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Digest

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Bolstering the US-Japan alliance

January witnessed high-powered diplomacy with both the 2+2 ministerial meeting on January 11 followed by the leaders' summit on January 13. The aim was to advance 'a vision of a modernized Alliance postured to prevail in a new era of strategic competition'. Japan's recently revised National Security Strategy (NSS) was discussed where the [emphasis](#) was on the 'unprecedented alignment of their vision, priorities, and goals'. Tokyo has reiterated its determination to fundamentally strengthen its defence capabilities, including counterstrike, through a considerable increase of its defence budget. Additionally, Japan stressed its resolve to lead in its own defence and to expand its roles, together with the US in order to maintain regional peace. In the joint statement, both leaders stressed that 'their basic positions on Taiwan remain unchanged, and reiterated the importance of maintaining peace and stability across the Taiwan Strait as an indispensable element of security and prosperity in the international community'. In one of the important developments, both sides decided that 'attacks to, from, or within space present a clear challenge to the security of the Alliance, and affirmed such attacks, in certain circumstances, could lead to the invocation of Article V of the Japan-U.S. Security Treaty'. Japan and the US also signed a [space partnership agreement](#) called the Framework Agreement for Cooperation in the Exploration and Use of Outer Space, including the Moon and Other Celestial Bodies, for Peaceful Purposes in January. With regard to economic security, both sides agreed to double down on the US-Japan Competitiveness and Resilience (CoRe) Partnership, including through the

Economic Policy Consultative Committee, and focus on the importance of 'protection and promotion of critical and emerging technologies, including semiconductors'.

Tokyo may join Washington in chip control

There are some [reports](#) suggesting that Japan may join the China chip export restrictions at Washington's request. Following US's demand, it may restrict export of advanced semiconductor technology including chip making machinery to China. Yasutoshi Nishimura, Economy and Trade Minister reportedly mentioned that 'we are strictly implementing export control based on international cooperation', and Tokyo will 'take into account restrictions adopted by other nations and respond appropriately'. In October, Washington adopted certain restrictions requiring authorization for exporting technology, manufacturing equipment and personnel for producing cutting-edge chips, essentially banning such exports. The limits also extends to equipment made by foreign companies using American tech. International market for chip making machinery is led by American company Applied Materials, followed by the Dutch company ASML Holding and Japanese company Tokyo Electron. As per the Semiconductor Equipment Association of Japan, overseas sales of Japan-made manufacturing equipment amounted to \$22.9 billion in fiscal 2021 and China was the top customer, purchasing 33% of the total. China catered for 26% of Tokyo Electron's roughly 2 trillion yen in group sales for the fiscal year that ended in March 2022. There are speculations that China may adopt retaliatory measures. It has filed complaint in WTO against the US.

Kishida's G7 outreach

In January, Prime Minister Kishida visited five G7 countries including France, Italy, the UK, Canada and the US from January 9-14 with the aim of firming up the agenda before the Hiroshima Summit in May. One of the priorities in the Hiroshima Summit will be to demonstrate resolute leadership in defending the international order based on the rule of law. The most important [message](#) that Kishida carried to the G7 capitals was Moscow's invasion of Ukraine posed a challenge not only to Europe, but to the rules and principles of the international community as a whole. One [message](#) that featured prominently in his outreach is that 'security of Europe and the Indo-Pacific are inseparable'. One of the highlights of his visit was the signing of the reciprocal access agreement (RAA) with the UK. Japan is already working with the UK and Italy to develop the next-generation fighter jet which marks first such defence equipment development project with a nation other than the US. Furthermore, engaging the Global South also featured in his discussions. He argued that it is important to bolster cooperation with the Global South on common issues of climate change, energy, food security, health and development.

Kishida's New Year message

At his New Year speech, Prime Minister Kishida primarily [stressed](#) that the 'world is currently approaching a historic fork in the road, for both our economies and the international order'. In this regard, he reiterated that Japan will adapt and respond to the most severe security environment since the post-war era. Furthermore, he

underscored that in 2023, Japan has the unique opportunity to demonstrate leadership in resolutely rejecting unilateral changes to the status quo by force and nuclear threats as the G7 President in the Hiroshima Summit as well as a non-permanent member of the United Nations Security Council. Drawing from the revised National Security Strategy released in December 2022, he argued that Tokyo will step up its diplomatic efforts alongside reinforcing its defence capabilities. In addition, he also stressed the importance of advancing the goals of the 'New Form of Capitalism' in order to design a sustainable, inclusive, and new economic model. There will be especial focus on green technology, digital, start-up, and innovation.

India-Japan inaugural Veer Guardian exercise

In January, the inaugural edition of India-Japan bilateral air exercise, called '[Veer Guardian 2023](#)' was conducted which presented an opportunity for both Air Forces to deepen mutual understanding. India took part in the exercise with Su-30 MKI aircraft while the Japanese side participated in the exercise with its F-2 and F-15 aircraft. During the exercise, both sides engaged in complex and comprehensive aerial manoeuvres in multiple simulated operational scenarios. They did air combat manoeuvring, interception and air defence missions, both in visual and beyond visual range settings. During the exercise, there were opportunities of ground interactions between the two personnel enabling the participating contingents to get important insights into each other's best practices and unique capabilities.