

# COMPARATIVE

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## CONNECTIONS

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

### JAPAN-CHINA RELATIONS

## RED LINES ARE TESTED

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Chinese Communist Party leader Xi Jinping's long-expected and often postponed—even before the pandemic—state visit to Japan was not even spoken of during the reporting period. In the closing days of the year, the defense ministers of the two countries met virtually but, at least according to published accounts, simply reiterated past positions and hopes for cooperation in the interests of regional stability. Japan did not receive the assurances it sought on the implications of the PRC's new Coast Guard law. China repeatedly pressed the Japanese government for support for the Beijing Winter Olympics, expressing dissatisfaction with the lack of official representation announced by Tokyo. Although trade was brisk, economic growth in both countries remained impacted by quarantines and the uncertain investment climate in China. China complained about closer Taiwan-Japan relations even as it stepped up pressure on the island and both China and Japan continued military upgrades.

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## Politics

The reporting period began amid speculation about who would succeed Prime Minister Suga. *Global Times* [editorialized](#) on Sept. 5 against taking too seriously Kishida Fumio's vow to make dealing with China a top priority if elected. For China, too much anti-Japanese sentiment would be too flattering: citizens should just ignore Japan and concentrate on making the country stronger and more powerful.

Rivalries continued in relations with foreign countries. Reacting to increased Chinese influence in the South Pacific, Japan announced near the end of the year that it would [open](#) an embassy in Kiribati and a consular office in Noumea, New Caledonia. A representative office is to be opened in the Mediterranean island of Malta and a consular office in Siem Reap upgraded to consulate general level. Even as it alarmed Japan with a barrage of intrusions into Taiwan airspace, China reminded Japan that it had supported the Tokyo Olympics, none-too-diplomatically [asking](#) for reciprocal support. Rivalries existed in other areas, with Japan pleased to announce in November that its Fugaku supercomputer had captured its fourth consecutive [title](#) as world's fastest amid speculation that a Chinese or US rival could soon surpass it.

In October, then foreign minister Motegi Toshimitsu [described](#) ties with China as remaining in a difficult situation as the two prepare for the 50th anniversary of the normalization of bilateral diplomatic ties next year. A bilateral poll showed 90.9% of respondents with a negative view of China, with two-thirds of Chinese respondents viewing Japan negatively. Speaking at the 17th Beijing-Tokyo Forum that month, Foreign Minister Wang Yi [offered](#) five anodyne suggestions on improving China-Japan ties such as managing differences and upgrading cooperation in sundry spheres. [Responding](#) to public opinion polls in both China and Japan showing negative feelings for each other, *Asahi* in November editorialized that Xi Jinping and Kishida must make efforts to stop the cycle of mutual mistrust, without recommending specific measures. One such concession might have been Kishida's [appointment](#) in early November of reportedly pro-China former Defense Minister Hayashi Yoshimasa as foreign minister. With the appointment immediately drawing fire from conservatives, Hayashi [announced](#) his intention

to resign as chair of the Japan-China Friendship Association "to avoid unnecessary misunderstandings in performing [his] duties as foreign minister." In his first telephone [call](#) to counterpart Wang Yi, Hayashi emphasized the importance of peace and stability in the Taiwan Strait, while Wang urged Japan to avoid crossing the line on history issues and the Taiwan question, [pointing](#) out that, although the US and Japan are allies, China and Japan are neighbors. Former Chinese Foreign Minister Yang Jiechi invited Hayashi to [visit](#) the PRC, without suggesting a date. The last foreign ministerial visit was in December 2019.

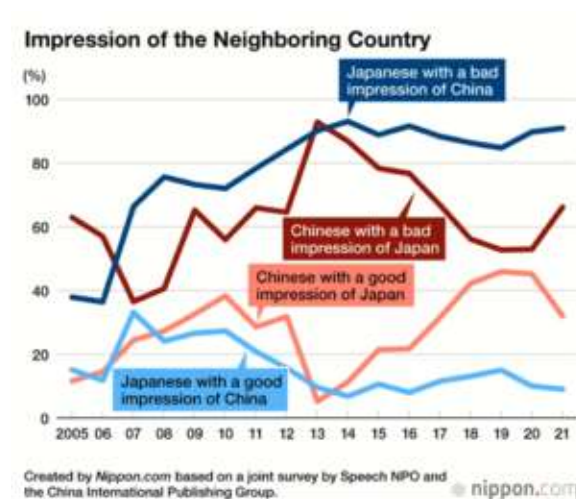


Figure 1 Recent opinion polls show that the proportion of Chinese with a good impression of Japan decreased by 13.2 points to 32%, while the proportion of Japanese with a good impression of China decreased by 1 point to 9%. Photo: Nippon.com

In an unusual rebuke, the typically China-friendly *Asahi* editorialized in November that the Chinese Communist Party's [effort](#) to rewrite history so that the public will embrace the official version of its past could only serve to push China away from the rest of the world. A joint bilateral opinion poll in August and September [found](#) that 66.1% of Chinese have a bad impression of Japan, an increase of 13.2 points over the previous year and the worst since 2013, which was a time of difficulty due to the Diaoyu/Senkaku Islands dispute. Major reasons given were Japan's failure to apologize for and reflect on its history of aggression, the islands dispute, and seeking to encircle China in alliance with the US. Japanese negative views of China were virtually unchanged at 58.7%, with major reasons being frequent violations of Japanese territorial water around the Diaoyu/Senkakus, aggressive actions

in the South China Sea and elsewhere, and actions that violate international rules. *Yomiuri* announced that Japan is to [establish](#) an embassy in Kiribati and a consular office in Noumea, New Caledonia, a special collectivity under French rule, to better compete with China. In recent years, the Japanese and French governments have enhanced defense cooperation efforts.

Although *Asahi* did not mention specific instances of CCP attempts to rewrite history, Beijing continued to use the anniversaries of clashes between the two to berate Japan and elicit concessions. Chinese media, for example, described the commemoration of the 1937 Nanjing Massacre as a “[barometer](#)” of Japan’s support for the Beijing Olympics without which the relationship would “veer into a downward spiral.” A *Global Times* opinion piece [criticized](#) China-born director Chloe Zhao for having an American film character apologize for dropping the atomic bomb on Hiroshima. Rather than glorify the Japanese invaders, the character should have apologized for the Nanjing Massacre. The paper did not explain why an American should apologize for the Nanjing Massacre, since the US was not involved in it and was in fact backing the Chinese side.

Reacting to a media report that Tokyo Electric Power applied to release water from the Fukushima Daiichi plant into the sea, the Chinese foreign ministry in December expressed serious [concern](#) about its purity. [Observing](#) that 99 members of Japan’s House of Representatives, including nine deputy ministerial-level government officials visited the Yasukuni Shrine on the 80th anniversary of the attack on Pearl Harbor, the *PLA Daily*, China’s leading military newspaper criticized the action as “a slap in the face of the United States” and part of the long-term acquiescence of the US in the revival of Japanese militarism.

Following former Prime Minister Abe’s expression of concern about China’s actions against Taiwan and in the East China and South China seas, *PLA Daily* [characterized](#) his remarks as driven by rightwing adventurism, citing a Japanese academic’s opinion that Abe is obsessed with realizing what his Class-A war criminal (indicted but not convicted, which the paper failed to mention) grandfather Kishi Nobusuke could not.

As the report period drew to a close, Chief Cabinet Secretary Hirokazu Matsuno, citing human

rights concerns, though avoiding use of the term [boycott](#), announced that Japan would not send Cabinet members or high-level officials to the Beijing Winter Olympics. Two sports officials will attend. As expected, China reacted angrily. Analysts described Japan’s [decision](#) as a failed balancing act unlikely to satisfy either China or the US while netizens accused Japan as deceit since China supported the Tokyo Olympics. A specialist in Japanese politics opined that rightwing forces had pushed Kishida into his decision. Japan, he continued, is intensifying ties with Taiwan secessionists and challenging China’s red line. Speculating on Beijing’s concern with any post-Suga shift in Japan’s Taiwan policy, Kyodo [cited](#) unnamed Beijing diplomats’ opinion that China would avoid taking a hardline approach to Japan until after the Beijing Winter Olympics and Paralympics in February and March, since it wants Japanese participation.

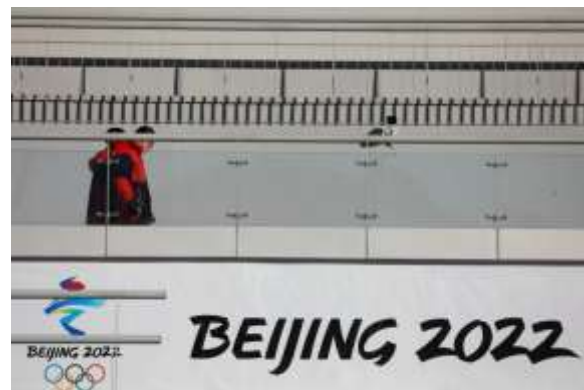


Figure 2 A Beijing Olympics venue in Zhangjiakou, China. Japan is not planning to send Cabinet ministers or other senior officials to the Games. Photo: Reuters/Carlos Garcia Rawlins

## Economics

China’s National Bureau of Statistics [announced](#) that industrial production was up 3.8% in November, year on year while Japanese government data [showed](#) a trade deficit for the fourth straight month as exports hit a record high but failed to offset import growth mostly due to higher oil prices.

While trade relations were good in general, in September a Kyoto-themed shopping complex in Dalian was [forced](#) to suspend operations after internet criticism that the Japanese government is engaged in a cultural invasion. In 2020, a shopping street in Guangdong modeled on

Tokyo's Kabuki-cho had to be "reformed" after similar charges. *Global Times* in December [depicted](#) Japan struggling under the burden of hosting US troops.

Responding to China's surprising bid to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), former dean of Beijing University's School of International Studies [Jia Qingguo](#) opined in September that it was designed to split the US and Japan, since Japan's refusal of the request would mean confrontation with China, but Japan cannot easily accept it either since the US would never agree to that.

*Bloomberg* [reported](#) at the end of September that Japanese utilities are stepping in to help ease China's fuel crisis by selling excess liquefied natural gas at sky-high prices. In bad news for Sony, its Chinese subsidiary was [fined](#) \$156,000 in October for violating China's advertising laws over its plan to hold a new product launch event on the anniversary of the Marco Polo bridge that Beijing marks as the beginning of the war with Japan. On the positive side, in the same month Sony began eventually successful [discussions](#) with the Taiwan Semiconductor Manufacturing Company (TSMC), world's largest contract chip manufacturer, to jointly build a new semiconductor plant in Kumamoto. Since there are no factories in Japan capable of producing cutting-edge semiconductors, and a worldwide shortage thereof, the Japanese government has also urged private and public sectors to conduct joint research and develop a production system. [Concerned](#) about the impact of a shortage of computer chips to Japanese security, it was announced in November that the Japanese government is establishing the legal groundwork for subsidizing domestic plants for advanced semiconductors, with Taiwan's TSMC, the leader in the field, the first beneficiary. The new plant will not produce cutting-edge chips, which will continue to be made in Taiwan, but those used for such items as cars and appliances.

Mutual China-Japan partnerships continued. It was announced in October that Chinese internet conglomerate Tencent will [acquire](#) a 6.86% stake in Japanese publishing giant Kadokawa, making Tencent Kadokawa's third-largest shareholder. According to Kadokawa, it has qualified for an exemption from Japan's foreign investment law that requires pre-screening for strategic industries. Japanese retailing giant Uniqlo in November opened a global flagship [store](#) in

Beijing's Sanlitun area, with plans to open a hundred in other areas of China. It already has more than 850 stores in 180 Chinese cities, more than in Japan. In what *Nikkei* referred to as one of the most aggressive international expansions by a Japanese restaurant brand, sushi chain Sushiro [plans](#) to open between 42 to 46 locations in China adding to the one it opened in Guangzhou in September. In December, a bilateral forum backed a [partnership](#) between Hitachi Zosen and Yulin Chemical to develop a renewable alternative to natural gas for industrial and household use, though cost remains a major hurdle.

Not all news was positive: Japan's Government Pension Investment Fund (GPIF), blaming poor liquidity, futures trading options, lack of international settlement, and the different settlement systems between international bonds and those of the Chinese government, [decided](#) in November to exclude renminbi-denominated Chinese sovereign bonds from its portfolio. And Tokyo tax authorities uncovered a China-based scheme that invested about \$237 million in Japanese real estate by using cryptocurrency to avoid PRC government restrictions on the transfer of more than \$50,000 out of the country.

Two notes of concern for the Japanese government were, first, that Chinese state-owned FAW group, [targeting](#) the Japanese market for electric cars, will offer a hybrid version of its SUV next summer. Second, in what unnamed experts [cited](#) by *Global Times* call an "aircraft carrier" of the rare earth industry, China's state assets administration approved a major merger that will make it one of the world's largest and serve as "a stern warning" against bullying attempts. The behemoth, to be controlled by the Chinese State Council's Assets Supervision and Administration Commission (SASAC), will control 70% of the PRC's heavy rare-earth minerals.

As for Japanese investment by Japan, according to an Oxford Economics note, in 2020 Japan [spent](#) a greater percentage of its foreign direct investment in the ASEAN-5 economies (Thailand, Indonesia, Malaysia, Singapore, and the Philippines) and the Asian Tigers—Singapore, South Korea, Hong Kong and Taiwan—than it did in China. However, by country, China still has the biggest slice of Japanese FDI among Asian countries and the



return on its investments in China still far outweighs any of its other foreign investments.

## Defense

Increased urgency about Japan's concerns with Chinese military intentions was evident from the beginning of the reporting period, with Japan's defense ministry requesting a 2.6% increase to ¥5.48 trillion (\$49.86 billion) in its budget for fiscal year 2022 to [strengthen](#) Japan's defenses. Big-ticket items included F-35 stealth fighters, research and development for game-changing technologies such as unmanned aircraft operated by artificial intelligence, and purchases of lasers and satellites to track targets in space. The ministry in October announced plans to [enlist](#) YouTube stars and other opinion leaders to help it lobby for a bigger defense budget since the gap between Chinese military spending and that of Japan continued to widen. As the reporting period ended in December, the ministry got less than half of what it requested. Though making clear that it understood the [implications](#) for Japan of a Chinese threat to Taiwan and elsewhere, the Cabinet approved a 1% increase in the FY 2022 defense budget to \$291 billion. Much of the increase is to be for research and development and, in particular, for the successor to the F2 fighter. Though dwarfed by US and Chinese expenditures, this is the 10th straight year of defense budget increases. Japan's defense industry, however, continues to [struggle](#) despite the arms buildup. Chinese media [criticized](#) Japanese plans to double the defense budget, seeing it as connected with attempts to revise the country's constitution by clarifying the role of the military.

The defense ministry in September notified Okinawa prefectural authorities that it planned to [install](#) an SSM battery at the GSDF's Katsuren sub-camp so that, together with other installations, the Miyako Strait would have full protection. The intent is to prevent landings by an unspecified enemy on outlying islands, including the disputed Senkaku/Diaoyu group. Also in September, the Japan Coast Guard [confirmed](#) that a submarine believed to be Chinese was cruising underwater within Japan's contiguous zone east of Amami Oshima. Deputy Chief Cabinet Secretary Isozaki Yoshihiko [stated](#) in October that the government was watching with great interest the passage of a joint Chinese-Russian flotilla traversing Japanese chokepoints. The Japanese government protested the apparently intentional [entry](#) of a

Chinese navy survey ship into Japanese coastal waters on Nov. 17 for the first time since July 2017.

Concern was [expressed](#) at the end of October that the China Coast Guard's new rules on criminal procedures could be applied to Japanese fishermen in the contested Diaoyu/Senkaku Islands. To date, the Chinese government has given [no assurances](#) on this. According to a November report, the traditional silos among the three components of Japan's Self-Defense Forces (SDF) are eroding, fueled by Chinese expansionism and recent moves toward Taiwan.

The SDF in September conducted their largest exercises since 1993, which Chinese observers [described as](#) designed to challenge the PRC's sovereignty and demonstrate loyalty to the US Indo-Pacific strategy. *Yomiuri* editorialized that Japan should steadily enhance its defense capabilities in response to China's military buildup, with particular attention to detecting hypersonic glide vehicles. A subsequent editorial in the same paper urged the Japan Coast Guard to strengthen its ability to protect the Diaoyu/Senkaku Islands against Chinese encroachment. And a September opinion piece in *Japan Forward* advocated that Japan found a "[territorial army](#)" to counter China's maritime militia, with special reference to the Diaoyu/Senkaku Islands.

Interviewed by CNN in September, Defense Minister Kishi Nobuo [stated](#) that the Diaoyu/Senkaku are "unquestionably Japanese territory and would be defended as such, with Tokyo matching any Chinese threat to the islands ship for ship and beyond if necessary." In a separate interview with the UK's *Guardian* almost immediately afterward, he [urged](#) European states to speak out against China's military expansion. Signaling increased international [concern](#) with Chinese assertiveness in the waters around Japan, British aircraft carrier *HMS Queen Elizabeth* made its first port call in Japan. The carrier's commander [revealed](#) that the ship had been escorted and shadowed by Chinese units, but in a safe and professional manner. Kishi also [welcomed](#) the first port call by a German warship to Tokyo in 20 years, saying that the two countries would step up their military cooperation in defense of a free and open Indo-Pacific. The frigate *Bayern* participated in two days of exercises with MSDF destroyer *Samidare*. In response to a [request](#) from the Australian side and demonstrating Tokyo and Canberra's

commitment to cooperation with allies against Chinese assertiveness, the Japanese destroyer *Inazuma* escorted Australian frigate *Warramunga* during a joint exercise, marking the first time a Japanese vessel has protected warships other than those of the US. In November, referencing China's activities in the South China Sea, *Yomiuri* [reported](#) that the United States and Japan had conducted their first joint drills, citing MSDF Chief of Staff Admiral Yamamura Hiroshi saying that the drills showed the high level of interoperability between the forces of the two countries. While support from other countries was welcome, *Nikkei* struck a note of caution when it [observed](#) that US Space Force head Gen. John Raymond did not give a direct answer when asked if the US would consider applying the mutual defense provision of the US-Japan security treaty to the space domain.

In the run-up to Japan's fall election, contenders to succeed Suga as prime minister took a uniformly hard line on China. Kono Taro [described](#) a best-case scenario for Japan as aligning with the Five Eyes intelligence alliance of Australia, Britain, Canada, New Zealand, and the US with Japan ultimately becoming the sixth eye. China has denounced the Five Eyes as a Cold War relic. *Jiefangjun Bao*, China's leading military newspaper, took [issue](#) with Suga's presence at the Quadrilateral Security Dialogue just before leaving office as "sacrificing Japan's dignity while rooting for America's clique." A Chinese expert on Japan [opined](#) that contender, and later prime minister, Kishida's allegedly strong message of support from Biden on the US commitment to the Diaoyu/Senkaku islands could just have been Kishida's personal interpretation of their telephone exchange.

In recognition that not all threats to its defense are kinetic, Japan will [require](#) permits for security-related technology transfers to international students in Japanese universities. Currently, only 62.5% of universities carry out required pre-screening identity checks and other requirements. The Japanese government is to exercise tighter [scrutiny](#) on supply chains for missiles, ships, and other equipment, which will restrict the use of Chinese-made equipment with Huawei among suppliers likely to face barriers on economic security grounds. *Global Times*, however, [cited](#) a Japanese professor at Shenzhen University as disputing Japanese concerns about the outflow of technology to China: the truth, he said, is that more research in China is brought back to Japan than vice-versa.

Chinese [military analysts](#) played down the significance of the joint US-Japan exercises, with expert Song Zhongping terming any attempt to hunt PLA submarines a daydream since, even were Australia's forces to be included, the South China Sea is too big for so few countries to police, and pointing out that China possesses increasingly advanced submarine forces. Song advocated that China prepare for war, and that the PRC's submarines should not only be in the South China Sea but in other countries' waters to break the strategic encirclement of countries such as the US and Japan.

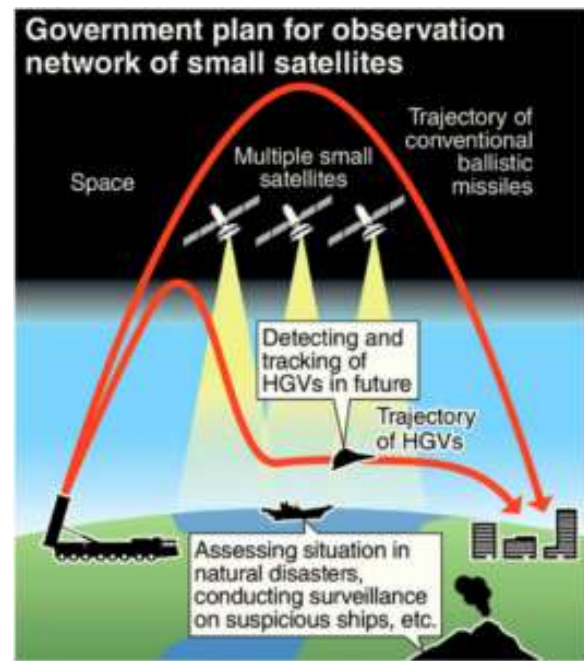


Figure 3 The Japanese government plans to construct a network of small satellites capable of detecting hypersonic glide vehicles from outer space. Photo: *Yomiuri*

In the wake of China's November hypersonic glide vehicle test, the Japanese government announced plans to [construct](#) an observation network of small satellites that could track the movement of HGVs from outer space. However, in light of the high cost, the government is considering joining a US-developed network, or linking with satellites operated by the private sector.

In late November, Japan and Vietnam signed a [cybersecurity agreement](#) amid concerns over China's growing assertiveness, with Defense Minister Kishi noting a "strong sense of urgency" over activities in the Indo-Pacific that challenge the international order. The agreement

came two months after the two countries concluded an agreement allowing Japan to provide defense equipment to Vietnam. In the following month, the Tokyo Metropolitan Police Department issued a [warrant](#) for the arrest of a Chinese citizen in connection with cyberattacks on Japan's Aerospace Exploration Agency. As part of Tokyo's plan to establish multilateral [defense cooperation](#) in response to China's military buildup, Japan and Australia are to sign a pact enabling each country's forces to enter the other for joint exercises. This follows the trilateral security pact among Australia, the US, and the UK.

A November *Yomiuri* [report](#) on the conversion of two destroyers into de facto aircraft carriers stressed the importance of their role in case of a Chinese attack on Japan's remote islands. Currently, because the SDF's planes must fly from Naha or Kyushu, they would be at a disadvantage since China could launch its planes from an aircraft carrier. In late November, in response to Chinese maritime activity, the Japanese government approved a supplementary budget that increased [defense spending](#) for FY 2021 to \$52.8 billion, or 1.09% of GDP, the highest percentage in a decade and the eighth time since fiscal 2012 to exceed 1%. And, citing [threats](#) from North Korea and China, Kishida said that he does not rule out options such as striking at enemy bases.



*Figure 4 Vietnam's Defense Minister General Phan Van Giang and Deputy Defense Minister Sr. Lt. General Hoang Xuan Chien attend a signing ceremony for the bilateral memorandums with Japan's Defense Minister Nobuo Kishi, right, and Vice Minister of Defense for International Affairs Akihiro Tsuchimichi at the Defense Ministry in Tokyo on Nov. 23, 2021. Photo: Associated Press*

Writing in *Japan Forward* in December and referencing the US-China Economic and Security Review Commission's proposal for partners to

consider willingness to host US intermediate-range ballistic missiles, a retired Japanese admiral [advocated](#) that Japan consider doing so. He accompanied his presentation with a chart showing the discrepancy between the reach of Chinese vs Japanese naval missiles. A less ominous view was taken by Sugiura Yasuyuki, senior researcher at the National Institute for Defense Studies, when he [told](#) *Yomiuri*, that Japan must have the "correct" amount of fear about China, whose military is coming closer to becoming the world's top military force but lacks actual battle experience.

*Jiefangjun Bao* noted Tokyo's [concern](#) that if the US were to adopt a no-first-use nuclear policy, its function as an umbrella for Japan would be lost. If so, Japan could decide to adopt nuclear weapons, using the same security excuse it now uses to discuss strengthening its ability for preventive attacks against enemy bases.

In late December, the Japan Coast Guard and Maritime Self-Defense Force conducted a [joint exercise](#) to simulate responses to a Chinese military vessel approaching waters near the contested Diaoyu/Senkaku Islands. The SDF is permitted to use force under certain conditions in such situations. [Mindful](#) that China possesses multiple ballistic missiles capable of reaching Japan, the Japanese government is considering deploying submarine-based long-range standoff cruise missiles which could strike ground-based targets. According to informed US navy sources, however, these will be useless since they are subsonic and hence unable to get through PLAN and PLA point defenses: China's S-400 would destroy a subsonic missile, even one with a 10,000-km range.

As the year closed, Chinese and Japanese defense ministers held [video talks](#). *Jiefangjun Bao* quoted Gen. Wei Fenghe as stressing China's determination to safeguard its territorial sovereignty and maritime rights and interests in the South China Sea, and urging Japan to learn from history. The paper cited Kishi Nobuo as expressing willingness to work with China on measures to combat the pandemic, strengthen crisis management, and establish a direct undersea telephone line and air liaison mechanism. The Chinese paper did not mention, but Japanese news agency *Kyodo* [reported](#), that Kishi had "strongly demanded" an explanation for China's new coast guard law, which gives it the right to search and seize other countries vessels in islands contested between the two



countries, and that he had requested talks immediately after it was enacted on Feb. 1. Chief Cabinet Secretary Natsuno Hirokazu [announced](#) that China and Japan agreed to launch a military hotline next year.

## Taiwan

As the reporting period opened, *Japan Forward* praised outgoing Prime Minister Suga's [stance](#) that a Taiwan crisis could have ripple effects on Japan and the need to "focus on Taiwan," saying it sends a message to China on the possibility of a joint US-Japanese military intervention on behalf of an attack on Taiwan. All candidates to succeed Suga were similarly supportive. The winner, former foreign minister Kishida Fumio, said that Japan should seek to [cooperate](#) with Taiwan and countries that share its values of freedom, democracy, and the rule of law, and expressed his support for Taiwan to join the Trans-Pacific Partnership if the country "can meet the necessary high standards." Candidate Takaichi Sanae [conferred](#) directly, though virtually, with Taiwan President Tsai Ing-wen, with *The Japan Times* noting that it is extremely rare for a Japanese politician, much less a possible prime minister, to hold a meeting with any senior Taiwanese officials, much less its president.



Figure 5 Current Prime Minister and former Foreign Minister Kishida Fumio raises the importance of cooperation with Taiwan at a press conference on Sept. 3, 2021. Photo: Bloomberg

Similar expressions of support came from other influential officials past and present. In a surprise remote call to a conference on Japan-Taiwan relations, also in September, Deputy Defense Minister Nakayama Yasuhide [declared](#) that Japan and China were not friends but family members. Nakayama's father Masaaki was one of five Diet members who stood resolutely against

Japan formalizing relations with the PRC in 1972; his son asked whether this half-century-old diplomatic arrangement really served the nation's interests in light of China's aggressive behavior. In a December speech in Vietnam on his first overseas trip as defense minister, Kishi criticized China for trying to change the status quo through strength and [highlighted](#) the key role Taiwan can play in the world.

The PRC responded in kind to all of these. Official media [criticized](#) the Takaichi-Tsai meeting, taking particular umbrage at video footage of Takaichi hanging the Taiwan and Japanese flags side by side, stating that such actions undermine the foundations of China-Japan relations. Responding to Kishi's remarks, the PRC's embassy in Vietnam [accused](#) Japan of interference in China's affairs through the Taiwan question. *Global Times* [described](#) the passage of a Chinese destroyer flotilla in the waters between Taiwan and Japan as sending a warning to Japanese rightwing forces and Taiwan secessionists at a time when the two have been colluding to sabotage the peace and stability of the region. In a separate article responding to Deputy Defense Minister Nakayama's comments that Japan considered Taiwan's peace and security as its own business, the paper [editorialized](#) that Japan is in its worst geopolitical environment since the Meiji Restoration and termed its hatred toward China "morally dirty."

Japanese concerns with the implications for Japan of a PRC attack on Taiwan were magnified when China, beginning on its national day of Oct. 1, sent scores of planes into Taiwan's Air Defense Identification Zone. *The Japan Times* editorialized that Beijing is building a military to [rewrite](#) the rules of the Indo-Pacific region, and advocated that Tokyo increase its defense budget while integrating more deeply with the US and other security partners. US analysis [urged](#) US and Japanese officials to think through the many potential scenarios in a Taiwan contingency and clarify to each other privately their potential responses, since a Taiwan contingency is likely to require quick thinking and a decisive response. According to a Taiwanese Public Opinion Foundation [poll](#), released in November, 58% of respondents think it possible that Japan would send troops to defend Taiwan, and that 65% believe that the US would come to Taiwan's aid militarily.



Speculating on Beijing's concern with any post-Suga shift in Japan's Taiwan policy, *Kyodo* [cited](#) unnamed Beijing diplomats' opinion that China would avoid taking a hardline approach to Japan until after the Beijing Winter Olympics and Paralympics in February and March, since it wants Japanese participation.

Informal contacts continued to grow. A Taiwan Japan Academy [launched](#) at Taipei's National Chengchi University, with ambassador-equivalent Japan-Taiwan Exchange Association head Izumi Hiroyasu saying that the passing of the old generation of Japanese-speaking Taiwanese such as former president Lee Teng-hui makes the academy's work more important than ever.

A US analyst [opined](#) in November that internationalization of the Taiwan issue has given Japan cover for more active support for Taiwan's sovereignty as has its growing role in the liberal economic order as exemplified by its leadership in the CPTPP. Japanese politicians celebrated Taiwan's national day and were photographed eating Taiwanese pineapples after China announced a boycott of them. Taiwan's president actively [courts](#) pro-Japanese youth, even tweeting to them in Japanese. Separately, an Indian analyst [wrote](#) in the same month that closer cooperation between Japan and Taiwan was needed to mitigate Beijing's increasing use of gray-zone tactics, pointing out that although the current Taiwan leadership is favorably disposed toward Japan, the next one might not be.

In December, former Prime Minister Abe, speaking to a Taipei [video conference](#), warned that a Chinese attack on Taiwan would be an emergency for Japan and could meet the conditions for Tokyo to use military force. Two weeks later, in a video [address](#) to the Taiwan-US-Japan Trilateral Indo-Pacific Security Dialogue, Abe warned Beijing that it would be "suicidal" to invade Taiwan and advised that Taiwan, the US, and Japan work together to strengthen their deterrent capabilities. *Global Times*, [referencing](#) former Abe's "repeated provocations over the Taiwan question," described him as Japan's chief anti-China politician.

Almost simultaneously, and despite [objections](#) from members of the Chinese consulate-general in Osaka, the ninth annual meeting of the Japan-Taiwan Cultural Exchange Summit was held in

Kobe, with organizers reporting that attendance was greater than expected due to resistance to the coercive tactics. Also in December the Japan-Taiwan Co-Prosperity Chiefs [Alliance](#), comprising 127 Japanese city and local officials, held its first meeting and called on Tokyo to draw up a Japanese version of the US Taiwan Relations Act. As the year ended, in an address to the Taipei Christmas fair sure to irk Beijing, ambassador-equivalent Izumi, in what was likely an allusion to China's claim to have created a superior form of democracy, [described](#) 2021 as the year of Taiwan since more countries have stood up to support its free and democratic way of life.

Amid these cheerful celebrations, *Kyodo* [reported](#) that the Japanese and US armed forces have a draft plan for a Taiwan contingency under which the US Marine Corps would at the initial stage of the emergency set up temporary bases and deploy troops on the Nansei island chain that stretches from Kyushu to Taiwan. The plan is to be formalized at a 2+2 meeting of foreign and defense ministers early in 2022.

## The Future

It is possible but by no means assured that a softer China-Japan line may occur. Both Beijing and Tokyo have expressed their desire to have a cordial atmosphere for the commemoration of the 50th anniversary of the normalization of diplomatic ties at the end of September. Some analysts believe that Beijing's willingness to consider a hotline between the two capitals portends a less strident posture. Others disagree, saying that the agreement in itself means little and may simply be motivated by a desire to bolster the pro-China faction inside the LDP and its Komeito coalition partner. On the Japanese side, appointment of Hayashi Yoshimasa as foreign minister could indicate a desire for rapprochement. Factional political differences may however constrain the implementation thereof. Prime Minister Kishida belongs to the Kochikai faction of the LDP, begun by accommodationist ex-Prime Minister Ikeda Hayato and included former Prime Minister Miyazawa Kiichi, former speaker of the House of Representatives Kono Yohei and former Chief Cabinet Secretary Kato Koichi. But they are apt to meet powerful resistance from former Prime Minister Abe, Defense Minister Kishi, and Deputy Defense Minister Nakazawa. Moreover, with China remaining adamant about its claims to Taiwan and in the East China and South China seas, the question remains as to what conditions

the Japanese side would agree to effect rapprochement. In the end there may be little change in the status quo.

# CHRONOLOGY OF JAPAN-CHINA RELATIONS

## SEPTEMBER—DECEMBER 2021

**Sept. 1, 2021:** Seeking to [strengthen](#) Japan's defenses against China's growing assertiveness, the defense ministry requested a 2.6% increase to ¥ 5.48 trillion (\$49.86 billion) in its budget for fiscal year 2022.

**Sept. 2, 2021:** Japan's Defense Ministry notified Okinawa prefectural authorities that it plans to [install](#) an SSM battery at the GSDF's Katsuren sub-camp so that, together with other installations, the Miyako Strait will have full protection. The intent is to prevent enemy landings on outlying islands, including the disputed Senkaku/Diaoyu group.

**Sept. 2, 2021:** Noting Suga's [stance](#) that a Taiwan crisis could have ripple effects on Japan and the need to "focus on Taiwan," *Japan Forward* says it sends a message to China that the possibility of a joint US-Japanese possibility of military intervention on behalf of an attack on Taiwan.

**Sept. 3, 2021:** Former Foreign Minister Kishida Fumio, a candidate to succeed Prime Minister Suga, says that Japan should seek to [cooperate](#) with Taiwan and countries that shares its values of freedom, democracy, and the rule of law. He would encourage Taiwan to join the Trans-Pacific Partnership if it "can meet the necessary high standards."

**Sept. 4, 2021:** Speculating on Beijing's concern with any post-Suga shift in Japan's Taiwan policy, *Kyodo* [cites](#) unnamed Beijing diplomats' opinion that China would avoid taking a hardline approach to Japan until after the Beijing Winter Olympics and Paralympics in February and March, since it wants Japanese participation.

**Sept. 4, 2021:** Signaling increased [concern](#) with Chinese assertiveness in the waters around Japan, British aircraft carrier *HMS Queen Elizabeth* makes its first port call in Japan.

**Sept. 5, 2021:** *Global Times* [editorializes](#) against taking too seriously Kishida's vow to make dealing with China a top priority if elected.

**Sept. 6, 2021:** An opinion piece in *Japan Forward* advocates that Japan establish a "[territorial army](#)" to counter China's maritime militia, with special reference to the Diaoyu/Senkaku Islands.

**Sept. 7, 2021:** A Kyoto-themed shopping complex in Dalian is [forced](#) to suspend operations after internet criticism that the Japanese government is engaged in a cultural invasion.

**Sept. 7, 2021:** *Yomiuri* editorializes that should Japan steadily enhance its defense capabilities in response to China's military buildup, with particular attention to detecting hypersonic glide vehicles.

**Sept. 8, 2021:** Commander of British aircraft carrier visiting Japan [reveals](#) that the carrier had been escorted and shadowed by Chinese units, but in a safe and professional manner.

**Sept. 8, 2021:** In a surprise remote call to a conference on Japan-Taiwan relations, Deputy Defense Minister Nakayama Yasuhide [declares](#) that Japan and Taiwan are not friends but family members.

**Sept. 9, 2021:** *Nikkei* [observes](#) that US Space Force head Gen. John Raymond didn't give a direct answer when asked if the US would consider applying the mutual defense provision of the US-Japan security treaty to the space domain.

**Sept. 9, 2021:** *Global Times* [describes](#) the passage of a Chinese destroyer flotilla in the waters between Taiwan and Japan as sending a warning to Japanese right-wing forces and Taiwan secessionists at a time when the two have been colluding to sabotage the peace and stability of the region.

**Sept. 9, 2021:** *Global Times* [editorializes](#) that Japan is in its worst geopolitical environment since the Meiji Restoration and terms its hatred toward China as "morally dirty."

**Sept. 11, 2021:** Taiwan Japan Academy is [launched](#) at Taipei's National Chengchi University, with ambassador-equivalent head of the Japan-Taiwan Exchange Association Izumi Hiroyasu saying that the passing of the old generation of Japanese-speaking Taiwanese such as former president Lee Teng-hui makes the academy's work more important than ever.

**Sept. 12, 2021:** Japan Coast Guard [confirms](#) a submarine believed to be Chinese is cruising underwater within Japan's contiguous zone east of Amami Oshima.

**Sept. 13, 2021:** In a speech in Vietnam on his first overseas trip as defense minister, Kishi Nobuo criticizes China and [highlights](#) the key role Taiwan can play in the world.

**Sept. 14, 2021:** Responding to Kishi, the PRC embassy in Vietnam [accuses](#) Japan of interference in China's affairs through the Taiwan question.

**Sept. 15, 2021:** Chinese observers of Japan's largest Self-Defense Forces exercises since 1993 [describe](#) them as designed to challenge the PRC's sovereignty and demonstrate loyalty to the US Indo-Pacific strategy.

**Sept. 15, 2021:** *Yomiuri* editorializes that the Japan Coast Guard must strengthen its ability to protect the Diaoyu/Senkaku Islands against Chinese encroachment.

**Sept. 16, 2021:** Kishi [states](#) that the Diaoyu/Senkaku are "unquestionably Japanese territory" and will be defended as such.

**Sept. 18, 2021:** According to former dean of Beijing University's School of International Studies [Jia Qingguo](#), China's bid to join the CPTPP is designed to split the US and Japan.

**Sept. 20, 2021:** Kishi [urges](#) European states to speak out against China's military expansion.

**Sept. 21, 2021:** Prime Minister candidate Kono Taro [describes](#) a best-case scenario for defense as aligning with the "Five Eyes"—Australia, Britain, Canada, New Zealand, and the United States—with Japan as the sixth eye.

**Sept. 21, 2021:** Takaichi Sanae, another contender in the LDP leadership race, [confers](#) with Taiwan President Tsai Ing-wen, with *The Japan Times* noting that it is extremely rare for a Japanese politician to hold a meeting with any senior Taiwanese officials.

**Sept. 22, 2021:** Chinese media [criticize](#) the Takaichi-Tsai meeting, particularly video footage of Takaichi hanging the Taiwan and Japanese flags side by side.

**Sept. 28, 2021:** China's leading military newspaper takes [issue](#) with Suga's presence at the Quadrilateral Security Dialogue just before leaving office.

**Oct. 1, 2021:** *Bloomberg* [reports](#) that Japanese utilities are stepping in to help ease China's fuel crisis by selling excess liquefied natural gas at sky-high prices.

**Oct. 5, 2021:** Japan's defense ministry plans to [enlist](#) YouTube stars and other opinion leaders to help it lobby for a bigger defense budget, due to the gap between Chinese military spending and that of Japan.

**Oct. 6, 2021:** US analysis [urges](#) US and Japanese officials to think through many potential scenarios in a Taiwan contingency and clarify to each other privately their potential responses, since a Taiwan contingency is likely to require quick thinking and a decisive response.

**Oct. 9, 2021:** Sony [discusses](#) with the Taiwan Semiconductor Manufacturing Company (TSMC) the possibility of jointly building a new semiconductor plant.

**Oct. 12, 2021:** Chinese media [criticize](#) Japanese plans to double the defense budget, seeing them as connected with attempts to revise the country's constitution by clarifying the role of the military.

**Oct. 16, 2021:** Kishida expresses [willingness](#) to specify the possession of capabilities to destroy enemy missile bases in the new National Security Strategy.

**Oct. 19, 2021:** Sony's Chinese subsidiary is [fined](#) \$156,000 for violating China's advertising laws over its plan to hold a new product launch event on the anniversary of the Marco Polo bridge Beijing commemorates as the beginning of the war with Japan.



**Oct. 25, 2021:** Foreign Minister Motegi Toshimitsu [describes](#) ties with China as remaining in a difficult situation as the two prepare for the 50th anniversary of the normalization of bilateral diplomatic ties.

**Oct. 25, 2021:** Deputy Chief Cabinet Secretary Isozaki Yoshihiko [states](#) that the government is watching with great interest the passage of a joint Chinese-Russian flotilla traversing Japanese chokepoints.

**Oct. 25, 2021:** Foreign Minister Wang Yi [offers](#) five suggestions on improving China-Japan ties such as managing their differences and upgrading cooperation in sundry spheres.

**Oct. 30, 2021:** Chinese internet conglomerate Tencent is to [acquire](#) a 6.86% stake in Japanese publishing giant Kadokawa, making Tencent Kadokawa's third largest shareholder.

**Nov. 3, 2021:** According to a Taiwanese Public Opinion Foundation [poll](#), 58% of respondents think it possible that Japan would send troops to defend Taiwan.

**Nov. 4, 2021:** Japan's Government Pension Investment Fund (GPIF) [decides](#) to exclude renminbi-denominated Chinese sovereign bonds from its portfolio.

**Nov. 5, 2021:** *Japan Times* editorializes that Beijing is building a military to [rewrite](#) rules of the Indo-Pacific region, and urges Tokyo to increase its defense budget while integrating more deeply with the US and other security partners.

**Nov. 5, 2021:** *Asahi* [editorializes](#) that Xi Jinping and Kishida must make efforts to stop the cycle of mutual mistrust.

**Nov. 6, 2021:** Defense Minister Kishi, [welcoming](#) the first port call by a German warship to Tokyo in 20 years, says that the two countries will step up their military cooperation in defense of a free and open Indo-Pacific. The frigate Bayern participated in two days of exercises with MSDF destroyer Samidare.

**Nov. 10, 2021:** Kishida [appoints](#) pro-China former Defense Minister Hayashi Yoshimasa as foreign minister.

**Nov. 11, 2021:** Hayashi [announces](#) his intention to resign as chair of the Japan-China Friendship Association "to avoid unnecessary misunderstandings in performing [his] duties as foreign minister."

**Nov. 12, 2021:** *Asahi* editorializes that the Chinese Communist Party's [effort](#) to rewrite history so that the public will embrace the official version of its past will only push China further away from the rest of the world.

**Nov. 13, 2021:** Japanese destroyer *Inazuma* [escorts](#) Australian frigate *Warramunga* during a joint exercise, the first time a Japanese vessel has protected warships other than those of the US.

**Nov. 13, 2021:** In what *Nikkei* calls one of the most aggressive international expansions by a Japanese restaurant brand, sushi chain Sushiro [plans](#) to open between 42 to 46 locations in China in addition to the one it opened in Guangzhou in September.

**Nov. 14, 2021:** *Global Times* [cites](#) a Japanese professor at Shenzhen University as disputing Japanese concerns about the outflow of technology to China, 2021: truth is that more research in China is brought back to Japan than vice-versa.

**Nov. 17, 2021:** A joint bilateral opinion poll in August and September [finds](#) that 66.1% of Chinese have a bad impression of Japan, up 13.2 points over the previous year and the first time that impressions had worsened since 2013.

**Nov. 17, 2021:** *Yomiuri* [reports](#) that the United States and Japan have conducted their first joint drills, citing MSDF Chief of Staff Admiral Yamamura Hiroshi as saying that the drills show the high level of interoperability between the forces of the two countries.

**Nov. 17, 2021:** Chinese [military analysts](#) play down the significance of the joint US-Japan exercises, with expert Song Zhongping terming any attempt to hunt PLA submarines a "daydream."

**Nov. 18, 2021:** In his first telephone [call](#) to counterpart Wang Yi, newly appointed Japanese Foreign Minister Hayashi emphasizes the importance of peace and stability in the Taiwan Strait.

**Nov. 20, 2021:** Japanese government [protests](#) the apparently intentional entry of a Chinese navy survey ship into Japanese coastal waters on Nov. 17.

**Nov. 21, 2021:** Nikkei [reports](#) that the Japanese government will exercise tighter scrutiny on supply chains for missiles, ships, and other equipment, restricting the use of Chinese-made equipment.

**Nov. 22, 2021:** Former Chinese Foreign Minister Yang Jiechi [invites](#) counterpart Hayashi to visit the PRC, but without setting a date. The last such visit was in December 2019.

**Nov. 24, 2021:** Japan and Vietnam [sign](#) a cybersecurity agreement as they step up military ties amid concerns over China's growing assertiveness.

**Nov. 24, 2021:** Nikkei [reports](#) that Japan and Australia will sign a pact enabling each country's forces to enter the other for joint exercises.

**Nov. 25, 2021:** Yomiuri [points out](#) the importance of the conversion of two destroyers into de facto aircraft carriers given their role in case of a Chinese attack on Japan's remote islands.

**Nov. 27, 2021:** Japanese government [approves](#) a supplementary budget increase defense spending for FY 2021 to \$52,8 billion, or 1.09% of GDP, the highest percentage in a decade.

**Nov. 27, 2021:** Citing threats stemming from North Korea and China, Kishida [says](#) that he does not rule out options such as striking at enemy bases.

**Dec. 1, 2021:** Former Prime Minister Abe [warns](#) that a Chinese attack on Taiwan would be an emergency for Japan and could meet the conditions for Tokyo to use military force.

**Dec. 2, 2021:** Chinese foreign ministry [summons](#) Japan's ambassador in Beijing to an emergency meeting to refute Abe's remarks, calling them "erroneous" and a violation of the basic norms of relations.

**Dec. 3, 2021:** Retired Japanese admiral [advocates](#) that Japan consider hosting US intermediate-range ballistic missiles. An accompanying chart shows the discrepancy between the reach of Chinese vs Japanese naval missiles.

**Dec. 9, 2021:** Oxford Economics note [says](#) that in 2020 Japan spent a greater percentage of its foreign direct investment in the ASEAN 5 economies (Thailand, Indonesia, Malaysia, and the Philippines) and the Asian Tigers (Singapore, South Korea, Hong Kong and Taiwan) than it did in China.

**Dec. 10, 2021:** Observing that 99 members of Japan's House of Representatives including nine deputy ministerial-level government officials visited the Yasukuni Shrine on the 80th anniversary of the attack on Pearl Harbor, China's leading military newspaper [criticizes](#) the action as "a slap in the face of the United States."

**Dec. 10, 2021:** Sugiura Yasuyuki, senior researcher at the National Institute for Defense Studies, [tells](#) Yomiuri that Japan must have the "correct" amount of fear about China.

**Dec. 13, 2021:** Beijing [uses](#) commemoration of the 1937 Nanjing Massacre as a "barometer" of Japan's support for the Beijing Olympics warning that if Japan does not participate, the bilateral relationship will veer into a downward spiral.

**Dec. 14, 2021:** Former defense minister and current head of the LDP's public relations division Kono Taro [backs](#) a visit to China by current Foreign Minister Hayashi.

**Dec. 14, 2021:** Former PM Abe [warns](#) Beijing that it would be "suicidal" to invade Taiwan and advises that Taiwan, the US, and Japan to work together to strengthen their deterrent capabilities.

**Dec. 14, 2021:** Ninth annual meeting of the Japan-Taiwan Cultural Exchange Summit [is held](#) in Kobe, with the organizers reporting that attendance was greater than expected due to resistance to China's coercive tactics.

**Dec. 15, 2021:** *Global Times*, referencing Abe's "repeated provocations over the Taiwan question" [describes](#) him as Japan's chief anti-China politician.

**Dec. 16, 2021:** China's leading military newspaper [describes](#) Abe's remarks as driven by rightwing adventurism, citing a Japanese academic's opinion that Abe is obsessed with realizing what his Class-A war criminal grandfather Kishi Nobusuke could not.

**Dec. 17, 2021:** Chinese state-owned FAW group, [targeting](#) the Japanese market for electric cars, will offer a hybrid version of its SUV next summer.

**Dec. 20, 2021:** China's leading military newspaper [notes](#) Tokyo's concern that if the US were to adopt a no-first-use nuclear policy, its function as an umbrella for Japan would be lost.

**Dec. 22, 2021:** *Global Times* [depicts](#) Japan as struggling under the burden of hosting US troops.

**Dec. 23, 2021:** *Kyodo* [reports](#) that the Japanese and US armed forces have a draft plan for a Taiwan emergency under which the US marine corps would set up temporary bases and deploy troops on the Nansei at the initial stage of a Taiwan emergency.

**Dec. 24, 2021:** Japanese Cabinet approves a 1% increase in the FY 2022 defense budget to \$291 billion.

**Dec. 24, 2021:** Chief Cabinet Secretary Hirokazu Matsuno [announces](#) that Japan will not send Cabinet members or high-level officials to the Beijing Winter Olympics.

**Dec. 24, 2021:** Japan Coast Guard and Maritime Self-Defense Forces [conduct](#) a joint exercise to simulate responses to a Chinese military vessel approaching waters near the contested Diaoyu/Senkaku Islands.

**Dec. 25, 2021:** Japan-Taiwan Co-Prosperty Chiefs Alliance, comprising 127 Japanese city and local officials, [holds](#) its first meeting and calls on Tokyo to draw up a Japanese version of the US Taiwan Relations Act.

**Dec. 26, 2021:** Japan's Taipei ambassador-equivalent Hiroyasu Izumi [describes](#) 2021 as the year of Taiwan since more countries have stood up to support its free and democratic way of life.

**Dec. 26, 2021:** Bilateral forum backs a [partnership](#) between Hitachi Zosen and Yulin Chemical to develop a renewable alternative to natural gas for industrial and household use, though cost remains a major hurdle.

**Dec. 27, 2021:** Center-left *Asahi* editorializes that the absence of Japanese officials at the Beijing Winter Olympics notwithstanding, continued [dialogue](#) with China is essential.

**Dec. 27, 2021:** Chinese and Japanese defense ministers [hold](#) video talks. China's leading military paper quotes Gen. Wei Fenghe as stressing China's determination to safeguard its territorial sovereignty and maritime rights and interests in the South China Sea, and urging Japan to learn from history. It does not mention, but *Kyodo* [reports](#), that Kishi "strongly demanded" an [explanation](#) for China's new coast guard law, which gives it the right to search and seize other countries vessels in the islands contested between the two countries.

**Dec. 28, 2021:** Chief Cabinet Secretary Natsuno Hirkazu [announces](#) that China and Japan agreed to launch a [military](#) hotline next year.

**Dec. 28, 2021:** LDP policy chief Takaichi Sanae [criticizes](#) the lateness of the government's decision on not sending government officials to the Beijing Winter Olympics.

**Dec. 29, 2021:** *Yomiuri* [reports](#) that Japan is to establish an embassy in Kiribati and a consular office in Noumea, New Caledonia, to better compete with China.

**Dec. 30, 2021:** Tokyo Metropolitan Police Department [issues](#) a warrant for the arrest of a Chinese citizen in connection with cyberattacks on Japan's Aerospace Exploration Agency.

