



The Weekly Observer

June 30-July 4

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

QUAD Launches New Initiatives

Minister for Foreign Affairs Iwaya Takeshi traveled to Washington, D.C. from June 30-July 2 to attend the **Japan-Australia-India-U.S. (QUAD) foreign ministers' meeting**. This is the **first time** the ministers are meeting since the sidelines of Trump's inauguration celebration.

The ministers confirmed cooperation in **four key areas**: maritime and transnational security, economic prosperity and security, critical and emerging technologies, and humanitarian assistance and emergency response.

The QUAD launched the **Critical Minerals Initiative** and the **Indo-Pacific Logistics Network** to strengthen supply chain resilience and capacity to cooperate in logistics. They also announced the **QUAD Ports of the Future Partnership** to meet for the first time in Mumbai this year.

Iwaya also held **individual bilateral meetings** with his three counterparts.

Upper House Election Campaign Cycle Begins

On Thursday, the **two-week campaign cycle for the Upper House election** kicked off, as parties look to capture the **125 seats up for grabs on July 20**, which could see the **ruling Liberal Democratic Party (LDP) and Komeito lose majorities in both chambers** over the course of two years.

The **political debate** thus far has focused on inflation relief, social issues like social security and issues related to foreigners, and foreign policy issues like the U.S. tariffs and broader Japan-U.S. relations.

Early polling suggests that the **ruling parties are struggling to maintain a majority**, with the **Democratic Party for the People (DPFP) and Sanseitō** continuing to build off of momentum created in the last several months since the **2024 Lower House and June 2025 Tokyo Metropolitan Assembly elections**. Both parties seem to be **benefitting from a loss of voter confidence in the LDP**.

Cabinet Approval



24% (+2 pts.)

61% (-1 pt.)

[Mainichi Shimbun](#) (June 30)

State of the Economy

GDP Gap (2025 Q1):

-0.34%
20th consecutive Q in demand shortage

BOJ TANKAN (June):

DI, Large Manufacturers: 13 (+1)
1st improvement in 2Qs

Consumer Confidence Index (June):

34.5 (+1.7 pts.)
2nd consecutive month improved
"Showing signs of recovery"

Real Consumption Expenditure (May):

¥316,085 (+4.7%)
1st positive value in 2 months