



# The Weekly Observer

January 5-9

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

## **China Imposes Controls on Dual Use Exports to Japan**

On Tuesday, the Chinese government announced tightened export controls on dual use goods to Japan, a move viewed as retaliation against Prime Minister Takaichi Sanae's remarks around a Taiwan contingency in November 2025.

While it has been unclear whether "dual use" covers rare earths such as selenium used in chipmaking and automobile manufacturing, media reports suggest that export approval for civilian-use rare earths has seen delays. One estimate found that export controls on rare earths could result in a loss of access to ¥10 trillion worth of goods.

On Wednesday, Chief Cabinet Secretary Kihara Minoru stated that measures targeting only Japan "deviate significantly from international practice" and are "absolutely unacceptable and deeply regrettable."

## **Japan in a Tough Position Over Situation in Venezuela**

On Monday, Takaichi commented on the situation in Venezuela, stating that Japan is "working closely with relevant countries to address the situation." While she stressed the importance of restoring democracy in the country, Japan has not criticized its ally the United States for its actions in Venezuela.

Chief Cabinet Secretary Kihara Minoru said Tuesday that, "our country is not a direct party to the matter and is not in a position to fully grasp the detailed facts. The government will refrain from commenting, including on legal assessments." Criticizing the United States could jeopardize relations with President Donald Trump, while staying silent would contradict Tokyo's promotion of freedom, democracy, and the rule of law.

On Sunday, MOFA Press Secretary Kitamura Toshihiro issued a statement emphasizing the importance of restoring democracy in Venezuela.

## **Cabinet Approval**



**78%** (+2 pts.)

**19%** (-2 pts.)

[JNN](#) (Jan. 11)

## **State of the Economy**

### **GDP Gap (July-Sept. 2025):**

-0.35%

Narrowed from -0.4% in April-June

### **Coincident Index of Business Conditions (Nov.):**

115.2 (-0.7 pt.)

1<sup>st</sup> decline in 3 months

Maintained "halting to fall"

### **Real Wages (Nov.):**

-2.8% from Nov. 2024

11<sup>th</sup> consecutive month prices exceeded wage hikes

### **Real Expenditure (Nov.):**

¥314,242 (+2.9%)

1<sup>st</sup> increase in 2 months