

# **Increasing US-China Tension and the Future of Japan-China Relations**

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# Quad Virtual Summit

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- Held at the suggestion of the US
- Agreed on sharing basic values, strengthening commitment to a free and open international order based on the rule of law, and increasing cooperation between the four countries
- Cooperate on quality infrastructure, maritime security, counterterrorism, cyber security, humanitarian assistance, and disaster-relief; establish working groups on vaccines, critical and emerging technology, and climate change
- Commitment to complete denuclearization of North Korea in accordance with the United Nations Security Council

# Visits to Asia by US Secretary of State and Secretary of Defense

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- Japan-US 2+2 talks (March 16, in Tokyo)
- US-South Korea 2+2 talks (March 18, in Seoul)
- US-China top foreign policy officials meeting (March 18, Anchorage)
- US-India defense ministers meeting (March 19, New Delhi)

# Biden Administration Stance on China

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- Will not budge on issues such as human rights and security (and high-tech industry)
- Cooperation on issues such as climate change and infectious diseases
- So far, it is just talk—What new measures will be taken remains to be seen

# China's Reaction

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- Quad—Going against the trend of cooperation for peace and development, abandon your cold war mentality and prejudices, do not damage the interests of a third party with a small insular group
- Japan-US 2+2 Talks— “The US-Japan joint statement maliciously attacks China's foreign policy, flagrantly interferes in China's domestic affairs, and attempts to harm China's interests. We deplore and reject it... The United States and Japan attempt to form an anti-China circle.” “Japan, driven by the selfish aim to check China's revitalization, willingly stoops to acting as a strategic vassal of the United States, going so far as to break faith, harm relations with China, invite the wolf into the house, and betray the collective interests of the whole region.”

# China's Reaction and Response

- Heated exchange at Anchorage, call back TV cameras
- “Chinese and U.S. officials concluded a high-level strategic dialogue...the two sides conducted candid, in-depth, long-time and constructive communication on their respective domestic and foreign policies, China-U.S. relations and major international and regional issues of common concern.” “...both sides believe (the dialogue) was timely and helpful and deepened mutual understanding.” Xinhua News Agency
- How will they stabilize relations with the US—What concrete measures?
- Active in diplomatic activities—Successes such as gaining support in the UN Human Rights Council
- Increased defense spending by 6.6%

# Actions by Japan (Politics, Security)

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- Japan-US-South Korea high-level security talks (April 2)
- Prime Minister Yoshihide Suga to visit US, hold summit with US President Biden (April 16)
- Considering joint Japan-US drills around the Senkaku Islands (Minister of Defense Nobuo Kishi)
- Taiwan—Hoping for a peaceful resolution through dialogue (Ministry of Foreign Affairs)
- Xinjiang and Hong Kong—No sanctions, declaration of deep concern
- Defense spending up 1.1%

# Japan's Main Trading Partners in 2020

(Trade data from the Ministry of Finance, in 100,000,000 yen)

| Country/<br>Region | Total<br>Trade | Year-on-<br>Year % | Exports | Year-on-<br>Year % | Imports | Year-on-<br>Year % |
|--------------------|----------------|--------------------|---------|--------------------|---------|--------------------|
| China              | 325,595        | 98.3               | 150,829 | 102.7              | 174,766 | 94.7               |
| US                 | 200,391        | 83.9               | 126,125 | 82.7               | 74,266  | 86.0               |
| EU                 | 142,506        | 76.3               | 64,618  | 85.4               | 77,888  | 87.4               |
| South Korea        | 76,040         | 91.9               | 47,662  | 94.5               | 28,378  | 87.9               |
| Taiwan             | 75,952         | 99.7               | 47,390  | 101.1              | 28,562  | 97.6               |
| Thailand           | 52,593         | 86.8               | 27,231  | 82.8               | 25,362  | 91.7               |



# The Chinese Market and Japanese Companies (Automobiles)

## Chinese Market in 2020

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Total New Car Sales: 25,311,000    Year-on-Year 1.9% down

Toyota                      1,797,500                      10.9% up

Honda                        1,626,972                      4.7% up

Nissan                        1,456,738                      5.8% down

← With growing inequality, high-income earners are tending to buy luxury vehicles

Growing used market (Japanese and German cars are popular)

# Current State and Future of Japan-China Relations

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Now—Chinese domestic politics, international situation and economic factors are pluses.

Japanese public opinion worsening. Security is biggest issue.

China taking “realistic” approach to Japan→Harder stance in response to 2+2 statement

Future—Simultaneous competition and cooperation (two-pronged approach)

Japan-China relations have always been both resilient and fragile

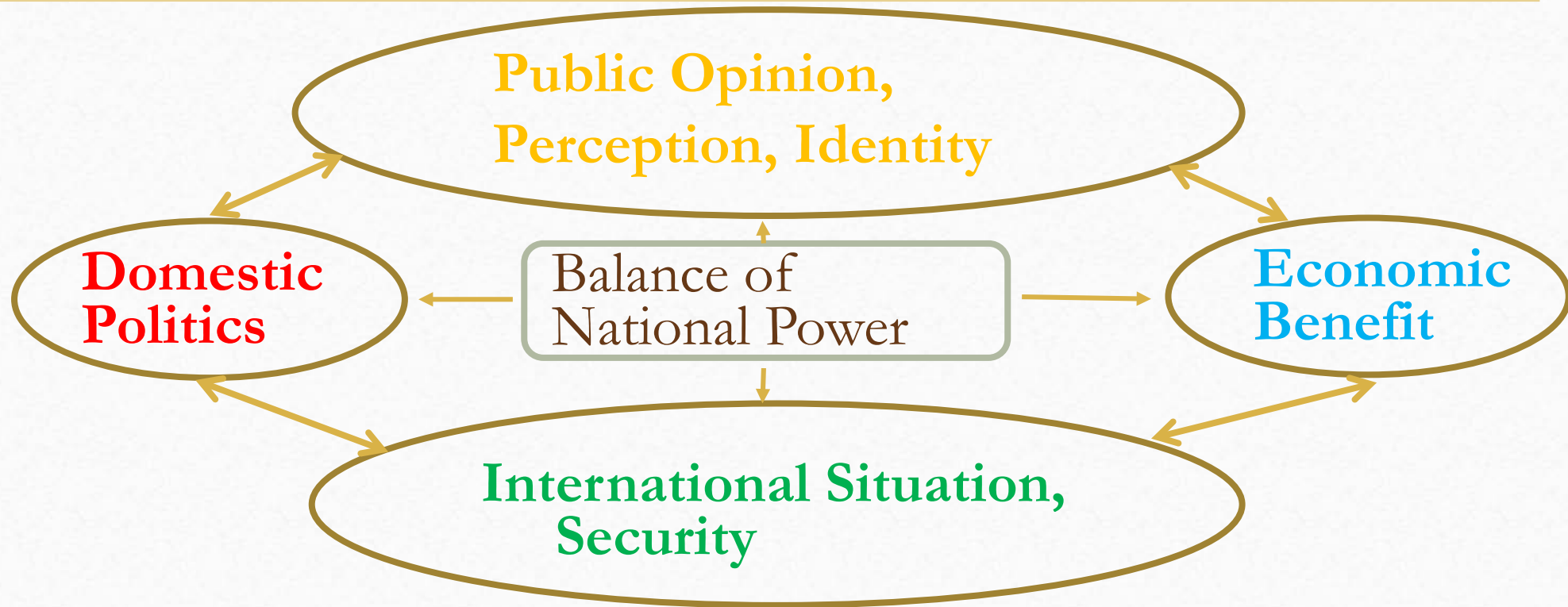
Both sides need the strength and wisdom to live with contradictions

# Analytic Framework for Japan-China Relations

## Relations

### Four Factors Affecting Japan-China Relations

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# Public Opinion in Japan and China— Impression of the Other Country

[https://www.genron-npo.net/en/201117\\_en.pdf](https://www.genron-npo.net/en/201117_en.pdf)

**Graph 9: Impression on the other country from 2005 to 2020**

