

Japan, China to Pursue Strategic Ties Beijing Lauds Tokyo's Record as Peaceful State

By Hiroshi OKABE

At their summit meeting in May in Tokyo, Prime Minister Yasuo Fukuda and Chinese President Hu Jintao signed a joint statement on "the comprehensive promotion of a mutually beneficial relationship based on common strategic interests." In the joint communique, which is expected to be a basis for development of bilateral relations, Japan highly valued China's development since the start of its reform and open policy while China appreciated Japan's postwar record as a peaceful country. The two leaders thus clarified their political will to build "frameworks for dialogue and cooperation" for the future. They also agreed that the two countries' leaders will make regular mutual visits to strengthen bilateral relations.

Hu's visit to Japan was the first by China's head of state in a decade since 1998 when then President Jiang Zemin traveled to Tokyo. Bilateral relations stalled during the decade as Jiang repeatedly pressed Japan over the perception of history while Junichiro Koizumi made annual visits to the war-linked Yasukuni Shrine during his premiership. The summit meeting became "a new, historic starting point," as Hu told a post-summit press conference, with the two leaders redefining the importance of Sino-Japanese relations, reflecting on the decade of deadlock.

In the joint statement, China expressed a certain degree of understanding about Tokyo's bid to become a permanent member of the U.N. Security Council, saying China "attaches importance to Japan's position and role in the United Nations." In his talks with Fukuda, who sought support for Japan's aspiration for a permanent Security Council seat, Hu responded that Beijing "hopes Japan will play a bigger, constructive role in the United Nations and wants (Japan) to sense China's positive attitude toward this problem by what I have

said now."

As for the perception of Japan's wartime past, the joint statement said "the two sides resolved to face history squarely" and "advance toward the future." The statement said "the Chinese side expressed its positive evaluation of Japan's consistent pursuit of the path of a peaceful country and Japan's contribution to the peace and stability of the world through peaceful means over more than 60 years since World War II." It was China's first positive reference to Japan's postwar role in the international community.

Regarding measures to fight global warming that will be high on the agenda at the Group of Eight summit to be hosted by Japan in July at the lakeside resort of Toyako, Hokkaido, the two leaders signed a joint statement on climate change calling for bilateral cooperation. As for Japan's call for halving greenhouse gas emissions by 2050, China "took note and will explore relevant methods and measures." Among these measures is the so-called "sectoral approach" proposed by Japan, under which each country's total emission reduction goal would be calculated by adding up attainable levels of cuts on a sector-by-sector basis, such as by industries. China said the Japanese proposal is "an important method" in fighting climate change. The two countries agreed to further study what role such an approach can serve.

On the controversial bilateral dispute over gas exploration rights in the East China Sea, they said a complete solution has yet to be reached. However, the two leaders shared the view that "there has been great progress and there is an outlook for a solution."

It should be also noted that the joint communique incorporated a statement that the two countries will "engage in close cooperation to develop greater understand-

ing and pursuit of basic and universal values that are commonly accepted by the international community." It could be interpreted that neighboring Japan urged China, which is increasing its influence on the international community, to raise self-awareness as a "responsible nation" and act as such. The international community is giving a chilly look at China over the Tibetan issue that has caused worldwide criticisms and confusion elsewhere in the world involving the Beijing Olympic torch relay. With major national events lying ahead in China, including the Beijing Olympics this summer and the Shanghai World Exposition two years later, Japan as a neighboring country should act as an appropriate adviser so China will listen humbly to international opinion. Such a relationship will lead to the establishment of "mutually beneficial" strategic ties.

TO READERS

We welcome letters of opinion or comment from our readers. Please include your full name and address, and send your letters to the Editor.

Japan Economic Foundation

11th Floor, Jiji Press Building,
5-15-8 Ginza, Chuo-ku,
Tokyo 104-0061 Japan

Fax: +81-3-5565-4828

E-mail: japanspotlight@jef.or.jp

Letters may be edited for reasons of space or clarity. The editor has no obligation to acknowledge receipt of a letter or give a reason for not publishing it. No inquiries by telephone concerning letters will be accepted.

Subscribers can access articles from back issues, and selected articles are also available to non-subscribers on our website at

<http://www.jef.or.jp/journal/index.html>

Japan Set to Accept More Foreign Workers

Faced with a labor shortage due to the shrinking population, the Japanese government has begun making genuine efforts to obtain foreign human resources. The Foreign Ministry has announced a plan to extend the maximum period of stay in Japan for long-staying foreigners from three years at present to five years if they have a certain degree of Japanese-language ability. Prime Minister

Yasuo Fukuda has also instructed establishment of a council of academic experts, industrialists and labor leaders to study concrete measures to accept more foreigners having high skills such as those in the medical treatment field.

Japan should aim at doubling the number of foreigners permitted to stay with specialist skills from 158,000 at the end of 2006 to

300,000 at the end of 2015. This was proposed at a meeting of the Council on Economic and Fiscal Policy, chaired by Fukuda, by its members from the private sector, including Fujio Mitarai, chairman of the Japan Business Federation. As a specific measure, it was proposed that nurses and caregivers be

added to a list of foreign nationals to be qualified for resident status.

At present, such status for foreigners staying in Japan for a long period to work is classified depending on the types of jobs under the Immigrant Control and Refugee Recognition Law. They include engineers admitted to Japan as technical experts, lecturers at language schools and specialized traders as human intellectual and international business people, and pilots as skilled workers. But nurses and caregivers are not qualified for resident status, except for those from countries having economic partnership agreements (EPAs) with Japan, including the Philippines. The focus of debate is on to what extent the scope of status is to be expanded.

At the council meeting, some cabinet ministers were cautious, saying a numerical target should not be fixed first to prevent those without high skills from entering the country. But within the ruling Liberal Democratic Party, discussions are in progress to work out a bill to create overseas bases for Japanese-language education and vocational training funded by official development assistance (ODA) and thus help ease requirements to obtain work qualifications and permanent residency.



Photo: Kyodo News

The Council on Economic and Fiscal Policy meets at the Prime Minister's Official Residence on May 23 to discuss plans to create 2.2 million new jobs by 2010.

Japan, China Firms to Run Refinery Jointly

Nippon Oil, CNPC Agree

The largest Japanese and Chinese oil companies have agreed to jointly run an existing oil refinery in Japan. Nippon Oil Corp. and China National Petroleum Corp. (CNPC) will found a joint venture by April 2009 to take over the Nippon Oil group's Osaka refinery. They intend to transform the refinery into a base for petroleum product exports to other Asia-Pacific nations, including China, where demand has been growing fast on rapid economic growth.

The Osaka refinery can process 115,000 barrels of crude oil per day, accounting for some 10% of the Nippon Oil group's total oil refining capacity. CNPC will undertake crude oil procurement for the refinery and petrole-

um product exports to China and other Asian markets from the facility. Nippon Oil and CNPC will consider expanding the refinery's export capacity, including storage tanks for export, in a bid to make it an export base for Asian markets.

As demand for petroleum products in Japan has been declining due to such factors as diffusion of all-electric homes, Japanese oil refiners have had overcapacity and are turning to overseas markets, including Asian countries. Cosmo Oil Co. has enhanced a capital alliance with a Middle Eastern oil-producing country, while Idemitsu Kosan Co. has

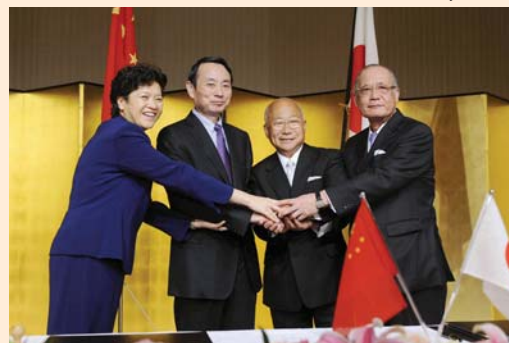


Photo: Kyodo News

Leaders of Japanese and Chinese oil firms shake hands after signing a joint venture agreement at a Tokyo hotel on May 7. They include Fumiaki Watari (2nd from left), chairman of Nippon Oil Corp., and Jiang Jiemin (on his left), president of China National Petroleum Corp.

offered to participate in a large oil-refining and petrochemical complex project in Vietnam. Japanese oil companies are expected to accelerate their reorganization and alliances involving foreign firms.

Hiroshi Okabe is a senior business news editor at Kyodo News.