The highlight of 2019 was undoubtedly the US-Japan trade deal. It was two years in the making, but in September, Japanese Prime Minister Abe Shinzo and US President Donald Trump concluded their much-anticipated trade agreement, ending a worrisome source of dissonance in the relationship. Two focal points characterized this first step in resolving trade frictions: market access in Japan for US agricultural goods and a new set of rules for digital trade. However, Abe got some pushback at home, and the Trump administration cautioned that this was just the first step to redressing the deficit.
The United States and Japan continued their collaboration on the Indo-Pacific, making modest but important headway. The East Asia Summit provided an opportunity to coordinate and suggest specific opportunities for collaboration. Several quadrilateral meetings took place in the final months of 2019, and a new, better-resourced agency came into being to underscore the need for the United States to bring more funding to meet the demand for Asian infrastructure.

Both Abe and Trump faced difficulties at home. Typhoon Hagibis landed in Japan in October, producing massive flooding and destruction. Airports were closed, train services halted, and recovery efforts across the Kanto region occupied Japan’s military and emergency services for days. The Abe cabinet also faced new political scandals, once more causing a downturn in the prime minister’s approval rating.

In the United States, a constitutional crisis unfolded. The House of Representatives initiated an impeachment investigation of the president on September 24 over his decision to withhold military aid to Ukraine in return for an investigation into former Vice President Joe Biden, one of Trump’s potential rivals in the 2020 election. By year’s end, Trump became the third US president to be impeached.

A sad note: on November 29, Japan lost a staunch supporter of the alliance when former Prime Minister Nakasone Yasuhiro passed away at the age of 101. Nakasone, who served early in his career as head of Japan’s Defense Agency, went on to join US President Ronald Reagan and UK Prime Minister Margaret Thatcher in the 1980s to accelerate strategic cooperation among the Western allies during the final decade of the Cold War.

A US-Japan Trade Agreement

After months of negotiations, US Trade Representative Robert Lighthizer and Japanese Economic Revitalization Minister Motegi Toshimitsu announced on August 23 that the two countries had agreed to a limited trade deal—separating out a short-term agreement on less contentious products from longer-term negotiations on a more comprehensive deal that covers other goods and services. On September 25, Trump and Abe officially signed the US-Japan Trade Agreement and US-Japan Digital Trade Agreement during their bilateral summit on the sidelines of the UN General Assembly meeting in New York. The two leaders issued a joint statement praising the deal, with Trump calling the pact a “huge victory for America’s farmers, ranchers, and growers” and Abe saying it represented a “win-win solution for Japan and the United States.” Lighthizer and Ambassador of Japan to the United States Sugiyama Shinsuke then finalized the agreement, signing it on October 7 in Washington, DC.

The US-Japan Trade Agreement includes efforts by both countries to reduce trade barriers on certain products. Japan agreed to open up its agricultural market to a variety of US goods including beef, pork, wine, cheese, and wheat to
the same levels as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The United States for its part agreed to reduce or eliminate tariffs on some types of manufacturing equipment, industrial goods, and agricultural products such as green tea, persimmons, and soy sauce. In a separate US-Japan Digital Trade Agreement, the two countries agreed on a comprehensive set of rules governing the more than $38 billion in bilateral digital trade that is meant to represent a new “gold standard” that goes beyond the CPTPP. The deals were largely welcomed by American farmers, who were concerned about losing market share in Japan to competitors as well as slow progress on other trade deals with Canada, Mexico, and China.

One area that the US-Japan Trade Agreement does not explicitly address is automobile tariffs. After US-Japan trade talks officially kicked off in April 2019, Trump threatened in May that he would raise tariffs on Japanese automobiles from 2.5% to 25% if a deal could not be concluded within six months. The two countries managed to finish a deal within this deadline, yet the text of the agreement does not include a firm promise by the US side to refrain from raising tariffs in the future, nor does it reduce tariffs below 2.5%, as strongly requested by the Japanese side. Instead, the Abe administration settled for language in the joint statement that “both nations will refrain from taking measures against the spirit of these agreements” and “will make efforts for an early solution to other tariff-related issues.” In a news conference following the conclusion of the agreement, Abe further said that Trump confirmed to him personally that “no further tariffs will be imposed,” a sentiment that was later echoed in comments to the press by Lighthizer.

The deal did not require congressional approval but did need to be ratified by the Japanese Diet, which began deliberations in October during the parliament’s extraordinary session. Opposition parties quickly honed in on the failure of Abe’s trade team to secure removal of the 2.5% automobile tariff—something that the US side had originally agreed to under the TPP before Trump withdrew the United States from the deal in January 2017. More generally, the opposition also criticized negotiators in the administration for giving up too much to the US side by granting American farmers the same level of market access as CPTPP partner nations without gaining enough in return.

In the end, the agreement moved swiftly through the Diet despite opposition objections. Deliberations did slow for a bit when two of Abe’s cabinet members resigned in early November amid allegations of election law violations, but the Lower House approved the deal on November 19 and the Upper House followed quickly on December 4. Abe’s ruling coalition thus managed to ratify the deal in “record time,” securing approval within just 10 weeks of the agreement’s signing and less than nine months after negotiations began, paving the way for the deal to take effect on January 1, 2020.

Japan’s successful ratification of the US-Japan Trade Agreement in December coincided with a busy month for the US side, which saw significant progress on other trade agreements yet also faced the impeachment of Trump. On December 10, House Speaker Nancy Pelosi announced that House Democrats and the White House had agreed on a deal on the US-Mexico-Canada Agreement, a renegotiation of the North America Free Trade Agreement (NAFTA). The House passed the new agreement with broad bipartisan support on December 19 (385-41), which came less than 24 hours after the chamber had voted to impeach Trump almost entirely along party lines (230-197 and 229-198 for the two articles of impeachment). The US-Mexico-Canada Agreement now moves to the Republican-controlled Senate, which is expected to approve it in early 2020, although the timeline is difficult to predict given the Senate’s focus on the impeachment trial. The agreement will enter into force after all three countries ratify it—Mexico became the first country to ratify the agreement on June 13, whereas deliberations in Canada were complicated by parliamentary elections on October 21.

On December 13, the Trump administration also announced that it had reached an agreement with China on a phase one trade deal. While details of the agreement have not been made public, media reports suggest that while the deal will formalize a trade truce between the two countries, it is likely to result in only a small reduction of existing tariffs. Trump announced via Twitter that he plans to sign the deal at a White House ceremony with Chinese officials on January 15.

As the US-Japan Trade Agreement and US-Japan Digital Trade Agreement enter into force
on January 1, the question for 2020 will be whether these deals represent the extent of US-Japan trade cooperation or whether the two countries can successfully conclude a more comprehensive agreement. The Trump administration has long been interested in a far-reaching bilateral FTA that covers a wide range of goods and services, whereas the Abe administration’s top priority is in eliminating tariffs on Japanese automobiles. As part of their joint statement on September 25, Trump and Abe agreed that the two countries would conclude consultations for future trade talks within four months of the deal entering into force. If the two countries are able to follow this timeline, then Motegi and Lighthizer should be able to begin fresh negotiations on a more comprehensive trade deal sometime in the spring.

Synchronizing Indo-Pacific Strategies

The Trump administration and Abe cabinet worked hard to coordinate their Indo-Pacific policies. In his September 18 testimony before the Senate Foreign Relations Committee Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell outlined the administration’s priorities in the Indo-Pacific. Stilwell emphasized the importance of good governance, transparency, and support for regional institutions, as well as coordination with treaty allies, such as Japan, that have their own Indo-Pacific strategies.

A week later, US Secretary of State Mike Pompeo met with the foreign ministers of Japan, Australia, and India on the sidelines of the UN General Assembly meeting in New York. Senior officials followed up on the economic collaboration among the quad in early November in Bangkok, with all four nations committing themselves to advancing a “free, open, and inclusive” Indo-Pacific during the East Asia Summit meeting at the Indo-Pacific Business Forum. On the sidelines of the East Asia Summit meeting, Japan and the United States released a joint statement on their bilateral collaboration on "Furthering the Development of Smart Cities in the Indo-Pacific."

Legislation granting increased resources and institutional capacity for the US in development funding resulted in a new entity, the Development Finance Corporation (DFC). With a budget of $299 million, Washington is now poised to considerably expand its role in development financings as part of its Indo-Pacific strategy. Collaboration with other regional partners, especially the Japan Bank for International Cooperation (JBIC), is expected to help flesh out the opportunities for networked financing of infrastructure and other types of development projects in the region.

The Final Year of Abe-Trump Era?

Leadership transitions could be ahead for both the United States and Japan in 2020. By the end of 2019, with campaigning already underway in the United States, open speculation about how the US election might affect the alliance surfaced. The 2020 presidential election hovered close to the surface in the House impeachment proceedings, and continues to influence the dynamics of Senate decision making over when and how to proceed with an impeachment trial. The field of Democratic candidates in the primary dwindled by early 2020, with Kamala Harris, Julian Castro, and Cory Booker leaving the race before the final debate prior to the first primary in Iowa on February 3. Six candidates remained on stage: Joe Biden, Elizabeth Warren, Bernie Sanders, Pete Buttigieg, Amy Klobuchar, and Tom Steyer. While absent from the debate stage, Mike Bloomberg, former mayor of New York, threw his hat in the ring on November 24, complicating the expectation that voting in the early primaries would narrow the Democratic field even further.

A potential leadership transition also looms large in Japan. The current term of the House of Representatives goes until September 2021, as does Abe’s term as leader of the Liberal Democratic Party (LDP). But there is growing anticipation that elections – both within the LDP and for the Diet – will happen in fall 2020, after the summer Tokyo Olympics. Abe has identified several contenders to take his place and continue his policy agenda. In the running are Foreign Minister Motegi Toshimitsu, Chief Cabinet Secretary Suga Yoshihide, Minister of Health, Labor, and Welfare Kato Katsunobu, and LDP Policy Research Council Chairman Kishida Fumio. But political veteran and former LDP secretary general Ishiba Shigeru might also be in the mix, and could challenge this managed succession scenario. While Abe has said he would like to step down and there are many in the party who would like a shot at the prime minister’s office, the results of the US election
could also inform the party’s thinking about a post-Abe era.

It is also too early to rule out the possibility that the LDP might change its rules to allow Abe to stay for a fourth term. The prime minister’s approval rate dipped by the end of the year, however, as he once again came under criticism for using a government cherry blossom party as a fundraising event. Furthermore, two members of his cabinet were forced to step down because of alleged violations of election campaign laws.

Complications in US–Japan Military Cooperation

Events on the Korean peninsula continued to demand alliance coordination. North Korea continued its missile testing, provoking some dissonance between Tokyo and Washington over their import. The Trump administration avoided outright condemnation of short- and medium-range tests, seemingly in an effort to keep the door open for talks with Kim Jong Un. Abe continued to urge international condemnation of testing as a violation of UN Security Council resolutions. Yet, it was Japan’s relationship with South Korea that headlined the agenda for alliance management on the Korean peninsula as 2019 came to a close. The rapid deterioration in Tokyo-Seoul ties affected trilateral military cooperation just as Kim renewed his missile testing. By year’s end, after the Trump administration scolded Seoul for its threat to abandon the General Security of Military Information Agreement (GSOMIA), Seoul and Tokyo signaled willingness to stop the downward spiral in their relationship, but the two US allies remained far from resolving their differences.

Japan’s Ministry of Defense (MOD) also ran into some problems as it sought to designate basing for the new AEGIS Ashore system. Ground Self-Defense Force (GSDF) bases in Yamaguchi Prefecture and Akita Prefecture were seen as ideal, but the GSDF Araya base in Akita Prefecture, initially suggested as the best candidate in the north, faced considerable opposition within the municipality. Errors in the MOD report created confusion and ultimately local rejection of Tokyo’s plan. As a result, other GSDF base options in Akita and Aomori prefectures are being considered as possible alternatives.

Finally, the Abe cabinet finalized its planning to send the Maritime Self-Defense Force (MSDF) to the Middle East for intelligence-gathering operations. Initially, the Trump administration had asked Japan to join a US-led Maritime Security Construct (dubbed Operation Sentinel). However, Japan decided instead to send its Maritime Self-Defense Force (MSDF) independent of the US coalition. The MSDF reconnaissance aircraft will be assigned to this mission from the anti-piracy task force in Djibouti, and a helicopter–capable destroyer will be dispatched from Japan on February 2. After the Trump administration killed Iranian leader General Qassem Soleimani of the Quds Force, the possibility of an escalating conflict between the United States and Iran raised questions in Tokyo over whether to continue with the mission. Iranian President Hassan Rouhani visited Tokyo in December, the first presidential visit in 19 years, providing the opportunity to explain the mission’s objectives. On December 27, the Abe cabinet gave the go ahead for the MSDF deployment of over 200 personnel to operate in the Gulf of Oman to the northern Arabian Sea and Babel Mandeib. Public opinion polling revealed some concern within Japan, but there was little outright opposition to the SDF independently taking on this new role.

Looking Ahead to 2020

The Abe cabinet managed to put the strains of the trade talks to bed in 2019, but 2020 promises a new challenge: the negotiation of host nation support for US forces stationed in Japan. The US–ROK talks have soured alliance ties between Washington and Seoul as the Trump administration demanded that South Korea pay up to $5 billion in support for US forces there. Tokyo is watching carefully to see whether the president will make similar demands on Japan. Timing is in Japan’s favor for the moment. The Trump administration has yet to conclude its discussions with Seoul. Popular criticism of Washington is on the rise and South Korean President Moon Jae-in has little room to maneuver at home. But the alliance relationship has suffered. Like Japan, the South Korean government has also decided not to formally join the US maritime coalition in the Middle East. The Abe cabinet will want to avoid a similar strain on US–Japan alliances ties, and the US election will likely push these talks further into 2020.
Leadership transitions in Washington and/or Tokyo will bring an end to the much admired Abe-Trump partnership. This could have downsides for alliance management, especially if Abe steps down and Trump is re-elected. Some in Japan worry that past political history suggests that a return to short-term, revolving door leadership dynamics could return there. In the United States, the focus is largely internal. Who will win in November will have immense consequences for the future role of the United States in the world. On both sides of the Pacific, this concern about the future of the US alliances coupled with the rise in serious challenges to the United States and Japan in Asia suggest that 2020 will be a watershed year for the US-Japan alliance.
CHRONOLOGY OF US-JAPAN RELATIONS

SEPTEMBER – DECEMBER 2019

Sept. 4, 2019: Parliamentary Vice Minister for Foreign Affairs Kiyoto Tsuji meets with families of former prisoners of war in Tokyo.

Sept. 9-11, 2019: Minister of Foreign Affairs Taro Kono speaks at the 51st Annual Joint Meeting of the Japan-Midwest US Association in Chicago, Illinois.

Sept. 11, 2019: Prime Minister Abe Shinzo reshuffles his cabinet. Taro Kono is appointed defense minister and Toshimitsu Motegi becomes the new foreign minister.

Sept. 18, 2019: US Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell testifies before the House Foreign Affairs Subcommittee on Asia, the Pacific, and Nonproliferation on President Donald Trump’s Fiscal Year 2020 budget request for East Asia and the Pacific.

Sept. 18, 2019: Assistant Secretary of State for East Asian and Pacific Affairs David Stilwell testifies before the Senate Foreign Relations Committee on US policy in the Indo-Pacific region.

Sept. 20, 2019: The Wall Street Journal publishes a story alleging that Trump pressured the president of Ukraine to investigate former vice president Joe Biden’s son in a July 25 phone call.

Sept. 22-28, 2019: Motegi visits New York to attend the UN General Assembly Meeting.

Sept. 23-26, 2019: Abe visits New York to attend the UN General Assembly Meeting.

Sept. 23, 2019: Abe participates in the UN High-Level Meeting on Universal Health Coverage.

Sep. 24, 2019: Speaker of the House Nancy Pelosi announces formal impeachment inquiry into Trump.

Sept. 24, 2019: Abe gives a speech at the UN General Assembly Meeting in New York.

Sept. 24, 2019: Vice President Mike Pence and Deputy Prime Minister Taro Aso meet on the sidelines of the UN General Assembly Meeting in New York.

Sept. 25, 2019: Trump and Abe hold a US-Japan Summit Meeting on the sidelines of the UN General Assembly meeting in New York. Remarks. During their summit meeting, they sign the US-Japan Trade Agreement and the US-Japan Digital Trade Agreement.

Sept. 26, 2019: Secretary of State Mike Pompeo and Motegi meet on the sidelines of the UN General Assembly Meeting in New York.


Oct. 22, 2019: Pompeo and Motegi speak by telephone to discuss coordination on Iran.
Oct. 23, 2019: Abe meets with US Secretary of Transportation Elaine Chao in Tokyo.

Oct. 25, 2019: Japan’s Minister of Economy, Trade, and Industry Isshu Sugawara resigns over allegations that he violated election law.


Oct. 28, 2019: Speaker of the House Nancy Pelosi announces the next stages in the impeachment inquiry, which will be led by House Intelligence Committee Chairman Adam Schiff.

Oct. 28, 2019: Japan’s Ministry of Defense calls up Self–Defense Forces (SDF) reserves to aid with Typhoon Hagibis disaster relief, marking the first time SDF reserves have been mobilized since the March 2011 earthquake and tsunami.

Oct. 31, 2019: Justice Minister Katsuyuki Kawai resigns over allegations that his wife violated election campaign laws.

Nov. 4, 2019: Senior officials from the United States, Japan, Australia, and India meet for quadrilateral consultations on advancing a free, open, and inclusive Indo–Pacific on the sidelines of the Indo–Pacific Business Forum in Bangkok, Thailand.

Nov. 4, 2019: The United States, Japan, and Australia announce the Blue Dot Network, an infrastructure development plan led by the Overseas Private Investment Corporation (OPIC) in cooperation with the Japan Bank for International Cooperation (JBIC) and Australia’s Department of Foreign Affairs and Trade.

Nov. 4, 2019: The United States and Japan release a joint statement on Furthering the Development of Smart Cities in the Indo–Pacific on the sidelines of the East Asia Summit in Bangkok.


Nov. 8, 2019: Abe answers questions in the Diet from opposition parties regarding accusations that he used taxpay-funded cherry blossom viewing parties to reward political supporters.

Nov. 13, 2019: Public impeachment hearings for Trump begin in the Intelligence Committee.


Nov. 15, 2019: Senior officials from the United States and Japan hold a bilateral policy planning conference in Washington, DC.

Nov. 19, 2019: Japan’s Lower House approves US–Japan trade deal.

Nov. 19–25, 2019: Stilwell travels to Tokyo and Nagoya for bilateral meetings and to attend the Nagoya G20 Foreign Ministers’ Meeting.

Nov. 20, 2019: Abe admits involvement in the guest selection process for the 2019 cherry blossom viewing party.

Nov. 20, 2019: Abe’s administration reveals that the guest list for the 2019 cherry blossom viewing party was shredded on May 9, the same day that the document was requested by an opposition lawmaker.

Nov. 21–24, 2019: US Deputy Secretary of State John Sullivan travels to Nagoya, Japan to lead the US delegation to the G20 Foreign Ministers’ Meeting.

Nov. 22–23, 2019: The G20 Foreign Ministers’ Meeting takes place in Nagoya.

Nov. 23, 2019: Sullivan meets with Motegi on the sidelines of the G20 Foreign Ministers’ Meeting in Nagoya, Japan.

Nov. 29, 2019: Former Prime Minister Yasuhiro Nakasone passes away.

Dec. 4, 2019: Japan’s Upper House approves US–Japan trade deal, paving the way for its entry into force in 2020.

Dec. 4, 2019: The House Judiciary Committee meets with National Security Adviser Shigeru Kitamura and other senior officials in Tokyo.
Dec. 5, 2019: Speaker of the House Nancy Pelosi announces that the House Judiciary Committee will draw up articles of impeachment against Trump.

Dec. 9–11, 2019: Senior officials from the United States and Japan hold a meeting of the Extended Deterrence Dialogue in Tokyo.

Dec. 11, 2019: Newspaper reports suggest that the Japanese government is considering a new location for the US–developed Aegis Ashore missile defense system, which was originally set to be deployed in Akita's Araya district.

Dec. 13, 2019: The House Judiciary Committee approves two articles of impeachment against Trump.

Dec. 15–19, 2019: Biegun travels to Seoul and Tokyo for meetings on North Korea.

Dec. 18, 2019: Trump is impeached by the House of Representatives for abuse of power and obstruction of Congress.

Dec. 19, 2019: The United States and Japan release a joint statement on cooperation to advance innovations in quantum information science and technology.

Dec. 26, 2019: Emperor Naruhito and Empress Masako visit Miyagi and Fukushima prefectures to meet with victims of Typhoon Hagibis.

Dec. 27, 2019: Abe’s cabinet announces plan to deploy Maritime Self-Defense Forces (MSDF) on an intelligence-gathering mission in the sea off Yemen and Oman in early February.

Dec. 29, 2019: Abe names Policy Research Council Chairman Fumio Kishida, Foreign Minister Toshimitsu Motegi, Chief Cabinet Secretary Yoshihide Suga, and Minister of Health, Labor, and Welfare Katsunobu Kato as his possible successors on Nikkei Sunday Salon television program.