



MANOHAR PARRIKAR INSTITUTE FOR  
DEFENCE STUDIES AND ANALYSES

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# JAPAN

## *Digest*

December 2023

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## ASEAN-Japan 50th Year Commemorative Summit

Japan [commemorated](#) 50 years of its deep relationship with members of the 10-nation Association for South-East Asian Nations (ASEAN) by organising a two-day Leaders' Summit between 16 and 18 December 2023, with leaders of 9 out of 10 ASEAN countries in attendance. Myanmar was not invited to the summit. Under the theme of "trusted partners", the leaders joined Prime Minister Fumio Kishida in discussions on how to transmit good relations between Japan and the region to the next generation.

In his opening remarks at the summit, Kishida called for "heart-to-heart ties" to be carried forward into the future, and spoke of "mainstreaming" the newly-released ASEAN Outlook on the Indo-Pacific (AOIP). He referred to his country as a "Partner for Peace and Stability", emphasised the common stances taken by all the leaders present on key regional and international issues, and pledged to take forward the trusted partnership between Japan and the grouping. Subsequent sessions dealt with people-to-people exchange (Agenda 3), socio-economic development and transformation (Agenda 4) and the adoption of outcome documents enshrining these commitments.

Kishida also held bilateral meetings with individual leaders, from which emerged a host of defence-related announcements, such as the [grant](#) of \$63.7 million to Indonesia to bolster maritime security and \$2.8 million [to](#) Malaysia for early warning and surveillance gear. The Philippines, which received an early warning radar

earlier this year, also [pledged](#) closer cooperation with the Japanese coast guard, while Vietnam [expressed](#) its desire to be part of the Official Security Assistance program launched by Japan in 2023 in the next fiscal year.

## LDP party funds scandal threatens crisis

Japan's ruling Liberal Democratic Party (LDP) was [engulfed](#) in a scandal after officials from the Tokyo Prosecutors' Office raided offices of several prominent factions of the ruling party on 4 and 19 December, acting on investigative findings that point to a significant, wide-ranging and long-standing practice of using a loophole in Japan's electoral funding laws to hold lavish parties where lobbyists from key business and other interest groups were allegedly solicited for indirect donations by prominent lawmakers. The funds from the "party tickets" bought by the lobbyists were then allegedly redistributed to individual lawmakers who overshot ticket sales quotas set by the faction without any paperwork filed as required by law, amounting to kickbacks exceeding 600 million Japanese yen (3.4 million US dollars). The Abe faction, the largest of the LDP's factions, represents the largest share of this amount, with key lawmakers such as former Chief Cabinet Secretary Hirokazu Matsuno, former Minister for Economy, Trade and Industry Yasutoshi Nishimura and others implicated directly in their capacity as the faction's treasurers. However, allegations that Prime Minister Kishida's faction also failed to report over 20 million Japanese yen received as "party ticket" funds also serve to muddy waters further.

On 14 December, four ministers and five vice-ministers from the scandal-hit Abe faction, including Matsuno, Nishimura, Internal Affairs Minister Junji Suzuki and Agriculture Minister Ichiro Miyashita [declared](#) their resignation from the Kishida cabinet, after the prime minister was placed under severe pressure from several quarters of the country to take decisive action. Kishida in subsequent press conferences continued to stress that his party would collaborate fully with the investigation and would ensure redressal measures such as amending the political funding law to ban lawmaker parties are put in place. He has called all factions of the LDP to put such parties on hold in the interim, and appointed members of his own faction, such as former Foreign Affairs Minister Yoshimasa Hayashi, to the vacated cabinet posts. Hayashi, upon taking office as Chief Cabinet Secretary, [promised](#) that the government would work hard to rebuild people's trust in it.

### **Revision of defence export guidelines on the cards**

On 22 December, the cabinet under Prime Minister Fumio Kishida [decided](#) to revise the country's long-standing ban on defence technology exports by amending the Three Principles of Transfer of Defence Equipment and Technology to allow transfer of weapons technology under certain circumstances. Under the new guidelines, the government will now allow weapons made under foreign licenses, including components, to be shipped to the home country of the licensor. The guidelines also permit the sale and supply of defence equipment and nonlethal

components of lethal weapons to countries engaged in defending against aggression by a third country, a provision inserted to allow Japan to assist Ukraine. However, they have remained silent on the sale of co-produced defence equipment to countries at war, a clause that could hinder Japan's cooperation with the United Kingdom and Italy to develop a next-generation fighter aircraft. The guidelines note that supplying defence equipment and technology is "a key policy instrument to ensure peace and stability, especially in the Indo-Pacific region".

Under the new Guidelines, the Cabinet has also approved a decision by Kishida to [provide](#) the United States with Patriot/PAC-3 surface-to-air guided missiles, which Japan produces under licence. Kishida told reporters at a press conference following the meeting that Japan would not fundamentally change its orientation from a "peace-loving country", and assured that "strict scrutiny" would be done before any shipments would be approved.