



MANOHAR PARRIKAR INSTITUTE FOR  
DEFENCE STUDIES AND ANALYSES  
मनोहर पर्रिकर रक्षा अथ्ययन एवं विश्लेषण संस्थान

# *Japan Digest*

**March 2020**

- Japan has commissioned first Maya-class guided-missile destroyer
- Escalating tensions in the East China Sea
- Tokyo Olympics 2020 Postponed
- Japanese economy and COVID-19
- Japan revised Special Measures Act to combat COVID-19
- “Quad Plus” multilateral consultation on COVID-19
- Prime Minister Abe in G7 and G20
- India features as the most promising country for Japanese manufacturing companies
- Japan approached WTO against India’s tariff increase on ICT products

## **Japan has commissioned first Maya-class guided-missile destroyer**

On March 19, Japan Maritime Self-Defense Force (JMSDF) commissioned first of the two *Maya* advanced Atago-class Aegis-equipped destroyers. JS *Maya*, which costed about US\$ 1.61 billion, is inducted into Escort Division 1 of Escort Flotilla 1 at the Yokosuka naval base. It is built by Japan Marine United (JMU) Corporation. The ship will have Standard Missile 3 (SM-3) Block IIA missiles to intercept short- and intermediate-range ballistic missiles. It also has Cooperative Engagement Capability (CEC) System, developed by the US, which empowers it to be a part of a broader grid of sensors and weapon platforms and share surveillance and information. This will enable Japan to better counter threats imposed by North Korean missiles.

## **Escalating tensions in the East China Sea**

On March 30, a Chinese fishing boat collided with JS *Shimakaze*, a *Hatakaze*-class guided missile destroyer from JMSDF east of Zhoushan. According to Japanese authorities, JS *Shimakaze* was on a regular patrol when it received unspecified physical damage to its hull following the collision. Meanwhile, the Chinese foreign ministry maintained that the incident occurred in coastal waters of China, endangering the safety of the Chinese vessel. *Hatakaze*-class destroyers are gas propulsion warships furnished with advanced armaments and sensors. Earlier in the month, Chinese fishing vessel collided with Taiwanese Coast Guard off the Kinmen Islands.

## **Tokyo Olympics 2020 Postponed**

The much anticipated Tokyo Olympic Games got postponed following the outbreak of the COVID-19 pandemic. The International Olympic Committee (IOC), International Paralympic Committee (IPC), Tokyo 2020 Organising Committee, Tokyo Metropolitan Government and Government of Japan decided to delay the scheduled Olympics by a year. The Games will now be held from July 23-August 8, 2021. The decision to postpone the Games was shaped by concerns regarding health of the athletes in the backdrop of the global pandemic and the international sports calendar.

## **Japanese economy and COVID-19**

Organisation for Economic Cooperation and Development (OECD) projections have decreased the international growth outlook from 2.9 to 2.4 per cent and Japan is expected to develop at 0.2 per cent in 2020. Even before the global pandemic upsetting the supply chains, Japanese economy was stressed following the US-China trade frictions and the increase in consumption tax late last year. Meanwhile, Japan pushed the Olympics as the “Recovery and Reconstruction Games”. Reports in December 2019 indicated that Japan has perhaps spent US \$12.6 billion for the Games. However, Japanese media predictions advocate that Olympics would cost about US\$ 28 billion in total.

## **Japan revised Special Measures Act to combat COVID-19**

To fight the COVID-19 pandemic, Japan amended the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response was enacted in March. The objective of this legislation is to support preparation for the worst case scenario and declaration of state of emergency. It permits the prefectural governors to issue instructions concerning preventive actions, for example staying at home. The special measures law authorises the Prime Minister to announce a state of emergency, with a precise timeline and geographic scope, in case

the pandemic majorly impacts daily lives and the national economy. Emergency authorises prefectural governors to temporarily take away buildings to accommodate medical facilities, and make producers and retailers supply food and medicine.

### **“Quad Plus” multilateral consultation on COVID-19**

The urgent need for international cooperation in battling COVID-19 led to a series of teleconferences involving officials from the US, Japan, Australia, India, Vietnam, Republic of Korea and New Zealand. This has been dubbed as “Quad Plus” framework. The objective is to exchange COVID-19-related information and share the best practices in containing the outbreak. The aim is to engage in multilateral discussions in minimising the impact of COVID-19 on global economy while effectively restricting the spread of the virus.

### **Prime Minister Abe in G7 and G20**

On March 16, Prime Minister Abe attended the G7 summit teleconference. Following the suggestion of France, the United States currently holding the G7 presidency, hosted the meeting. During the meeting, Abe stressed on accelerating cooperation with regard to developing antiviral medicines. Also, he urged that the G7 should cooperate in implementing necessary economic and fiscal policies in the middle of the global economic crisis.

On March 26, Prime Minister Abe attended the G20 summit teleconference hosted by Saudi Arabia, the G20 President. Prime Minister Abe again highlighted two major points. Firstly, he urged for the development of antiviral medicines by joining forces with the World Health Organization (WHO) and the private sector in battling the ongoing global health crisis. Secondly, he urged the G20 countries to device bold economic and fiscal policies, and step up as it did during the 2008 financial crisis.

### **India features as the most promising country for Japanese manufacturing companies**

The annual survey of Japan Bank for International Cooperation (JBIC) on Overseas Business Operations by Japanese Manufacturing Companies for FY 2019 was released in March. India has reverted back to the top position for the first time in three years since 2016. India is followed by China. Drop in China’s position may be owing to the increased caution over Sino-US trade friction and the economic slowdown. Vietnam is in third position. Questionnaires were disseminated in June 2019 and the survey was done through July to September with a response rate of 58.6 per cent.

### **Japan approached WTO against India’s tariff increase on ICT products**

On March 19, Japan requested the World Trade Organization (WTO) to institute a panel under the WTO Agreement concerning India’s imposition of tariff increase on information and communications technology (ICT) products. Ministry of Economy, Trade and Industry (METI) stated that from 2014-2019, India elevated tariffs imposed on ICT products six times. Japan said these measures are inconsistent with the General Agreement on Tariffs and Trade (GATT). Earlier in May 2019, Japan requested bilateral consultations with India under the WTO Agreement but it did not settle the dispute. Once the panel is instituted, a decision would be made in 12-18 months. But given the global pandemic, it is unclear as to when the WTO will convene a meeting to decide whether to establish such a panel.