

# Sino-Japanese Ties Warming

## – Bilateral Summit Jacks Up Economic Dialogue –

By Okabe Hiroshi

Photo: Kyodo News

Japan and China, long mired in a “cold relationship” on the political front, have finally begun to move toward the reconstruction of their ties. Japanese Prime Minister Abe Shinzo, who chose China as the destination for his first foreign visit as premier last October, welcomed his Chinese counterpart Wen Jiabao to Japan in April 2007. It was the first visit by a Chinese leader to Japan in six and a half years, since October 2000. In a joint press statement issued after their meeting in Tokyo, the two leaders emphasized that Japan and China will strive to build “a mutually beneficial relationship based on common strategic interests,” committing themselves to improve the bilateral political relationship that had chilled due mainly to former Prime Minister Koizumi Junichiro’s repeated visits to Yasukuni Shrine dedicated to Japan’s war dead, including Class A war criminals.

During his visit, Wen addressed the Japanese Diet as the first Chinese leader to do so in 22 years. He called for “friendship and cooperation” for the improvement of the relationship between the two countries, saying he hopes that his visit will “thaw the ice” of years of strained ties between the two countries. Despite their very close economic relations, political ties between Japan and China remained icy. Wen appealed for the realization of friendship between the two countries in his Diet speech, saying harmony between China and Japan will bring benefits to the two countries while conflict will harm both. The Japanese business community issued numerous comments, welcoming the fact that the Chinese premier’s appeal was received with applause by Japanese Diet members more than a dozen times.

Specifically, the two leaders agreed to launch “high-level economic dialogue” at the ministerial level to discuss a wide range of themes in the economic field, including trade and investment, and finance. The economic dialogue is the first framework between Japan and China to solve economic issues with political initiative. The Japanese side plans to seek an improve-

ment of the investment environment, including a review of regulations on foreign investment, while the Chinese side is expecting assistance in such areas as energy saving. Japanese Foreign Minister Aso Taro, who will serve as Japanese co-chairman, has indicated that in addition to macro-economic issues and trade/investment, he will take up such themes as multilateral cooperation, including East Asian economic integration, as well as global warming and other environmental problems and official development assistance.

The two countries also confirmed partnership in the fields of environmental protection and energy saving. In China, environmental measures have become an urgent challenge in the midst of rapid economic development. Last December, approximately 200 Japanese firms, including Nippon Steel Corp., Tokyo Electric Power Co. and Toyota Motor Corp., which have cutting-edge energy-saving technology, launched a council to discuss technological assistance for Chinese businesses with low energy efficiency. The recent summit will pave the way for establishing a system under which the government supports such efforts by the private sector.

Japan aims at expanding its business in China, including investment, while China wants technological capability to solve its energy problems. Given the mutual interests, Abe and Wen used the summit to take a step forward in economic partnership between the two giant markets in Asia.

Nevertheless, there still remain many issues. With respect to North Korea, Wen voiced understanding and sympathy with Japanese people’s sentiment on the abductions of Japanese nationals by North Korean agents. Although he said China would provide “necessary cooperation” for the resolution of the abduction issue, it is not clear how serious China will commit itself to such “cooperation.” The summit avoided going into details on other pending issues such as the development of gas fields in a disputed



Prime Minister Abe Shinzo shakes hands with his Chinese counterpart Wen Jiabao ahead of their meeting in Tokyo. They agreed to launch “high-level economic dialogue” with political initiative.

area of the East China Sea and thus appears to have left the conflicting interests concealed behind the friendly atmosphere.

Abe has expressed his intention to visit China again before the end of this year. Accumulating the fruit of summit diplomacy little by little can be called a shortcut toward deepening the “mutually beneficial relationship based on common strategic interests.”

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