

# JAPAN Digest

May 2022

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## **Tokyo Quad Leaders' Summit**

On 24 May, Japan hosted the in-person Quad leaders' summit. President Biden, Prime Minister Modi, Prime Minister Kishida and Prime Minister Albanese outlined an extensive agenda advancing a free and open Indo-Pacific. The last inperson leaders' summit was hosted in Washington in 2021. The joint statement touts Quad as "a force for good" with a positive and practical agenda encompassing global health, critical and emerging technologies, cyber, space, maritime security and climate change. Respective responses with regard to the conflict in Ukraine was discussed alongside the challenges to the maritime rules-based order in the East and South China Seas. One of the key highlights of the Tokyo Summit is the unveiling of the Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA). The objective is to work together with regional powers while responding to illegal fishing and humanitarian and natural disasters. IPMDA will draw from regional information fusion centres situated across the Indian Ocean, Southeast Asia, and the Pacific Islands and support improved maritime domain awareness. Quad will harness commercially-available data employing existing technologies. The aim is to track "dark shipping" beside tactical-level activities, for example rendezvous at sea, and bolster capacity to protect the fisheries. The leader's statement also states that Quad will extend US\$ 50 billion towards infrastructure assistance and investment over five years. Quad Fellowship was also launched supporting 25 students from each country to study in America every year for graduate degrees in STEM fields. On the side-line, bilateral meetings were held between the leaders reinforcing their respective strategic partnerships.

# Indo-Pacific Economic Framework Launched in Tokyo

On 23 May, President Biden launched the Indo-Pacific Economic Framework for Prosperity (IPEF) in Tokyo. It demonstrates Washington's renewed commitment towards Indo-Pacific economic architecture. The objective is to advance resilience, inclusiveness, fairness, and competitiveness for economies. Going forward, IPEF aims to engage in collective discussion involving the US, India, Australia, Japan, South Korea, Brunei, Indonesia, Malaysia, New Zealand. Philippines, Singapore, Thailand, Vietnam and Fiji on the four key pillars of trade, supply chains. clean energy, decarbonisation, and infrastructure, and tax and anti-corruption. Nations may opt to join any of the four pillars. Though Taiwan was not invited to IPEF but Taipei expressed interest in joining. National Development Minister Council Kung Ming-hsin mentioned that Taiwan would further boost its role in global supply chains in a bid to join IPEF.

### **Economic Security Law Enacted**

In May, Japan enacted the economic security law with the goal of not just managing the risks arising from the US-China strategic contest but challenges arising from Russia-Ukraine tensions. The focus is essentially on four issues: infrastructure, supply chains, patents and technology. The priority is to secure supply especially focussing chains semiconductors, nurture cutting-edge technologies with public-private cooperation, allow for secret patents related to sensitive technologies, and screening of equipment that infrastructure operators in key sectors like telecommunication intends to install. Information related to screening of infrastructure equipment will be outlined by ordinances that would not require Diet deliberations. Meanwhile, firms remain cautious how the implementation of the law will impact their businesses. Influential business lobbies including Keidanren underscored that while focus on economic security is important but it requests minimal interference from the government. With regard to public-private cooperation, it is indicated that an association will be established for key research fields, for instance AI. Additionally, there discussions on further measures, such as a security clearance system selecting and certifying individuals who are authorised to access classified materials relating to national and economic security.

# **Projects under Supply Chain Resilience** in the Indo-Pacific

In April, Japanese government selected eight projects under the "Program for the Supply Chain Resilience in the Indo-Pacific Region." The aim of these projects are to "initially conduct a demonstration program to help Japanese companies visualize their supply chains, upgrade logistics, facilitate trade procedures and diversify their production bases". While six projects are in India, two are in Australia and it will be implemented by March 2023. In India, ACSL Corporation will set up a database of manufacturing components with the aim of digitization of drone manufacturing process. Showa Denko Materials Co. Ltd will be promoting database for semiincluding conductor customers and suppliers, identifying risks risk and responses. Denso Corporation will undertake feasibility study of the cold chain shippers marketplace matching logistics providers. Sagri Co. Ltd. aims to decrease use of chemical fertilizer by visualizing supply chain of chemical fertilizer with satellite data and AI. Fujifilm Corporation intends to expand the cancer

check-up facility in Bengaluru and create a medical check-up database. Instalimb Inc. intends to set up 3D printed prosthetic foot software as SaaS in India.

## **Japan-Europe Relations**

Japan has stepped up its engagement with Europe in recent months. On 12 May, the 28<sup>th</sup> Japan-EU Summit was held in Tokyo with President of the European Council, Charles Michel and President of the European Commission, Ursula von der Leven. Developments in Ukraine and the Indo-Pacific were discussed. Leaders agreed to provide coordinated political, financial, material and humanitarian support to Ukraine. Japan is closely cooperating with the G7 with regard to imposing sanctions on Russia. Meanwhile, Japan-EU Digital Partnership was launched with the goal of advancing cooperation on digital issues. They will carry on with their cooperation on "Data Free Flow with Trust" in order to ease secure cross-border data flows through augmenting security and privacy. Earlier in May, Prime Minister Kishida visited Italy and the UK. British Prime Minister Boris Johnson and his Japanese counterpart agreed in principle on a defence cooperation pact. It is reported that when a reciprocal access agreement is signed, it would permit faster deployment of troops and joint training and disaster relief efforts. Tokyo has a RAA with Australia.

### Japan's Southeast Asia Outreach

Deeping Japan's Southeast Asia cooperation, Prime Minister Kishida visited Indonesia, Thailand and Vietnam. One of the key highlights was signing an agreement with Thailand to enable transfers of defence equipment and technological cooperation. Japan has signed an agreement on defence equipment transfers with Vietnam in September 2021.