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JAPAN

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Prime Minister Kishida's Visit to India

Prime Minister Fumio Kishida of Japan visited India between March 19 and 21, 2023, and held wide-ranging discussions with Prime Minister Narendra Modi on 'bilateral and regional issues of mutual interest'. The visit was kicked off by an [exchange](#) of notes on the provision of yen loans totalling up to 300 billion yen for the purpose of construction of the Mumbai-Ahmedabad High-Speed Rail Project, at an interest rate of 0.1% over a period of 50 years (with a grace period of 15 years). This is the fourth such loan provided to India after previous tranches of upto 100 billion yen (September 2017), 150 billion yen (October 2018) and 100 billion yen (May 2022).

This exchange was followed in the early afternoon by the [official](#) India-Japan Summit Meeting where Kishida invited Prime Minister Modi to the G7 summit in Hiroshima, an invitation that was immediately accepted by the Indian Prime Minister. The summit meeting was followed by a [working lunch](#) where both heads of government discussed issues such as the Ukraine conflict, China's actions in the East and South China Seas, and Sri Lanka's debt crisis.

In the evening of the March 20, Kishida [delivered](#) the 41st Sapru House Lecture on "The Future of the Indo-Pacific – Japan's New Plan for a "Free and Open Indo-Pacific" – "Together with India, as an Indispensable Partner". There he put forth four new pillars of cooperation between Japan and India for ensuring the realisation of the FOIP concept: principles for peace and rules for prosperity, addressing challenges in an Indo-Pacific way, multi-layered connectivity, and extending efforts for security and safe use of the "sea" to the "air". He also provided concrete examples

of measures Japan was willing to take to ensure the fulfilment of these pillars, including a strategic use of ODA and provision of seed capital loans for entrepreneurs in countries, especially those within South and Southeast Asia and the Pacific Island countries, the three focus nodes of the policy. Kishida specifically cited in his remarks the North-east India-Bangladesh value chain concept, which would integrate the landlocked North-eastern states with Bangladesh's maritime access in order to create joint prosperity of the Bay of Bengal region.

Japan's ruling coalition plans talks to review defence export guidelines

Japan's ruling coalition of the Liberal Democratic Party (LDP) and *Komeito* (Clean Government Party) [began](#) talks through a joint task force on enabling Japanese defence manufacturers to export their wares abroad via an easing of the hitherto-strictly-enforced three principles on transfer of defence technology. The [current](#) rules prohibit the transfer of lethal defence technology to all countries (unless the technology is jointly produced), and allows only the export of non-lethal equipment, mainly to countries that are either net contributors to Japan's security (such as the US) or imperative to Japan's defence (such as South Korea). Even then, the rules allow for stringent monitoring by the Government of Japan of the uses to which equipment is put, and prior permissions are required to transfer such equipment to third parties.

However, changes in Japan's three key security documents, especially the national Security Strategy, have provided for a review of the guidelines in light of the worsening security situation around Japan, and the LDP has floated a suggestion that the revision include a clause enabling the

possibility of exporting lethal equipment to countries which are under attack by invading forces from hostile countries, or countries which are close partners with Japan in the security domain. The talks, however, are not expected to be easy, as the LDP's coalition partner, the *Komeito*, is staunchly pacifist in its orientation, and even went so far as to lobby last year for the removal of language indicating a revised weapons transfer policy from the National Security Strategy text. Further, even the people of Japan seem opposed to the idea; a Nikkei poll has revealed that 76 percent of respondents did not feel the need to export arms to Ukraine, while only 16 percent supported the move. It is expected that the talks, being held as they are before the combined local elections due in Japan in April, will be long-drawn and highly charged, but if they fructify, countries like Ukraine could be at the top of the list of recipients of lethal aid from Japan.

Kishida vows to increase defence expenditure

Prime Minister Fumio Kishida [gave](#) a speech on March 26 at a graduation ceremony of the National Defence Academy in the city of Yokosuka, Kanagawa Prefecture, where he pledged that defence capabilities would be strengthened within five years, though only after 'the measures included in the three [security] documents are put into action'. The focus areas mentioned by the prime minister included retaliatory capability, strengthening of the defensive capabilities of the south-eastern islands (including Okinawa and the Senkakus), space, cyber and electromagnetic domains. The speech also mentioned that the measures to be taken were decided through 'very realistic' simulations conducted as part of the revision of the security documents, and

included boosts in defence expenditure and strengthening of defence partnerships with key allies such as the United States, Australia, the United Kingdom, Italy, ASEAN and South Korea.

Japan tightens semiconductor export rules

Japan [announced](#) on the March 31 that it would place restrictions on the export of 23 types of equipment used to manufacture advanced semiconductors. This restriction will come into force from July, after which chipmakers such as Nikon and Tokyo Electron will need to secure government permission in order to be able to sell their technology abroad. Though the announcement did not mention any specific countries, it is widely believed that this measure is primarily directed at China, which is one of the largest markets for advanced semiconductors. This restriction puts teeth on a deal originally struck between the United States, the Netherlands and Japan at the beginning of the year that China be shut out of the advanced chip-making field, and follows actions taken by the other two countries to similarly restrict exports of the advanced technology.

China's [reaction](#) to the ban came in the form of an admonishment by Chinese foreign minister Qin Gang to his Japanese counterpart Yoshimasa Hayashi, who visited China on April 2, to 'not do to others what you don't want others to do to you'. Qin also cited the United States' previous track record of attempting to stymie Japan's semiconductor industry to make the point that Japan's current actions would be similarly counterproductive. This is of a piece with statements made by Chinese officials in the Netherlands that 'consequences' would follow if the Netherlands made good on its restrictions.