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JAPAN

Digest

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PM Kishida visits US

Japan's Prime Minister Fumio Kishida [reached](#) Washington DC on 9 April 2024 for a week-long state visit to the United States, becoming the first prime minister in nine years after the late Shinzo Abe in 2015 to be invited as a guest of the US. Aside from bilateral meetings with President Joseph R. Biden Jr, Kishida also attended the first US-Japan-Philippines trilateral summit with Philippine President Ferdinand Marcos Jr, and delivered an address to the joint Houses of the US Congress. At the White House, he and First Lady Yuko Kishida were [feted](#) by President Biden and First Lady Jill Biden after the two leaders reviewed the Guard of Honour. At the meeting, Kishida stated Japan's vision of a 'global' US-Japan partnership that is "tied together by common values and commitment" for "the next 10 and 100 years".

After the reception at the White House, Kishida also [attended](#) a meeting with the President of Microsoft on 9 April, Brad Smith, where it was [announced](#) that the software giant would invest a sum of 2.9 billion US dollars into Japan. Later the same day, Kishida, in a speech to the US Chambers of Commerce, said that Tokyo and Washington would exert themselves in order to accelerate global economic growth through investment in critical technologies such as quantum computing and clean energy.

On 10 April, Kishida and Biden [held](#) an 85-minute summit meeting, where both sides [agreed](#) to ramp up their alliance on a global scale, by improving interoperability among their armed forces and strengthening critical supply chains from disruption by China. Biden later called the cooperation between the two armed forces "the most significant upgrade in our alliance" and called the alliance "our greatest asset". Kishida on his part expressed a commitment to "stand shoulder-to-shoulder" with the US. The two sides also discussed Japan's plans to land an

astronaut on the Moon as part of the US-led Artemis program.

On 11 April, Kishida, along with his US and Philippine counterparts, [participated](#) in the inaugural trilateral meeting, where they issued a joint vision statement putting on record their "serious concerns" regarding China's aggressive actions in the South China Sea, and agreed to advance their strategic cooperation to push back China. To this end, the three sides [decided](#) to support Philippine defence modernisation efforts and conduct joint maritime exercises in 2025 with Japan as the venue. They also announced a trilateral coast guard dialogue to improve coordination between the three countries. At the meeting, President Biden assured his counterparts that the US commitment to defend both was "ironclad".

Later on the same day, Kishida [addressed](#) a joint session of the US Congress, where in a 35-minute speech delivered in English, he [called](#) the leadership of the US "indispensable" and urged it to play a bigger role in securing global peace and prosperity. He also used the speech as a platform to reiterate his country's support to Ukraine, repeat his concern over the strategic challenge posed by China and North Korea and touted his government's adoption of a historic defence budget as a sign of commitment to achieving the goal of investing 2 percent of GDP on national defence. He also urged the US to think of Japan as a trusted economic partner, and stated that "a growth-oriented Japanese economy" would be well-placed to act as a source of investment in the US.

Before departing for Tokyo on 13 April, Kishida [visited](#) Raleigh, North Carolina to tour a battery plant set up there by Japanese giant Toyota and meet Japanese business persons residing in the US. In his final press conference, he [stated](#) that he had been able to convey "future-oriented" messages to his counterparts in the US.

Japanese attacked by terrorists in Pakistan

Five Japanese travelling in a car in Karachi were [attacked](#) by unknown militants on 19 April 2024, one of whom was a suicide bomber who reportedly detonated his explosive vest near their vehicle. Though the Japanese, identified as engineers working in an export-processing zone near the city, escaped unhurt, the bomber's accomplice, an armed gunman, was reportedly shot dead by local police, while three bystanders were reportedly hurt by the failed explosion. Two of the injured were later reported to have died. After the attack, Karachi police spokespersons reported that the Japanese nationals had been moved to a secure site in police custody, while Japan's Chief Cabinet Secretary Yoshimasa Hayashi confirmed that one Japanese national had sustained mild injuries. Local police officials were cited by Reuters as saying that the attackers had apparently been following the Japanese nationals for some time, indicating some amount of planning and reconnaissance. As of writing, no terrorist organisation has come forward to take responsibility for the incident.

Japanese government grapples with yen crash

After the Bank of Japan's landmark decision scrapping negative interest rates in March, the Japanese yen took a hit in currency markets throughout April, as currency traders bet against it by driving its value vis-à-vis the US dollar downwards. The currency volatility, which was widely held by market analysts to have been driven by the yawning gap between the interest rates posted by the US Federal Reserve and the Bank of Japan, led to an unprecedented series of meetings between the Group of Seven (G-7) finance ministers as well as a trilateral meeting between the finance chiefs of Japan, the US and South Korea, in order to discuss the negative currency trends and discuss

countermeasures. The trilateral finance ministers' dialogue in particular, [held](#) in Washington on 18 April 2024, saw the US openly acknowledging concerns expressed by the two East Asian allies, with the joint statement issued after the meeting announcing that the three sides will "consult closely" on ensuring currency and financial markets remain "orderly and well-functioning".

From the domestic side as well, the Japanese government issued a series of verbal warnings through the Minister of Finance, Shunichi Suzuki, who on [23](#) and [25](#) April issued statements indicating that the government was seriously considering intervening in currency markets in order to reduce the heat on the yen. Bank of Japan governor Kazuo Ueda, meanwhile, downplayed the impact of currency volatility on inflation, though he did express willingness to consider further interest rate hikes should inflation rise on the back of rising import costs due to a weak yen. Traders apparently largely shrugged off the warnings, with the yen falling to 155 yen per US dollar on 23 April, which is considered the 'red line' that makes currency intervention highly likely. In subsequent days, the yen moved even lower, reaching 160.245 by 29 April, especially as the Bank of Japan [maintained](#) key indicators such as policy rates and bond-buying as normal. On the same day, however, the yen suddenly [surged](#) upwards to 156.55 by the end of day, leading most mainstream observers to conclude that the government had intervened by selling dollars to buy yen. An official comment from the Finance Ministry was unavailable, but the International Monetary Fund took the yen's depreciation into account when it [released](#) new projections that predicted India overtaking Japan as the world's fourth largest economy by 2025, a full year before earlier projections.