MEDIA ADVISORY

FOR IMMEDIATE RELEASE Washington, DC April 23, 2015 Contact: Rachel Wagley
Assistant Director, External Relations
Phone: (202) 347-9767

Email: rwagley@nbr.org

WHAT TO EXPECT DURING JAPANESE PRIME MINISTER ABE'S TRIP TO THE UNITED STATES

Japanese Prime Minister Shinzo Abe's historic upcoming visit to Washington will emphasize trade and defense ties as Tokyo and Washington seek to update the U.S.-Japan alliance for the 21st century. From April 26-May 3, Abe will address a joint session of Congress—the first Japanese prime minister ever to do so, and enjoy a State Dinner at the White House with President Obama before traveling to a handful of the United States' largest cities. Looming even larger than imperative trade and defense cooperation is the need to commemorate and set a constructive tone for the 70th anniversary of the end of World War II.

What issues are on the forefront of Abe's mind as he prepares to visit President Obama and meet with government officials and private sector representatives across the country? What does the United States hope to get out of Abe's trip?

RESOURCES:

<u>The National Bureau of Asian Research</u> (NBR) offers the following two resources for media, Congress, and others that identify the central challenges impacting the U.S.-Japan relationship:

- NBR Voices: What You Should Know about Japanese Prime Minister Abe's Visit to the United States
 - o NBR's founding president Kenneth B. Pyle and other NBR experts comment on key issues to watch during Prime Minister Abe's visit.
- NBR Fact Sheet: Japanese Prime Minister Abe's Visit to the United States
 - o A quick check-up on four key areas: U.S.-Japan trade, Japan's defense policy, the rocky Japan-South Korea relationship, and Abenomics.

These publications are available online and are attached below.

INTERVIEWS:

NBR experts, including Richard Ellings (President), Meredith Miller (Senior VP & Director of NBR's DC Office), Abe Denmark (Senior VP), and Nadege Rolland (Senior Project Director), are available for interviews. Please contact media@nbr.org or ask us on Twitter @NBRnews.

NBR Voices: What You Should Know about Japanese Prime Minister Abe's Visit to the United States

In this feature, NBR experts highlight key areas to watch during Japanese Prime Minister Shinzo Abe's upcoming visit to Washington, D.C. The following quotes are an ideal starting point for those tracking Prime Minister Abe's visit, and will help observers identify central challenges currently impacting the U.S.-Japan relationship.

JAPAN'S FOREIGN POLICY



"Japan is in the midst of a sea change in its foreign policy strategy. The change has been taking place incrementally since the end of the Cold War, and under Prime Minister Abe the pace is picking up. In the near term, his policies will bring about a tighter U.S.-Japan alliance but also a more assertive Japan. Historically, Japan has always adapted to perceived changes in the international order. Today, that structure is changing, given the travails of the U.S.-led order and the likelihood of a multipolar order in its place. In this context, the long-term goals of Abe remain unclear as he has yet to articulate a vision of what role a more independent Japan would pursue."

KENNETH B. PYLE

Henry M. Jackson Professor of History and Asian Studies at the University of Washington and Founding President of NBR

THE U.S.-JAPAN ALLIANCE

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THE NATIONAL BUREAU of ASIAN RESEARCH



"Prime Minister Abe's visit to the United States should give even more momentum to the tremendous partnership that the United States and Japan have shared in the past decades. With both the Trans-Pacific Partnership and the revisions of the U.S.-Japan Defense Guidelines nearing completion, our countries have the opportunity to work closer together to lead the region into a future that is more peaceful, prosperous, and democratic."

ADMIRAL DENNIS C. BLAIR

Chairman of the Sasakawa Peace Foundation USA NBR Board of Directors Former U.S. Director of National Intelligence





"The U.S.-Japan alliance is close to taking another critical step in its fundamental realignment. Once the new defense guidelines are finalized, and if both sides can successfully join the Trans-Pacific Partnership, Washington and Tokyo will have shifted the alliance to one that is more comprehensive, more equal, and better prepared to take on the geopolitical challenges we will face in the future. Yet both Abe and Obama face political hurdles at home to make their shared vision a reality. Overcoming these hurdles will be both a test and a demonstration of their abilities to lead."

RICHARD J. ELLINGS NBR President



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"The U.S.-Japan alliance has an opportunity to play a vital role in advancing our mutual interests and facing the emerging challenges of the twenty-first century, including a burgeoning geopolitical competition with China, a more belligerent North Korea, and intensifying regional threat of natural disasters. This visit by Prime Minister Abe is exquisitely timed, and the need for greater cooperation between our two nations is absolutely essential in an increasingly complex and consequential Asia-Pacific."

ABRAHAM M. DENMARK

Senior Vice President of Political and Security Affairs & External Relations





"The memory of his grandfather, Kishi Nobusuke, who spoke at the House of Representatives as Japanese prime minister in 1957, will loom large as Prime Minister Abe addresses Congress. Sixty years on, the U.S.-Japan alliance is growing stronger."

NADÈGE ROLLAND

Senior Project Director for Political and Security Affairs

TRANS-PACIFIC PARTNERSHIP

THE NATIONAL BUREAU of ASIAN RESEARCH



"The conclusion of the Trans-Pacific Partnership (TPP) agreement is central to Prime Minister Abe's efforts to rejuvenate Japan's economy through fiscal stimulus, monetary easing, and structural reforms, and the TPP will be a focal point for Abe and Obama's discussions. Positive movement from Congress on granting President Obama Trade Promotion Authority would add positive momentum to wrapping up the negotiation."

MEREDITH MILLER

Senior Vice President of Trade, Economic, and Energy Affairs; Director of NBR's Washington, D.C., office

U.S.-JAPAN DEFENSE COOPERATION GUIDELINES



"As the review of the U.S.-Japan Defense Cooperation Guidelines is close to being finalized, the bilateral alliance will expand cooperation in missile defense, surveillance, and maritime security. Such a close security relationship is unprecedented and will act as a powerful force for stability in Asia."

NADÈGE ROLLAND

Senior Project Director for Political and Security Affairs



SENKAKU ISLANDS



"President Obama has previously asserted that the 'Senkaku Islands are administered by Japan and therefore fall within the scope of Article 5 of the U.S.-Japan Treaty of Mutual Cooperation and Security.' Nothing has changed since he articulated that to Japanese media last year, and China has surely gotten the message. We might expect further enhancement of bilateral military ties, likely not explicitly tied to the Senkakus to avoid provoking Beijing, to ensure there is no perceived weakening of U.S. commitment."

ROY KAMPHAUSEN Senior Advisor

70th ANNIVERSARY OF WORLD WAR II



"Prime Minister Abe's visit will help set the tone for events marking the 70th anniversary of World War II that will be hosted across Asia in 2015. Abe's visit will focus less on trade and more on commemorating the war and the bilateral alliance. The United States will try to strike the right tone between solemnly recognizing the tragedies of World War II and acknowledging how far the U.S.-Japan relationship has come since the end of the war."



THE NATIONAL BUREAU of ASIAN RESEARCH

RACHEL WAGLEY

Assistant Director of External Relations, Congressional & Media Outreach

CLIMATE CHANGE, COAL, AND COOPERATION



"With climate change on the agenda for PM Abe's visit, observers should take note of what both sides say—and don't say—about the future of coal in the Asia-Pacific. Although there has been significant attention paid to the role that other fuels can play in meeting environmental targets, coal is projected to remain a dominant element of the region's energy mix through at least 2035. And even in the United States, nearly 40% of our electricity still comes from coal-powered generation. As a result, any major discussion between PM Abe and President Obama on how to meet our shared climate change goals should also focus on how to strengthen the efficient use of coal and mitigate CO₂ emissions."

CLARA GILLISPIE

Director of Trade, Economic, and Energy Affairs



"The United States and Japan have demonstrated important differences when it comes to coal plant financing and on regional coal trade, both areas where United States and Japanese efforts have been hotly debated in domestic and international media. It will be interesting to see what kind of attention these issues receive during PM Abe's visit, and whether we might see opportunities emerge to deepen U.S.-Japan collaboration."

CLARA GILLISPIE

Director of Trade, Economic, and Energy Affairs



JAPAN'S RELATIONSHIP WITH SOUTH KOREA



"Observers hope that in his address to Congress, Abe will make some rhetorical overtures toward reconciliation with South Korea. The United States hopes that its close allies in Northeast Asia will be able to resolve controversies regarding wartime sex slavery and the Dokdo-Takeshima islets that have long wounded the Japan–South Korea relationship and complicated the U.S. rebalance to Asia."

RACHEL WAGLEY

Assistant Director of External Relations, Congressional & Media Outreach

FACT SHEET

Japanese Prime Minister Abe's Visit to the United States

apanese prime minister Shinzo Abe's historic upcoming visit to Washington will emphasize trade and defense ties as Tokyo and Washington seek to update the U.S.-Japan alliance for the 21st century. Abe will address a joint session of Congress—the first Japanese prime minister ever to do so, and enjoy a State Dinner at the White House with President Obama before traveling to a handful of the United States' largest cities. Looming even larger than imperative trade and defense cooperation is the need to commemorate and set a constructive tone for the 70th anniversary of the end of World War II.

The National Bureau of Asian Research (NBR) offers the following backgrounder on four areas that policymakers, media, and others should watch during Abe's visit.

U.S.-JAPAN TRADE

Prime Minister Abe's visit comes as U.S. and Japanese officials negotiate the final stages of the Trans-Pacific Partnership (TPP) and as Congress moves closer to providing President Obama with trade promotion authority (TPA). House Ways and Means Committee chairman Paul Ryan reassured Abe that Congress would advance the fast-track TPA legislation during a high-profile-delegation to Tokyo in February 2015, while ranking member Sandy Levin announced in mid-April that Abe's visit is helping drive passage of the legislation. TPA would fast-track trade deals that come through Congress without subjecting them to a politically fueled review; this mechanism would simplify TPP trade negotiations for Japanese leaders, who are being asked to make politically difficult compromises.

Japan and the United States are by far the two largest economies in the twelve-nation TPP, and a pending bilateral agreement is key to concluding negotiations. Since Japan's entry into TPP negotiations in 2013, the countries have held numerous bilateral administrative-level talks to resolve issues in sensitive areas, including opening up Japan's

agriculture sector and lifting barriers in Japan's automobile markets. Major breakthroughs have been stalled largely due to Japanese domestic resistance against open access to the country's markets for agricultural products (specifically, rice, pork, beef, dairy, and sugar) and automobile parts.

For Japan, the conclusion of TPP negotiations will be crucial in furthering domestic structural reform and improving economic competitiveness, the challenging third arrow of Abe's proposed economic reforms. Eliminating tariffs on agricultural products under the TPP will help Japan liberalize its heavily subsidized agricultural sector and help bolster Abe's push for reforms in the country's agricultural cooperatives. Abe and the previous Japanese administration have increasingly embraced domestic agricultural reform as crucial to reinvigorating Japan's long-stagnant economy, and the TPP will provide political cover for advancing some of these policy changes.

Despite being the United States' major ally in Asia and second-largest trade partner, Japan has never had a free trade agreement with the United States. The combined GDP

of both countries constitutes nearly 80% of the total GDP of all TPP members. A bilateral agreement would pave the way not only for the conclusion of TPP negotiations but also for a Free Trade Area of the Asia-Pacific.

NBR Resources:

How the 114th Congress Can Advance Trade across the Pacific (March 2015)

<u>The Trans-Pacific Partnership as a Pathway for U.S.</u> <u>Energy Exports to Japan</u> (January 2015)

<u>The Trans-Pacific Partnership: Lessons from Negotiations</u> (September 2014)

New Dynamics in U.S. Global Trade Strategy?

A Reinvigorated Japan and the Trans-Pacific Partnership
(July 2013)

<u>Japan's Entry into the Trans-Pacific Partnership</u> (July 2013)

Will Abenomics Restore Japanese Growth? (June 2013)

Japanese Agricultural Reform and the Trans-Pacific Partnership (June 2012)

JAPAN'S NEW FOREIGN POLICY AND THE U.S.-JAPAN DEFENSE GUIDELINES

Since the escalation of tensions over the Senkaku/Diaoyu Islands in the East China Sea in 2010, and as China's military power continues to rapidly expand, Japan has been driven to dramatically re-examine its defense posture. In May 2014, a panel advising the Abe administration recommended that the country reinterpret Article 9 of its constitution to allow for collective self-defense—part of a broader strategy to enable Japan to play a larger role as an ally of the United States and as a key guarantor of regional stability.

According to an April 2015 poll from the Pew Research Center, the U.S. public is far less hesitant about an expanded military role for Japan than is the Japanese public, which still harbors reservations about collective self-defense. Nonetheless, Prime Minister Abe has expanded Japan's defense relationships with other countries in the region, including Vietnam, the Philippines, and India. Such cooperation with Southeast Asian countries looking to maintain sovereignty and modernize their forces, particularly their coast guards, will be crucial in strengthening regional security.

Japan has experienced considerable anxiety over the past few years as to whether the United States will defend it if a conflict were to rapidly escalate in the East China Sea. China now regularly patrols the disputed Senkakus and is allegedly building runways capable of hosting military jets on the islands. While it is unclear if China has the capacity yet to completely control the territory, it certainly can intimidate and coerce. It is increasingly conceivable that Japan could experience an attack or other incident necessitating a military response. Contemporary Japan has little experience with threat response or deterrence strategy, though it is still the largest maritime power in Asia.

Abe met with Chinese premier Xi Jinping on the sidelines of APEC in fall 2014, a meeting that sparked hope that the two countries might begin government-to-government talks. While Japan and China clearly disagree on their territorial claims, they should agree on a mechanism to observe and mitigate crisis escalation in the East China Sea, if an incident were to happen. Both countries have a shared interest in cooperating on risk reduction strategies as their ships cruise the Senkakus.

In April 2015, U.S. secretary of defense Ashton Carter traveled to Tokyo to finalize the U.S.-Japan Defense Guidelines ahead of Abe's visit to the United States. These guidelines will modernize bilateral cooperation on surveillance, missile defense, cyber and space issues, and self-defense. Carter stressed that the guidelines, which had not been updated since 1997, will allow the U.S. military and Japan Self-Defense Forces to cooperate more "seamlessly" around the world. The guidelines are a major centerpiece of the U.S.-Japan alliance and will help soothe Japanese qualms about China's power in the region. But Japan's changing security story is larger than these guidelines,

and much of it is being driven domestically in response to heightened maritime tensions.

NBR Resources:

Top Pick: The Sea Change in Japanese Foreign Policy (June 2014)

<u>Can Shinzo Abe Make Good on His Promises in Japan?</u> (January 2015)

Competition and Confrontation in the East China Sea and the Implications for U.S. Policy (February 2014)

The Japan-China Feud in the East China Sea (November 2013)

The State of Cooperation in the East China Sea (April 2013)

<u>China's Military Modernization and Implications for</u> <u>Northeast Asia</u> (August 2012)

<u>Japan's Territorial Problem: The Northern Territories,</u> <u>Takeshima, and the Senkaku Islands</u> (May 2012)

HISTORICAL CONTROVERSIES AND JAPAN'S ROCKY REGIONAL RELATIONSHIPS

The treatment of "comfort women" during World War II and territorial disputes over the Takeshima-Dokdo islets are a persistent Achilles' heel in the Japan-South Korea relationship. Strained diplomatic relations between these two key U.S. allies have slowed U.S. efforts to coordinate cooperative strategies in the Asia-Pacific. This year marks the 50th anniversary of the normalization of bilateral relations between Japan and South Korea, and U.S. officials have their fingers crossed that the anniversary will help calm contemporary bilateral relations.

Leaders from Japan and South Korea have met under U.S. mediation, but until a <u>security dialogue</u> brought together the countries' top defense officials in April 2015, they had not convened a high-level bilateral meeting since Korean president Park Geun-hye took office in 2013. Regional tensions heightened when Prime Minister Abe took office

in 2012 due to his past remarks questioning the validity of the Kono Statement of 1993, which officially acknowledged the use of comfort women by the Japanese military. The Abe administration has been accused of whitewashing the severity of Japan's wartime sex slavery and downplaying the occupation of the Korean Peninsula. Abe has reassured critics that his administration will not revise the Kono Statement, but President Park has refused requests from Abe to hold an official meeting, instead urging Japan to correct its historical views.

In March 2015, the foreign ministers of China, Japan, and South Korea met in Seoul for the first high-level trilateral meeting since 2012 to discuss regional cooperation. In a statement after the meeting, Chinese minister Wang Yi said, "The war has been over for 70 years, but the problem with history remains a present issue, not an issue of the past." The United States has been stuck between a rock and a hard place, condemning the historical practice of sex slavery but distancing itself from the ongoing diplomatic conflict. In March 2015, a bevy of South Korean politicians and media outlets criticized a senior U.S. official who made remarks seemingly dismissive of the historical tensions, inducing State Department officials to issue a clarifying statement.

In the months leading up to Abe's visit, some current and former U.S. lawmakers have called on Japan to issue a formal acknowledgement and apology for the human rights violations committed during World War II. Abe will speak before a joint session of Congress on April 29, 2015, and many are hoping he uses the forum as an opportunity to soothe tensions with South Korea. With this year marking the 70th anniversary of the end of World War II, Prime Minister Abe is expected to issue an official statement on Japan's actions during the war. There is much skepticism, however, as to whether the Abe administration intends to genuinely apologize, particularly given recent controversies over historical revisionism in Japanese textbooks and the Japan foreign ministry's surprising request to U.S. publisher McGraw-Hill to delete paragraphs about Japanese sex slavery from a textbook.

NBR Resources:

The 7th Trilateral Ministers' Meeting: Implications for Regional Cooperation in Northeast Asia (March 2015)

Growing Tension in Northeast Asia (December 2013)

Additional Resources:

South Korea Criticizes U.S. Official's Comments on "Comfort Women" (March 2015)

Japan Urges U.S. Publisher to Remove Comfort Women from Textbooks (January 2015)

4 ABENOMICS

Japan's total debt to GDP ratio is an astounding 600%, and the ratio of government debt to GDP is close to 250%, the highest among developed economies. The country's economy has not grown in nearly twenty years. One of Prime Minister Abe's chief goals has been to increase Japan's economic competitiveness and shake up the country's labor markets. Since taking office, Abe has sought to boost GDP and increase inflation to 2%. While these reforms caused significant excitement when announced, national energy for inflation and growth has dwindled. Abe's stimulus turned into a new recession before mid-2014, and the promised consumption tax increase that was supposed to pay for the stimulus has been delayed.

Abe's trip to the United States is a good opportunity to check in on the progress of Abenomics, or Japan's "three arrow" economic reform policy. What are the three arrows? Fiscal expansion, monetary expansion to combat inflation, and structural, longer-term reforms.

The second two arrows are fairly weak in terms of available policy choices and their ability to significantly alter the country's economic trajectory. Critics stress that Japan's stimulus strategy has not led to increased growth either this time around or in the past, and Abenomics proposes redtape policies that have failed to increase competitiveness. The TPP, however, is an economic curveball for the country and may help push needed structural reforms. The impact that the TPP will have on Japan's GDP is unclear, as the trade deal is a new agreement in a new environment. Nonetheless, the upcoming year may produce minimal growth.

Reforms that diversify the workforce, such as "womenomics" and immigration, may help combat the crippling effect of demographics on economic growth in Japan. Abe would do well to create opportunities for labor mobility and find ways to open up the economy for young workers who face high unemployment. But policy is not enough; the country must embrace social changes that reward talent in the labor force, welcome female labor, and transform the uninviting seniority system in Japanese companies. Regardless, there are fewer jobs to be had in today's Japan. Companies are still largely skeptical of the country's economic future, and choose to invest abroad.

NBR Resources:

Will Abenomics Restore Japanese Growth? (June 2013)

How Can Japan Compete in a Changing Global Market? (February 2013)

Additional Resources:

See the USA, Mr. Abe (April 2015)

Abenomics and the Japanese Economy (March 2015)

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Media inquiries may be directed to Rachel Wagley at media@nbr.org or (202) 347-9767.

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1414 NE 42ND STREET, SUITE 300 SEATTLE, WA 98105 • 206-632-7370 1301 PENNSYLVANIA AVENUE NW, SUITE 305 WASHINGTON, D.C. 20004 • 202-347-9767