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DEFENCE STUDIES AND ANALYSES

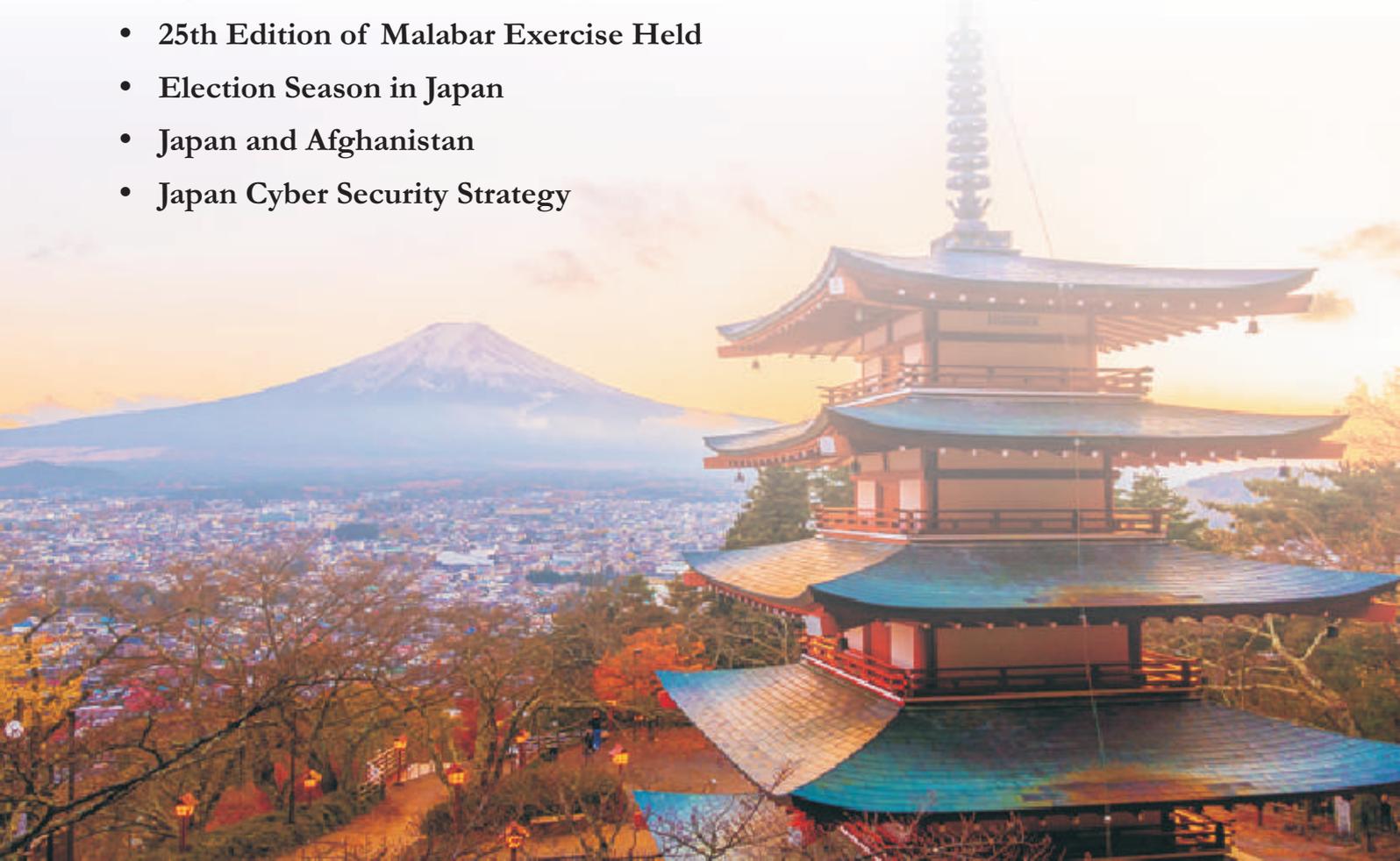
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JAPAN

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August 2021

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Defence Ministry's Budget Proposal

Defence Ministry has requested a budget of around [US\\$ 50 billion for fiscal 2022](#), representing a 2.9 percent nominal increase in the annual spending. This is keeping in mind the threat perception vis-à-vis China and North Korea. The aim is to advance Japan's capability in space, cyber and electromagnetic domains. The proposed budget [reportedly](#) requested ¥325.7 billion R&D outlay to pursue technologies like crewless aircraft using AI, and fund next-generation fighter jets; ¥130.0 billion to get F-35 advanced stealth fighter jets; ¥10.2 billion for transport ships; ¥37.9 billion for standoff missiles that can be launched from different platforms; and ¥5.8 billion to adapt radars for ships equipped with the Aegis missile interceptor system. The proposed budget includes provision for setting up a new camp on Ishigaki Island where Japan intends to deploy surface-to-air and anti-ship missile batteries, and further bolster capabilities in other Islands including Miyako, Yonaguni and Amami. The budget request excludes expenditure related to hosting American bases.

Bolstering Defence with Missile Units in Ishigaki Island

Japan will reportedly deploy anti-aircraft and anti-ship missiles in Ishigaki Island with the aim of defending its southwestern islands as well as support Taiwan in case of a contingency. Earlier Defence Minister Kishi Nobuo [articulated](#) that “international society needs to pay greater attention to the survival of Taiwan.” Ishigaki Island is situated around 300 kms from Taiwan. The deployment is expected to be completed by [March 2023](#). Additionally, Japan is also planning to set up an electronic warfare unit

in Yonaguni Island, situated around 110 km away from Taiwan. Ministry of Defense's annual White Paper, released in July, stressed for the first time the urgency of monitoring the developments surrounding Taiwan “with a [sense of crisis](#) more than ever before” since stability in the Taiwan Strait is vital for Japan's own security.

Japan-Taiwan Deepen Cooperation on Chip-Supply Chain

Representatives from Japan's ruling Liberal Democratic Party (LDP) and Taiwan's Democratic Progressive Party (DPP) held [security talks](#) on August 27. The key focus of the discussion included enabling cooperation on semiconductor supply chain, facilitating Taiwan Semiconductor Manufacturing Company's (TSMC) investment in Japan, and deliberating on Taipei's ambition to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). TSMC is reportedly considering setting up a [chip plant to make image sensors for Sony](#) in Kumamoto, and it may start operation in 2023. Additionally, the prospect of deepening US-Japan-Taiwan trilateral cooperation was also discussed. Meanwhile, Beijing has [expressed reservations](#) against any security talks between the two sides, and reiterated China is determined to defend its national sovereignty and territorial integrity.

Japan Conducts Joint Exercise with the UK Carrier Strike Group

Demonstrating the UK's commitment to Indo-Pacific, Carrier Strike Group's warships led by HMS Queen Elizabeth held [joint exercise](#) with Japan's Maritime Self Defence Force (JMSDF) and the United

States Expeditionary Strike Group 7 south of Okinawa. Japan has encouraged active European participation in advancing freedom of navigation and rule of law in the Indo-Pacific. Rear Admiral Konno Yasushige from Japan's Self-Defense Force (SDF) [suggested](#) that such exercise would further reinforce Japan-UK security partnership in advancing a free and open Indo-Pacific. Queen Elizabeth is planned to call at the US Navy's Yokosuka Base in Kanagawa prefecture in September.

25th Edition of Malabar Exercise Held

Pursuing the shared vision of upholding a rules-based maritime order in the Indo-Pacific, navies of India, the US, Japan and Australia conducted the sea phase of the [Malabar Exercise 2021](#) from 26-29 August in the Western Pacific. The [focus](#) remains on anti-surface, anti-air and anti-submarine warfare exercises, replenishments-at-sea, cross-deck flight operations, and maritime interdiction operations. Malabar Exercise, which started in 1992 as an India-US drill, and subsequently joined by Japan as a permanent member in 2015, is increasingly gaining significance in advancing interoperability and nurture a cooperative outlook towards regional security.

Election Season in Japan

Two key elections are approaching in Japan: the ruling Liberal Democratic Party's (LDP) presidential election, and the Lower House election whose four-year term ends in October. While the dates of these key elections are still fluid, reports indicate that the LDP presidential election might happen on [September 29](#). While Prime Minister Suga is struggling with low public approval ratings, he has clearly articulated his desire to run for the post. He will be [competing against](#) former foreign

minister Kishida Fumio. There are other names as well doing the rounds for the position including former internal affairs minister Takaichi Sanae. LDP policy chief, Shimomura Hakubun has opted out of the race.

Japan and Afghanistan

Articulating [Japan's position](#) on the unfolding situation in Afghanistan, Chief Cabinet Secretary Kato Katsunobu argued that Tokyo will coordinate and work with Washington in dealing with the geopolitical implications of the Taliban regime in Kabul. Japan evacuated its diplomats to Dubai and the embassy in Kabul was closed. Meanwhile, Taliban has reportedly expressed their desire to keep [good relations](#) with Tokyo, and support the contribution of Japanese NGOs in rebuilding and reconstruction of the nation. Additionally, they emphasised that life and property of Japanese nationals will remain unharmed. Earlier in 2019, physician Tetsu Nakamura who worked for Peshawar-kai was killed in Nangarhar.

Japan Cyber Security Strategy

Tokyo is putting together a [new cybersecurity strategy](#) for the next three years which is likely to be officially recommended by the Cabinet in September. The strategy calls out governments in Beijing and Moscow launching cyberattacks aimed at stealing information from high-tech firms, and underscores the need to improve defence and deterrence to guard security interests. Chief Cabinet Secretary Kato Katsunobu leads the special task force on cybersecurity strategies. China has expressed strong reservations and called it "groundless slander" by Japan.