

# COMPARATIVE

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JAPAN-CHINA RELATIONS

## A CHILLY SUMMER

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China and Japan continued to vie over a wide variety of issues including economic competitiveness, jurisdiction over territorial waters, World War II responsibilities, representation in international organizations, and even Olympic and Paralympic medals. The Japanese government expressed concern with the increasingly obvious presence of Chinese ships and planes in and around areas under its jurisdiction, with Chinese sources accusing Japan of a Cold War mentality. Nothing was heard of Xi Jinping's long-planned and often postponed official visit to Tokyo. Also, Chinese admonitions that Japan recognize that its best interests lay not with a declining United States but in joining forces with a rising China were conspicuous by their absence.

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## Politics

In this reporting period, the Japanese government continued to seek backing for its claims to territories in the East China Sea. According to [documents](#) obtained by *Kyodo* from the US National Archives, as early as April 1978 the Fukuda administration asked then-President Jimmy Carter's government to amend its position of impartiality over the Diaoyu/Senkaku Islands in the East China Sea but was rebuffed. Japan also expressed its uneasiness with Chinese activities in the South China Sea. In a clear but unspoken reference to China, Prime Minister Suga Yoshihide, [speaking](#) at the Pacific Islands Leaders Meeting in June, urged the 18 member nations to unite against authoritarianism, respect international law, and uphold freedom of navigation on the high seas. And, speaking at the ASEAN Regional Forum (ARF) two months later, Foreign Minister Motegi Toshimitsu [voiced](#) Japan's strong opposition to unilateral attempts to change the status quo in the East and South China seas by force.

In late May, it was reported that the Japanese government is [concerned](#) about the country's participation in international organizations vis-à-vis that of the PRC. Statistics indicate that, although Japanese nationals hold 912 specialist positions or high-ranking posts in international organizations, a gain of 23% between 2015 and 2019, China's total grew 41% in the same period. The top posts at four of the United Nations' 15 specialized agencies are held by Chinese while none are held by Japanese. Tokyo intends to put forward a candidate for director general of the UN's Universal Postal Union. Japan used to be the second-largest contributor to the United Nations after the US, but has fallen behind China in recent years.

Responding to perceptions of Chinese efforts to influence Japan's political system, in June the Ministry of Education began a review asking the 14 universities that host Confucius Institutes (CI) to [provide](#) information on matters like funding, number of participating students, and whether the CI intervenes in research. In addition to concerns about propaganda, the government is worried that technologies could be leaked to China through personal exchanges. Currently, since CIs do not offer degrees, they need not seek approval or even register with the government. There are also fears that the country is falling behind China in science and research, with *Yomiuri* [editorializing](#) that the Japanese government

needs to rebuild the nation's research system as soon as possible since science labs are the new front line with a rising China. Outstanding researchers are going to China, where they are offered lavish research funds or because they cannot get jobs in Japan.

A joint opinion [poll](#) by *Yomiuri* and South Korea's *Hankook Ilbo* in June found that 88% of Japanese and 72% of South Korean respondents think that the military pressure that China is putting on its neighbors is a threat to their countries. On economic issues, 48% of Japanese respondents said the current situation should be maintained, 23% that ties should be strengthened, and 22% said that they should be lessened. Responses from South Koreans were nearly identical. Chinese who would like to establish better relations with Japan have discovered that they do so at their peril: the nearly 200 Chinese intellectuals who took part in a Japan Foundation program to improve relations between the two countries have been branded [traitors](#) by Chinese social media, though some defended them.

Polite relations were maintained at the official level, albeit unenthusiastically. The Japanese Communist Party (JCP) was the sole major party in the Diet not to extend [congratulations](#) to the Chinese Communist Party (CCP) on the centenary of the latter's founding in 1921. JCP Chair Shii Kazuo described the CCP as "not worthy of the name of a communist party." The main opposition Constitutional Democratic Party of Japan admitted "having reservations under the current circumstances." Referencing the fifth anniversary of the Permanent Court of Arbitration's judgment against China's claims in the South China Sea in July, *The Japan Times* [called](#) the ruling a "brick in the wall supporting the rules-based order" that must be supported. The paper also noted that much of the aid China promised to the Philippines in return for downplaying the judgment had never materialized.

Chinese officials continued their attack. As June closed, Jing Duan, [addressing](#) the United Nations Human Rights Council, urged Japan to treat the issue of "Comfort Women"—victims of Japan's World War II-era sexual slavery—in an honest and responsible manner. To commemorate the 84<sup>th</sup> anniversary of the full-scale China-Japanese war on July 7, 24 memorial halls in 14 of China's provincial-level regions held grand memorial services, with attendees reciting poetry, singing songs, and laying flowers. Chinese social media

[used](#) abusive language and even death threats against Japanese athletes competing in the Tokyo Olympics, quickly moving from criticisms of the athletes to generalized attacks on Japan itself. A week later, however, *China Daily*, in contrast to the vitriol against Japan in social media, [editorialized](#) that Chinese audiences “wholeheartedly applauded strong performances by athletes wherever they are from and feel sorry for those who fall short of success...it is to be hoped that the Beijing Winter Olympics can ... see the nation again embracing the Olympic spirit.”

In a bizarre incident in August, China’s embassy in Australia [claimed](#) its ambassador “excoriated” his Japanese counterpart at a National Press Club event for downplaying imperial Japan’s wartime atrocities. The Chinese ambassador, however, did not attend the event, and the press club’s video log shows that a speech by the Japanese ambassador made no mention of Japan’s actions during World War II. A spokesperson for the Japanese embassy denied that the incident had taken place.

Into this already unpleasant atmosphere came the annual anniversary of Japan’s World War II surrender, with several Cabinet members paying respect on or near the date of Aug. 13. The center-left *Asahi* took Nishimura Yasutoshi, head of the central government’s effort against the pandemic, to [task](#) for ignoring his own advice by visiting the Yasukuni Shrine during the state of emergency. Nishimura, who simultaneously holds the post of economic revitalization minister, became the first Cabinet member since the Suga administration was formed in September 2020 to pay a visit to the controversial shrine. Nishimura used his own money rather than official funds to purchase the ritual *masasaki* branch offering; he last visited on Aug. 16 of last year. A second Cabinet member, Defense Minister Kishi Nobuo, also visited, again paying for the *masasaki* offering from his own funds, and [eliciting](#) a “solemn representation” from the Chinese government. A spokesperson for China’s defense ministry admonished Japan to reflect truthfully on its history of aggression and objected to “a lot of negative acts” when dealing with China, which he listed as ganging up with countries outside the region to vilify China’s defense policies and military development, conducting exercises targeting China, meddling in the Taiwan question, and carrying out provocative moves in the South China Sea, all of which had seriously damaged China-Japanese defense ties. Chinese citizens also bore consequences related to the shrine: the PRC’s Association of Performing Arts called for a [boycott](#)

of actor Zhang Zhehan after photos of him visiting Yasukuni Shrine in 2018 and 2019 circulated online. Although Zhang immediately apologized, more than 25 companies, including Coca-Cola and Danish jeweler Pandora, have terminated their contracts with him.

## Economics

Good economic news in the reporting period may be replaced by less favorable statistics in the next. Japan’s Finance Ministry [announced](#) that the country’s current account balance from January-June 2020 rose 6.1-fold in the same period of 2021, with exports rising 47.7% and imports by 33.8% but cautioned of problems ahead. The BBC [reported](#) that the Japanese economy grew at twice the rate forecast from April to June, an annualized 1.3%, while predicting that third-quarter growth will be modest after a state of emergency was reimposed in response to a spike in COVID-19 infections. It also reported, without providing statistics, that the Chinese economy was losing steam as factory output and retail sales rose more slowly than expected compared to a year ago. New COVID outbreaks are also depressing growth. The center-right *Yomiuri*, [noting](#) signs of softening in the Chinese economy such as chip shortages, rising resource costs, a stronger yuan and the ongoing dispute with the US, predicted that a downturn would likely have a significant negative impact on Japan.

In its latest move to cut costs in a sector where its brand has faded, Panasonic in May announced [plans](#) to outsource production of televisions to its Chinese rival TCK, the world’s largest TV maker. Chinese Foreign Ministry spokesperson Wang Wenbin [described](#) moves by Japan and the United States to make their supply chains less reliant on the PRC as violations of the principles of market economy and fair competition that will “only artificially divide the world.” At the end of June, after much hesitation, Japan [ratified](#) the Chinese-led Regional Comprehensive Economic Partnership (RCEP), now the world’s largest free trade agreement. RCEP is the first trade deal that encompasses both China, Japan’s largest trading partner, and South Korea, the PRC’s third-largest trading partner. According to the Japanese government, participation in RCEP will boost the country’s GDP by 2.7%. *Global Times* [speculated](#) that the lack of tourists from China may have been a factor in major Japanese apparel purveyor Uniqlo’s plan to close and relocate a store in a main shopping area of Osaka, though adding that

Uniqlo had explained that the lease on the store had expired and it was being relocated.

Chinese electric vehicle (EV) producers hope to [open](#) the Japanese market, 90% of which is dominated by domestic manufacturers. The Chinese government has been provided subsidies to help in the effort. Currently, most buyers of Chinese-made cars are Chinese residents of Japan and people of Chinese origin who hold Japanese citizenship. Imports are difficult due to Japan's extremely tough standards, and a dealers' network must first be built.

## Defense

The Japanese government lodged a diplomatic [protest](#) in May against the presence of a Chinese marine research vessel conducting unauthorized research within Japan's Exclusive Economic Zone (EEZ). The incident was the first confirmed incursion around the Okinawa area since July 2019. The annual [report](#) of the Japanese Coast Guard, issued in the same month, revealed that the number of large Chinese Coast Guard (CCG) vessels had more than tripled over the past eight years. In 2020, CCG vessels were seen inside the contiguous zone around the Senkaku Islands 333 days, a record high. Currently, four, including at least one autocannon-equipped vessel, continue to navigate there almost every day. Japan's [2021 defense white paper](#), released on July 13, devoted three times as much coverage to China as to the United States in outlining the defense programs of various nations. It took note of China's unilateral attempts to change the status quo by coercion near the Diaoyu/Senkaku Islands as shown by a total of 1,161 China Coast Guard vessels present within the islands' contiguous zone for a record 333 days, 111 of them consecutive, in 2020. The paper termed provisions of China's newly enacted coast guard law inconsistent with international law, the rising tension in the East China and other seas areas "completely unacceptable" and acknowledged for the first time that "stabilizing the Taiwan situation is crucial to the stability of Japan's national security and the international community." Showing that tougher measures do not have unanimous support, center-left *Asahi* [applauded](#) the defense ministry's decision against replacing last year's "strong national security concern" to "strong national security threat," but criticized the review for not specifying what should be done to build a peaceful, stable relationship with the PRC.

In May, in response to the repeated advances of China's carrier fleet into the Pacific Ocean, Japan's

defense ministry announced that it will [deploy](#) the Air Self-Defense Force's mobile radar unit to the Ogasawara Islands to watch for violations of Japanese air space. The government believes that China will expand the range of activities of its carrier fleet near the line that runs through the Ogasawaras and Guam. In June, the LDP's Foreign Affairs Division [proposed](#) a third update to the US-Japan defense guidelines that includes Japanese participation in freedom of navigation exercises in the South China Sea and a focus on contingencies during a conflict in the Taiwan Strait.

In May it was reported that leading Japanese infrastructure companies such as NT&T and Kyushu Electric Power are [replacing](#) Chinese-made drones due to concerns with security. NTT has begun to produce its own drones to compensate for the lack of home-grown alternatives. The Japan Coast Guard has already ceased to use Chinese drones.

Japan is increasingly seeking to work with foreign partners. Speaking to the European Parliament's security and defense subcommittee in June, Defense Minister Kishi expressed "[serious concern](#)" with China's steady buildup of its military capacity and lack of clarity about its intentions. A few weeks earlier, US Defense Secretary Lloyd Austin [suggested](#) a new concept of integrated deterrence that calls for Japan to assume a role in the numerous chokepoints of the Nansei Islands group. Under Austin's plan, a combination of Maritime Self-Defense Force (MSDF) submarines and defensive mining would force the Chinese navy either all the way around Taiwan or into the battle space of the East China Sea where the US and Japan can control it. In May, the Japan Bank for International Cooperation announced that it will again provide low-interest [loans](#) to allow partner countries to purchase defense equipment. Despite concerns with China's assertiveness, there have been few takers for such loans since the government in 2014 allowed them on condition that they contribute to peace and Japan's security. [ARC21](#), large-scale joint military maneuvers among Japan, the US, and France took place for the first time on Japanese soil. They involved an urban warfare drill at a facility designed to look like a remote island as well as amphibious operations. Japan has also conducted drills with Britain and Germany during the visits of those countries' frigates to the region during the reporting period. China denied any [connection](#) between its flotilla passing through the Miyako Strait and the joint Japanese, US, French, and Australian exercises that had concluded the day

before, saying “the hype by Japanese media organizations only reveals their guilty conscience for their confrontational cold war mindset against China.” The ships, it said, were merely performing escort duties. In August, Japan participated in the annual *Malabar* naval exercise alongside Australia, India, and the US, with *Global Times* [denigrating](#) the operation as a “costly show of self-comfort ... like a show that doesn’t sell.”

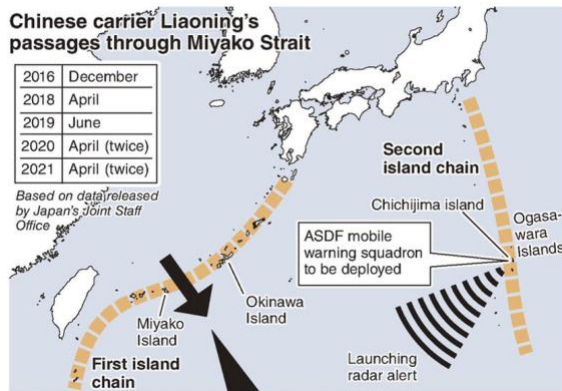
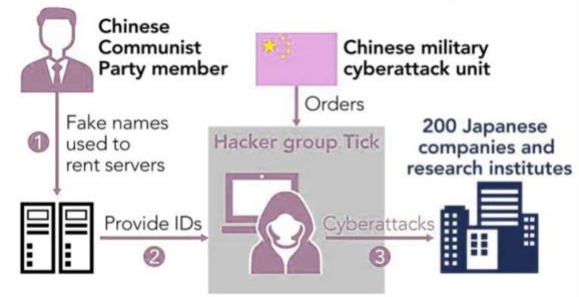


Figure 1 Chinese carrier Liaoning's passages through Miyako Strait. Source: Yomiuri May 31, 2021

In May, and for the first time, the Japanese government publicly identified China as [responsible](#) for a cyberattack. According to Commissioner General of the National Police Agency Matsumoto Mituhiro, PLA Unit 61419 a strategic support unit operating from Qingdao, was the likely culprit for the recent attack against the Japan Aerospace Exploration Agency (JAXA). Japan's justice system does not allow aggressive investigations to track down cyber suspects. Taking [note](#) of Japanese forces' increased attention to electronic warfare, China's leading military newspaper observed that the country is going yet further from the defense-only stipulation in its constitution. This struck others as a good idea: writing in *Nikkei*, two US analysts [advocated](#) that Japan respond to increasing Chinese assertiveness by disavowing pacifism and embracing collective defense. “Never again,” they wrote, should be rephrased, as Germany has, with “never again alone.”

### How cyberattacks on JAXA, others were performed



Source: Tokyo Metropolitan Police Department

Figure 2 How cyberattacks were performed against JAXA. Source: Nikkei May 16, 2021

Specifically [referencing](#) China's increased capabilities as well as new areas of warfare such as space, cyber, and electromagnetics, Defense Minister Kishi signaled the end of Japan's self-imposed 1% GDP cap for annual defense spending. As noted by *Nikkei*, the disputed Diaoyu/Senkaku Islands sit just 170km from Taiwan and could quickly be engulfed in a Taiwan Strait conflict. Kishi also mentioned strengthening capabilities on the Nansei Island chain, through which Chinese military vessels regularly pass, and which are seen as crucial to the defense of the Senkakus. Although Japan's defense budget has grown for nine straight years through FY 2021, it has remained under 1% of GDP.

*Yomiuri* reported in mid-May that, with China in mind, Japan will [strengthen](#) regulations to prevent the outflow of military-related technology. This will change a policy that does not require foreign nationals who have been in Japan for more than six months and are regarded as residents to apply for approval to acquire military-related technology. The exporter of a motor that converts electrical signals into movements of a machine has been [prevented](#) from exporting his company's products to China, allegedly for agricultural machinery, since they can be used for military purposes.

The director of the Institute of Northeast Asian Studies at the Heilongjiang Provincial Academy of Social Sciences in June [characterized](#) an LDP-proposed growth strategy linking economic policies and business activities directly to national security as a revival of *fukoku kyōhei*, the Meiji-era's “enrich the country and strengthen the military.” He argued that it is an open endorsement of Japan's decision to take sides with the US rather than work with China and other countries to promote regional integration

through such mechanisms and the Regional Comprehensive Economic Partnership and the China-Japan-South Korea Free Trade Agreement.

In June, the Japanese Coast Guard [confirmed](#) that the four China Coast Guard vessels in the contiguous zone off the Senkaku/Diaoyu Islands marked a record 112 consecutive days of such intrusions, exceeding by one day the previous record from April to August 2020. Chief Cabinet Secretary Kato Katsunobu termed the situation “extremely serious.” The Chinese Coast Guard 2301 fleet conducted a [patrol](#) in the territorial waters off the disputed Diaoyu/Senkaku islands, marking the sixth time since the beginning of 2021 that such patrols have been publicly announced. Coast Guard 2502 conducted a separate cruise in the area on May 24.

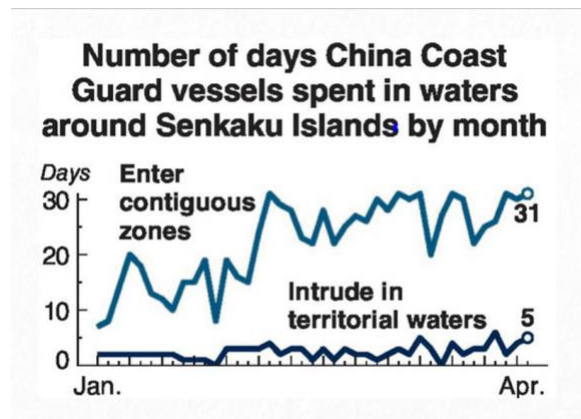


Figure 3 Number of days China Coast Guard vessels spent in waters around Senkaku Islands by month. Source: Japan Coast Guard via Yomiuri, June 4, 2021.

A [ranking](#) of 15 global cyberpowers by London’s International Institute for Strategic Studies, released in late June, placed Japan in the bottom of its three tiers, below China and Russia. The IISS report laid out the implications for Japan’s relations with the Five Eyes intelligence-sharing alliance with Australia, Canada, New Zealand, the UK, and the US. In early July, Japan’s Defense Ministry announced [plans](#) to increase its cybersecurity staff in response to increasingly sophisticated attacks. As of the end of fiscal 2020, the Self-Defense Forces (SDF) had 660 such personnel; China has 30,000. The SDF hopes to have at least 1,000 by fiscal 2023, and will draw on private industry for advisers and personnel who will work at the ministry for two or three days a week while remaining employees of their companies. Coordination with the US will also be increased. In June, the MSDF conducted cyberattack drills with the US military.

In July, Chinese Ministry of Foreign Affairs spokesperson Zhao Lijian [responded](#) to the publication of Japan’s 2021 defense white paper by admonishing Japan to maintain basic respect for China’s internal affairs. Using the paper to make “indiscreet” remarks about the Taiwan question will “not only seriously violate the spirit of the four political documents between China and Japan and Japan’s commitments, but also create more uncertainty in Sino-Japanese relations that are currently facing severe challenges.”

In a [move](#) to counter Chinese area-denial tactics within the first island chain, Kishi in late August confirmed plans to station an additional 500 to 600 missile defense personnel on Ishigaki, which is close to the disputed Diaoyu/Senkaku Islands and 185 miles from Taiwan. Local residents, however, are voicing concerns about noise pollution and the destruction of nature over a plan to build an SDF training base on uninhabited Mageshima island near Tanegashima. US carrier-based aircraft are to be relocated there from their current location at Iwoto island. In response to Chinese ships entering Japanese territorial waters near the Senkakus and illegal fishing by Chinese and North Korean vessels, Japan will launch a new [surveillance system](#) that identifies suspicious ships by combining artificial intelligence and satellite technology. Plans are for the system to go into operation as early as fiscal 2024. The government is also considering establishing a surveillance system that can cover an even broader area, including Taiwan and the South China Sea.

In August, a few days after Prime Minister Suga [told](#) *Newsweek* that the government should not feel bound by the informal 1% cap of GDP, the defense ministry announced that it would seek a fiscal 2022 budget of more than ¥5.4 trillion (\$49.3 billion) that could [surpass](#) the longstanding cap. At the [request](#) of the Japanese side, the LDP held online talks with Taiwan’s ruling Democratic Progressive Party (DPP) at the end of August, these being the equivalent of the 2-plus-2 security dialogues between governments (see section below on Taiwan). In response, a spokesperson for the Chinese State Council’s Taiwan Affairs Office [admonished](#) Japan to “reflect on its history, immediately correct its mistakes, and abide by the one-China principle and the principles of the four political documents between China and Japan with concrete actions”; it added that “the DPP authority’s” attempt to

collude with external forces to seek Taiwan independence was doomed to fail.

In a setback for Japanese defense plans, the defense ministry announced in August that it had [decided](#) not to request funds in the fiscal 2022 budget for a state-of-the-art sea-based missile-defense system that would also have monitored Chinese naval ships making advances into waters around Japan.

*Yomiuri* in August [editorialized](#) that China's buildup of missile silos, reportedly for the *Dongfeng-41* intercontinental missile that would pose a threat to the United States, goes far beyond its claim to keep nuclear capabilities at the minimum level required. The buildup occurs amid increases in China's submarine-launched ballistic missiles and strategic bombers which, together with ICBMs, comprise the nuclear triad.

At the end of August, in a third consecutive day of Chinese drone sightings, the ASDF [scrambled](#) planes after three Chinese military aircraft including a *TB-001* unmanned aerial vehicle entered airspace between the main island of Okinawa and Miyakojima. There were no airspace violations; the three flew from the East China Sea to the Pacific Ocean, then returned to the East China Sea. As the report period closed, China imposed a Maritime Traffic Safety law to take effect on September 1 giving the Maritime Safety Administration the authority to impose fines on foreign-flagged vessels for sailing in waters it claims as its own. This is a potential [flashpoint](#) for the Diaoyu/Senkaku Islands dispute, since Japanese fishing boats operating in the surrounding waters may face enforcement actions. The law also gives the Maritime Safety Administration authority over so-called jurisdictional waters, a category that is broader than territorial waters or contiguous zones. The agency can also establish no-passage zones in jurisdictional waters at its own discretion.

## Taiwan

In May, a retired Ground Self-Defense Force officer, [describing](#) a Taiwan emergency as a Japan emergency since the two islands are part of the same combat theater, urged Japan to develop a deterrent credible enough to convince China that armed clashes would be unproductive and irrational. Japanese and European Union leaders also released a [joint statement](#) that “underscore[d] the importance of peace and stability across the Taiwan Strait” and called for

“enhanced cooperation for a free and open Pacific.” Proposed by Japan and with the consent of all EU members, the statement marked the first time that Taiwan has been included in a top-level Japan-EU statement.

In the following month, the LDP's Foreign Affairs Division' [proposed](#) updates to the US-Japan defense guidelines focused on contingencies during a conflict in the Taiwan Strait. Refuting one American view that it does not make sense for the US to risk military defeat or financial ruin by defending Taiwan since US interests are not directly threatened, a retired ASDF lieutenant general [argued](#) that the loss of Taiwan would leave a hole in the middle of the first island chain. This will enable the PRC to reach its goal for the division of the Pacific by 2049. The lieutenant general advocated that Japan and the US create a comprehensive plan for contingencies in Taiwan before the next 2-plus-2 dialogue and that Japan increase its defense spending to 2% of its GDP. Also in June, Tokyo University Prof. Sahashi Ryo urged the Japanese government to [end](#) its policy of excessive self-imposed restraints on official interactions with Taiwan for fear of offending Beijing. No productive discussion about the future of East Asia could, he opined, ignore the existence of this thriving democracy with its dynamic economy that includes the world's top chipmakers.

In a June interview with *Bloomberg*, Defense Minister Kishi said [explicitly](#) that the security of Taiwan is directly connected to that of Japan, and that Tokyo is closely watching China-Taiwan ties as well as Chinese military activity. In July, the [draft](#) of the Japanese defense military's 2021 white paper stated, for the first time, the strategic importance of Taiwan for Japan's national security and for the stabilization of the international community. [Speaking](#) to Washington's Hudson Institute think tank, State Minister of Defense Nakayama Yasuhide said it was necessary for countries including Japan and the US to “wake up” to Beijing's pressure on Taiwan and protect the island as a democratic country. At the end of June, the *Financial Times* [reported](#) that the US and Japan have been conducting war games and joint military exercises in the event of a conflict with China over Taiwan. These include top-secret tabletop war games and joint exercises in the South China and East China seas that have been portrayed as disaster relief training. According to a former US official, the eventual goal is to create an integrated war plan for Taiwan.

Also in June, the Chinese foreign ministry [objected](#) to “the latest moves by multiple Japanese government officials who had openly referred to Taiwan as “a country.” Following Prime Minister Suga’s reference to Taiwan as one of three countries in a parliamentary debate, Chief Cabinet Secretary Kato Katsunobu [replied](#) to China’s complaint by saying that there had been no change in Japan’s basic policy to maintain working relations with Taiwan at the nongovernment level. The Japanese report mentioned only Suga, whereas the *Xinhua* reports mentioned multiple Japanese officials who described Taiwan as a country. On the same day, the House of Councillors adopted a resolution calling on the World Health Organization to include Taiwan in its general meetings, terming its expertise on coronavirus measures “indispensable.” Writing in China’s leading military newspaper, a Chinese Academy of Social Sciences expert [accused](#) Japan of making a “wild bet on the Taiwan card.” He predicted that such actions as sending vaccines to Taiwan and expressing concern about the Taiwan Strait situation in a two plus two meeting with Australia would send Sino-Japanese relations “back to the freezing point.” According to the director of the Institute of Northeast Asian Studies at the Heilongjiang Provincial Academy of Social Sciences, Tokyo is [using](#) Taiwan as a bargaining chip to increase its discourse power on the Diaoyu/Senkaku Islands issue and to contain China’s influence in the Asia-Pacific region. Fearing a rupture in China-Japan relations, Tokyo will not formally reverse its one-China policy but will constantly test Beijing’s bottom line. Deputy Prime Minister Aso Taro [stated](#) that if China were to invade Taiwan, the move could be interpreted as a threat to Japan’s survival, thereby enabling the SDF to be deployed for collective self-defense under security laws that were enacted in 2015. *Global Times* [responded](#) to Aso’s statement by saying that if Japan involves itself militarily in the Taiwan question it will be “digging its own grave,” and that it would be easy for the People’s Liberation Army to paralyze the SDF’s attack capability.

A film on Chinese [television](#) urged that, if Japan intervenes militarily on the side of Taiwan, that should exempt China from its pledge of no first use of nuclear weapons. The film includes several shots of the devastation in Hiroshima after the 1945 atomic bomb blast, of Japanese cruelty to Chinese civilians during World War II, and of the Japanese fleet destroying Chinese warships in

1895. A contributor to *Jiefangjun Bao* [opined](#) that Japanese politicians’ recently abnormal activity on the Taiwan question reflects Japan’s sense of helplessness at China rise, its sense of loss at its declining influence over the Taiwan question, and its sense of fear for its security when China achieves “full reunification.”

In June, the *New Zealand Herald* [reported](#) that a video circulating on official CCP channels warned that if Japan so much as deployed one soldier, plane, or ship in the defense of Taiwan, China would not hesitate to use nuclear weapons “until Japan declares unconditional surrender for the second time.” *Global Times* [compared](#) Japan’s military construction on the islands close to Taiwan to cannon fodder for the US to contain China’s rise. In time of war, those islands would suffer immediate saturation attacks, with China’s *DF-17* hypersonic missile very suitable for the task. Japan should focus on doing business with China and drop the illusion of confronting 1.4 billion Chinese people.

*Nikkei* [cited](#) unnamed analysts as saying that Japan’s plan to station anti-aircraft, anti-ship missiles, and hundreds of troops on Ishigaki island, 300 km from Taiwan, is aimed as much at defending Taiwan as Japan, since any attack on Taiwan could quickly spread to Japan’s southern islands.

At the [request](#) of the Japanese side, the LDP held virtual security talks with Taiwan’s ruling Democratic Progressive Party (DPP) at the end of August. In response, a spokesperson for the Chinese State Council’s Taiwan Affairs Office [admonished](#) Japan to “reflect on its history, immediately correct its mistakes, and abide by the one-China principle and the principles of the four political documents between China and Japan with concrete actions,” adding that “the DPP authority’s” attempt to collude with external forces to seek Taiwan independence was doomed to fail. The talks took place nonetheless. According to a prominent Taiwanese lawmaker, one of the foci was the investment of Taiwanese chipmakers, and specifically that of global leader Taiwan Semiconductor Manufacturing Company (TSMC), into Japan. Eager to bring chip production onshore to strengthen supply chains for national security reasons, Tokyo must first provide sufficient [support](#) and incentives to help TSMC and others meet the cost gap. Taiwan wants to participate in the Japan-backed Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which Tokyo had said it



would back. US-Japan-Taiwan collaborations were also discussed as well as potential cooperation of “Japan, Taiwan, and a third-place,” but due to the sensitivity of the issue, no further details were given.

People-to-people and humanitarian exchanges continued. In May *Yomiuri* gave front-page [coverage](#) to a ceremony live streamed simultaneously in Tainan and Kanazawa to commemorate the centennial of the start of a dam and irrigation project in southern Taiwan led by an engineer from Kanazawa. Taiwan President Tsai Ing-wen remarked that the project, which transformed the terrain into a major grain-growing area, is particularly meaningful in this time of drought. Kanazawa’s mayor praised “the people of Taiwan” for providing masks and other supplies during the pandemic. Japan also conspicuously donated 1.4 million doses of AstraZeneca vaccine to Taiwan in what *Yomiuri* described as a carefully [orchestrated](#) operation that first sought the approval of the Biden administration and was designed for maximum strategic value. Although sent via the theoretically unofficial Taiwan-Japan Relations Association to avoid charges of violating Beijing’s one-China policy, a Chinese foreign ministry spokesman nonetheless denounced Japan’s “interference into China’s domestic affairs by using anti-virus measures as a political show.” As the delivery date coincided with the anniversary of the June 4 Tiananmen massacre, there was speculation that Tokyo had chosen the date to send a political message.

In another initiative, the Taiwan government [announced](#) in July that digital minister Audrey Tang would visit Japan for the July 23 opening ceremony of the Tokyo Olympics to confirm the friendship between the two countries. After being [informed](#) by the International Olympic Committee that participants at the opening ceremony are limited to heads of state and governments plus athletes, the Taiwan government canceled the visit. In a voice message, Tang, who speaks excellent Japanese and is popular in Japan for her skillful handling of the pandemic, expressed her hope to visit in the future to contribute to promoting exchanges between Japan and Taiwan. After China banned the import of pineapples from Taiwan to put pressure on its government, there was an immediate [surge](#) in orders from Japan that resulted in improving sales, with a Taiwan Council on Agriculture official announcing that “the bleeding was stopped before it even began.”

## Conclusions: Implications for the Future

The possibility of improved relations seems dim, with the most likely prognosis being a continuation of managed hostility. Suga announced in the first week of September that he will step down, unsurprising given his low approval ratings, and a new prime minister will take office after LDP elections in late September and national elections in October. Those considered Suga’s likely successors have all indicated their opposition to further incursions by China. The 20th Congress of the CCP is scheduled for fall 2022, with Xi Jinping virtually certain to obtain a third term as party general secretary. The 50th anniversary of the normalization of China-Japan relations at the end of September 2022 might provide an opening for more cordial relations. No high-level exchanges of visitors have been announced, though there are opportunities for conversations on the sidelines of international meetings such as the opening of the United Nations General Assembly session.

# CHRONOLOGY OF JAPAN-CHINA RELATIONS

## MAY – AUGUST 2021

**May 1, 2021:** Panasonic [reveals](#) plans to outsource production of televisions to its Chinese rival TCK, the world's largest TV maker.

**May 3, 2021:** Japanese government [lodges](#) diplomatic protest against the presence of a Chinese marine research vessel conducting unauthorized research within Japan's Exclusive Economic Zone, the first confirmed incursion around the Okinawa area since July 2019.

**May 3, 2021:** Documents obtained by *Kyodo* from the US National Archives [reveal](#) the Fukuda administration in April 1978 asked then-US President Jimmy Carter's government to amend its position of neutrality over the Diaoyu/Senkaku Islands but was rebuffed.

**May 4, 2021:** A report [says](#) leading Japanese infrastructure companies such as NTT and Kyushu Electric Power are replacing Chinese-made drones due to concerns with security.

**May 5, 2021:** US Defense Secretary Lloyd Austin [suggests](#) a new concept of integrated deterrence that calls for Japan to assume a role in the numerous chokepoints of the Nansei Islands group.

**May 6, 2021:** A retired GSDF officer [urges](#) Japan to develop a deterrent credible enough to convince China that armed clashes over Taiwan would be unproductive and irrational.

**May 7, 2021:** Chinese Foreign Ministry spokesperson Wang Wenbin [describes](#) moves by Japan and the United States to make supply chains less reliant on the PRC violations of the principles of fair competition.

**May 7, 2021:** China's leading military newspaper [says](#) that Japan is moving yet further from the defense-only stipulation in its constitution.

**May 9, 2021:** *Yomiuri* [covers](#) a ceremony to commemorate the centennial of the start of a dam and irrigation project in southern Taiwan led by an engineer from Kanazawa.

**May 11, 2021:** ARC21—large-scale joint military maneuvers among Japan, the US, and France—[take place](#) for the first time on Japanese soil.

**May 12, 2021:** Annual report of the Japanese Coast Guard [reveals](#) that the number of large-sized Chinese Coast Guard vessels has more than tripled over the past eight years.

**May 16:** For the first time, the Japanese government publicly [identifies](#) China as responsible for a cyberattack.

**May 18, 2021:** China [denies](#) any connection between its flotilla passing through the Miyako Strait and the joint Japanese, US, French, and Australian exercises that had concluded the day before.

**May 20, 2021:** *Yomiuri* [reports](#) that, with China in mind, Japan will strengthen regulations to prevent the outflow of military-related technology.

**May 20, 2021:** Specifically referencing China's increased capabilities as well as new areas of warfare such as space, cyber, and electromagnetics, Defense Minister Kishi Nobuo [signals](#) the end of Japan's self-imposed 1% GDP cap for annual defense spending.

**May 28, 2021:** Japanese and EU leaders [release](#) a joint statement that “underscored the importance of peace and stability across the Taiwan Strait” and calls for “enhanced cooperation for a free and open Pacific.”

**May 31, 2021:** In response to repeated advances of China's carrier fleet into the Pacific Ocean, it is [reported](#) that Japan's defense ministry will deploy the Air Self-Defense Force's mobile radar unit to the Ogasawara Islands to watch for violations of Japanese air space.

**June 2, 2021:** Director of the Institute of Northeast Asian Studies at the Heilongjiang Provincial Academy of Social Sciences [characterizes](#) an LDP-proposed growth strategy linking economic policies and business activities directly to national security as a revival of *fukoku kyōhei*, the Meiji-era's call to "enrich the country and strengthen the military."

**June 3, 2021:** Suga, speaking at the Pacific Islands Leaders Meeting, [urges](#) the 18 nations to unite against authoritarianism and in favor of freedom navigation in the high seas and respect for international law.

**June 4, 2021:** LDP's Foreign Affairs Division [proposes](#) third update to US-Japan defense guidelines including Japanese participation in freedom of navigation exercises in the South China Sea and a focus on contingencies during a conflict in the Taiwan Strait.

**June 4, 2021:** Japanese Coast Guard [confirms](#) presence of four China Coast Guard vessels in the contiguous zone off the Senkaku/Diaoyu Islands, and that they mark a record 112 consecutive days of such intrusions.

**June 4, 2021:** Japan's first shipment of 1.4 million doses of AstraZeneca vaccine [arrives](#) in Taiwan, sent via the unofficial Taiwan-Japan Relations Association to avoid charges of violating Beijing's one China policy.

**June 6, 2021:** Reports [say](#) Japan's education ministry will ask 14 universities that host Confucius Institutes to provide information on matters like funding, number of participating students, and whether the CI intervenes in research.

**June 7, 2021:** Tokyo University Professor Sahashi Ryo [urges](#) the Japanese government to end its policy of excessive self-imposed restraints on official interactions with Taiwan for fear of offending Beijing.

**June 9, 2021:** Joint opinion poll by *Yomiuri* and South Korea's *Hankook Ilbo* [finds](#) that 88% of Japanese and 72% of South Korean respondents think that the military pressure that China is putting on its neighbors is a threat to their countries.

**June 11, 2021:** China's State Council Taiwan Affairs Office [objects](#) to "the latest moves by multiple Japanese government officials who have openly referred to Taiwan as 'a country.'"

**June 11, 2021:** Chief Cabinet Secretary Kato Katsunobu [says](#) there has been no change in Japan's basic policy to maintain working relations with Taiwan at the nongovernment level.

**June 15, 2021:** Chinese Academy of Social Sciences expert [accuses](#) Japan of making a "wild bet on the Taiwan card." He predicts that such actions as sending vaccine to Taiwan and expressing concern about the Taiwan Strait situation in a two plus two meeting with Australia would send China-Japan relations "back to the freezing point."

**June 16, 2021:** Draft of the Japanese defense military's 2021 white paper [states](#), for the first time, the strategic importance of Taiwan for Japan's national security and the stabilization of the international community.

**June 17, 2021:** Chinese Coast Guard 2301 fleet [conducts](#) a patrol in the territorial waters off the disputed Diaoyu/Senkaku islands, the sixth time since the beginning of 2021 such patrols have been publicly announced.

**June 17, 2021:** Speaking to the European Parliament's security and defense subcommittee, DM Kishi expresses "[serious concern](#)" with China's steady buildup of its military capacity and lack of clarity about its intentions.

**June 17, 2021:** In an interview with *Bloomberg*, Kishi [says](#) explicitly that the security of Taiwan is directly connected to that of Japan, and that Tokyo is closely watching China-Taiwan ties as well as Chinese military activity.

**June 18, 2021:** Two US analysts [advocate](#) that Japan respond to increasing Chinese assertiveness by disavowing pacifism and embracing collective defense.

**June 25, 2021:** Japan [ratifies](#) the Chinese-led Regional Comprehensive Economic Partnership.

**June 29, 2021:** State Minister of Defense Nakayama Yasuhide [says](#) it is necessary for countries including Japan and the US to “wake up” to Beijing’s pressure on Taiwan and protect the island as a democratic country.

**June 29, 2021:** Chinese official Jing Duan, addressing the United Nations Human Rights Council, [urges](#) Japan to treat the issue of World War II-era sexual slavery in an honest and responsible manner.

**June 30, 2021:** A ranking of 15 global cyberpowers by London’s International Institute for Strategic Studies [places](#) Japan in the bottom of the three tiers, below China and Russia.

**June 30, 2021:** *Financial Times* [reports](#) that the US and Japan have been conducting war games and joint military exercises in the event of a conflict with China over Taiwan.

**July 2, 2021:** Japanese Communist Party is the sole major party in the Diet not to [extend](#) its congratulations to the Chinese Communist Party on the centenary of the latter’s founding in 1921.

**July 4, 2021:** Japan’s Defense Ministry [announces](#) plans to increase cybersecurity staff in response to increasingly sophisticated attacks.

**July 5, 2021:** Director of the Institute of Northeast Asian Studies at the Heilongjiang Provincial Academy of Social Sciences [says](#) Tokyo is using Taiwan as a bargaining chip in order to increase its discourse power on the Diaoyu/Senkaku Islands issue and to contain China’s influence in the Asia-Pacific region.

**July 5, 2021:** Deputy Prime Minister Aso Taro [states](#) that if China were to invade Taiwan, the move could be interpreted as a threat to Japan’s survival, enabling the SDF to be deployed for collective self-defense under security laws enacted in 2015.

**July 7, 2021:** *Global Times* [responds](#) to Aso’s statement by saying that if Japan involves itself militarily in the Taiwan question it will be “digging its own grave.”

**July 7, 2021:** Twenty-four memorial halls in 14 of China’s provincial-level regions commemorate the 84<sup>th</sup> anniversary of the full-scale Sino-Japanese War.

**July 10, 2021:** A film shown on Chinese television [urges](#) that, if Japan intervenes militarily on the side of Taiwan, China should be exempted from its pledge of no-first-use of nuclear weapons

**July 13, 2021:** Contributor to *Jiefangjun Bao* [opines](#) that Japanese politicians’ recent activity on the Taiwan question reflects Japan’s sense of helplessness at China rise, its sense of loss at its declining influence over the Taiwan question, and its sense of fear for its security when China achieves “full reunification.”

**July 13, 2021:** Japan’s 2021 defense white paper [is released](#), devoting three times as much coverage to China than to the United States in outlining the defense programs of various nations.

**July 14, 2021:** *Asahi* [applauds](#) defense ministry’s decision against replacing last year’s “strong national security concern” to “strong national security threat,” but criticizes the review for not specifying what should be done to build a peaceful, stable relationship with the PRC.

**July 16, 2021:** On the fifth anniversary of the Permanent Court of Arbitration’s judgment against China’s claims in the South China Sea, *The Japan Times* [editorializes](#) in favor of the ruling, calling it a “brick in the wall supporting the rules-based order” that must be supported.

**July 17, 2021:** Chinese foreign ministry spokesperson Zhao Lijian [responds](#) to the publication of Japan’s 2021 defense white paper by admonishing Japan to maintain basic respect for China’s internal affairs.

**July 17, 2021:** Center-right *Yomiuri*, noting signs of softening in the Chinese economy such as chip shortages, rising resource costs, a stronger yuan and the ongoing dispute with the US, [predicts](#) that a downtrend will likely have a significant negative impact on Japan.

**July 18, 2021:** *New Zealand Herald* [reports](#) that a video circulating on official CCP channels warns that if Japan so much as deploys one soldier, plane, or ship in defense of Taiwan China will not hesitate to use nuclear weapons.

**Aug. 3, 2021:** Defense Minister Kishi [confirms](#) plans to station an additional 500 to 600 missile defense personnel on Ishigaki, which is close to the disputed Diaoyu/Senkaku Islands and 185 miles from Taiwan.

**Aug. 3, 2021:** China's embassy in Australia [claims](#) its ambassador "excoriated" his Japanese counterpart at a National Press Club event for downplaying imperial Japan's wartime atrocities, but a spokesperson for the Japanese embassy denies that the incident took place.

**Aug. 5, 2021:** *Global Times* [compares](#) Japan's military construction on the islands close to Taiwan to cannon fodder for the US to contain China's rise.

**Aug. 7, 2021:** Japan's surge in orders of Taiwan pineapples after China banned them [results](#) in improved sales, with a Taiwan Council on Agriculture official announcing that "the bleeding was stopped before it even began."

**Aug. 7, 2021:** Speaking at the ASEAN Regional Forum, Foreign Minister Motegi Toshimitsu [voices](#) Japan's strong opposition to unilateral attempts to change the status quo in the East and South China seas by force.

**Aug. 13, 2021:** Prime Minister Suga [tells](#) *Newsweek* magazine that the government should not feel bound by the informal 1 % cap of GDP, reinforcing [comments](#) by Defense Minister Kishi in May.

**Aug. 13, 2021:** *Asahi* [takes](#) Nishimura Yasutoshi, head of the central government's effort against the pandemic, to task for ignoring his own advice by visiting the Yasukuni Shrine during the state of emergency.

**Aug. 14, 2021:** A second Cabinet member, Defense Minister Kishi, [visits](#) the Yasukuni Shrine, eliciting a solemn response from the Chinese government. A spokesperson for China's defense ministry admonishes Japan to reflect truthfully on its history of aggression and objects to "a lot of negative acts" when dealing with China.

**Aug. 15, 2021:** China's Association of Performing Arts calls for a [boycott](#) of actor Zhang Zhehan after photos of him visiting Yasukuni Shrine in 2018 and 2019 circulated online.

**Aug. 15, 2021:** In response to Chinese ships entering Japanese territorial waters near the Senkakus and illegal fishing by Chinese and North Korean vessels, Japan reportedly [intends](#) to launch a new surveillance system that identifies suspicious ships by combining artificial intelligence and satellite technology.

**Aug. 18, 2021:** Japan's defense ministry [announces](#) that it will seek a fiscal 2022 budget of more than ¥5.4 trillion (\$49.3 billion) that could surpass the longstanding cap of 1%.

**Aug. 18, 2021:** *Jiji* [reports](#) that, at the request of the Japanese side, the LDP will hold online talks with Taiwan's ruling Democratic Progressive Party within the month, the equivalent of the 2-plus-2 security dialogues between governments.

**Aug. 18, 2021:** Japanese exporter of a motor that converts electrical signals into movements of a machine is [prevented](#) from exporting to China over the products' potential military purposes.

**Aug. 19, 2021:** Japan's defense ministry [decides](#) not to request funds in the fiscal 2022 budget for a sea-based missile defense system that would also have monitored Chinese naval ships' advances into waters around Japan.

**Aug. 20, 2021:** *Yomiuri* [editorializes](#) that the Japanese government needs to rebuild the nation's research system as soon as possible, since science labs are the new front line with a rising China.

**Aug. 20, 2021:** *Nikkei* [cites](#) unnamed analysts who say that Japan's plan to station anti-aircraft, anti-ship missiles, and hundreds of troops on Ishigaki island, 300 km from Taiwan, is aimed as much at defending Taiwan as Japan.

**Aug. 21, 2021:** Referencing reports that security talks will be held between the LDP and the DPP, a spokesperson for the Chinese State Council's Taiwan Affairs Office [admonishes](#) Japan and Taiwan's ruling party.

**Aug. 25, 2021:** *Yomiuri* [editorializes](#) that China's buildup of silos, reportedly for the *Dongfeng-41* intercontinental missile that would pose a major threat to the United States, goes far beyond its claim to keep nuclear capabilities at the minimum level required.

**Aug. 26, 2021:** Japan participates in the annual *Malabar* naval exercise alongside Australia, India, and the US, with *Global Times* [denigrating](#) the operation.

**Aug. 27, 2021:** In the third consecutive day of Chinese drone sightings, the ASDF [scrambles](#) planes after three Chinese military aircraft, one of them an TB-001 unmanned aerial vehicle, enter airspace between the main island of Okinawa and Miyakojima.

**Aug. 27, 2021:** The first-ever Taiwan-Japan security talks [take place](#). According to a prominent Taiwanese lawmaker, one of the key foci was the investment of Taiwanese chip makers, specifically that of global leader Taiwan Semiconductor Manufacturing Company (TSMC) into Japan, as well as support and incentives Japan would need to provide to help the company meet the cost gap. US-Japan-Taiwan collaborations were also discussed as well as potential cooperation of “Japan, Taiwan, and a third-place,” but due to the sensitivity of the issue, no further details are given.

**Aug. 30, 2021:** In a potential flashpoint for the Diaoyu/Senkaku Islands dispute, Japanese fishing boats operating in the surrounding waters may [face](#) enforcement actions under China’s new Maritime Traffic Safety Law imposing fines on foreign-flagged vessels for sailing in waters it claims as its own.