

COMPARATIVE

CONNECTIONS

A TRIANNUAL E-JOURNAL OF BILATERAL
RELATIONS IN THE INDO-ASIA-PACIFIC

JAPAN-CHINA RELATIONS

WARM WORDS, UNDERLYING ANXIETIES

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Government-to-government relations were cordial over the summer, with the public expression of differences minimized to emphasize their common opposition to US protectionist trade policies. Bilateral trade and tourism posted impressive gains. Both leaders seemed likely to continue in office, though China's annual Beidaihe meeting of power brokers allegedly criticized the disappointing results of President Xi Jinping's economic restructuring program, his aggressive foreign policies, and the excesses of his cult of personality. Unimpressive popularity polls notwithstanding, Prime Minister Abe Shinzō had solid support for re-election as president of the Liberal Democratic Party and is therefore likely to win a third consecutive term as prime minister. Abe remained optimistic about receiving an invitation for a state visit to Beijing. However, Japan continued to complain about China's military expansion and to strengthen its defenses. Summing up China-Japan relations 40 years after normalization, the *Yomiuri Shimbun* noted that coolness persisted despite bilateral exchanges of people and money.

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Politics

Chinese Premier Li Keqiang's visit to Japan, the first by a Chinese premier in eight years, was characterized by an exchange of cautiously phrased pleasantries. Li and Japanese Prime Minister Abe Shinzō signed several agreements, including a memorandum of understanding (MOU) on setting up a maritime and air liaison mechanism. Conservative Japanese expressed doubt that the MOU, reached after more than a decade of negotiations, would bring any actual changes, with Self-Defense Forces (SDF) personnel questioning whether it would reduce the risk of collisions.

Li also spoke at a low-key commemoration of the 40th anniversary of the signing of the Sino-Japanese Treaty of Peace and Friendship. Japanese media were generally positive, focusing on the agreements signed, while China's *Xinhua* made clear that better relations were contingent on Japan's continued acknowledgement of its behavior during World War II and its adherence to Beijing's understanding of the one-China policy. Li's visit was interpreted by some as an effort by Beijing to soothe ties with Tokyo as a counterweight to a looming trade war between Beijing and Washington. The Japanese side had hoped that the visit would pave the way for President Xi Jinping to invite Abe for a formal state visit to Beijing and a reciprocal visit to Tokyo by Xi. However, Li did not confirm a date, probably because the Chinese government wants to see whether Abe, facing domestic criticism for his alleged role in a financial scandal, is re-elected president of the ruling Liberal Democratic Party (LDP).

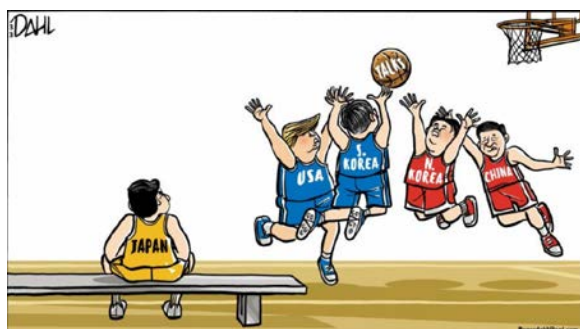


Figure 1 Japan Times May 6, 2018

Any goodwill generated by the visit quickly disappeared, with Chinese media continuing to snipe at Abe and several Japanese newspapers expressing skepticism that the agreements

would add to the peace and security of the region. *Yomiuri* took China to [task](#) for pushing its territorial claims and censorship on foreign firms, specifically referencing instances when those companies were charged with violating China's cybersecurity law. The law bans the use of the internet for instigating people to split the nation, in this case by implying that Taiwan was not part of the PRC. (The section on Taiwan below has details) When China sent a drilling ship near the median line between the exclusive economic zones of the two countries, Japan lodged a [protest](#), saying that Beijing's exploration contravenes the spirit of a 2008 agreement that Abe and Li said would be maintained.

An opinion piece in *Global Times* heaped scorn on Abe's "rush" for a summit with Kim Jung Un, [noting](#) that, in a May 4 telephone call with Xi Jinping, Abe had sought China's help in arranging the meeting and his "complicated" situation in seeking the summit. The Chinese government has been wary of North Korea reaching an agreement with any state that might weaken its ties with China.

In an unusual ruling for such cases, a Hangzhou intermediate court [sentenced](#) a Japanese man to 12 years in prison on spying and other unspecified charges. The man, in his mid-50s, was detained in May 2015 for allegedly taking photos on an island believed to have been developed as a military stronghold. Chief Cabinet Secretary Suga Yoshihide expressed hope that the case would not harm bilateral ties. Business weekly *Shukan Diamond* ran a 34-page special expressing [concern](#) over the threefold increase in the number of Chinese nationals in Japan since 2000, though conceding that the newcomers are helping to invigorate local economics and might help to dispel friction between the two nations.

Notwithstanding a recent improvement in bilateral ties and their agreement on free trade, Japan and China [remain](#) at odds over China's military activities in the East China and South China seas. [Citing](#) a recent joint Sino-Japanese opinion poll, *Yomiuri* stated that coolness between the two persists despite increases in the exchange of people and money over the past 40 years: 88.3 percent of Japanese have a bad impression of China whereas only 11.5 percent of Chinese have a negative view of Japan. The Japanese press corps [agreed to](#) call off its attendance at a meeting between Vice Foreign

Minister Akiba Takeo and State Councilor Wang Yi in response to the Chinese Foreign Ministry's decision to exclude a reporter from the conservative daily *Sankei Shimbun*, which has published articles critical of the PRC.

In a highly unusual development, the Japanese press did not mention whether Abe had sent an offering to Yasukuni Shrine on the anniversary of the bombing of Hiroshima, nor which of his Cabinet ministers or Diet members attended the ceremony. Abe did, however, have a proxy deliver the ritual offering on Aug. 15, the anniversary of Japan's surrender in World War II, carefully specifying that it had been made in his capacity as LDP president, i.e. not as prime minister, and paid for at his own expense. Xinhua's [condemnation](#) was relatively mild.

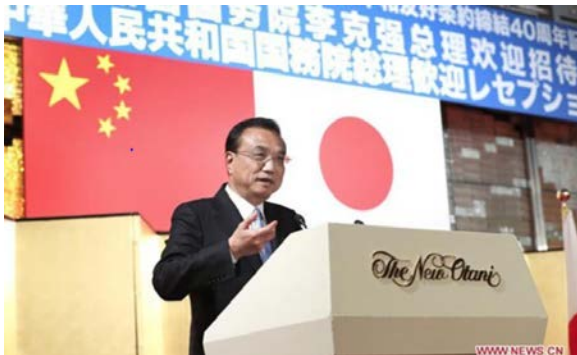


Figure 2 Premier Li Keqiang speaks at 40th anniversary of signing of Sino-Japanese Treaty of Peace and Friendship. Photo: Xinhua

Abe and Li Keqiang [exchanged](#) cordial messages marking the 40th anniversary of the Sino-Japanese Treaty of Peace and Friendship, with Abe stating that he was “very pleased to have Japan-China relations return to a normal path” with Li adding the standard mantra that Japan must “take the past as a mirror and look toward the future. High-level exchanges aside, the Chinese press remained critical of Japan. *Global Times* commented, for example, that *Shoplifters*, winner of the recent Cannes Film Festival's Palme d'Or, exposes Japan's child abuse, widened wealth gap, and the harsh realities facing women and the elderly. Though these problems aren't new, the paper continued, they have worsened in the six years since Abe became prime minister. In the first of a series of articles on the challenges and possibilities of bilateral ties, *Yomiuri* [noted](#) that although leaders on both sides praised warming of relations, the relationship remained “peculiar.” The Chinese government had tried to restrict group travel to

Japan, was critical of those deemed “jingri” (Japanese at heart) and had criminalized acts deemed to have glorified militarist-era Japan.

Economics

Statistics released in mid-May [revealed](#) that the Japanese economy shrank at an annualized rate of 0.6 percent in January-March quarter, with consumer spending flat and analysts predicting that it was unlikely to be followed by a continuing slowdown. April brought better news, with Japan posting an overall surplus of ¥626.0 billion.

The trade deficit with China [narrowed](#) to ¥145.8 billion, down from ¥244.0 billion a year before. Exports to the PRC rose 10.9 percent, led by shipments of chip-making equipment, while imports were up 2.2 percent due to stronger purchases of steel and personal computers. The Chinese stock market [lost](#) its number-two ranking to Japan. Trade issues with the US, Beijing's efforts to cut debt, and a slowing economy were major factors.

At the triannual meeting of 18 South Pacific states plus Japan, Abe pledged fine-tuned assistance in both soft and hard terms, including port development and promoting renewable energy. Center-right *Yomiuri* [noted](#) that China was rapidly increasing its presence in the region, and that the opaqueness of its aid and its disregard for the environment were causing problems. Tonga, for example, is now burdened with a sizeable debt to China. It urged the Japanese government to implement assistance measures that contribute to the growth of the island nations while paying attention to Chinese moves.

Conservative Japanese-language magazine *Sentaku* expressed [concern](#) at the increased rate of Chinese investment in Hokkaido, particularly in Pacific coast areas with nearby port facilities. The land, ostensibly purchased for agricultural use, has been allowed to lie fallow, raising questions about motives for the purchases. Li Keqiang's visit to Hokkaido, during which he discussed willingness to invest in the island with eager officials there, heightened these concerns. Japan has no equivalent of the Committee on Foreign Investment in the United States (CFIUS), though there have been discussions within the LDP about the need for an institution to monitor the security implications of foreign investment into Japan.

The same magazine later [reported](#) that Chinese capital was acquiring land in and around Miyakojima City, far south of Hokkaido, allegedly for solar power generation and unspecified other purposes. A Ground Self-Defense Force unit is scheduled to be deployed there shortly. According to *Sentaku*, a Chinese woman has opened a hostess bar in the city and is apparently gathering information from patrons by providing inexpensive drinks. A particular focus of Chinese attention is Irabu Island, across the water from Shimoji, with its 3,000-m runway, a scant 180 km from the disputed Senkaku islands.

China and Japan [signed](#) an agreement standardizing quick chargers for electric vehicles, for which they control over 95 percent of the market. *Asahi* [reported](#) that the first meeting of a committee to discuss Japanese participation in China's Belt and Road Initiative (BRI) project will be held in Beijing in September. On the agenda are private-sector work on extending the Bangkok mass transit system and construction of a high-speed railway between its airport and a city in central Thailand.

There are plenty of signs to suggest growing economic engagement. [According](#) to the Japan National Tourism Organization, tourists from China jumped 29.3 percent in May, to 668,600, vis-à-vis 16.6 percent growth overall. With Chinese visitors accounting for 25 percent of total foreign visitors to Japan, the two countries are [considering](#) the establishment of a new third flight path between the two countries: regular round-trip flights between China and Japan exceed 1,000 each week, nearly double those between Japan and North America. Japanese [convenience stores](#) in China expanded by 1.6 times the number two years ago, with three major chains now claiming 5 percent of the market. And Nissan [announced](#) plans to invest about \$900 million to boost vehicle-making capacity in China by 40 percent, to 2.1 million cars annually, by 2021. Also by 2021, Toyota [expects](#) to have a 35 percent increase at its Guangzhou and Tianjin plants to 1.7 vehicles per year, close to its North American total of 2 million.

Defense

Each side continued to express discomfort over the activities of the other. Japanese media [described](#) the news that China's second aircraft

carrier had begun sea trials as leading to heightened security tensions, noting that at least two more carriers were planned and that at least one will be nuclear-powered. On the same day, *Sankei*, citing a government source, reported that a ship registered to a state-owned Chinese company had been undertaking trial digging that could be preparatory to building new offshore platforms. Though the digging is on the Chinese side of the median line, concern is that, once completed, the structures could be used for military purposes such as building helipads or installing small radars. China has consistently denied the validity of the median line. In 2008, negotiators reached a preliminary agreement to jointly develop the area until a demarcation line had been finalized, but talks were suspended before completion, and China has unilaterally proceeded with development of the waters. A retired Japanese admiral, writing in an Indian military [publication](#), accused China of taking advantage of the world's preoccupation with North Korea to expand its salami-slicing tactics against Japan around the Senkaku Islands and against Taiwan on the offshore islands of Quemoy (Jimmen) and Matsu (Mazu). He advised Japan to revise its constitution and give up its defensive policy. In contrast, a *Foreign Affairs* article by two US analysts [argued](#) that Japan should abandon its current forward defense policy against Chinese aggression in favor of an active denial strategy that would hold off the invaders until US reinforcements arrive.

In early August, the Japanese Coast Guard [reported](#) that four Chinese Coast Guard ships had sailed for about two hours in Japanese territorial waters off the Senkakus. The *Defense of Japan Annual White Paper*, published shortly thereafter, [stated](#) that China's escalating military activities posed a strong security concern both for Japan and for the international security.

The Japanese Coast Guard held its first fleet review in six years, though ironically its resumption was the result of warming Sino-Japanese relations, since the suspension occurred because the JCG was busy dealing with intrusions of Chinese ships into what Japan views as its territorial waters. The center-left *Asahi* [commented](#) that the JCG's ability to monitor waters in the disputed areas had been strengthened in the interim.

Japanese Coast Guard vessels carrying newly developed shallow-water sonar equipment have been [dispatched](#) to disprove the PRC's claim to extend the country's exclusive economic zone 150 nm (278 km) west of the median line between the two countries because there is a prolongation of the continental shelf in the East China Sea. An examination of the data Beijing previously submitted to the International Committee on the Law of the Sea had been halted after Japanese protests; Japanese government officials fear that Beijing intends to seek re-opening of the investigation or take other actions.

Japan also continued to make statements that reinforce its stated wariness of China's growing military capability. The government stated its intention to go ahead with deployment of the *Aegis* ashore system despite North Korean promises to denuclearize, citing uncertainty about negotiations and the increasing missile [threat](#) from China. Responding to a Chinese white paper on Arctic policy that [called](#) the ocean "the silk road on ice," as well as to Russian restrictions in the area, the Japanese government has begun working on a plan to secure the country's interests in the area. An unnamed official expressed concern that Beijing would soon deploy submarines in the Arctic.

As the reporting period closed, the *Defense of Japan Annual White Paper 2018* was published, [stating](#) that the unilateral escalation of China's military activities poses a strong security concern for the region including Japan and international community. The Japanese Air Self-Defense Force (ASDF) [scrambled](#) planes against Chinese fighter jets 173 times during the past fiscal year, an increase of 72 over the previous year, vis-à-vis 95 against Russian planes, a decrease of 30 in the same time period. The Chinese Foreign Ministry [responded](#) by accusing Japan of making irresponsible statements about China's normal marine activities and seeking excuses for expanding its armaments. And plans were [finalized](#) for the ASDF and the Australian Air Force to hold their first joint drills in Japan "amid China's Pacific push."

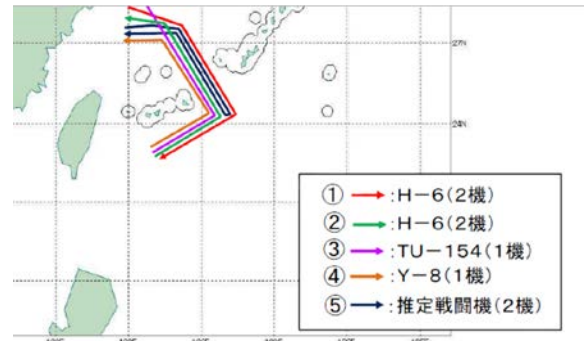


Figure 3 Flight paths of 8 PLAAF planes NW of Senkakus, near Okinawa and through Miyako Strait. Source: Japanese Ministry of Defense May 11, 2018

China reacted sharply to a report that Japan would send the helicopter-carrying destroyer *Kaga* to the South China Sea. PRC military sources [speculated](#) that, under the pretense of asserting the right to freedom of navigation, motives included currying favor with Washington, containing China, increasing its influence in regional security, and creating a bargaining chip in bilateral negotiations. No matter what the excuse, dispatching the ship would undermine the recent improvement in Sino-Japanese relations and constitute a provocation to China with "the possibility that China may take some kind of countermeasures that would be completely of Japan's own making. As a state from outside the region, Japan has no place in the area."

A professor of international relations at the China Foreign Affairs University [characterized](#) Japan's plans to sail MSDF ships through the South China Sea and Indian Ocean as part of a long-term strategy to keep a presence in the area "or muddy the waters so as to contain China" and a betrayal of Abe's positive gestures during Li Keqiang's visit. Instead of seeking better relations with China, Japan was reacting to the US-China trade war by drawing closer to Washington. He warned that both Abe's visit to China and the "newfound momentum" in Sino-Japanese relations were at stake.

China announced it had changed its Coast Guard's status. As of 1 July, it became part of the People's Armed Force Police, which is under the direct control of the Central Military Commission headed by Xi Jinping. Given China's tradition of using the Coast Guard to patrol areas to which it lays territorial claims, Japanese Defense Minister Onodera expressed [concern](#) while vowing to maintain "a level-headed response." An unnamed senior Defense

Ministry official expressed doubts that, in its new role, the Coast Guard would be covered by the June 9 air-maritime communication mechanism between Tokyo and Beijing, since the Coast Guard is not considered a military force. China has [said](#) that “for the time being” the Coast Guard’s role would remain unchanged.

Even before the [launch](#) of Japan’s *Maya*-class destroyer, Chinese naval expert Zhang Junshe [described](#) it as, while ostensibly aimed at North Korea, “potentially targeting China and threatening other countries.” He continued that “once absolute security is realized by Japan and the United States, they could attack other countries without scruples.” The vessel’s Cooperative Engagement Capability (CEC) system will allow data sharing with the U.S. which, Zhang added, will enable Washington to better control Japan.

On a more positive note, following agreement reached during Li’s visit to Japan in May, a bilateral maritime and aerial communication mechanism began official [operation](#). Although the new mechanism will not change how communication is conducted, Japan’s Defense Ministry hopes that, because it is now part of a formal agreement, the Chinese military will take it more seriously and abide by it. There have been confirmed reports of Chinese military aircraft not responding to SDF radio messages during encounters in and around Japan’s territorial waters. A centerpiece of the agreement is the hotline, first agreed at a 2007 summit but postponed over disagreements on the Senkaku/Diaoyu Islands and whether the waters and airspace around them would be included. China and Japan have agreed that the mechanism would not include specific geographic references. The two sides will alternate hosting annual meetings at the director general or deputy director general levels as well as at section chief levels. Which senior officials will speak on the hotline will be determined after a discussion of the situation rather than being specified in the agreement. Japanese defense officials also [expressed](#) misgivings about Chinese insistence on a 48-hour moratorium before responding to a hotline call in the event of military clashes.

Taiwan

Taiwan was again an issue. Admiral Takei Tomohisa, former MSDF chief of staff, [stated](#) at a forum in Washington that military ties

between Japan and Taiwan should be increased in the face of Chinese aggression in the region. After the Taiwan government [protested](#) the decision of Japan Airlines and All Nippon Airways to comply with Chinese government orders to list Taiwan as a part of China, Chief Cabinet Secretary Suga expressed [concern](#) over China’s call to require foreign airlines to label Taiwan a part of China, saying that “generally speaking, it’s not favorable that the government require (private companies) to take steps in line with a certain political position.” Former Taiwan President Lee Teng-hui, visiting Japan at a dinner hosted by the Japan-Taiwan Peace Foundation, [called](#) for the two counties to promote exchanges and cooperation for their common defense. He advised the Japanese government to rely more on its own strength and less on the United States to resist Chinese hegemony. Following *Sankei’s* interview with Taiwan Foreign Minister Joseph Jaushieh Wu, the Chinese embassy in Japan lodged a protest condemning the report for “advocating Taiwan independence.” Wu had [called](#) for a Japan-Taiwan security dialogue in light of the threat that increased activity by the Chinese armed forces in the area poses to their mutual interests. A spokesman for the Taiwan Foreign Ministry condemned the protest as interference with freedom of the press in Japan and Taiwan. An article in the conservative *Japan Forward* [recommended](#) that the Japanese government enact its own version of the Taiwan Relations Act, not shying away from its security aspects.

CHRONOLOGY OF JAPAN-CHINA RELATIONS

MAY – AUGUST 2018

May 2, 2018: Stockholm International Peace Research Institute reported that an Asian arms race was occurring in response to tensions with China. Hong Kong's *South China Morning Post*, [summarizing](#) the SIPRI study, notes that Japan had boosted military spending for the sixth straight year, while India, loosely aligned with Japan in the Quad arrangement with the United States and Australia, had overtaken France and moved into the world's top five military spenders.

May 3, 2018: Adm. Takei Tomohisa, former MSDF chief of staff, [states](#) that Japan should remain vigilant to see that China “does not change the status quo in the region,” and that military ties between Japan and Taiwan should be increased.

May 7, 2018 Japan and China [establish](#) a public-private council to discuss Belt and Road projects. While Japan hopes to improve ties with the PRC through economic cooperation, the government fears that China is using the initiative to expand its hegemony.

May 8-10, 2018: Prime Ministers Li Keqiang visits Japan for the first time since taking office. He and Abe [sign](#) an agreement on a hotline after a decade of talks.

May 13, 2018: China's second aircraft carrier, and first entirely indigenously built, begins sea trials, with Japanese media [expressing](#) concern over the implications for regional security.

May 13, 2018: Conservative daily *Sankei Shimbun*, [citing](#) a government source, reports that a ship registered to a state-owned Chinese company had been undertaking trial digging that could be preparatory to building new offshore platforms.

May 15, 2018: Citing threats from North Korea's ballistic missile launches and Chinese activities in the East China Sea, Japan approves a new ocean policy highlighting maritime security. Previous versions, issued every five years since 2008, had largely centered on the development of resources at sea.

May 19, 2018: Japanese Coast Guard conducts a fleet review for the first time in six years; the suspension was due to the JCG being occupied with intrusions of Chinese government ships into areas administered by Japan but claimed by both countries.

May 20, 2018: Japan hosts the triannual gathering of leaders of 18 South Pacific countries and territories with Prime Minister Abe [pledging](#) fine-tuned assistance in both soft and hard terms.

May 25, 2018: Twenty-one Japanese nationals are [detained](#) in Chongqing, Sichuan province, as well as in Hebei, Henan, Guizhou, Shanxi, Liaoning and Ningxia sometime between May 5 and 15, possibly because they were Christians doing missionary work. Five were later returned to Japan.

May 25, 2018: Japanese government announces it will use yen loans to [develop ports](#) in three Indian Ocean nations (Myanmar, Sri Lanka, and Bangladesh) as part of Abe's “free and open Indo-Pacific strategy” to counter China's efforts to dominate the sea lanes connecting Asia and Africa via the Middle East.

May 25, 2018. LDP endorses Abe's call to [remove](#) an informal cap on defense spending that is 1 percent of GDP that began in the 1970s. It also backs his plan to retrofit the helicopter carrier *Izumo* into an aircraft carrier, for upgrading the capabilities of Self-Defense Forces, and for Japan to have a stronger presence in space and cyber technology.

May 27, 2018: According to conservative magazine *Sentaku*, Chinese money has been [buying land](#) in Hokkaido, particularly near areas with port facilities. Though ostensibly acquired for agricultural purposes, the land has lain fallow, raising questions about the ultimate motive behind their purchase.

June 5, 2018: Japan announces a plan to set up a maritime [dialogue](#) with France as part of its Indo-Pacific strategy “to deter the aggressive maritime advances of China.” France’s overseas territories in New Caledonia and French Polynesia give the country a direct interest in the stability of the region.

June 8, 2018: Bilateral maritime and aerial communications begin official [operation](#). Japanese Defense Ministry officials hope that, because it is part of a formal agreement, the Chinese military will take it seriously and abide by it.

June 10, 2018: A retired Japanese admiral, writing in an Indian military [publication](#), accuses China of taking advantage of the world’s preoccupation with North Korea to expand its salami tactics on Japan in the Senkaku and Taiwan on the offshore islands of Quemoy (Jimmen) and Matsu (Mazu).

June 13, 2018: China and Japan are [reported](#) to be in talks to unify standards for electric vehicle charging stations. A common standard would give Japanese EV manufacturers a competitive edge over US and European counterparts, who use a different system.

June 19, 2018: Taiwan government [protests](#) the decision of Japan Airlines and All Nippon Airways to comply with Chinese government orders to list Taiwan as a part of China.

June 20, 2018: [According](#) to the Japan National Tourism Organization, tourists from China jumped 29.3 percent in May, to 668,600, vis-à-vis 16.6 percent growth overall.

June 20 2018: *Global Times* opinion article heaps scorn on Abe’s “rush” for a summit with Kim Jung Un, [noting](#) that, in a May 4 telephone call with Xi Jinping, Abe had sought China’s help in arranging the meeting and his “complicated” situation in seeking the summit.

June 25, 2018: Former Taiwan President Lee Teng-hui, visiting Japan at a dinner hosted by the Japan-Taiwan Peace Foundation, [calls](#) for the two counties to promote exchanges and cooperation for their common defense.

June 28, 2018: Following *Sankei Shimbun*’s interview with Taiwan Foreign Minister Joseph Jaushieh Wu, the Chinese embassy in Japan lodges a protest condemning the report for “advocating Taiwan independence.”

June 28, 2018: An article in the conservative *Japan Forward* [recommends](#) that the Japanese government enact its own version of the Taiwan Relations Act, not shying away from its security aspects.

June 29, 2018: Japan lodges a [protest](#) with China over its sending a drilling ship to a contested area near, but not over, the side of the median line separating the exclusive economic zones of the two in the East China Sea. China does not accept the validity of the line.

June 30, 2018: Responding to a Chinese white paper on Arctic policy that [calls](#) the ocean “the silk road on ice,” the Japanese government begins working on a plan to secure the country’s own interests in the area. An unnamed official expresses concern that Beijing would soon deploy submarines in the Arctic.

July 3, 2018: Japanese government states its intention to go ahead with deployment of the *Aegis* ashore system despite North Korean promises to denuclearize, citing uncertainty about future negotiations and the increasing missile [threat](#) from China.

July 5, 2018: China reacts [sharply](#) to a report that Japan would send the helicopter destroyer *Kaga* to the South China Sea and hints that China might have to respond with countermeasures.

July 7, 2018: Business weekly *Shukan Diamond* publishes a 34-page special expressing [concern](#) over the threefold increase in the number of Chinese nationals in Japan since 2000, though adding that the newcomers are helping to invigorate local economics and might help to dispel friction between the two nations.

July 10, 2018: Hangzhou intermediate court [sentences](#) a Japanese man to 12 years in prison for spying and other unspecified charges.

July 14, 2018: Foreign Minister Kōno Tarō and French Foreign Minister Jean-Yves Le Drian [sign](#) an agreement on defense cooperation aimed at countering Chinese activities in the Indo-Pacific region.

July 17, 2018: *Foreign Affairs* article by two US analysts [argue](#) that Japan should abandon its current forward defense policy against Chinese aggression in favor of an active denial strategy that would hold off invaders until US reinforcements arrive.

July 20, 2018: *Asahi* [reports](#) the first meeting of a committee to discuss Japanese participation in China's BRI project will be held in Beijing in September. On the agenda are private sector work on extending the Bangkok mass transit system and the construction of a high-speed railway between its airport and a city in central Thailand.

Aug. 3, 2018: Chinese stock market [loses](#) its number-two ranking to Japan. Trade issues with the US, Beijing's efforts to cut debt, and a slowing economy are cited as major factors.

Aug. 3, 2018: *Kyodo* [cites](#) an unnamed Japanese official as saying that, despite a recent improvement in bilateral ties and their agreement on free trade, Japan and China remain at odds over China's military activities in the East China and South China seas.

Aug. 5, 2018: Chinese and Japanese sources are curiously silent on the anniversary of the atomic bombing of Hiroshima. *Jiji* press alone mentions it, albeit briefly and saying only that Abe would not pay his respects.

Aug. 7, 2018: Four Chinese Coast Guard ships [sail](#) for about two hours in an area off the Senkakus claimed by Japan as territorial waters.

Aug. 12, 2018: Li Keqiang and Abe [exchange](#) cordial messages marking the 40th anniversary of the Sino-Japanese Treaty of Peace and Friendship.

August 12, 2018: *Global Times* comments that *Shoplifters*, winner of the recent Cannes Film Festival's Palme d'Or, exposes Japan's child abuse, widened wealth gap, and the harsh realities facing women and the elderly.

Aug. 15, 2018: Using a proxy, Abe sends a ritual offering to the Yasukuni Shrine on the anniversary of Japan's surrender in World War II, carefully specifying that it had been made in his capacity as LDP president, i.e. not as prime minister, and paid for at his own expense. *Xinhua's* [condemnation](#) is relatively mild.

Aug. 15, 2018: As a result of a triennial review of members' contribution to the United Nations' general budget, China is [raised](#) to second largest donor, 12.01 percent, with Japan lowered to third place at 8.56 percent. *NHK* suggested that Japan promote its presence by stressing the nation's contributions to the UN's international and diplomatic activities.

Aug. 16, 2018: Report shows that Japanese Air Self-Defense Force [scrambled](#) planes against Chinese fighter jets 173 times during in the past fiscal year, an increase of 72 over the previous year.

Aug. 18-31 2018: *Sentaku* [reports](#) that Chinese capital was acquiring land in and around Miyakojima City allegedly for solar power generation and unspecified other purposes.

Aug. 20, 2018: First of a series of articles on the challenges and possibilities of bilateral ties by *Yomiuri* [notes](#) that although leaders on both sides praised warming of relations, the relationship remains "peculiar." China had restricted group travel to Japan, was critical of those deemed "jingri" (Japanese at heart) and had criminalized acts deemed to have glorified militarist-era Japan.

Aug. 21, 2018: Nissan Motors [announces](#) plans to invest about \$900 million to boost vehicle-making capacity in China by 40 percent, to 2.1 million cars annually, by 2021.

Aug. 23, 2018: [Citing](#) a recent joint opinion poll, *Yomiuri* states that coolness between the two countries persists despite an influx of people and money over the past 40 years. 88.3 percent of Japanese have a bad impression of China whereas only 11.5 percent of Chinese have a negative view of Japan.

Aug. 24, 2018: Japanese defense officials [express](#) misgivings about Chinese insistence on a 48-hour moratorium before responding to a hotline call in the event of military clashes.

Aug. 28, 2018: China and Japan [sign](#) agreement standardizing quick chargers for electric vehicles; together, they control over 95 percent of the market.

Aug. 28, 2018: *Defense of Japan Annual White Paper 2018* is published, [stating](#) that the unilateral escalation of China's military activities poses a strong security concern for the region including Japan and international community. The Chinese Foreign Ministry [responds](#) by accusing Japan of making irresponsible statements about China's normal marine activities and seeking excuses for expanding its armaments.

Aug. 30, 2018: Japanese press corps [agrees to](#) call off attendance at a meeting between Vice Foreign Minister Akiba Takeo and State Councilor Wang Yi in response to Chinese Foreign Ministry's decision to exclude a reporter from the conservative *Sankei Shimbun*.

Aug. 31 2018: ASDF announces it will [hold](#) its first joint drills with the Australian Air Force on Japanese territory "amid China's Pacific push."

Aug. 31, 2018: Japanese Defense Ministry [proposes](#) a 2.1 percent increase in the defense budget to \$48 billion to counter North Korean ballistic missiles and China's growing air and sea activities in the waters near Japan.