3. Japan Hit With Major Earthquake on New Year’s Day

- On Monday, a magnitude 7.6 earthquake [hit](#) the Noto area of Ishikawa prefecture. To date, there have been eight separate earthquakes that have hit the area.
- The earthquake on January 1 [resulted](#) in approximately 33,000 households in Ishikawa and Niigata prefectures losing power. Chief Cabinet Secretary Hayashi Yoshimasa [revealed](#) that around 120 rescue calls have been made from victims.
- As of January 6, a [total](#) of 126 people have died, with 210 still missing. The majority of deaths and injuries have been around Wajima City. There are also a total of 516 injured persons.
- On January 7, Prime Minister Kishida Fumio [announced](#) that the GOJ will soon classify the earthquake as a “designated disaster” to support displaced persons who can’t access administrative services. Measures include extending the expiration deadline for driver’s licenses.
- On January 6, Minister of Defense Kihara Minoru [announced](#) that the JSDF will increase personnel dispatched to Ishikawa prefecture to 5,400, amid criticism from opposition parties that the GOJ has been slow to dispatch personnel to the region. The JSDF [initially dispatched](#) 1,000 personnel on the day of the earthquake.
- On January 5, Kishida [held](#) a summit with the leaders of Komeito, CDP, Japan Innovation Party, JCP, and DPFP, requesting that they cooperate in passing the FY 2024 budget, which includes the reserve fund for the earthquake response. The budget is [expected](#) to be around ¥4.74 billion to be [spent](#) on “push-style” assistance, sending goods proactively to displaced areas prior to requests from local governments.

4. Coast Guard Aircraft Crashes With JAL Plane at Haneda

- On Tuesday, a JAL 516 flight from Shin Chitose Airport in Hokkaido [crashed](#) into a Japan Coast Guard aircraft on the runway of Haneda Airport.
- Five of the six crew members on the JCG aircraft were confirmed dead. The 379 passengers and crew members on the JAL flight were safely evacuated.

- Kishida [mourned](#) the deaths of the crew members, who were planning to depart Haneda to transport supplies to the disaster-stricken area in Ishikawa prefecture.
- Reports [suggest](#) that the JCG aircraft misinterpreted air traffic control's message that it was the first plane to depart from the runway. The message was meant to indicate that the aircraft could depart after the JAL plane landed, but the JCG aircraft began its departure amidst the landing, resulting in the crash.
- Japan Airlines [expects](#) a loss of ¥15 billion due to lost profit and compensation for passengers, as planes have been grounded or delayed due to the accident. Though normal operations are [expected to resume](#) on January 8, there have been more than two hundred flights grounded on January 7.

5. First Arrest Made Over LDP Slush Fund Scandal

- On January 7, LDP lawmaker and former State Minister of Education Ikeda Yoshitaka and his policy secretary were [arrested](#) for underreporting ¥48 million in fundraising party income received from the Abe faction slush fund. Following his arrest, the LDP [removed](#) Ikeda from the party.
- *Mainichi* [reported](#) that Upper House lawmaker Ohno Yasutada is also expected to be arrested for violating the Political Funds Control Act. Both are members of the Abe faction and are the first politician arrests made by prosecutors.
- *Mainichi* also reported that prosecutors [conducted](#) a voluntary interview with ex-LDP Secretary-General Nikai Toshihiro over his faction's underreporting of fundraising party income. The difference with the Abe faction is that both faction and lawmakers reported kickback amounts in expense reports.
- In response to the slush fund scandal, Kishida [announced](#) on Thursday that he plans to set up a "Political Reform HQ" next week, with ex-Prime Minister Suga Yoshihide and LDP Vice President Aso Taro as special advisors. Suga has called for factions to be abolished altogether, while Aso sees their value in training younger lawmakers.
- The debate will include discussions on whether to strengthen political funding laws. Komeito leader Yamaguchi Natsuo has [proposed](#) that lawmakers lose their jobs if accountants are arrested, ensuring harsher penalties deter breaking of the law. Kishida [raised](#) the idea of party-led screening of faction parties, direct deposits for traceable party income, rules for factions, and revising the Political Funds Control Act.
- The Abe faction is [alleged](#) to have accumulated a ¥600 million slush fund between 2018-2022, with lawmakers siphoning around ¥100 million from that fund. Prosecutors will [reportedly investigate](#) whether ex-Prime Minister Mori Yoshiro was

directly involved in the creation of the slush fund tradition. Other reports [suggest](#) that ex-METI Minister Nishimura Yasutoshi, secretary-general of the faction at the time, was responsible for resuming the kickback system in August 2022, after ex-Prime Minister Abe Shinzo called for an end to the practice prior to his death in July.

6. Political Developments

- On Sunday, Komeito leader Yamaguchi [said](#) that he will “carefully consider” whether to run for re-election as leader of the party when his term ends in September, saying it will have to be considered alongside preparations for several big elections.
- NHK [reported](#) on Saturday that ex-State Minister of Justice Kakizawa Mito plans to admit to bribery charges brought against him and his secretaries over April’s Koto Ward mayoral election, in which they bribed local assembly members to support eventual winner Kimura Yayoi’s campaign.
- On Friday, Kishida [attended](#) the Japanese Trade Union Confederation’s (RENGO) annual new year’s event for the third consecutive year. He called on the organization to continue supporting the GOJ’s efforts to realize sustained wage hikes.
- *Jiji* [reported](#) Thursday that prospects for the GOJ submitting legislation to the ordinary Diet session related to “active cyber defense” is unlikely to materialize as discussions on how to reconcile proactive identification of possible cyber attacks and the Constitutional right to secrecy of communications remains incomplete.
- On Monday, Kishida [issued](#) his new year’s greeting, in which he stated his commitment to “completely leaving behind” the deflation mindset and cost-cutting practices toward wage hikes and a “new economic stage.”

7. Key Economic/Finance Developments

- On Friday, the Nikkei Stock Average [rebounded](#) ¥89 to ¥33,377.42, the first time the index rose in four business days. The Index [fell](#) ¥770 at one point on Thursday due to weak chip stocks in the United States and the earthquake in Ishikawa prefecture.
- *Nikkei* [reported](#) that automakers like Honda and Volkswagen have started directly procuring power semiconductors for cars instead of going through primary parts makers (Tier One), in an effort to deal with shortages and be a more reliable buyer like data center and smartphone manufacturers.
- On Thursday, Green Power Investment and JERA (TEPCO-Chubu Electric Power joint venture) [began](#) operating the largest commercial offshore wind farm in Japan,

located at Ishikari Bay New Port in Hokkaido. The fourteen wind turbines can generate power for up to 83,000 households.

- On December 31, MIC [announced](#) that the number of new adults (eighteen years old) as of January 1, 2024, fell 60,000 from last year to 1.06 million, a record low. Teens reaching the legal adulthood age accounted for 0.86 percent of the entire population.
- *Sankei* [reported](#) on December 30 that the GOJ plans to begin test drilling for rare earths (several hundred years worth) on the seabed near Minami Torishima as early as FY 2025, a year delay from the initial plan due to difficulties procuring mud pumping pipes for the drilling as the U.K.-manufacturer focuses on defense equipment amid the war in Ukraine.

II. Public Opinion Poll

- None