

**JAPAN IN 2019: SOME RIPPLES
IN AN OTHERWISE CALM SEA**

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Executive Summary

1. As the longest-reigning Japanese prime minister, Abe Shinzo's legacy is likely to include the organising of Tokyo Olympics 2020, strengthening of relations with Washington DC, mending of relations with China and the partial revitalising of the Japanese economy after implementing Abenomics.
2. The transition from the Heisei to Reiwa periods appears to connote a continuity in the symbolism of the imperial household of liberalism, pacifism and the peace constitution which has given Japan a shine in international affairs, one that is greatly respected and widely popular.
3. In the April 2019 local elections, the weakness of the opposition was glaring, from the opposition's laggard choice of unified candidates to splinter opposition parties faring worse than when it was unified.
4. The ruling Liberal Democratic Party (LDP) and its coalition partner Komeito secured a majority victory in the House of Councillors election held on 21 July 2019.
5. Beijing and Tokyo's bilateral relations have improved but are probably tactical amid the US-China trade war. Chinese Vice President Wang Qishan's meeting with Abe highlighted increasing people-to-people contacts and building constructive bilateral security ties.
6. Demographically, Japan's ministry of international affairs announced that, with less than one million babies in Japan for the third consecutive year in 2018, population decreased by 433,239 to 124,776,364 for the 10th consecutive year of decline.
7. Abe is taking this issue heads-on, identifying the costs of childcare as a major reason for the reluctance in procreation. Making this an election promise in the Upper House elections, which he won on 1 October 2019, Japan's preschool education and day care services are now free of charge.

8. Japan and the EU also signed the world's largest trade agreement of its kind, benefitting EU farmers in a major way while Japanese carmakers will make their inroads into the European market. Tokyo also signed the first stage of the US-Japan free trade agreement.
9. In terms of political succession, a young and rising political star Shinjiro Koizumi, second son of charismatic former Prime Minister Junichiro Koizumi, became the third youngest individual to assume a cabinet-level environment ministerial post in Japanese political history. He is seen as a future prime ministerial candidate.
10. Japan is emerging as the global "free trade champion" with its leadership in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (consumer market size of 500 million people). Together with the EU-Japan Economic Partnership Agreement, Japan is seated at the centre of a billion people-strong free trade area.