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JAPAN-CHINA RELATIONS

WARMER POLITICAL AND ECONOMIC RELATIONS, CONTINUING MILITARY CONCERNS

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Prime Minister Abe's long coveted visit to Beijing gave the appearance of better China-Japan relations, although Chinese President Xi Jinping has yet to confirm a date for the expected reciprocal visit. Trade ties were strong, with Japanese firms taking tentative steps toward participating in China's Belt and Road Initiative (BRI). As China's GDP growth slowed, Japan's showed modest gains. Instances of economic rivalry in Southeast Asia and Africa continued even as both affirmed the need for cooperation. Each side expressed alarm at the other's robust defense preparations, amid numerous, though somewhat diminished in numbers, complaints from Japan about incursions into its territorial waters and airspace. Tokyo continued to court countries that share its concerns about Chinese expansion.

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Politics

With the prospect of an Abe visit to Beijing, there was anticipation of improved relations in the early Fall. Prime Minister Abe and President Xi spoke briefly when both visited Vladivostok for the Eastern Economic Forum, [pledging](#) further cooperation on denuclearizing North Korea, Abe's possible visit to Beijing, and the circumstances for Japan's participation in the BRI. At the fifth high-level political dialogue held in Suzhou, Director of the Chinese Communist Party (CCP)'s Office of Foreign Affairs Yang Jiechi and Japanese National Security Adviser Yachi Shōtarō [exchanged](#) pleasantries and, according to *Xinhua*, agreed to mutual cooperation on the basis of four previously agreed-upon political documents.

Not all exchanges were cordial. The Chinese press [reported](#) matter-of-factly on Abe's re-election to a third term as head of the Liberal Democratic Party (LDP), adding that he would use it to advance his long-cherished dream of revising Japan's pacifist constitution. On the same day, *Renmin Ribao* reported on a 3,000-person demonstration against revision in Hibiya Park. An editorial in *Yomiuri* [urged](#) vigilance against Chinese interference in domestic affairs, pointing to the many Chinese media outlets and Confucius Institutes in Japan. On the eve of Abe's visit to Beijing, China [warned](#) yet again that Japan must learn from history, and that the onus was on Abe to bridge the divide.

The Abe-Xi summit received relative low-key coverage on both sides; when Abe [extended](#) an invitation for a reciprocal visit from Xi, a Japanese government spokesman told reporters that Xi replied that he would "seriously consider it." Without conceding any of the issues between the PRC and Japan, Beijing's *Global Times* [editorialized](#) that the ups and downs between them should be seen more as "improper interactions" rather than either side being to blame. The real problem, the paper continued, was the United States, which has sought to keep the two apart to further its own interests. The islands disputed by China and Japan are territorially smaller than those Japan disputes with Russia. And the US military presence in Japan "has to a large extent suppressed Japan's national sovereignty." The biggest obstacle for Japan becoming a "normal country" [code for a re-armed Japan] "undoubtedly comes from the U.S." Chinese views, as [summarized](#) by a Sichuan University

professor, were that the summit had not fully addressed the barriers in China-Japan relations. Relations between the two were strained not because of irreconcilable structural issues between Beijing and Tokyo, but because the Japanese government had blindly pandered to the US pivot toward Asia. There had been little emphasis on the BRI and, while Chinese media spoke of a shift from competition to "coordination," Japanese media referred to "cooperation."

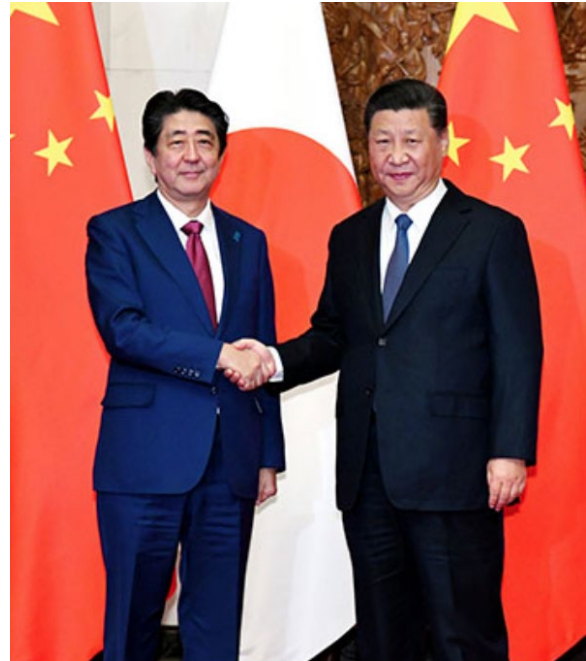


Figure 1 Prime Minister Abe meets President Xi in Beijing, Oct. 26. Photo: Asahi

Abe's visit to Beijing was sandwiched between a visit with French President Macron in Paris and a visit from Indian Prime Minister Modi in Japan, with all three expressing the need for cooperation in view of challenges to regional security. Speaking at the East Asia Summit in Singapore, Abe [expressed](#) strong hopes for the successful conclusion of a code of conduct (CoC) between China and the ASEAN countries of Southeast Asia while also voicing "deep concern" about the continuing militarization of the South China Sea, though without explicitly mentioning China as its cause.

On his visit to Tokyo, US Vice President Mike Pence and Abe [announced](#) a fund that will allocate up to \$70 billion for infrastructure development. Primarily for the Indo-Pacific region, the aim is to counter Chinese moves to

expand its influence through the BRI economic zone.

In mid-November, China resumed drilling activities in the gas fields disputed by the two countries, [eliciting](#) a protest from Japan. The [release](#) of the Defense Ministry's annual white paper, *Defense of Japan 2018*, detailed numerous instances of Chinese intrusions into Japan's territorial waters and airspace. A Chinese court [sentenced](#) a Japanese woman to six years in prison for spying and seized over \$7,000 in assets; the woman is to be deported after serving her sentence.



Figure 2 Photo: NHK

China also found reasons to highlight the negative. It [held](#) ceremonies to commemorate the 81st anniversary of the Nanjing Massacre although, unlike last year, Xi Jinping did not [attend](#). When a Hong Kong tourist [set](#) a protest fire inside Tokyo's Yasukuni Shrine as another videotaped the act and posted it to Facebook, the Chinese Foreign Ministry responded mildly, saying only that the legal rights of the pair should be [ensured](#). Later, a Chinese Foreign Ministry spokeswoman [denied](#) that a Chinese fishing boat had crossed the boundary in Japan's EEZ; Japanese Coast Guard reported that, after Japanese inspectors had boarded the boat, it fled the area with the inspectors still on board. When a periodic United Nations review of members' budgetary contributions [raised](#) China's contribution from 7.92 to 12.01 percent while lowering Japan's share from 9.68 percent to 8.56 percent, Chinese media expressed pride at overtaking Japan while Japanese media lamented the country's diminution of status and the blow to its long-cherished desire to become a permanent member of the UN Security Council.

Economics

Though declaring that they would seek cooperation rather than rivalry, elements of both were clearly present in the China-Japan economic relationship. Leading shipping firm Nippon Express [announced](#) that it would begin operating freight trains linking such inland Chinese cities as Chongqing and Xi'an with European cities by early 2019 at the latest and [conducted](#) a trial run to move its freight on the Chinese railway that links the northwest city of Xi'an with Duisberg in Germany.

Economic growth in China continued to decline amid concerns about the effect of a trade war with the United States. Suspicions were [aroused](#) by the Chinese government's withholding of some economic statistics. Japanese economic growth continued at over 2 percent, with the Tokyo stock market [reaching](#) highs not seen since the collapse of the bubble economy a quarter century ago.

Chen Youjun of the Shanghai Institutes for International Studies [advocated](#) that Japan show a positive attitude toward economic cooperation with China. He argued that Japan's aging population meant insufficient domestic consumption and, while the US market was limited and nearly saturated, the Chinese market had not yet been fully developed. Moreover, the US intended to control the development of global value chains by helping its companies dominate in such fields as electronics and artificial intelligence, putting Japan at a disadvantage. Chen concluded that the needs of China and Japan were complementary. According to center-left daily *Mainichi*, Japanese firms were "[hopping onto](#)" the silk road of China's One Belt One Road (OBOR) policy.

Emblematic of warming ties, *Global Times*, normally highly critical of Japan in general and Prime Minister Abe specifically, [ran](#) an article crediting Abenomics with lifting Japan out of its long economic downturn. It also noted that from 2000-2016, there were 17 Japanese winners of Nobel prizes in the sciences, and that Japan recorded a \$20 billion surplus in intellectual property royalties while China registered a \$22.8 deficit in the same area. The time period involved was not specified. Just ahead of Abe's visit to Beijing, a pair of crested ibis [arrived](#) in Japan, the first such donation of the internationally protected species since 2007.

This did not deter Abe from making a ritual [donation](#) of a sacred *masasaki* offering to the Yasukuni Shrine's autumn festival or the ritual reminder from the Chinese Foreign Ministry that Japan must not forget history. Although Abe, who was on an official visit to Europe, and his Cabinet members did not attend, 70 Diet members did.

Foreign Minister Kōno Taro and New Zealand counterpart Winston Peters [discussed](#) their alarm that the debts of small South Pacific states that contracted with China may make them beholden to the PRC. Although agreeing that the region was strategically important to both their countries, neither offered to repay the loans directly.

The PRC's state-run China Investment Corp. and several of Japan's largest banks [agreed](#) to set up a \$1.8 billion fund to help Japanese companies seeking to expand their businesses in China. According to Chinese media, Japanese firms face diminishing growth opportunities at home and faltering results in Europe.

Japan [announced](#) that it would end its official development assistance (ODA) to China after the end of new projects in the current fiscal year: large-scale loans ended in fiscal 2007, with current programs being for technical assistance only. More than 50 economic agreements were [signed](#) in connection with Abe's October visit to Beijing on such matters as the listing of exchange-traded funds and measures to facilitate smoother currency clearance. Other agreements included a currency swap agreement of up to \$30.29 billion, effective until 2021, and the establishment of a yuan clearing bank.

Japan and China [held](#) food safety talks, with China declining to provide assurances that it will lift its ban on importing food from the area surrounding the 2011 Fukushima meltdown. *Xinhua* [announced](#) that Abe and Xi had chatted briefly on the sidelines of the G20 conference in Buenos Aires, agreeing that they would step up negotiations on the Regional Comprehensive Economic Partnership and the trilateral trade agreement among China, Japan, and South Korea. The head of Chinese State Security [reportedly](#) secretly visited Japan at the end of October, with both sides reportedly eager to create a back channel should relations again deteriorate.

Defense

Fewer reports of incursions into what Japan regards as its maritime and air space around the Diaoyu/Senkaku Islands from July through September and many pronouncements about warm friendship did not appreciably lessen either side's suspicion about the military intentions of the other. *Gunji Kenkyu* (Military Research) [carried](#) a long article on China's growing ability to project its military power into the South and East China seas. The article, concentrating on the Navy's amphibious landing operations, [followed](#) a previous issue's focus on aircraft carriers and destroyers.

In what was seen as a warning to China, Japan and the US [held](#) a joint air drill over the East China Sea. This was the first time that such a drill, in which US *B-52* bombers capable of carrying nuclear weapons participated along with Japanese *F-15s*, had been publicly reported. The announcement followed a week after Japan's Maritime Self-Defense Force (MSDF) had taken the unusual step of announcing that one of its submarines had conducted an exercise in the South China Sea. Signaling Japan's [intent](#) to maintain a presence in the area, the helicopter destroyer *Kaga*, which is the MSDF's largest vessel, and two guided-missile destroyers conducted bilateral exercises with a US aircraft carrier's strike group. Several months later, it was [reported](#) that the *Kaga* had been followed by a Chinese guided-missile destroyer, and that it had detected a Chinese submarine carrying out covert maneuvers at the entrance to the Strait of Malacca. The *Kaga* and two destroyers also made port calls in India, Sri Lanka, Singapore, Indonesia, and the Philippines.

Japan's Defense Ministry [disclosed](#) that it is developing supersonic glide bombs to strengthen the defense of the country's remote islands, including the Senkakus, as well as promoting the deployment of GSDF surface-to-ship guided missile units on Miyako and Ishigaki. China has been testing glide bombs for several years; Japan's version is not expected to be operational before 2025. Separately, the ministry [announced](#) plans to develop a large underwater drone to guard the islands against Chinese incursion, and that it is [considering](#) equipping the MSDF with *Avenger* drones for the same purpose. In the expectation that the Chinese Navy will lay mines around islands in the East China Sea, the Japanese government

[revealed](#) plans to introduce a new type of destroyer with minesweeping capabilities that is expected to be the core of warning and surveillance activities in the area. To help [counter](#) China's maritime advances in the Pacific, Japanese Air Self-Defense Force (ASDF) planes will be dispatched to the Marshall Islands, the Federated States of Micronesia, and Palau to promote exchanges. To soften the military message, the planes will carry wheelchairs and sports equipment in conjunction with the 30th anniversary of the establishment of diplomatic ties with Japan, then continue on to the US for a military drill.

The PRC's State Oceanic Administration [installed](#) a large buoy within Japan's claimed EEZ in the vicinity of the contested Senkaku/Diaoyu Islands, presumably to collect weather and other data for military purposes. And the Japanese Coast Guard [reported](#) that the Chinese oceanographic ship *Xiangyanghong10* had conducted unauthorized activities inside Japan's claimed EEZ. Again in 2018, China did not issue a defense white paper, apparently abandoning a practice of approximately biannual releases begun in 1998: the last white paper appeared in 2015. China explained that it would be inappropriate to issue a paper while a reorganization of the military was still incomplete, while Japanese sources, lamenting this further loss of transparency, [speculated](#) that dissension within the PLA on changes in the chain of command might be responsible.

The Japanese government's National Defense Program Guidelines and Medium Term Defense Program for fiscal 2019-23 were [adopted](#) in December, aimed at strengthening the nation's capabilities against China. Acquisitions include F-35B short take-off and landing fighters; the renovation of *Izumo*-class helicopter destroyers into aircraft carriers capable of accommodating them, and the establishment of a maritime transport unit comprising the GSDF and MSDF. Also to be established are a ballistic missile unit to operate Aegis Ashore, and a high-speed glide missile unit for the defense of remote islands. Improvements will be made against cyber-attacks and to block enemies' telecommunications in outer space. Additional F-35A planes will also be acquired. The Chinese Foreign Ministry [expressed](#) strong dissatisfaction and opposition to Japan's "false claims and irresponsible remarks," warning that they were not conducive to the improvement of China-Japan relations nor to

the peace and stability of the region. Chinese sources said negotiations on setting up a long-delayed hotline between the two sides could not progress until Beijing had "further [determined](#) Japan's stance" toward China.

In a clear reference to China, Abe, meeting with French President Macron, [stated](#) that the two countries' cooperation was more important than ever since the international order is being challenged. Japan and the United States are [formulating](#) a combined response to an attack on the Diaoyu/Senkaku Islands, which is expected to be finalized in March 2019. The largest ever *Keen Sword* military exercises began, with Canadian ships [taking part](#) alongside US and Japanese forces for the first time in line with Ottawa's desire to have a military presence in Asia. British and French navies also participated. And, [citing](#) security concerns, the Japanese government announced that it will effectively ban products from Chinese companies Huawei and ZTE from telecom devices in ministries, agencies, and the SDF. The government hopes to establish a new supply chain in cooperation with the US and Australia to procure parts for semiconductors and communications equipment. Chinese media [warned](#) of retaliatory measures if there was discrimination against Huawei and ZTE, accusing the US of trying to create a wedge in China-Japan ties and making Japan a vassal state. These frictions notwithstanding, China and Japan plan to [resume](#) fleet visits for the first time since 2011.

Cultural Exchanges

Popular Japanese singer-songwriter Tanimura Shinji [sang](#) in Beijing for the first time in 10 years at a concert to celebrate the 40th anniversary of the signing of the China-Japan Treaty of Peace and Friendship, expressing his hope that bilateral ties will improve still further.

Taiwan

A US naval officer and his SDF counterpart [argued](#) in a *National Interest* article that the Japanese and Taiwanese militaries should establish regular communication for mutual defense against China; *Sankei Shimbun* incurred Beijing's anger when it ran an [interview](#) with former Taiwan President Chen Shui-bian. Chen praised those Japanese whose efforts had resulted in upgrading the level of Taiwan-Japan diplomatic relations and expressed his hope that Japan would pass its own versions of the US

Taiwan Relations Act and Taiwan Travel Act. The newspaper had earlier angered Beijing when it published an interview with current Taiwan Foreign Minister Joseph Jaushieh Wu.

In a blow to Japanese government efforts, Taiwanese voters decisively defeated a referendum item that would have lifted a ban on imports from areas near Fukushima that were affected by the 2011 nuclear meltdown. Japan will reportedly withdraw its support for Taiwan's participation in the Comprehensive and Progressive Trans-Pacific Partnership in retaliation. A *Japan Times* [editorial](#) interpreted this as well as the defeat of another referendum item requesting that Taiwan be allowed to participate in the Tokyo Olympics under the name Taiwan instead of Chinese Taipei as evidence that Taiwan lacked the will to oppose China and suggested that Japan re-think its strategic calculations. Others on both sides countered that few people in Japan take editorials seriously, and predicted that Tokyo and Taipei would continue their discussions on mutual security issues.

CHRONOLOGY OF JAPAN-CHINA RELATIONS

SEPTEMBER – DECEMBER 2018

Sept. 1, 2018: *Gunji Kenkyu* (Military Research) [carried](#) a long article on China's growing ability to project military power into the South and East China seas. The article, concentrating on the Navy's amphibious landing operations, [followed](#) a previous issue's focus on aircraft carriers and destroyers.

Sept. 2, 2018: Signaling Japan's [intent](#) to maintain a presence in the South China Sea, the helicopter destroyer *Kaga* and two guided-missile destroyers conducted bilateral exercises with a US aircraft carrier strike group.

Sept. 6, 2018: Writing in *The National Interest*, a Japanese Maritime Self-Defense Force captain and a US Navy captain [argued](#) for closer cooperation between the Japanese and Taiwanese militaries.

Sept. 9, 2018: Following Chinese President Xi Jinping's pledge to extend \$60 billion in finance and investment to Africa, center-right *Yomiuri* [expressed](#) doubts about the real benefits and possible disadvantages for the countries that accepted China's largesse. The paper praised Japan's policy of avoiding excess rivalry with China while also exploring ways to cooperate with the PRC including participation in Japan-led projects such as building major roads linking West African countries.

Sept. 13, 2018: Prime Minister Abe Shinzo and President Xi Jinping meet briefly on the sidelines of the Eastern Economic Forum in Vladivostok, [pledging](#) further cooperation on denuclearizing North Korea.

Sept. 15, 2018: *Sankei Shimbun* publishes an [interview](#) with former Taiwan president Chen Shui-bian.

Sept. 19, 2018: Xinhua [reports](#) that thousands of people across Japan, including more than 5,000 at Tokyo's Hibiya Park, rallied to protest the controversial security laws that the Diet had passed three years ago.

Sept. 20, 2018: Chinese press [report](#) Abe's re-election to a third term as head of the LDP, adding that he would use it to advance his long-cherished dream of revising Japan's pacifist constitution.

Sept. 23, 2018: Internal PLA magazine obtained by Japanese news agency *Kyodo* states that a China-Japan maritime crisis would seriously [undermine](#) Beijing's Belt and Road initiative.

Sept. 24, 2018: According to *Jiji*, Japan's Defense Ministry is [developing](#) supersonic glide bombs to strengthen the defense of remote islands, including the Senkakus, as well as promoting the deployment of GSDF surface-to-ship guided missile units on Miyako and Ishigaki islands.

Sept. 26, 2018: Fifth high-level political dialogue is held in Suzhou, co-chaired by Director of the Chinese Communist Party (CCP)'s Office of Foreign Affairs Yang Jiechi and Japanese National Security Adviser Yachi Shōtarō.

Sept. 28, 2018: Popular Japanese singer-songwriter Tanimura Shinji [sings](#) in Beijing at a concert to celebrate the 40th anniversary of the signing of the Sino-Japanese Treaty of Peace and Friendship.

Sept. 28, 2018 Japan and the US [hold](#) a joint air drill over the East China Sea.

Sept. 28, 2018: Tokyo stock exchange [reaches](#) its highest level since the collapse of the bubble economy a quarter century ago.

Oct. 1, 2018: The tankan index, a key economic survey of economic confidence among major manufacturers conducted by the Bank of Japan, [declines](#) for the third straight quarter, with concerns about the US trade war with China listed as a major factor.

Oct. 2, 2018: Editorial in *Yomiuri* [urges](#) vigilance against Chinese interference in domestic affairs, pointing to the many Chinese media outlets and Confucius Institutes in Japan.

Oct. 3, 2018: *Sankei Shimbun* [reports](#) that a large buoy marked “PRC State Oceanic Administration” had been installed in the vicinity of the Senkaku Islands, and that the government had launched a protest.

Oct. 8, 2018: *Global Times*, normally highly critical of Japan in general and Prime Minister Abe specifically, [publishes](#) an article crediting Abenomics with lifting Japan out of its long economic downturn.

Oct. 7, 2018: Japanese Coast Guard [reports](#) that the Chinese oceanographic ship *Xiangyanghong10* had conducted unauthorized activities inside Japan’s claimed exclusive economic zone.

Oct. 13, 2018: Japanese government publishes its Medium-Term Defense Program for fiscal 2019-23.

Oct. 15, 2018: At their meeting in Wellington, Foreign Minister Kōno Taro and New Zealand counterpart Winston Peters [discuss](#) their alarm that the debts of small South Pacific states that contracted with China may make them beholden to the PRC.

Oct. 15, 2018: Center-left daily *Mainichi* reports that Japanese firms were “[hopping onto](#)” the silk road of China’s One Belt One Road policy.

Oct. 15, 2018: Chen Youjun of the Shanghai Institutes for International Studies [advocates](#) that Japan show a positive attitude toward economic cooperation with China, since the needs of the two are complementary.

Oct. 18, 2018: Meeting with French President Macron and clearly referring to China, Prime Minister Abe [states](#) that the two countries’ cooperation is important since the international order is being challenged.

Oct. 19, 2018: China [warns](#) again that Japan must learn from history, and that the onus was on Abe to bridge the divide.

Oct. 22, 2018: China and Japan disclose plans to [resume](#) fleet visits for the first time since 2011.

Oct. 23, 2018: Japan [announces](#) that it will end its official development assistance (ODA) to China after the end of new projects in the current fiscal year.

Oct. 25-27, 2018: Prime Minister Abe visits China and meet President Xi and other senior officials in Beijing.

Oct. 28, 2018: State-run China Investment Corp. and several of Japan’s largest banks [agree](#) to set up a \$1.8 billion fund to help Japanese companies seeking to expand their businesses in China.

Nov. 4, 2018: *Reuters* report that Japan and the United States are [formulating](#) a combined response to an attack on the Diaoyu/Senkaku Islands, which is expected to be finalized in March 2019.

Nov. 5-8, 2018: The largest ever *Keen Sword* military exercises are held in Japan, with participation by US, Japan, Canada, United Kingdom, France, Australia, and South Korea.

Nov. 6, 2018: Japan’s Defense Ministry [announces](#) plans to develop a large underwater drone to guard its remote islands against Chinese incursion.

Nov. 9, 2018: *Yomiuri* reported that the Japanese government is [considering](#) supplying the MSDF with *Avenger* drones to strengthen surveillance of Chinese naval vessels.

Nov. 10, 2018: Japan and China [held](#) food safety talks, with China declining to provide assurances that it will lift its ban on importing food from the area surrounding the 2011 Fukushima meltdown.

Nov. 13, 2018: US Vice President Pence and Prime Minister Abe [announce](#) a fund that will allocate up to \$70 billion for infrastructure development.

Nov. 15, 2018: *Yomiuri* correspondent embedded on the helicopter destroyer *Kaga* [reports](#) that the ship had been followed by the Chinese guided missile destroyer *Lanzhou*, and that it had detected a Chinese submarine carrying out covert maneuvers at the entrance to the Strait of Malacca.

Nov. 24, 2018: Citing intensifying activities of the Chinese navy in the East China Sea, the Japanese government [announces](#) plans to introduce a new type of destroyer with minesweeping capabilities that will be the core of warning and surveillance activities in the area.

Nov. 28, 2018: Japanese Ministry of Defense [reports](#) few air scrambles and ships entering the territorial waters of the Diaoyu/Senkaku Islands from July through September than in the preceding April–June period.

Nov. 30, 2018: Japanese Ministry of Defense [releases](#) *Defense of Japan 2018* white paper detailing numerous instances of Chinese intrusions into Japan’s territorial waters and airspace.

Nov. 30, 2018: *Xinhua* [announces](#) that Abe and Xi chatted briefly on the sidelines of the G20 conference in Buenos Aires agreeing that they would step up negotiations on the Regional Comprehensive Economic Partnership and the trilateral trade agreement among China, Japan, and South Korea.

Dec. 3, 2018: Japanese government [protests](#) renewed Chinese drilling in oil fields disputed by the two countries.

Dec. 7, 2018: [Citing](#) security concerns, the Japanese government announced its intention to ban products from Chinese companies Huawei and ZTE from telecom devices in ministries, agencies, and the SDF.

Dec. 9, 2018: Chinese court [sentences](#) a Japanese woman to six years in prison for spying and seized over \$7,000 in assets; the woman is to be deported after serving her sentence.

Dec. 11, 2018: Chinese media [warns](#) of retaliatory measures if there is discrimination against Huawei and ZTE, accusing the US of trying to create a wedge in China–Japan ties and of making Japan into a vassal state.

Dec. 13, 2018: Ceremonies [held](#) to commemorate the 81st anniversary of the Nanjing Massacre, although unlike last year, Xi Jinping does not [attend](#).

Dec. 15, 2018: China [urges](#) Japan to ensure the legal rights of two Hong Kong residents who were arrested after one set a fire at the Yasukuni Shrine while the other videotaped the act and placed it on Facebook.

Dec 18, 2018: Japanese government [adopts](#) National Defense Program Guidelines and Medium–Term Defense Program for fiscal 2019–23, described as intended to strengthen the nation’s capabilities against China.

Dec. 20, 2018: Chinese Foreign Ministry [expresses](#) strong dissatisfaction and opposition to the programs’ “false claims and irresponsible remarks,” warning that they are not conducive to the improvement of China–Japan relations nor to the peace and stability of the region.

Dec. 20, 2018: Leading Japanese shipping firm Nippon Express [conducts](#) trial run to move freight on the Chinese railway that links the PRC’s Xi’an with Duisberg in Germany.

Dec. 23, 2018: *Yomiuri* [reveals](#) that the head of Chinese State Security secretly visited Japan at the end of October, with both sides reportedly eager to create a back channel should relations again deteriorate.

Dec. 31, 2018: *BBC* [reports](#) that, when a periodic United Nations review of members’ budgetary contributions raised China’s contribution from 7.92 to 12.01 percent while lowering Japan’s share from 9.68 percent to 8.56 percent, Chinese media expressed pride at overtaking Japan while Japanese media interpreted it as symbolic of the country’s diminution of status and a blow to its long–cherished desire to become a permanent member of the UN Security Council.

Dec. 31, 2018: China announces that it would not release a military white paper this year.

