Prime Minister Abe and President Xi met twice in the last four months of 2016. Both committed to advancing the relationship during 2017, taking advantage of the opportunities presented by historic anniversaries – the 45th anniversary of normalization and the 40th anniversary of the Japan-China Friendship Treaty. Both leaders also committed to the early implementation of an air and maritime communications mechanism. Notwithstanding the increasing air and maritime interactions between the PLA and the Japanese SDF and Coast Guard, working-level officials were unable to reach agreement. At the end of the year, the Abe government announced a record high defense budget for 2017; days later the China’s aircraft carrier transited in international waters between Okinawa and Miyakojima into the western Pacific. Meanwhile public opinion polling revealed growing pessimism in Japan with respect to China and Japan-China relations.
State of relations: public opinion

A Pew public opinion survey published in mid-September found 86 percent of Japanese respondents as having an unfavorable opinion of China, an increase of 15 points from a similar survey conducted in 2006. In China, 81 percent of respondents had a similarly unfavorable view of Japan, an increase of 11 points from the same 2006 survey. Eighty percent of Japanese respondents expressed concern that territorial disputes with China over the Senkaku/Diaoyu Islands and other regions could result in military conflict (35 percent "very" and 45 percent "somewhat"), while 59 percent of Chinese respondents (18 percent "very" and 41 percent "somewhat") shared that concern. The Pew survey also found that 53 percent of Japanese respondents believed that Japan had sufficiently apologized for its wartime actions, an increase of 13 percent over the 2006 poll, while those who believed that Japan had not apologized sufficiently had fallen from 44 percent to 23 percent.

Later in the month, Genron NPO published the results of a joint survey conducted with a Chinese counterpart. Among Japanese respondents, 91 percent said that they did not have a good impression of China, an increase of 2.8 percent from 2015, while 76.7 percent of Chinese respondents did not have a good impression of Japan, a slight improvement over the 78 percent negative feelings in 2015. A Yomiuri-Gallup poll published at the end of December revealed a strong continuity of sentiments among Japanese respondents. Asked to identify a country that could become a military threat, China, at 76 percent, came in second to North Korea. Asked for their opinion of Japan-China relations, 56 percent of respondents considered them "bad" and 17 percent "very bad"; 43 percent did not trust China "very much," with "not at all" reaching 47 percent. Respondents' greatest concern (85 percent) was the possibility of confrontation over territorial rights.

A Mainichi Shimbun-Saitama University postal and internet survey conducted between October and December revealed similar findings. Asked to consider Japan-China relations 10 years in the future, some 31 percent expected relations to worsen, an increase of 5 percent from the previous survey, marking the first time the percentage has topped the 30 percent line.

High-level meetings

On Sept. 5, Prime Minister Abe Shinzo met with President Xi Jinping for approximately 35 minutes on the sidelines of the G20 Summit in Hangzhou, the first meeting of the two leaders in 17 months. President Xi noted that the relationship is marked by "sensitive and fragile" aspects; these complex factors needed to be addressed to return relations back to a normal course of development. Abe acknowledged the importance of managing difficult issues to promote a win-win relationship and build stable and friendly ties in the context of a mutually beneficial strategic relationship. Turning to the East China Sea, Abe found Chinese actions to be "extremely regrettable" and called on China to refrain from unilateral actions that only serve to increase tensions. Xi emphasized the importance of maintaining "peace and stability." To this end, the leaders agreed to accelerate negotiations on a bilateral communications mechanism to avert inadvertent confrontations. They also addressed the pending Sept. 20 meeting to discuss implementation of the 2008 agreement on joint development in the East China Sea. As for the South China Sea, Abe asked that China take "appropriate actions" and "abide by rules under international law to dispel the concerns of neighboring countries.” Xi cautioned that Japan should pay careful attention to its words and actions, and reiterated the Chinese position that Japan is not a party to South China Sea issues. Finally, both leaders agreed to deepen mutual dialogue to improve the bilateral relationship.

Afterward, Prime Minister Abe told reporters that he had straightforwardly expressed Japan’s positions. Through dialogue and cooperation, his objective was to work to stabilize the East China Sea and make it a “sea of friendship.” Commenting on the meeting, China’s Foreign Ministry spokesperson observed that “the sound and stable development of bilateral relations over the long term serves the best interests of the two sides and benefits regional peace and stability. At present Sino-Japanese ties are constantly disrupted by various complex factors. China and Japan need to overcome such disruptions and reset bilateral relations on the right track. In Tokyo, Chief Cabinet Secretary Suga Yoshihide characterized the results of the meeting as “very forward looking” and found the frank exchange of views particularly beneficial: “overall, there were very positive discussions based on the common understanding that the two countries will cooperate where they can to increase positive factors and manage ending issues to reduce negative factors.” On Sept. 21, Abe met with Premier Li Keqiang at the United Nations; both leaders agreed on the importance of close cooperation to deal with North Korea.

From Sept. 25-29, former Foreign Minister Tang Jiaxuan, in his capacity as president of the China-Japan Friendship Association, visited Tokyo. On Sept. 26, Tang
met with Foreign Minister Kishida. Kishida referenced the expansion of affirmative aspects of the relationship, a result of the Abe-Xi meeting and expressed his commitment to deepen ties through dialogue, cooperation, and exchanges while dealing appropriately with pending issues. Tang replied that China’s basic position “to work to improve relations” with Japan has “not in any way changed”; both sides need “to work with a sense of responsibility and urgency.” On Sept. 27, Tang met Liberal Democratic Party (LDP) Secretary General Nikai Toshihiro; later he addressed a meeting of the Tokyo-Beijing Forum.

On Sept. 29, at a reception marking the 67th anniversary of the People’s Republic of China, Ambassador Cheng Yonghua told his guests that unless difficulties are overcome and the relationship advances and improves, it could find itself critically going backward. He called for efforts to stabilize ties and return relations to the proper course of development.

Prime Minister Abe and President Xi met briefly on the sideline of the APEC Economic Leaders Meeting in Lima. Abe noted that 2017 would mark the 45th anniversary of normalization and the 40th anniversary of the Japan-China Friendship Treaty, offering an across-the-board opportunity to improve relations. He wanted to advance people-to-people exchanges and to stabilize relations by dealing appropriately with pending issues from a broad perspective. Xi said that he was “impressed” by Abe’s words and reference to the opportunity provided by 2017 and the following years to improve relations and that it was important to “settle outstanding issues properly and increase popular sentiment towards improving ties.”

On Nov. 22, Vice Foreign Minister Liu Zhenmin attended the Japanese Embassy reception celebrating the emperor’s birthday. Liu voiced an optimistic note over the prospects for the relationship in 2017, saying that he wanted to continue to make efforts to raise the China-Japan relationship to “a new level.” Liu acknowledged that the relationship has recently passed through a difficult period but found that 2017, with its historic anniversaries, offered real opportunities to improve ties.

On Nov. 28, Deputy Foreign Minister Akiba Takeo and Assistant Foreign Minister Kong Xuyou met in Beijing for the Japan-China Security Dialogue, the first meeting of the Dialogue in 20 months. The two diplomats agreed on the importance of building mutual trust in the security field through dialogue. Nevertheless, they failed to reach agreement on the early implementation of the communication mechanism.

South China Sea

On Sept. 26, Prime Minister Abe, in his policy address at the opening of the extraordinary session of the Diet, welcomed China’s peaceful development and, based on the recognition of the two countries’ responsibility for regional peace and prosperity, called for efforts to improve relations. At the same time, Abe rejected unilateral efforts to change the status quo in the East and South China Seas and called for the peaceful resolution of disputes. China’s Foreign Ministry spokesperson commented that, the long-term sound and stable development of China-Japan relations serves the interests of the people of the two sides as well as regional peace and stability. China is committed to improving its relations with Japan. This basic position has not changed... Japan should work with China to maintain peace and stability in the East China Sea, mind its words and steps on the South China Sea issue, create more positive signs and less negative news for the bilateral relationship, and truly make efforts for China-Japan relations to improve and grow.

Two days after his Sept. 5 meeting with President Xi, Prime Minister Abe attended the ASEAN East Asia Summit and ASEAN Plus 3 meetings in Vientiane. Abe, pointing to recent Chinese efforts in the South China Sea and East China Sea “to unilaterally change the status quo,” which had given rise to “deep concerns,” took the occasion to support the Permanent Court of Arbitration’s ruling on the South China Sea, stating his hope that “the parties to this issue will abide by this decision and resolve the dispute peacefully.” (During his Sept. 5 meeting with Xi, Abe did not directly refer to the Hague ruling.) Also in attendance, Premier Li reiterated China’s position that the dispute should be resolved between the concerned parties. Addressing Abe’s remarks, China’s Foreign Ministry spokesperson told reporters that “we have sensed the unusual restlessness of Japan on the issue of the South China Sea... It keeps launching negative publicity campaigns and even spreading rumors.... Fortunately, the public are all sharp-eyed ... only two countries, one of which was Japan, raised the South China Sea arbitration case. What Japan did was obviously inappropriate.”

The statement issued at the Vientiane meeting read “we remain seriously concerned over recent and ongoing development” and “took note of concerns expressed by some leaders on the land reclamations and escalation of activities in the area, which have eroded trust and
conflict, increased tensions and may undermine peace, security, and stability in the region.” Japanese media reported that the NHK evening news broadcast of Abe’s remarks in Vientiane had been interrupted in China.

### East China Sea

On Sept. 7, China’s Foreign Ministry spokesperson called on Japan to create the proper environment to allow a resumption of talks on joint development of gas fields in the East China Sea. Minister of Economy, Trade and Industry Seko Hiroshige told the media “we strongly hope to reopen negotiations.” Diplomats and defense officials met in Hiroshima on Sept. 14-15. A Japanese diplomat characterized talks on East China Sea issues as “a frank exchange of views.”

On Oct. 12, Japanese media reported that China had resumed unilateral development activities in the East China Sea. The Abe government confirmed the appearance of natural gas production at two drilling platforms, while the Ministry of Foreign Affairs posted pictures of the platforms on its website and protested the activities to the Chinese Embassy. China’s Foreign Ministry spokesperson replied that “all relevant oil and gas activities by the Chinese side take place in waters under indisputable jurisdiction of China and fall completely within China’s rights and jurisdiction.”

On Oct. 31, the Abe government confirmed the construction of a new drilling platform and the appearance of a Chinese drill ship moored and engaging in “some kind of activity” in the East China Sea. Foreign Minister Kishida announced that the government had lodged a diplomatic protest, telling the media that “it is extremely regrettable that China is maintaining its activities toward the unilateral development of the area despite our repeated protests.” Beijing answered that China hopes that “Japan can respect China’s sovereignty and jurisdiction rights instead of making improper comments on China’s legitimate activities.”

In mid-November, reports surfaced of Japanese efforts to add the Anami-Rykyu Islands to the 2018 World Natural Heritage list. The islands parallel Kagoshima and Okinawa prefectures but do not include the Senkaku Islands. Commenting on the reports, China’s Foreign Ministry spokesperson acknowledged that while Japan “had no intention of including areas other than the four islands in its application” but made it clear that China is “concerned that this move might affect China’s relevant rights and interests.”

### Security

On Sept. 14-15, Japanese and Chinese diplomats and defense officials met in Hiroshima to discuss operationalization of the maritime and aerial communications mechanism. Both sides agreed to work toward early implementation. However, the two sides failed to reach agreement on resumption of talks on the joint development of gas fields in the East China Sea.

On Sept. 25, eight Chinese aircraft (four bombers, two fighters, and two surveillance aircraft) transited in international airspace between Okinawa and Miyakojima. Japan Air Self-Defense Force (JASDF) fighters scrambled in response. Commenting on the transit, Chief Cabinet Secretary Suga told reporters “The government will pay close attention to the PLA’s increasingly active operations. From the standpoint of firmly defending the nation’s land, waters and airspace, we will carry out patrol and surveillance activities thoroughly.” Japan’s SDF Joint Office reported that in the July-September period, JASDF fighters scrambled 208 times against Chinese aircraft, a record for the quarter and nine more than the previous April-June period. On Oct 2, the PLA reported that 40 Chinese aircraft had transited between Okinawa and Miyakojima for training exercises in the western Pacific.

On Nov. 25, six PLA Air Force (PLAAF) aircraft (four bombers and two fighters) transited in international airspace between Okinawa and Miyakojima into the western Pacific and returned. On Dec. 10, when PLAAF aircraft made a similar transit, JASDF fighters were scrambled in response. China subsequently charged that two JASDF fighters had fired “interference bullets” at the PLAAF aircraft. Chief Cabinet Secretary Suga rejected the charge, telling reporters that the “SDF planes did not interfere with Chinese military planes at close range and did not endanger the crew by firing ‘interference bullets’.” Suga found it “extremely regrettable that the Chinese military made such a unilateral announcement. This undermines our efforts to improve Japan-China relations, and we have lodged a strong protest against China.” Minister of Defense Inada Tomomi characterized China’s “unilateral statement” as being in “clear contrast with reality.”

On Dec. 7-9, Foreign Ministry defense officials and Coast Guard representatives met Chinese counterparts in Haikou City, Hainan Province to discuss maritime issues and implementation of the air and maritime communications mechanism. They agreed on the early implementation but prospects for implementation were pushed into 2017.
On Dec. 22, the Abe government announced a record setting defense budget for FY 2017 of ¥5.12 trillion ($43.6 billion) marking the fifth consecutive year of increases in defense spending. The 2017 figure represents a 1.4 percent increase over 2016. ¥14.7 billion is devoted to acquisition of the SM-3 Block 2A interceptor missile co-developed with the US, ¥70.7 billion for the deployment of the GDSF units to Miyakojima and Amami-Ohsima northeast of Okinawa, ¥72.8 billion to the construction of a new submarine, and ¥72.8 billion to eleven amphibious vehicles. The Coast Guard budget also hit a record ¥210 billion, a record 12 percent increase over 2016, with 27 percent of its budget dedicated to the acquisition of eight new boats to be added to the current 14-ship fleet dedicated to the East China Sea islands.

On Dec. 25, the PLAN’s aircraft carrier Liaoning and its battle group transited in international waters between Okinawa and Miyakojima for exercises in the Western Pacific. The following day, Chief Cabinet Secretary Suga told reporters that the transit represented an “expansion of the capabilities of China’s maritime strategy” and that Japan would “continue to pay careful attention to China’s activities in waters around Japan.”

History

On Oct. 17, Prime Minister Abe sent a masakaki tree offering to the Yasukuni Shrine during the Autumn Festival. On Oct. 18, a supra-party delegation of approximately 90 Diet members payed homage at the shrine. Internal Affairs Minister Takaichi Sanae and Prime Minister Adviser Eto Seiichi also visited the shrine. Commenting on the visits, China’s Foreign Ministry spokesperson called on Japan’s leaders to adopt a correct view of history and expressed the hope that Japan would work to pay careful attention to China’s activities in waters around Japan.

On Oct. 22, Shanghai Normal University opened a Comfort Women museum for public viewing along with the unveiling of two Comfort Women statues. Chief Cabinet Secretary Suga found the display “extremely regrettable,” observing that it “failed to contribute to the improvement of bilateral relations.” China’s Foreign Ministry spokesperson retorted that “If, like the Germans who built the Memorial to the Murdered Jews of Europe” in Berlin, Japan could build statues of comfort women in Tokyo, it may finally be relieved of the historical burden and forgiven by its Asian neighbors.

Responding to the announcement that Prime Minister Abe would visit Pearl Harbor at the end of December, China’s Foreign Ministry spokesperson told a press conference

If the Japanese side intends to deeply reflect upon itself and make a sincere apology, there are many places in China where they can pay tribute to, be it the Nanjing Massacre Memorial Hall, the museum of the event of September 18, 1931, or the exhibition hall of evidences of crimes committed by Unit 731 of the Japanese Imperial Army. There are also places in Japan’s Asian neighbors that can remind Japan and the international community that the crimes committed by inflictors during WWII will not be bygones....

On Dec. 13, China commemorated the 1937 Nanjing Massacre. Politburo member Zhao Leji told his audience “any action to try to fabricate or change history or try to make excuses for the atrocities will be condemned and spurned by the Chinese people and by all people who cherish peace and justice.”

When questioned about Prime Minister Abe’s Dec. 27 visit to the Arizona Memorial, China’s spokesperson answered that “reconciliation can only be based on sincere reflection and apology from the inflictors … it is in the interest of the future to make one sincere apology than to put on dozens of smart shows.” The visit had considerable elements of a performance directed mainly aimed at China. The following day, Reconstruction Minister Imamura Masahiro visited Yasukuni Shrine. On Dec. 29, after accompanying Prime Minister Abe to Pearl Harbor, Minister of Defense Inada Tomomi visited the shrine. China’s Foreign Ministry Spokesperson found Inada’s visit to be “another reflection of certain Japanese people’s bigoted and wrong perception of history, and an irony of Japan’s so called “tour of reconciliation to Pearl Harbor, only putting us on higher alert on Japan’s moves and intentions.”

Senkaku Islands

Japan reported the following activity by Chinese ships near the Senkaku/Diaoyu Islands:

Sept. 1-10: Haijian 2306, 2337, 2401 and 31101 operate in Japan’s contiguous zone.

Sept. 11: Haijian 2102, 2337, 2401, and 31101 enter Japanese territorial waters, the first incursion since Aug. 21; Japan files diplomatic protest. The date marked the
fourth anniversary of Japan’s nationalization of the Senkakus.

Sept. 22-24: Haijian 2101, 2307, 2501, and 31239 operate in Japan’s contiguous zone; enter Japan’s territorial waters on Sept. 24.

Oct. 8: Haijian 2146, 2166, 2305 and 31101 enter Japan’s territorial waters.

Oct. 18: Haijian 2101, 2306, 2308 and 31239 enter Japan’s territorial waters.

Oct. 24-25: Haijian 2306, 2308 and 231239 operate in Japan’s contiguous zone.

Nov. 5-8: Haijian 2401, 2101, 2502 and 35115 operate in Japan’s contiguous; enter Japan’s territorial waters on Nov. 6.

Nov. 10-20: Haijian 2166, 2307, 2501 and 2106 operate in Japan’s contiguous; enter Japan’s territorial waters Nov. 14.

Dec. 5: Haijian 2151, 2305, 2308, and 2302 enter Japan’s territorial waters.

Dec. 9-12: Haijian 2305, 2308, and 2302 operate in Japan’s territorial waters.

Dec. 26: Haijian 2401, 2502 and 35115 entered Japan’s territorial waters, marking the 36th incursion in 2016.

**Business and Economics**

On Sept. 21, a delegation of Japanese business leaders representing Keidanren and the Japan-China Economic Association met Vice Premier Zhang Gaoli in the Great Hall of the People. The following day, the delegation met Vice Minister of Commerce Gao Yan. Delegation leader Muneoka Shuji emphasized that expansion of Japanese investment in China is linked to China’s bringing intellectual property protection up to international standards. Keidanren Chairman Sakakibara Sadayuki explained that China’s business environment would have to be improved to promote trade and investment. In a submitted position paper, the delegation also called attention to the need to streamline the exit process for companies operating in China – without progress in the exit process, new investment would not be forthcoming. The paper also called for an increase in the transparency of anti-trust rules. Zheng replied that he wanted to create a high-level impartial and transparent environment, strengthen intellectual property protection and advance China’s opening policy.

In a conference sponsored by Keidanren and the China Center for International Economic Exchange, nearly 60 top business leaders met again in Beijing on Nov. 1-2. Former Vice Premier Zeng Peiyan told the meeting that business leaders should be prepared to take "as many as possible active actions that will benefit relations of the two counties." Keidanren Chairman Sakakibara called on the business community to move "to a new dimension of industrial cooperation." Leaders agreed to cooperate to promote China’s One Belt, One Road initiative.

On Nov. 15, Prime Minister Abe addressed the Upper House Special Committee on Trans-Pacific Partnership (TPP) and expressed concerns that if TPP does not come into effect, China may assume a leading economic role in East Asia, with the region turning toward China’s Regional Comprehensive Economic Partnership (RCEP).

On Dec. 8, the Abe government, along with the US and the EU, voted to deny China market economy status in the WTO.

*The views expressed in this article are the views of the author alone and do not necessarily represent the views or policy of the National Defense University, the Department of Defense, or the US government.*
CHRONOLOGY OF JAPAN-CHINA RELATIONS

SEPTEMBER – DECEMBER 2016

Sept. 3, 2016: China celebrates national holiday commemorating victory in the war against Japan. Neither President Xi Jinping nor members of the Sanding Committee attend Sept. 2 symposium commemorating the event.

Sept. 5, 2016: Prime Minister Abe Shinzo and President Xi Jinping meet on sidelines of the G20 Summit in Hangzhou; their first meeting in 17 months.

Sept. 7, 2016: PM Abe attends East Asian Summit in Vientiane; calls for support of Hague Tribunal ruling on the South China Sea.

Sept. 7, 2016: Japan announces transfer of two Coast Guard patrol boats to the Philippines.

Sept. 8, 2016: Japan announces transfer of Coast Guard patrol boats to Malaysia.


Sept. 15-19, 2016: China and Russia conduct joint naval exercises.

Sept. 18, 2016: 85th anniversary of the Manchurian incident.

Sept. 21, 2016: Keidanren and Japan-China Economic Association delegation visits Beijing.


Sept. 25, 2016: Eight People’s Liberation Army Air Force (PLAAF) aircraft transit in international air space between Okinawa and Miyakojima.

Sept. 26, 2016: PM Abe delivers policy address at opening of Extraordinary session of the Diet; calls for peaceful resolution of disputes in east and South China Sea.


Sept. 29, 2016: Ambassador Cheng Yonghua at PRC Embassy reception marking 67th anniversary of the People’s Republic of China calls for efforts to stabilize relations and advance development of bilateral relations.


Oct. 17, 2016: PM Abe sends offering to Yasukuni Shrine, but does not visit the shrine during the Autumn Festival; approximately 90 Diet members pay homage.

Oct. 19, 2016: Former Prime Minister Hatoyama Yukio attends inaugural meeting of international advisory board of China’s Asian Infrastructure Investment Bank held in Beijing.
Oct. 22, 2016: “Comfort Women” museum with two statues of “Comfort Women,” opens at Shanghai Normal University; Chief Cabinet Secretary Suga finds the display extremely regrettable.


Oct. 31, 2016: Japan-Taiwan hold first meeting of maritime dialogue in Tokyo.

Nov. 1, 2016: China displays J-20 stealth fighter at Zhuhai International Air Show.


Nov. 15, 2016: PM Abe express concern that failure of Trans-Pacific Partnership (TPP) to come into effect will result in China taking leading role in Asia’s economy.

Nov. 20, 2016: PM Abe and President Xi meet on sidelines of APEC meeting in Lima.


Nov. 25, 2016: Six PLAAF planes transit in international airspace between Okinawa and Miyakojima.

Nov. 28, 2016: Deputy Foreign Minister Akiba Takeo and Assistant Foreign Minister Kong Xuanyou meet in Beijing for Japan-China Security Dialogue.

Dec. 7-9, 2016: Japanese and Chinese foreign affairs and defense officials meet in Haikuo City to discuss implementation of air and maritime communications mechanism.

Dec. 13, 2016: 79th anniversary of the Nanjing Massacre.

Dec. 22, 2016: Abe government announces record setting defense budget of $43.6 billion.

Dec. 25, 2016: Chinese aircraft carrier Liaoning transits in international waters between Okinawa and Miyakojima.

Dec. 28, 2016: Japan’s unofficial representative office in Taiwan, the Interchange Association, announces that as of Dec. 31, it will operate under the name of the Japan-Taiwan Exchange Association.

Dec. 28, 2016: Minister for Reconstruction Imamura Masahiro visits Yasukuni Shrine; China expresses firm opposition of any visit by Cabinet ministers.