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Research Report

Japan in Southeast Asia: Countering China's growing influence

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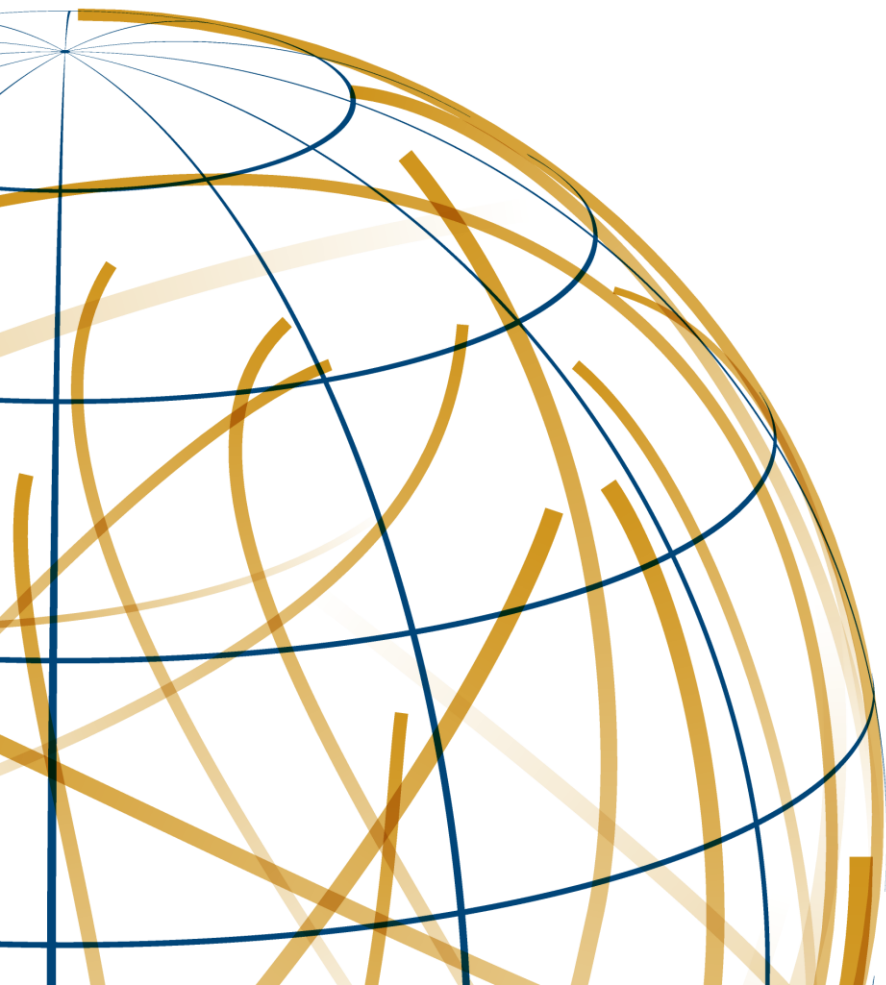


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SWP Research Paper

Alexandra Sakaki

Japan in Southeast Asia: Countering China's Growing Influence



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- Southeast Asia has long been a foreign policy priority for Japan, but Tokyo has intensified its engagement — both with the ASEAN Community as a whole and with individual member states — since 2012.
- Japan views China's growing influence in Southeast Asia as a major foreign policy challenge and is seeking to prevent the emergence of a hierarchical order centred around China. It has economic as well as foreign and security policy interests in the region.
- Tokyo's engagement in Southeast Asia aims to uphold the rules-based multilateral order in the region, underpinned by US involvement. Of particular significance is Tokyo's commitment to shared rules, principles and norms — for example, in the areas of free trade, infrastructure development and maritime security.
- Japan's approach to Southeast Asia since 2012 has been characterised by both continuity and change. Unlike in the past, Japan is now seeking more comprehensive security cooperation with the region, including through dialogues, military exercises and capacity building programmes.
- ASEAN is important for Japan as the linchpin of regional cooperation. Tokyo supports the institutional development of the Community and helps reduce socio-economic differences between individual member states.
- Japan is intensifying its relations both with countries that are more critical of China — such as the Philippines — and with those considered more aligned with China — such as Cambodia. This approach extends to security policy. By offering to cooperate, Japan provides Southeast Asian countries with alternatives to Chinese initiatives and thereby prevents China from monopolising the region.
- Japan and Europe are both interested in a stable, multilateral order in Southeast Asia. The two sides should therefore step up their engagement with the region and leverage their influence over regional geopolitical dynamics through complementary or joint initiatives.

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Japan in Southeast Asia: Countering China's Growing Influence

Southeast Asia is of enormous geostrategic, political and economic importance at the global level. Situated at the intersection of the Pacific and Indian oceans, the region is a focal point of the escalating Sino-American rivalry. However, the United States and China are not the only key players in developments in Southeast Asia; other regional powers — above all, Japan — play an important role, too.

For decades, Tokyo has maintained close economic, political and cultural relations with the countries of Southeast Asia. The depth of those ties was revealed in 2023, when the dialogue partnership between Japan and the Association of Southeast Asian Nations (ASEAN) celebrated its fiftieth anniversary. Over the course of that year, Japan and the ten ASEAN states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) met twice at summit level and thirteen times at ministerial level to discuss a wide range of topics, including finance, the environment, defence and transportation.

From a historical perspective, Japan's far-reaching cooperation with the countries of Southeast Asia is noteworthy. After 1945, Tokyo was confronted with considerable resentment from within the region over its colonial past and involvement in World War II. But in recent years, opinion polls have documented Japan's positive reputation in those countries. For example, an annual survey conducted by the Singapore-based ISEAS — Yusof Ishak Institute in all the ASEAN states consistently shows that Japan enjoys the highest level of trust among the region's political elites — far ahead of other extra-regional players such as the US, the EU and China.

A characteristic feature of the region that is home to the ASEAN member states is its diversity — cultural, religious, political and economic. In its bilateral relations with individual countries, Japan seeks to take into account this heterogeneity while at the same time pursuing an all-embracing approach towards the region as a whole through overarching initiatives — an approach it has followed for decades in acknowledgement of the region's political and economic importance.

Even though Japan has long regarded Southeast Asia as a priority, its engagement in the region has inten-

sified since 2012. Japan has underlined the importance of Southeast Asia through the political attention it has been paying to the region at the highest level: Prime Minister Abe Shinzo (2012–20) visited all the ASEAN countries within his first year in office, while his successor, Suga Yoshihide (in office for only one year in 2020–21), made his first official trip abroad to Vietnam and Indonesia. Prime Minister Kishida Fumio (2021–24) visited Southeast Asia seven times and maintained close contact with all the ASEAN countries except Myanmar, whose military regime, installed following the violent coup in 2021, Tokyo has not recognized. And Kishida's successor, Prime Minister Ishiba Shigeru, has already made three trips to Southeast Asia in his first seven months in office, declaring the region to be one of Japan's top diplomatic priorities.

Tokyo's intensified engagement since 2012 has been prompted by China's growing geostrategic, economic and political influence in Southeast Asia. Over the past fifteen years, China has emerged as the region's most important economic and trading partner. There are both cooperative and confrontational aspects to its policy vis-à-vis the region. On the one hand, Beijing has courted Southeast Asian countries through diplomacy and economic cooperation; on the other, it has become increasingly uncompromising and aggressive in asserting its own interests, especially in territorial disputes in the South China Sea. At the same time, China's power politics are exacerbating tensions with the US, which for a long time was a hegemonic power in the region, serving as the backbone of Asia's security architecture.

In light of these developments, the current research paper examines Japan's response to China's growing influence in Southeast Asia and the role it is seeking to play there. What interests does Japan have in the region and how does it see them being affected by China? What goals is Tokyo pursuing and what are its priorities? The analysis focuses on Japan's relationship with the ASEAN Community and includes two country case studies — on the Philippines and Cambodia.

The key findings of the research paper are:

- Japan views China's growing influence in Southeast Asia as a major foreign policy challenge. It wants to prevent the emergence of a hierarchical regional order based on power asymmetries and centred around China. It has economic and security policy interests in Southeast Asia as well as in multilateral cooperation and the region's institutional frameworks.
- Tokyo's engagement in Southeast Asia aims to uphold the rules-based multilateral order in the region, underpinned by US involvement. Its commitment to shared rules, principles and standards — demonstrated by the negotiation of regional free trade agreements, for example — is noteworthy. In its security policy, Tokyo is committed to upholding the common norms and rules enshrined in the UN Convention on the Law of the Sea.
- Japan's approach to Southeast Asia since 2012 has been characterised by both continuity and change. Tokyo has continued its development assistance policies and even intensified its long-standing commitment to infrastructure funding. People-to-people exchange still plays an important role in building trust. In what is a shift from its past approach, Japan is now seeking to expand its security policy cooperation with regional players — for example, through dialogue, military exercises and capacity-building programmes, including the supply of armaments.
- The ASEAN Community is of huge importance to Japan as the hub for multilateral cooperation formats in the broader region. By promoting joint institutions for exchange and cooperation, Tokyo is supporting the Community in its institutional development. In order to strengthen cohesion within ASEAN, Japan's development aid is targeted at reducing socio-economic differences in the region.
- Japan is intensifying its relations both with countries that are more critical of China — such as the Philippines — and with those considered more aligned with China — such as Cambodia. This approach extends to security policy. Through its offers to cooperate, Japan provides Southeast Asian countries with alternatives to Chinese initiatives and thereby prevents China from monopolising the region. For their part, the ASEAN countries value Japan as a partner in their attempts to diversify their relations and enhance their resilience and strategic autonomy.
- Japan and Europe are both interested in a stable, multilateral order in Southeast Asia. The two sides should therefore step up their engagement with the region and leverage their influence over regional geopolitical dynamics through complementary or joint initiatives. Further, the approaches adopted by Japan can serve as inspiration for Europe — for example, Tokyo's policies aimed at promoting the cohesion of the ASEAN Community.

Looking Back: Japan's Role in Southeast Asia since 1945

After 1945, Japan sought to reshape its relations with Southeast Asia and overcome its legacy as an exploitative and aggressive colonial subjugator. With the support of the US, which wanted the East Asian state to develop into an economically strong, anti-communist regional power politically anchored in the Western camp, Japan pursued its economic reintegration into geographically nearby Southeast Asia (see Map 1, p. 8). And to counter historical resentment within the region, it offered reparation payments and development aid — for example, by funding infrastructure projects.

From the 1960s onwards, as its own economy grew rapidly, Japan became an economically dominant power in Southeast Asia. By as early as 1966, it had replaced the US as the largest trading partner of today's ten ASEAN states.¹ And by the end of the 1980s, it had become one of the most important investors in Southeast Asia — at the time, it was the largest foreign financier of countries such as Indonesia, Malaysia and Thailand.² Moreover, Japan played a central role in development. By the late 1980s, it had assumed the mantle of the world's largest provider of development aid, with a focus primarily on the countries of East Asia.³

In 1977, Japan reformulated its Southeast Asia policy in response to the resurging historical resentments in the region. The US withdrawal from Viet-

nam further motivated Japan to expand its influence. Japan's Southeast Asia policy drawn up at the time became known as the "Fukuda Doctrine" and still serves as a guide today.⁴ It is based on three fundamental principles. First, Japan renounced its role as a military power. Second, it aimed to build a trusting ("heart to heart") partnership with the region — one that went beyond mutual economic benefit and was supported by people-to-people exchange. Third, it sought close cooperation with the ASEAN Community, which had been founded in 1967 by Thailand, Indonesia, Malaysia, the Philippines and Singapore.

By promoting development aid and people-to-people exchange, Japan established trusting relations with Southeast Asia. In the 1990s, Tokyo launched a growing number of political and diplomatic initiatives, particularly in the area of multilateral cooperation. By 1999, the ASEAN Community had expanded to its current composition of ten member states and had thereby gained greater international significance. Tokyo advocated the creation of regional cooperation formats centred around the Community and, among other things, was a driving force in the establishment of the ASEAN Regional Forum, the first multilateral security dialogue in the East Asia region (which today comprises 27 countries).⁵ In the multilateral arena, Japan also began to play a role in security policy in Southeast Asia — for example, as part of United Nations peace missions. When, in the early 2000s, piracy and armed robberies of ships were on the rise in Southeast Asia, Tokyo took the lead in negotiating

1 International Monetary Fund (IMF), "International Trade in Goods (by Partner Country)", <https://data.imf.org/en/datasets/IMF.STA:IMTS> (accessed 3 April 2025).

2 Siow Y. Chia, "Foreign Direct Investment in ASEAN Economies", *Asian Development Review*, no. 11 (1993), 60–102 (78).

3 Although Japan has since lost its status as the world's largest donor country, it still ranked third in 2022, after the US and Germany. Saori N. Katada, "Japan's Two-Track Aid Approach: The Forces behind Competing Triads", *Asian Survey* 42, no. 2 (2002), 321–42; "Japan Ranks 3rd in Foreign Aid Spending But Still Below U.N. Target", *The Asahi Shimbun*, 31 January 2025, <https://www.asahi.com/ajw/articles/14885518> (accessed 31 January 2025).

4 Takeo Fukuda, "Speech in Manila (Fukuda Doctrine Speech)", Manila, 18 August 1977, <https://worldjpn.net/documents/texts/docs/19770818.S1E.html> (accessed 1 October 2024).

5 Takeshi Yuzawa, *Japan's Security Policy and the ASEAN Regional Forum. The Search for Multilateral Security in the Asia-Pacific*, Sheffield Centre for Japanese Studies/Routledge Series (London, 2007).

Map 1



a regional cooperation agreement to deal with the problem.⁶ Together with Japan, the main actor in economic and security policy in the region was the US.

From around the time of the financial crisis of 1997–98, China and Japan began increasingly to compete for influence in Southeast Asia. While Japan was the largest financial supporter of the region's ailing economies, China, too, mobilised massive resources during the crisis.⁷ Later, a number of Chinese initiatives in the region prompted responses

from Japan.⁸ When China and ASEAN agreed to start negotiations on a free trade agreement in 2001, Tokyo announced a similar cooperation plan in 2002. One year later, in 2003, China signed the ASEAN Treaty of Friendship and Cooperation (concluded in 1976), whereupon Japan announced its intention to follow suit. And in 2008, Japan's appointment of a Permanent Representative to the ASEAN Community also came on the heels of a similar move by China.

⁶ Miha Hribernik, *Countering Maritime Piracy and Robbery in Southeast Asia*, Briefing Paper, no. 2013/2 (Brussels: European Institute for Asian Studies, March 2013), https://www.eias.org/wp-content/uploads/2016/04/EIAS_Briefing_Paper_2013-2_Hribernik.pdf (accessed 1 October 2024).

⁷ Bhubhindar Singh, "ASEAN's Perceptions of Japan: Change and Continuity", *Asian Survey* 42, no. 2 (2002), 276–96 (288).

⁸ The following examples are discussed in detail in Tomotaka Shoji, "Pursuing a Multi-dimensional Relationship: Rising China and Japan's Southeast Asia Policy", in *The Rise of China: Responses from Southeast Asia and Japan*, ed. Jun Tsunekawa, NIDS Joint Research Series, vol. 4 (Tokyo: National Institute for Defense Studies [NIDS], 2009), 157–84, https://www.nids.mod.go.jp/english/publication/joint_research/series4/pdf/4-6.pdf (accessed 7 May 2024).

Growing Japan-China Rivalry from 2012 onwards

Like the US, Japan has watched the rapid growth of China's economic, political and geostrategic influence in Southeast Asia with concern, especially from around 2012 onwards. Back in the late 1990s, Beijing launched a "charm offensive" towards Southeast Asia that led to an intensified diplomatic exchange and greater economic cooperation. By 2009, China had overtaken Japan as the ASEAN Community's most important trading partner outside the region.⁹

In 2012, China began to promote its interests more confidently, more uncompromisingly and more forcefully.

Around 2012, however, China's behaviour in Southeast Asia changed noticeably. It began to promote its interests not only more confidently but also more uncompromisingly and more forcefully. Its leadership ambitions in the region became apparent, above all, in two areas. First, China expanded its military and paramilitary presence in disputed areas in the South China Sea and started to behave in an increasingly confrontational manner.¹⁰ In 2012, for example, it seized Scarborough Shoal, which is also claimed by the Philippines. In the years that followed, China built numerous military-capable ports and airstrips following extensive land reclamation in the area surrounding the similarly disputed Spratly Islands.¹¹

And when the Permanent Court of Arbitration in The Hague ruled in 2016 that China's extensive territorial claims in the South China Sea were unlawful, Beijing rejected that decision as "null and void".¹² Since then, China's attempts to bring disputed territories under its own control have regularly escalated, particularly vis-à-vis the Philippines.¹³

Second, China's leadership aspirations were revealed in the Belt and Road Initiative (BRI), presented by President Xi Jinping in 2013. The initiative involves the massive promotion of infrastructure projects through which China aims to secure market access and investment opportunities in various countries, particularly in its neighbourhood. Southeast Asia has been a focus of the initiative.

Meanwhile, the US, which is the most important security partner of many countries in Southeast Asia, has seen its global supremacy increasingly challenged by China over the past decade. Today, Washington and Beijing are wrestling for influence in the region. Under Presidents Barack Obama, Donald Trump (first term) and Joe Biden, Washington increased its military presence in Southeast Asia and stepped up security cooperation with regional partners.¹⁴ Through high-level visits, it managed to draw at least some diplomatic attention to Southeast Asia, although many observers pointed to the lack of a clear strategic orientation, especially under the first Trump adminis-

9 IMF, "International Trade in Goods" (see note 1).

10 Robert G. Sutter and Chin-Hao Huang, "China Muscles Opponents on South China Sea", *Comparative Connections* 14, no. 2 (2012), <https://cc.pacforum.org/2012/09/china-muscles-opponents-south-china-sea/> (accessed 1 October 2024).

11 Michael Paul, A "Great Wall of Sand" in the South China Sea? *Political, Legal and Military Aspects of the Island Dispute*, SWP Research Paper 8/2016 (Berlin: Stiftung Wissenschaft und Politik, July 2016), <https://www.swp-berlin.org/publikation/a-great-wall-of-sand-in-the-south-china-sea> (accessed 6 May 2025).

12 Peter Kreuzer, *Dealing with China in the South China Sea: Duterte Changing Course*, PRIF Report 3/2018 (Frankfurt am Main: Peace Research Institute Frankfurt [PRIF], 2018), https://www.prif.org/fileadmin/Daten/Publikationen/Prif_Reports/2018/prif0318.pdf (accessed 20 May 2025).

13 Christian Wirth, *Der chinesisch-philippinische Konflikt um das Second-Thomas-Atoll*, SWP-Aktuell 11/2024 (Berlin: Stiftung Wissenschaft und Politik, March 2024), doi: 10.18449/2024A11.

14 A. S. Stepanov, "US Policy towards Southeast Asia: from Barack Obama to Joe Biden", *Herald of the Russian Academy of Sciences* 92 (2022), 1473–78, doi: 10.1134/S1019331622210183.

tration.¹⁵ The approach of the second Trump administration to Southeast Asia remains unclear, but there is widespread anticipation in the region of reduced US engagement.¹⁶ Another cause for concern is President Trump's threat of tariffs, which would have a significant negative impact on the export-oriented Southeast Asian countries. Moreover, the effective dissolution of the US Agency for International Development (USAID) will have consequences for Southeast Asia. Until recently, the ASEAN Community benefited from its technical assistance.¹⁷

Japan's view of China has changed, too, over the past decade. According to the prevailing opinion in Tokyo, China is jeopardising stability and security, particularly in East Asia, through its uncompromising stance in maritime and territorial disputes and is increasingly becoming a revisionist superpower.¹⁸ From the Japanese perspective, China poses a serious challenge to the existing international order, based on common rules and principles.¹⁹ Japan also sees China's growing military clout as a direct security threat.

While the countries of Southeast Asia have benefited from China's economic upturn, they remain wary of its power politics. Approaches may differ to some extent, but in general these states are pursuing hedging strategies aimed at minimising risks and keeping options open in the context of the Sino-American rivalry.²⁰ Their goal is to maintain good

relations with both the US and China while at the same time intensifying cooperation with other countries — such as Japan, South Korea, Australia, India and various European states — in order to strengthen their strategic autonomy.

15 Sheldon Simon, "Regional Skepticism", *Comparative Connections* 19, no. 2 (2017), 43–52.

16 James Crabtree, *U.S.–China–Southeast Asia Relations in a Second Trump Administration* (Asia Society Policy Institute, 26 February 2025), <https://asiasociety.org/policy-institute/us-china-southeast-asia-relations-second-trump-administration> (accessed 23 May 2025).

17 Aristyo R. Darmawan, "How Trump's Foreign Policy May Hurt US Interests in Southeast Asia", *Australian Outlook* (Australian Institute of International Affairs, 13 February 2025), <https://www.internationalaffairs.org.au/australian-outlook/how-trumps-foreign-policy-may-hurt-us-interests-in-southeast-asia/> (accessed 18 February 2025).

18 Gilbert Rozman, "Japanese Perceptions of the Threat from China" (Seoul: Asan Institute for Policy Studies, 24 April 2024), <https://theasanforum.org/japanese-perceptions-of-the-threat-from-china/> (accessed 1 October 2024).

19 Alexandra Sakaki, *Japan: A Critical Player in Southeast Asia*, RSC Policy Briefs, no. 2024/19 (July 2024), doi: 10.2870/514248.

20 Cheng-Chwee Kuik, "Southeast Asia Hedges between Feasibility and Desirability", *East Asia Forum* (online), 4 July 2023, [https://eastasiaforum.org/2023/07/04/southeast-asia-](https://eastasiaforum.org/2023/07/04/southeast-asia-hedges-between-feasibility-and-desirability/)

[hedges-between-feasibility-and-desirability/](https://eastasiaforum.org/2023/07/04/southeast-asia-hedges-between-feasibility-and-desirability/) (accessed 1 October 2024).

Japan's Interests in Southeast Asia

There are three key areas in which China's growing influence and aggressive stance in Southeast Asia affect the interests pursued by Japan in the region: namely, the economy, security policy and multilateral regional cooperation.²¹ The general fear among Japanese observers is that China is seeking to establish and assume leadership over a hierarchical order in Southeast Asia that would replace the existing liberal, rules-based order.

Economy

Southeast Asia is of huge economic importance to Japan. Overall, the ASEAN states, which have a total population of around 678 million, are experiencing solid economic growth, despite differences between individual countries.²² Thanks to its economic dynamism and geographical proximity, the region is as attractive for Japanese private-sector investors as it is for trade. It is able to offer companies what is largely a well-trained workforce at competitive labour costs. In the past decade, Japan has increasingly sought to diversify its economic relations and, in particular, wants to boost cooperation with Southeast Asia. Since 2020, it has been providing financial support to Japanese companies relocating production sites from China to Southeast Asia, whereby the goal is to make Japan's supply chains more resilient. Most such projects funded between 2020 and 2023 involved relocations to Vietnam, Thailand, Malaysia and the Philippines.²³

The ASEAN Community is Japan's third-largest trading partner after China and the US (which is only narrowly ahead of ASEAN) and accounts for 15 per cent of its total foreign trade in goods.²⁴ In 2023, the volume of Japan-ASEAN trade in goods was US\$225.6 billion and Japan had a trade deficit of US\$15.9 billion (see Figures 1 and 2, p. 12). Japan's most important trading partners among the ASEAN countries are Thailand, Vietnam, Indonesia, Malaysia, Singapore and the Philippines. Despite steady increases in absolute bilateral trade volumes, Japan's relative importance for the ASEAN states has diminished as the latter have increasingly diversified their trading partners. In 2023, its share of the ASEAN Community's foreign trade was just 6.8 per cent, making it the fourth-largest trading partner outside the region after China (including Hong Kong) with 22.8 per cent, the US with 11.2 per cent and the EU with 7.9 per cent (see Figure 3, p. 13). At the beginning of the 1990s, Japan's share of foreign trade with Southeast Asian countries was still around 21 per cent.

Japanese direct investment in Southeast Asia amounted to US\$274.2 billion in 2022.²⁵ Based on this figure, ASEAN accounts for 14.2 per cent of Japan's total foreign direct investment, trailing only the US with 34.8 per cent and the EU with 15.8 per cent (see Figure 4, p. 12).

²¹ Own analysis of foreign policy speeches on Southeast Asia delivered by Japanese cabinet members and interviews with experts in Tokyo, December 2023.

²² ASEAN-Japan Center, "ASEAN – Japan at a Glance" (Tokyo, 2024), <https://www.asean.or.jp/en/asean-japan-information/> (accessed 7 May 2024).

²³ Achim Haug, "De-Risking von China: Wie kann es gelingen?", *Germany Trade & Invest* (online), 19 June 2024, [https://www.gtai.de/de/trade/asien/specials/de-risking-von-china-wie-](https://www.gtai.de/de/trade/asien/specials/de-risking-von-china-wie-kann-es-gelingen--1737694#toc-anchor--13)

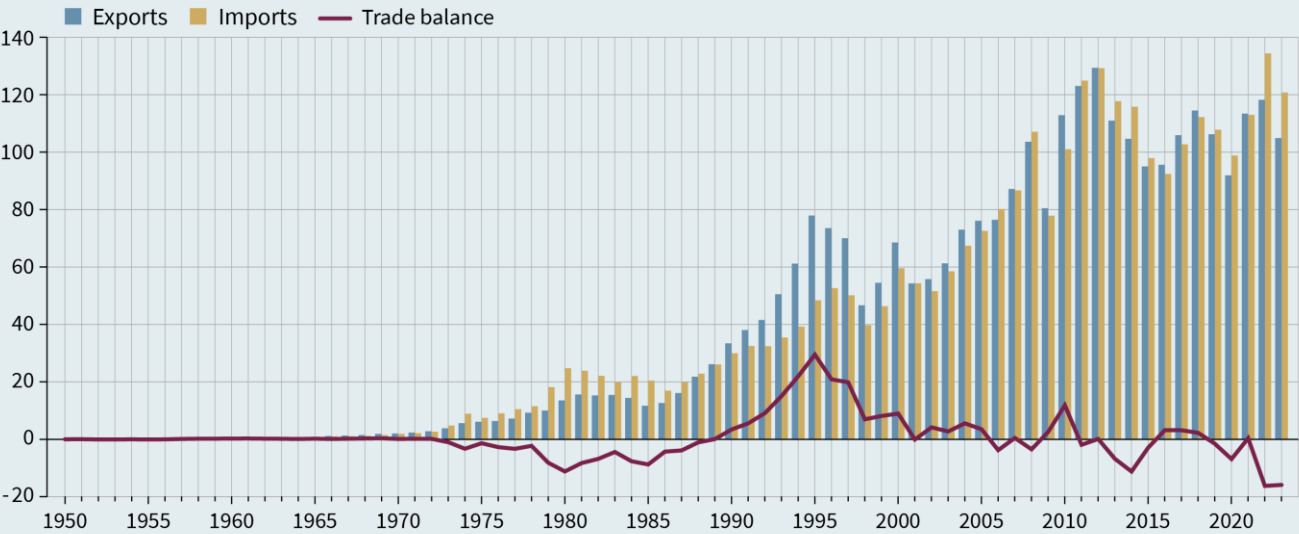
[kann-es-gelingen--1737694#toc-anchor--13](https://www.gtai.de/de/trade/asien/specials/de-risking-von-china-wie-kann-es-gelingen--1737694#toc-anchor--13) (accessed 1 October 2024).

²⁴ The following analysis of foreign trade is based on data from this source: IMF, "International Trade in Goods" (see note 1).

²⁵ ASEAN Secretariat, "ASEANstat", <https://www.aseanstats.org> (accessed 3 October 2024).

Figure 1

Japan's trade in goods with ASEAN
in US\$ billion

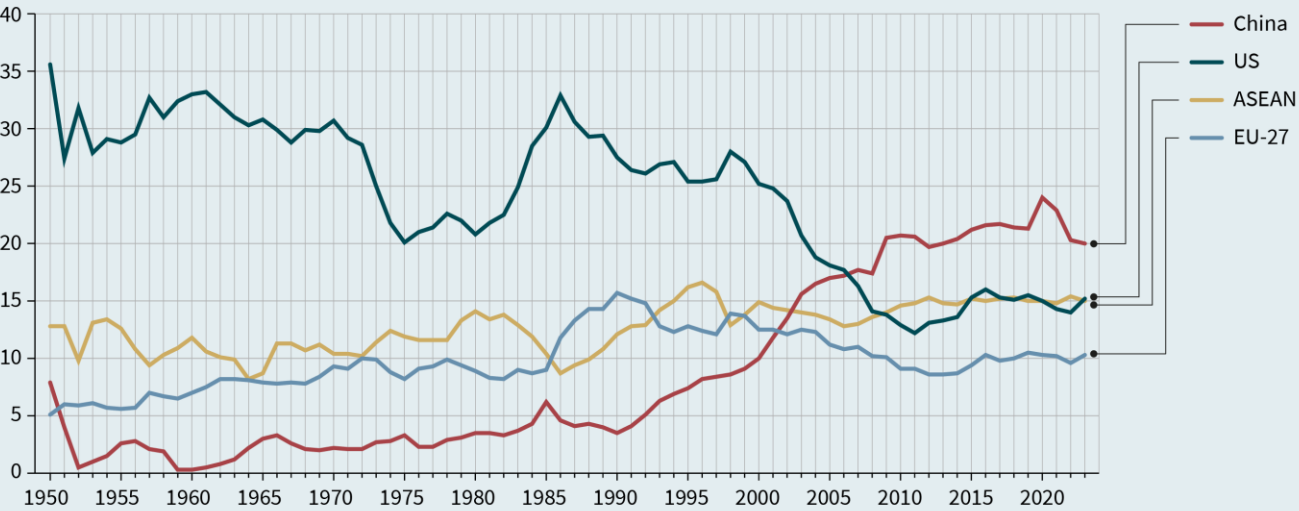


Source: International Monetary Fund, *Direction of Trade Statistics*, accessed 26 July 2024

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Figure 2

Share of Japan's trade in goods
in per cent

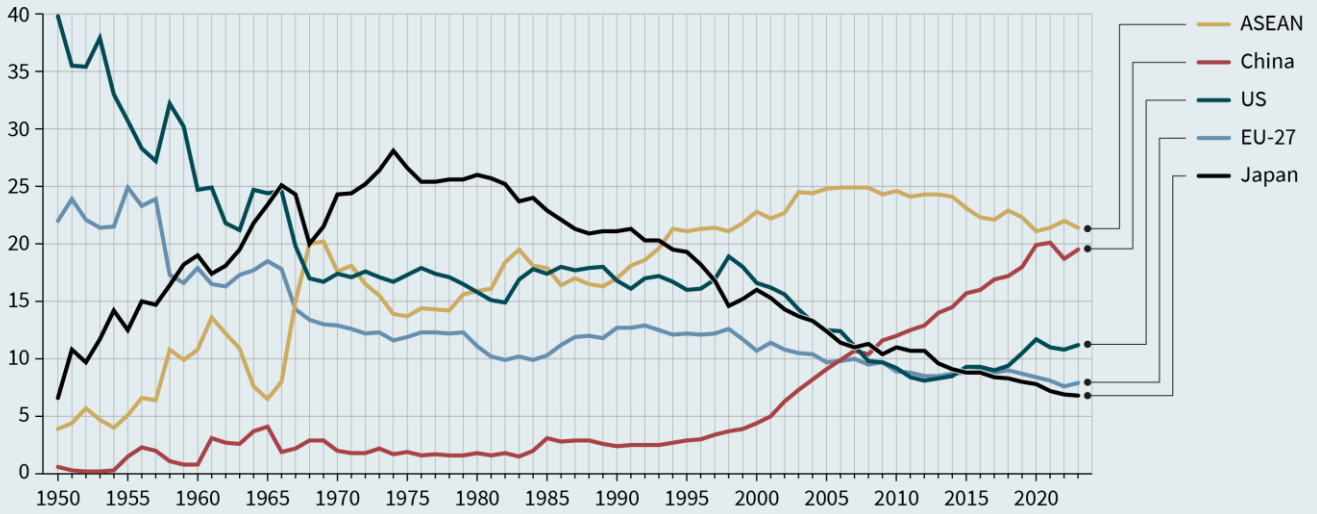


Source: International Monetary Fund, *Direction of Trade Statistics*, accessed 26 July 2024

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Figure 3

Share of ASEAN's trade in goods in per cent

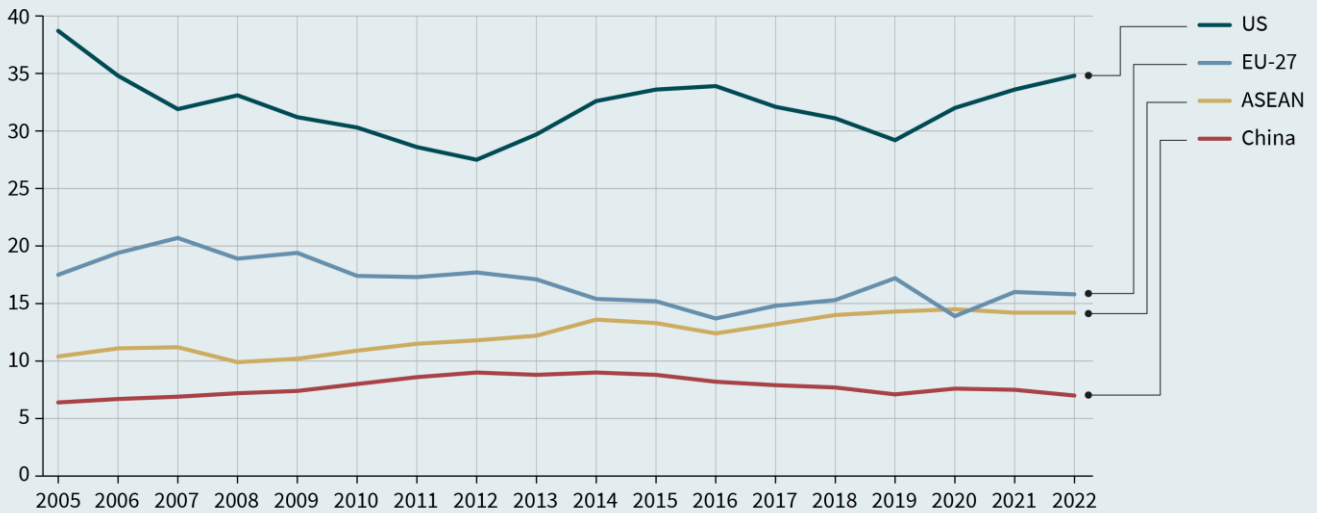


Because some data are missing, the chart may give a distorted picture, especially for the early period.
Source: International Monetary Fund, *Direction of Trade Statistics*, accessed 26 July 2024

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Figure 4

Share of Japan's foreign direct investment stock in per cent

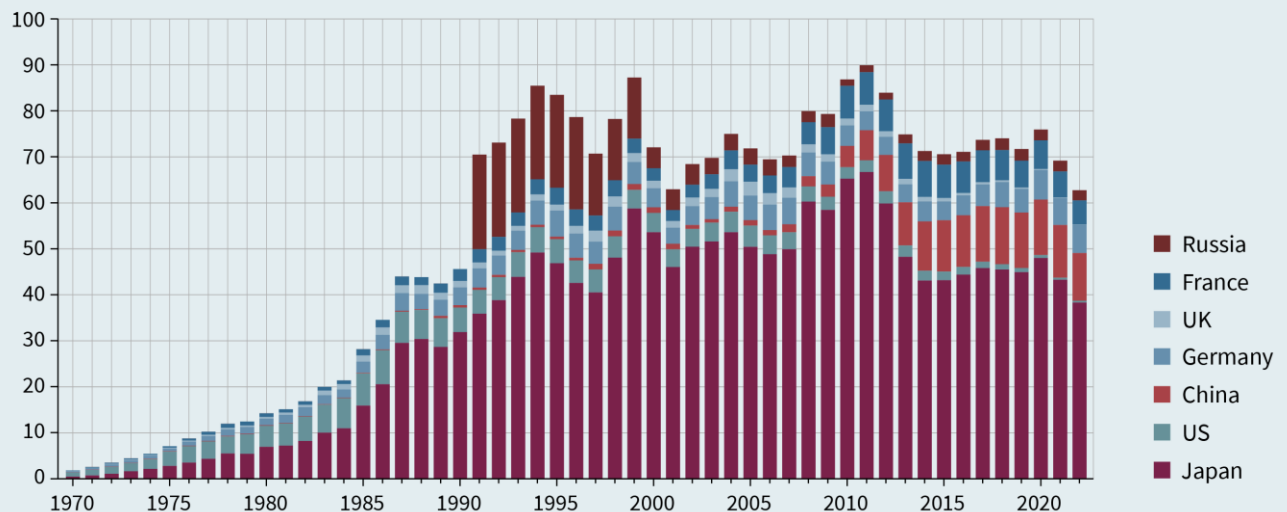


Source: OECDstat, accessed 26 August 2024

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Figure 5

Bilateral foreign debt of ASEAN in US\$ billion



The graph shows the sum of bilateral external debt of the public and private sectors (external debt of the private sector guaranteed by the public sector).
Source: World Bank, *IDS Data*, accessed 28 July 2024

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Conversely, if we look at the foreign direct investment stock of ASEAN, Japan is the third-largest investor from outside the region with a share of 9.8 per cent, after the US with 17.8 per cent and the EU with 12.9 per cent but ahead of China (including Hong Kong) with 8.7 per cent.²⁶ Around 15,000 Japanese companies are active in ASEAN countries.²⁷

Further, Japan has been the largest donor of official development assistance to ASEAN for decades; by 2020, the aid provided totalled around US\$129 billion.²⁸ At the same time, Japan is by far ASEAN's largest bilateral creditor, with a total of US\$38.3 billion, which dwarfs China's US\$10.4 billion (see Figure 5).²⁹

It is evident that Japan no longer plays the economically dominant role in Southeast Asia that it once did. Nevertheless, it remains an important economic partner for the ASEAN countries and vice

versa. Tokyo fears that China is increasingly using its growing economic clout in the region as a political lever to assert its interests.³⁰ If those fears are founded, the countries in the region are in danger of losing their strategic autonomy. For its part, Beijing has repeatedly prevented joint ASEAN positions from being formed by bringing pressure to bear on individual member states.³¹

Security policy

Because of its close economic ties and geographical proximity to Southeast Asia, Japan has a fundamental interest in protecting the stability and security of the region. A significant share of Japan's trade takes place via the shipping routes of Southeast Asia, which means they are crucial for the country's economy. According to one estimate, 92 per cent of resource-poor Japan's

²⁶ The Philippines is not included here because of a lack of data.

²⁷ Ministry of Foreign Affairs of Japan, *White Paper on Development Cooperation 2022* (Tokyo, 2023), 92, <https://www.mofa.go.jp/policy/oda/white/2022/html/honbun/b3/s1.html> (accessed 19 September 2024).

²⁸ Sharon Seah, "Can ASEAN and Japan Buttress the International Legal Order?" *East Asia Forum Quarterly* 15, no. 3 (July–September 2023), 39–41.

²⁹ World Bank, *IDS Data*, <https://databank.worldbank.org/source/international-debt-statistics> (accessed 28 July 2024).

³⁰ Ryosei Kokubun, *Indo Taiheiyō chiiki no Chūgoku fakutā* [China Factor in the Indo-Pacific Region] (Tokyo: Japan Center for Economic Research [JCER]), 25 March 2024), <https://www.jcer.or.jp/research-report/20240325.html> (accessed 1 October 2024).

³¹ Davis Florick, "Cambodia is China's Leverage Point on ASEAN", *East Asia Forum* (online), 15 December 2021, <https://eastasiaforum.org/2021/12/15/cambodia-is-chinas-leverage-point-on-asean/> (accessed 1 October 2024).

oil imports and 50 per cent of its gas imports are transported through the South China Sea.³² This means that disruptions to civilian shipping in South-east Asia can have a severe impact on the Japanese economy.

Since 2012, China has vastly strengthened its military and paramilitary presence around the Japanese-administered Senkaku Islands.

Moreover, the tensions over territorial claims in the South China Sea have implications for Japan's own security as well as for the rules-based international order. China's attempt to gradually gain control over disputed territories in the South China Sea is not unlike its approach to the territorial dispute with Japan over the Senkaku Islands (Chinese: Diaoyu Dao) in the East China Sea. Since 2012, China has vastly strengthened its military and paramilitary presence around the Japanese-administered islands.³³ In Japan's view, Chinese expansionism in the East and South China seas not only increases the risk of military conflict in the region; it also undermines international legal norms such as the Law of the Sea and thereby jeopardises the rules-based order of the maritime space.³⁴

China's military presence in the South China Sea also has an impact on the strategic position of the US. By dint of its growing military capabilities, China could make access to the region more difficult for the US armed forces, particularly in the area that lies within the so-called first island chain, which runs from Japan via Taiwan and the Philippines to Indo-

nesia (see Map 1, p. 8).³⁵ As Japan is dependent on its ally, the US, for its security, such a development would not be in its interests. In February 2025, President Trump and Prime Minister Ishiba emphasised in their first joint statement that they reject China's militarisation and its provocations in the South China Sea.³⁶

Multilateral cooperation in the ASEAN context

The ASEAN Community is also of great importance for Japan's foreign policy. Not only does it promote peaceful cooperation between the member states; it also plays a role — one that extends beyond South-east Asia — in shaping regional governance structures. It serves as a platform for almost all key multilateral forums in East Asia, such as the ASEAN Regional Forum (ARF), the East Asia Summit (EAS) and the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus), which take place regularly under the chairmanship of an ASEAN member state and involve actors such as Japan, China and the US. The Japanese academic discourse identifies three important functions that the ASEAN Community performs in this context.³⁷

First, ASEAN-centred multilateral forums provide a framework for exchanges between regional actors on political, economic and security issues and for encouraging cooperation. Because each meeting is planned by the ASEAN Community or the chairing member state, great power interests — especially those of the US and China — are prevented from setting the agenda. Second, the ASEAN Community supports common principles, norms and rules in the region and is committed to ensuring they are adopted.³⁸ ASEAN's Treaty of Amity and Cooperation, for example, emphasises principles such as peaceful conflict resolution and respect for sovereignty and territorial

32 Masafumi Iida, "Japan's Security Interests and Strategies in the South China Sea", in *Security, Strategy, and Military Dynamics in the South China Sea. Cross-national Perspectives*, ed. Gordon Houlden et al. (Bristol, UK, 2021), 251–66 (256), doi: 10.1332/policypress/9781529213454.003.0014.

33 Ministry of Foreign Affairs of Japan, "Trends in China Coast Guard and Other Vessels in the Waters Surrounding the Senkaku Islands, and Japan's Response" (Tokyo, 2024), https://www.mofa.go.jp/region/page23e_000021.html (accessed 1 October 2024).

34 Alexandra Sakaki, "Keeping the Dragon at Bay: The South China Sea Dispute in Japan's Security Strategy", in *Power Politics in Asia's Contested Waters. Territorial Disputes in the South China Sea*, ed. Enrico Fels and Truong-Minh Vu (Cham, 2016), 425–40.

35 Iida, "Japan's Security Interests" (see note 32), 257.

36 The White House, "United States-Japan Joint Leaders' Statement" (Washington, D.C., 7 February 2025), <https://www.whitehouse.gov/briefings-statements/2025/02/united-states-japan-joint-leaders-statement/> (accessed 18 February 2025).

37 Discussions with experts in Tokyo in December 2023; see also Kei Koga, "Getting ASEAN Right in US Indo-Pacific Strategy", *The Washington Quarterly* 45, no. 4 (2022), 157–77.

38 Laura Allison-Reumann, "The Norm-Diffusion Capacity of ASEAN: Evidence and Challenges", *Pacific Focus* 32, no. 1 (2017), 5–29.

integrity in inter-state relations. The ASEAN Community's fundamental interest in a rules-based order is shared by Japan.³⁹ Third, ASEAN creates a framework in which the comparatively smaller Southeast Asian powers can develop common positions and represent them vis-à-vis the global major powers. Thus, from the Japanese perspective, the Community can help prevent the emergence in the region of a hierarchical order centred around China and based on power asymmetries.⁴⁰

39 Discussion with experts in Tokyo in December 2023.

40 Sakaki, *Japan: A Critical Player in Southeast Asia* (see note 19).

Japan's Goals in Southeast Asia as Part of Its 'Free and Open Indo-Pacific' Vision

Speeches on Southeast Asia by Japanese prime ministers and foreign ministers provide an insight into the goals that Tokyo has been pursuing since 2012 to promote cooperation with the region. Four guiding principles can be identified from the messaging of the Abe, Suga and Kishida governments. First, Japan wants to promote the rules-based order in Southeast Asia. The further development of the international free trade system as well as the safeguarding of international law – particularly in the maritime space – are key areas of focus.⁴¹ Second, Tokyo wants to support the ASEAN Community in its integration efforts.⁴² By promoting connectivity and infrastructure development, it is seeking to strengthen cohesion among the members and contribute to reducing disparities in socio-economic development.⁴³ Third, it is aiming to help ASEAN countries build capacity in various areas.⁴⁴ Through training, education and knowledge transfer on topics such as infectious diseases, disaster prevention, resilient supply chains and digital infrastructure, Tokyo is seeking to contribute to human resource development. At the same time, it is helping those countries bordering the South China Sea to boost capabilities to monitor and patrol marine

areas.⁴⁵ Fourth, Japan aims to continue its partnership with the region.⁴⁶ In order to build trust, Japan is particularly keen to promote people-to-people exchange with ASEAN.

The concept of a 'Free and Open Indo-Pacific' is Japan's central foreign-policy leitmotif.

Overall, the foreign policy speeches analysed demonstrate that Japan sees Southeast Asia as a key region in what it envisages as a multilateral, rules-based order in the Indo-Pacific. Japan's central foreign-policy concept for this vision is a "Free and Open Indo-Pacific" (FOIP), which was first outlined by former Prime Minister Abe Shinzo during his first term in office (2006–07) and formulated in more detail during his second term in a speech delivered in 2016. There are three pillars in the FOIP vision, which can be summarised as follows. First, a rules-based order built on the principles of free trade and freedom of navigation is to be maintained. Second, economic prosperity is to be secured through improved physical, institutional and people-to-people connectivity. Third, peace and security are to be ensured through capacity-building assistance, humanitarian aid and

⁴¹ Yoshihide Suga, "Speech at the Vietnam-Japan University", 19 October 2020, https://www.mofa.go.jp/s_sa/sea1/vn/page3e_001070.html (accessed 24 September 2024).

⁴² Fumio Kishida, "ASEAN Policy Speech: Diversity and Connectivity – Role of Japan as a Partner", 2 May 2016, https://www.mofa.go.jp/a_o/rp/page4e_000424.html (accessed 24 September 2024).

⁴³ Fumio Kishida, "Speech at ASEAN Indo-Pacific Forum (AIPF)", Jakarta, 6 September 2023, <https://www.mofa.go.jp/files/100548815.pdf> (accessed 24 September 2024).

⁴⁴ Kishida, "ASEAN Policy Speech" (see note 42).

⁴⁵ Toshimitsu Motegi, "ASEAN Policy Speech: Towards a New Stage of Cooperation in the Spirit of Gotong-Royong", Jakarta, 10 January 2020, https://www.mofa.go.jp/s_sa/sea2/page3e_001148.html (accessed 24 September 2024).

⁴⁶ Shinzo Abe, "Address on the Occasion of the ASEAN Business & Investment Summit", Kuala Lumpur, 21 November 2015, https://www.mofa.go.jp/a_o/rp/page4e_000347.html (accessed 24 September 2024).

disaster relief.⁴⁷ In 2023, Prime Minister Kishida expanded the FOIP vision to include a fourth dimension: international cooperation for the protection of *global commons* such as climate and environment, food and energy security, health protection and security in cyberspace.⁴⁸

Although Abe did not explicitly mention the countries of Southeast Asia in his 2016 speech, Tokyo has since repeatedly made it clear that they play a central role in Japan's FOIP vision. In December 2023, for example, Prime Minister Kishida declared that the ASEAN states were the "linchpin of a free and open Indo-Pacific".⁴⁹ Thus, Japan's priorities for cooperation with Southeast Asia are in line with the basic principles of FOIP.

In their speeches on Southeast Asia, Japanese prime ministers and foreign ministers have referred to China's role only implicitly – by calling for "maintaining the existing order through the rule of law" in the maritime space and by condemning the use of force.⁵⁰ But there can be no doubt that Japan's FOIP vision is to be understood as a reaction to China's rise and the relative loss of US power in East Asia. It signals Tokyo's desire to play an active role in shaping the regional order and to promote or develop common practices, norms and institutions.⁵¹ For its part, the Japanese Foreign Ministry has emphasised Tokyo's willingness to cooperate "with any countries" that support the idea of a rules-based order.⁵² This inclu-

sive approach leaves the door open for China's participation if the Middle Kingdom were to endorse the Japanese conception of common norms and rules.

At the same time, Japan's FOIP vision also includes competitive elements vis-à-vis China, based on a balance-of-power logic. Tokyo's approach aims to involve the US – the only country that can serve as a clear counterweight to China in the region.⁵³ At the same time, it is supporting countries in the development of capabilities that would enable them to counter China's confrontational and unlawful actions in the South China Sea. And it is also expanding its own defence capabilities in response to China's growing military clout. However, Japan is distancing itself from the FOIP approach of the US. When, in 2017, Washington began to talk about a FOIP strategy – with a strong military focus and a confrontational stance on China – Tokyo dropped the term "FOIP strategy" and from then onwards referred only to a "concept". In this way, Japan also responded to critical views among ASEAN countries that feared US policy was too confrontational.⁵⁴

47 Ministry of Foreign Affairs of Japan, *Towards Free and Open Indo-Pacific* (Tokyo, November 2019), <https://www.mofa.go.jp/files/000407643.pdf> (accessed 24 September 2024).

48 Kei Hakata and Brendon J. Cannon, "Japan's New Indo-Pacific: A Guiding Perspective to Shape Worldviews", 3 May 2023, <https://www.orfonline.org/expert-speak/japans-new-indo-pacific-a-guiding-perspective-to-shape-worldviews> (accessed 24 September 2024).

49 Mari Yamaguchi, "Japan and ASEAN Bolster Ties at a Summit Focused on Security and Economy amid Tensions with China", *AP News* (online), 17 December 2023, <https://apnews.com/article/japan-asean-summit-maritime-security-china-8ff28376dc10f9a5f95b93c4c7c7c7dc> (accessed 24 September 2024).

50 Fumio Kishida, "Speech at the 19th International Conference on 'The Future of Asia'", Tokyo, 23 May 2013, https://www.mofa.go.jp/page3e_000057.html (accessed 24 September 2024).

51 H. D. Envall and Thomas S. Wilkins, "Japan and the New Indo-Pacific Order: The Rise of an Entrepreneurial Power", *The Pacific Review* 36, no. 4 (2023): 691–722.

52 Ministry of Foreign Affairs of Japan, *Towards Free and Open Indo-Pacific* (see note 47).

53 Hideshi Tokuchi, *Japan's New National Security Strategy and Contribution to a Networked Regional Security Architecture* (Washington, D.C.: Center for Strategic and International Studies [CSIS], 23 June 2023), <https://www.csis.org/analysis/japans-new-national-security-strategy-and-contribution-networked-regional-security> (accessed 24 September 2024).

54 Michael J. Green, *Line of Advantage. Japan's Grand Strategy in the Era of Abe Shinzō* (New York, 2021), 123ff., <https://permalink.obvsg.at/AC16492535>.

Implementation: Japan's Policy Towards ASEAN

Since 2012, Japan has strengthened its relations with the ASEAN Community. Among other things, it has used joint meetings to announce initiatives for the entire region and to underscore its support for ASEAN-centred multilateral cooperation.

Overview and main pillars of relationships with ASEAN

Japan has frequent diplomatic exchanges with the ASEAN Community through annual summits and ministerial-level meetings on topics ranging from foreign and economic policy to transportation. Japanese representatives regularly participate in ASEAN-led forums, such as the East Asia Summit and ADMM-Plus. Tokyo takes advantage of such occasions to demonstrate its engagement — for example, by co-chairing working groups in ADMM-Plus.⁵⁵

Japan's leading role as supporter of ASEAN institutional integration is particularly noteworthy. Among other things, it supported the establishment of the ASEAN-Japan Cybersecurity Capability Building Centre in 2018 and the ASEAN Centre for Public Health Emergencies and Emerging Diseases in 2022.⁵⁶ Within their respective policy areas, these institutions are intended to promote cooperation between the member states while at the same time contributing to exchanges with Japan.

At a joint summit in 2020, Japan underlined the importance of ASEAN as a partner for its FOIP vision. In response to the Indo-Pacific strategies of Japan, the US and other countries, the Community published its own vision — ASEAN Outlook on the Indo-Pacific (AOIP) — in 2019.⁵⁷ Tokyo saw significant convergence between its own approach and the core principles expressed in AOIP.⁵⁸ Both visions focus on the maintenance of a rules-based regional order, peaceful conflict resolution, multilateralism and the strengthening of international law. At the 2020 summit, Japan became the first country to formally agree to cooperation on AOIP, thereby demonstrating — as a key regional player — its support for the ASEAN Community.⁵⁹

Despite some ASEAN member states having been divided in recent years over important foreign policy issues, Japan continues to be diplomatically engaged with the Community. International crises have put ASEAN's unity to the test. For example, the military coup that took place in member state Myanmar in 2021 was — and remains — a major challenge for the group: within ASEAN, there are different positions on how to deal with the ongoing violence in that country.⁶⁰ Similarly, the ASEAN states have reacted differ-

⁵⁵ Tomotaka Shoji, *Japan's Approach toward ASEAN-led Security Multilateralism: Coordinating Strategic Agendas with the United States*, Strategic Japan (Washington, D.C.: CSIS, 2020), https://csis-website-prod.s3.amazonaws.com/s3fs-public/200408_Shoji_Final%20Working%20Paper_Strategic%20Japan.pdf (accessed 7 May 2024).

⁵⁶ Ministry of Foreign Affairs of Japan, *Japan's Cooperation Projects on AOIP as of Nov. 2020: Example of the Projects* (Tokyo, November 2020), <https://www.mofa.go.jp/files/100115874.pdf> (accessed 24 September 2024).

⁵⁷ Felix Heiduk and Gudrun Wacker, *From Asia-Pacific to Indo-Pacific. Significance, Implementation and Challenges*, SWP Research Paper 9/2020 (Berlin: Stiftung Wissenschaft und Politik, July 2020), doi: 10.18449/2020RP09.

⁵⁸ Ministry of Foreign Affairs of Japan, *Diplomatic Bluebook 2023* (Tokyo, 2023), 95, https://www.mofa.go.jp/policy/other/bluebook/2023/en_html/index.html (accessed 24 September 2024).

⁵⁹ Joanne Lin and William Choong, "Why ASEAN Appreciates Japan's Nuanced Approach to Regional Order", *Fulcrum* (online), 14 April 2023, <https://fulcrum.sg/why-asean-appreciates-japans-nuanced-approach-to-regional-order/> (accessed 7 May 2024).

⁶⁰ Yoshihide Matsuura and Hideo Tomikawa, "The Post-Coup State of Affairs in Myanmar and Regional Security",

ently to the Russian war against Ukraine. While most member countries have condemned the Russian aggression, it is only Singapore that has imposed sanctions.⁶¹

Since 2012, Japan has been pursuing cooperation with ASEAN in four priority areas:

- 1) Security policy
- 2) Economy
- 3) Infrastructure
- 4) People-to-people exchange.

Security policy

In the past, security policy played a somewhat marginal role in the bilateral relationship between Japan and ASEAN. It was not until the 1990s that Japan began to contribute to security in the context of United Nations peace-keeping missions, such as in Cambodia and Timor-Leste, or through participation in overarching regional security forums such as the ASEAN Regional Forum.⁶² In the 2000s, Japan focused on non-traditional security — for example, through cooperation in disaster relief or the fight against piracy. Later, it stepped up its security policy exchange at the bilateral level through dialogue and the deployment of defence attachés.⁶³ And since 2013, it has responded to the growing tensions in the South China Sea by providing Southeast Asian countries such as the Philippines and Vietnam with defence equipment, including patrol vessels, surveillance aircraft and radar systems.

More recently, Japan has been expanding its security cooperation with the ASEAN Community. At an informal meeting with the defence ministers of the ASEAN states in Laos in 2016, Tokyo announced its “Vientiane Vision”, which outlined the Japanese intention to pursue comprehensive security cooperation with both the Community and individual mem-

ber states.⁶⁴ Among other things, the Vision focused on cooperation in maritime security and promoting security policy resilience — for example, in the areas of disaster prevention and cyber security in Southeast Asian states.⁶⁵ Further, Japan is seeking to promote security policy exchanges among ASEAN members. In 2019, it introduced “Vientiane Vision 2.0”, which essentially reaffirms the course charted in 2016.⁶⁶

However, because security policy cooperation with ASEAN remains relatively weak, bilateral cooperation initiatives with individual member states continue to be Japan's main focus in its implementation of the Vientiane Vision. At the level of the Community, Japan engages primarily through dialogue and training courses, such as that on international law. At the level of member state, Japan is strengthening relations — for example, through port visits, military exercises and the provision of defence equipment.⁶⁷

Tokyo sees capacity building as an important security policy instrument.

In the coming years, it is likely that Japan will increase its capacity building aid for Southeast Asian countries. In 2023, the Kishida government introduced a new support programme, known as Official Security Assistance (OSA), which offers financial support to “like-minded countries”, particularly in Southeast Asia, so that they can strengthen their “security and deterrence capabilities”.⁶⁸ The programme can be seen as a reaction to China's aggressive stance in the South China Sea: According to the Japanese Foreign Ministry, it aims to “prevent unilateral attempts to change the status quo by force” and to boost regional capacities in order to secure peace and stability in the Indo-Pacific region.⁶⁹ Thus, Tokyo sees capacity building as an important security policy instrument,

East Asian Strategic Review 2022, ed. NIDS (Tokyo, 2022), 132 – 81 (152).

⁶¹ Kei Koga, “Southeast Asia in Japan's FOIP Vision 2022”, in *Japan in the Indo-Pacific: Investing in Partnerships in South and Southeast Asia*, ed. Stephen R. Nagy (Stockholm, 2022), 23 – 32.

⁶² Shoji, “Pursuing a Multi-dimensional Relationship” (see note 8).

⁶³ Japan Ministry of Defence, *Vientiane Vision: Japan's Defense Cooperation Initiative with ASEAN* (Tokyo, 2016), https://www.mod.go.jp/en/d_act/excl/vientianevision/index.html (accessed 24 September 2024).

⁶⁴ Id., *Achievements of Japan-ASEAN Defense Cooperation Based on the “Vientiane Vision”* (Tokyo, 2017), https://www.mod.go.jp/en/d_act/excl/vientianevision/pdf/achivements_201710_e.pdf (accessed 24 September 2024).

⁶⁵ Id., *Vientiane Vision* (see note 63).

⁶⁶ Id., *Updating the Vientiane Vision* (Tokyo, November 2019), https://www.mod.go.jp/en/d_act/excl/admm/06/vv2_en.pdf (accessed 24 September 2024).

⁶⁷ Id., *Achievements of Japan-ASEAN Defense Cooperation* (see note 64).

⁶⁸ Ministry of Foreign Affairs of Japan, *Official Security Assistance (OSA)*, 5 June 2024, https://www.mofa.go.jp/fp/ipcl/page4e_001366.html (accessed 24 September 2024).

⁶⁹ Ibid.

with the OSA budget expanding rapidly from a modest EUR 12 million in fiscal year 2023 to EUR 50 million in fiscal year 2025.⁷⁰ In those two years, Japan supported Malaysia and the Philippines in the procurement of maritime surveillance capabilities, such as radar systems. And in January 2025, it signed an agreement with Indonesia on the delivery of two patrol vessels for the latter's navy.⁷¹

As a participant in ASEAN-centred multilateral forums such as the ASEAN Regional Forum, Japan has repeatedly brought up the disputes in the South China Sea and expressed concern about China's aggressive behaviour.⁷² It thereby emphasises that what is happening in the South China Sea is an issue of far-reaching international importance — one in which China must not unilaterally assert its interests by exploiting power asymmetries vis-à-vis individual ASEAN states.

Economy

For decades, Japan has been cooperating with Southeast Asia in the area of economic and social development. To promote trade and investment, it has signed a number of so-called economic partnership agreements or free trade agreements — with individual ASEAN member states (Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam) in the early to mid-2000s and with ASEAN as a Community

in 2008.⁷³ Japan also played a leading role in negotiating two other important multilateral agreements relevant for Southeast Asia: the 2018 CPTPP Trans-Pacific partnership agreement and the 2020 RCEP Asia-Pacific free trade agreement. In both cases, Japan pursued the goal formulated in the FOIP vision of advancing a rules-based order based on free trade principles.

RCEP, which was initiated by ASEAN, is of particular importance for Southeast Asia because Australia, China, Japan, New Zealand and South Korea were signatories to the agreement, alongside the ten ASEAN member states, thereby creating the world's largest free trade area. Compared with RCEP, CPTPP is a more comprehensive and ambitious trade agreement that has far-reaching provisions on liberalisation and forward-looking standards — for example, on intellectual property rights, investment and sustainability.⁷⁴ Twelve countries have joined the CPTPP agreement so far; they include the four Southeast Asian states of Brunei, Malaysia, Singapore and Vietnam, while Indonesia applied to join in September 2024. Especially under the second Abe administration (2012 – 20), Japan showed more interest in mega trade agreements, which the administration hoped would help revitalise the Japanese economy, strengthen the rules-based international trading system and counteract global protectionist tendencies. Geopolitical interests played a role, too. The CPTPP — which was known as the TPP until the US withdrew from the negotiations at the beginning of 2017 — was a top priority for Japan because it established an economic counterweight to China and at the same time set ambitious standards.⁷⁵ Disappointed by the US withdrawal, Tokyo nonetheless successfully concluded negotiations with the remaining partners in 2018.

With regard to RCEP, Japan wanted the partnership to have a positive impact on regional trade relations and investment and saw it as an opportunity to em-

⁷⁰ The amounts (converted at the exchange rate of 1 June 2025) correspond to 2 and 8.1 billion yen respectively. Id., “Press Conference by Foreign Minister Kamikawa Yoko”, 26 December 2023, https://www.mofa.go.jp/press/kaiken/kaikenwe_000001_00021.html (accessed 24 September 2024); Kana Baba, “Japan to double recipients of defense aid in check on China”, *Nikkei Asia* (online), 7 March 2025, <https://asia.nikkei.com/Politics/International-relations/Japan-to-double-recipients-of-defense-aid-in-check-on-China> (accessed 20 June 2025).

⁷¹ Id., “Signing and Exchange of Notes for Official Security Assistance (OSA) FY2024 Project to the Republic of Indonesia”, 17 January 2025, https://www.mofa.go.jp/fp/nsp/pageite_000001_00753.html (accessed 31 January 2025).

⁷² Reika Herman and Mai Takahata, “Tokyo and Canberra Orchestrate Efforts to Multilateralize the South China Sea” (Washington, D.C.: CSIS, 14 August 2023; blog), <https://www.csis.org/blogs/new-perspectives-asia/tokyo-and-canberra-orchestrate-efforts-multilateralize-south-china-sea> (accessed 24 September 2024).

⁷³ Japanese Embassy to Germany, *Der Handel mit Dienstleistungen und der Personentransfer im Rahmen von Economic Partnership Agreements*, October 2010, <https://www.de.emb-japan.go.jp/NaJ/NaJ1010/epa.html> (accessed 24 September 2024).

⁷⁴ Hanns Günther Hilpert, *New Trade Agreements in Asia. Liberalization in Times of Geopolitical Rivalry*, SWP Comment 25/2021 (Berlin: Stiftung Wissenschaft und Politik, April 2021), doi: 10.18449/2021C25.

⁷⁵ Green, *Line of Advantage* (see note 54), 154ff.

phasise the importance of the ASEAN Community.⁷⁶ In the negotiations, Tokyo advocated the highest possible standards, while Beijing was more interested in pushing for a quick conclusion.⁷⁷ For this reason, Japan approached the individual ASEAN countries in a bid to persuade them to back its proposals and then help bring pressure to bear on China.⁷⁸ It thereby sought to reduce China's weight in the RCEP negotiations.

Since the May 2022 launch of the initiative for an Indo-Pacific Economic Framework for Prosperity (IPEF), the US has been seeking to maintain its economic influence in Asia. A total of fourteen countries – including Japan – have been taking part in negotiations on the four “pillars” of trade, supply chains, clean energy and fair economy. Japan has welcomed the initiative as a sign of the continued engagement of the US in the region.⁷⁹ Moreover, it is reported to have held talks with Southeast Asian countries to persuade them to participate.⁸⁰ The IPEF partners from the region are Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

Tokyo is focused not just on its own economic interests but also on social prosperity in Southeast Asia.

In addition to participating in these multilateral agreements and initiatives, Japan is cooperating with the ASEAN Community in other areas. Characteristic of the Japanese approach is that Tokyo is focused not just on its own economic interests but also on social prosperity in Southeast Asia. This is wholly in the tradition of the Fukuda Doctrine. For example, Tokyo offers financial support and practical cooperation on issues such as food security, disaster prevention, digitisation, cyber security, environmental protection and sustainability, and combatting social inequality.⁸¹ At the same time, it has long been promoting human resources in ASEAN countries.⁸² In this way, Japan has supported the region's social development and thereby helped ensure that Japanese companies are able to draw on a qualified workforce. For the period 2015–23, Tokyo set itself the goal of training and educating a total of 120,000 people from ASEAN countries, whether as engineers, technical experts or managers.⁸³

⁷⁶ Kazushi Shimizu, *RCEP's Great Impact on Japan and East Asian Economies*, AJISS-Commentary (Tokyo: Japan Institute of International Affairs [JIIA], 8 February 2022), https://www.jiia.or.jp/en/ajiss_commentary/rceps-great-impact-on-japan-and-east-asian-economies.html (accessed 24 September 2024).

⁷⁷ Mie Oba, *Japan and the Regional Comprehensive Economic Partnership (RCEP)*, ERIA Discussion Paper Series, no. 461 (Jakarta: Economic Research Institute for ASEAN and East Asia [ERIA], October 2022), [https://www.eria.org/uploads/media/discussion-papers/FY22/Japan-and-the-Regional-Comprehensive-Economic-Partnership-\(RCEP\).pdf](https://www.eria.org/uploads/media/discussion-papers/FY22/Japan-and-the-Regional-Comprehensive-Economic-Partnership-(RCEP).pdf) (accessed 24 September 2024).

⁷⁸ Oki Nagai, “Japan Teams with RCEP Allies to Push China on Data Free Flow”, *Nikkei Asia* (online), 30 December 2020, <https://asia.nikkei.com/Economy/Trade/Japan-teams-with-RCEP-allies-to-push-China-on-data-free-flow> (accessed 24 September 2024).

⁷⁹ “Japan to Join U.S.-led Economic Framework during Biden Visit”, *Kyodo News* (online), 18 May 2022, <https://english.kyodonews.net/news/2022/05/133339c65725-japan-positive-about-us-led-indo-pacific-economic-scheme-govt.html> (accessed 24 September 2024).

⁸⁰ Shihoko Goto, “Southeast Asia Tests the Allure of Japan's Global Vision”, in *Japan's Rise as a Regional and Global Power, 2013–2023. A Momentous Decade*, ed. Gilbert Rozman and Brad Glosserman, Routledge Studies on the Asia-Pacific Region (New York, 2024), 112–25 (117).

Infrastructure

For some time now, Japan has also been supporting infrastructure projects in ASEAN countries, such as the construction of roads, ports, railroads, dams and power plants. Since 2012, it has significantly stepped up its involvement in infrastructure development, not just quantitatively but also qualitatively through its commitment to common international norms and standards.

Initially, Japan's increased commitment came in response to the huge financing gap identified by the Asian Development Bank (ADB) in a 2009 study on

⁸¹ Ministry of Foreign Affairs of Japan, *Progress Report on Japan's Cooperation for the ASEAN Outlook on the Indo-Pacific* (Tokyo, 1 November 2022), <https://www.mofa.go.jp/files/100420036.pdf> (accessed 24 September 2024).

⁸² Corey Wallace, “Japan's Strategic Contrast: Continuing Influence Despite Relative Power Decline in Southeast Asia”, *The Pacific Review* 32, no. 5 (2019), 863–97.

⁸³ Ministry of Foreign Affairs of Japan, *White Paper on Development Cooperation 2018* (Tokyo, 2018), <https://www.mofa.go.jp/policy/oda/white/2018/html/main/02/02-01-02.html> (accessed 24 September 2024).

Asian infrastructure.⁸⁴ Then, in 2013, Beijing announced its Belt and Road Initiative, in which Japan saw China as a competitor — moreover, as a competitor whose investment policies dispensed with common international standards of development aid such as transparency and the economic and financial viability of projects.⁸⁵ Japanese criticism of the Chinese approach grew when, in 2015, Indonesia awarded the contract for a high-speed railroad to China, rejecting Tokyo's rival bid. Japanese government officials expressed their doubts about the feasibility of the Chinese plan as it required no funding guarantee from Indonesia.⁸⁶

In 2015, Tokyo launched its own initiative — the Partnership for Quality Infrastructure — through which it pledged to invest US\$110 billion in Asian infrastructure over five years. This was a huge 30 per cent increase in funding compared with the previous five years.⁸⁷ Since then, there have been other major initiatives, such as the Japan-ASEAN Connectivity Initiative of 2020.⁸⁸ During the period 2013–23, Tokyo doubled its annual development aid budget — from which infrastructure projects are funded — to almost US\$20 billion.⁸⁹

84 *Infrastructure for a Seamless Asia. A Joint Study of the Asian Development Bank and the Asian Development Bank Institute* (Tokyo: Asian Development Bank Institute [ADBI], 2009), <https://www.adb.org/sites/default/files/publication/159348/adb-infrastructure-seamless-asia.pdf> (accessed 24 September 2024).

85 Kei Koga, “Alternative Strategic Partner in Southeast Asia? The Role of Japan in the US-China Rivalry”, in *Japan's Role for Southeast Asia amidst the Great Power Competition*, ed. Koki Shigenoi (Ha Noi: Konrad-Adenauer-Stiftung, Vietnam Office, April 2022), 7–16.

86 Shannon Tiezzi, “It's Official: China, Not Japan, Is Building Indonesia's First High-Speed Railway,” *The Diplomat* (online), 1 October 2015, <https://thediplomat.com/2015/10/its-official-china-not-japan-is-building-indonesias-first-high-speed-railway/> (accessed 24 September 2024).

87 Ministry of Foreign Affairs of Japan, *Partnership for Quality Infrastructure* (Tokyo, 21 May 2015), <https://www.mofa.go.jp/files/000081298.pdf> (accessed 24 September 2024).

88 Id., *Japan and ASEAN* (Tokyo, March 2023), 8, <https://www.mofa.go.jp/files/100489370.pdf> (accessed 24 September 2024).

89 Kana Baba, “Japan Doubles Development Aid in 10 Years, Vying with China”, *Nikkei Asia* (online), 9 May 2024, <https://asia.nikkei.com/Politics/International-relations/Japan-doubles-development-aid-in-10-years-vying-with-China> (accessed 24 September 2024).

Through its focus on quality, Tokyo is implicitly drawing a contrast with China.

In Japan's procurement policy, the emphasis is on promoting high-quality infrastructure while at the same time taking into account factors such as ecological and social impact, economic efficiency and debt affordability, structural safety and contributions to local development — for example, by creating jobs.⁹⁰ Through its focus on quality, Tokyo is implicitly drawing a contrast with China, whose approach is seen by many observers to be based largely on the quantity of funding.⁹¹ In 2015, then Prime Minister Abe underscored that Japan was neither engaged in an exploitative policy towards ASEAN countries nor seeking “short-term profit”.⁹² Furthermore, at international multilateral forums that have taken place since 2015, Japan has been a leading advocate for common standards and norms in infrastructure development. Under the Japanese Presidency of the G7 in 2016, for example, the group adopted common principles for the promotion of quality infrastructure, while the G20 did the same in 2019 with Japan at the helm once again.⁹³

However, it is not Tokyo's intention to force China out of infrastructure projects in ASEAN countries. In 2015, Abe stressed that both “quality and quantity” were essential given the enormous investments required.⁹⁴ Japan's aim is to offer the countries in the region an alternative to Chinese bids, thereby indirectly putting pressure on Beijing to embrace global development aid standards.⁹⁵ If the latter does so, Japan will be willing to cooperate with China — as it emphasised, for example, in 2017 following an APEC

90 Ministry of Foreign Affairs of Japan, *Partnership for Quality Infrastructure* (see note 87).

91 Wallace, “Japan's Strategic Contrast” (see note 82).

92 Abe, “Address on the Occasion of the ASEAN Business & Investment Summit” (see note 46).

93 Hidetaka Yoshimatsu, “Japan's Strategic Response to China's Geo-economic Presence: Quality Infrastructure as a Diplomatic Tool”, *The Pacific Review* 36, no. 1 (2023), 148–76.

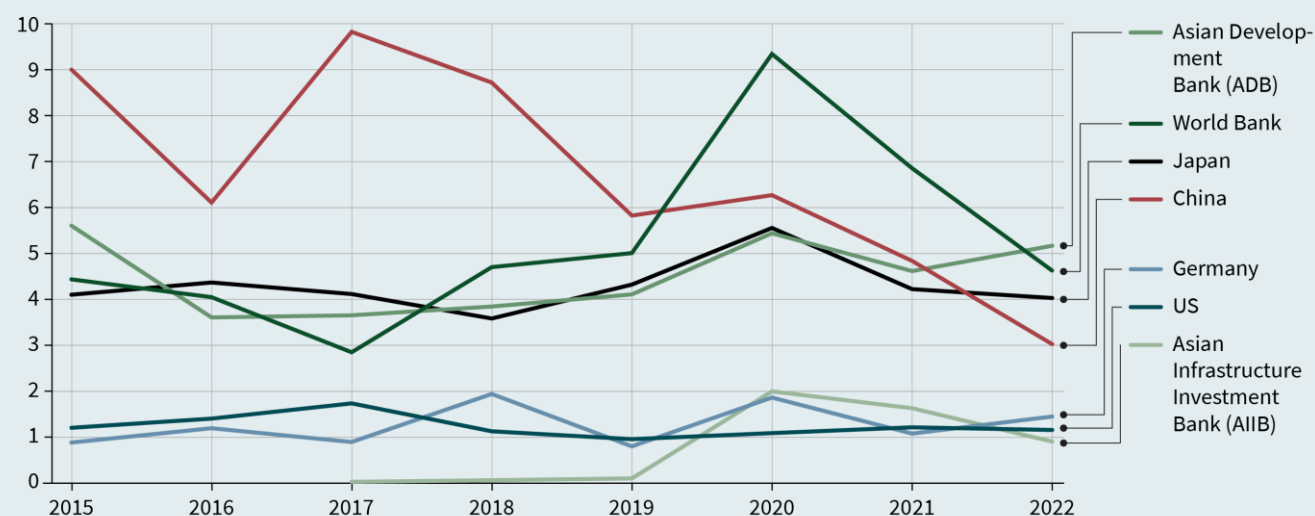
94 Shinzo Abe, “‘The Future of Asia: Be Innovative’. Speech at the Banquet of the 21st International Conference on the Future of Asia”, Tokyo, 21 May 2015, https://japan.kantei.go.jp/97_abe/statement/201505/0521foaspeech.html (accessed 24 September 2024).

95 Green, *Line of Advantage* (see note 54).

Figure 6

Official development funding for ASEAN by major development partner

in US\$ billion spent (in constant 2022 US\$)

Source: Lowy Institute, *Southeast Asia Aid Map*

For optimal readability, colour display is recommended.

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summit.⁹⁶ In this way, it has signalled to the ASEAN countries that they do not have to choose one side over the other when it comes to financing issues. Nevertheless, there have been few Japanese-Chinese projects so far.

In the area of transportation, Japan is promoting two land corridors aimed at improving east-west connectivity in Southeast Asia (whereas China tends to support north-south routes).⁹⁷ For more than twenty years, the Southern Economic Corridor, which stretches from Vietnam via Cambodia and Thailand to Myanmar, has been receiving Japanese funding for the construction of roads and bridges.⁹⁸ The other

route is the East-West Corridor from Vietnam via Laos and Thailand to Myanmar.⁹⁹ Japan is also investing in shipping and air corridors in the region.¹⁰⁰ Indonesia, Myanmar, Thailand, the Philippines and Vietnam were among the main recipients of Japanese infrastructure funding during the period 2015–22.¹⁰¹

Japan's support is pivotal for the financing of infrastructure in the ASEAN countries. According to data from the Lowy Institute (see Figure 6), in 2022 Japan reclaimed the position of top donor country in the region for the first time since 2015: with US\$4 billion in public funding that year, it surpassed China by US\$1 billion.¹⁰² China has, in fact, been significantly

⁹⁶ Shinzo Abe, "Press Conference Following Attendance at the APEC Economic Leaders' Meeting, ASEAN-related Summit Meetings, and Other Related Meetings", 14 November 2017, https://japan.kantei.go.jp/98_abe/statement/201711/_00007.html (accessed 24 September 2024).

⁹⁷ Ministry of Foreign Affairs of Japan, *Japan-ASEAN Connectivity Initiative* (November 2020), <https://www.mofa.go.jp/files/100114591.pdf> (accessed 24 September 2024); and Shang-Su Wu, "China's Rail Diplomacy in Southeast Asia", *Asia Pacific Journal: Japan Focus* 22, no. 9/3 (2024), <https://apjif.org/2024/9/wu> (accessed 10 October 2024).

⁹⁸ Japan International Cooperation Agency (JICA), *The Challenges of Connectivity as Seen from the Southern Economic Corridor* (14 December 2023), <https://www.jica.go.jp/english/informa>

tion/topics/2023/20231211_01.html (accessed 24 September 2024).

⁹⁹ Yuichi Nitta, "Southeast Asia's Trans-regional Corridor Takes Shape", *Nikkei Asia* (online), 2 December 2019, <https://asia.nikkei.com/Business/Transportation/Southeast-Asia-s-trans-regional-corridor-takes-shape> (accessed 24 September 2024).

¹⁰⁰ Ministry of Foreign Affairs of Japan, *Japan-ASEAN Connectivity Initiative* (see note 97).

¹⁰¹ Lowy Institute *Southeast Asia Aid Map* (Sydney, 2023), <https://seamap.lowyinstitute.org/map/> (accessed 19 September 2024).

¹⁰² Alexandre Dayant et al., *Lowy Institute Southeast Asia Aid Map. 2024 Key Findings Report* (Sydney: Lowy Institute, 2024), 3, <https://www.lowyinstitute.org/sites/default/files/2024-06/Lowy>

reducing its funding since 2017; however, owing to the lack of data transparency, it is unclear whether this trend is set to continue.¹⁰³ Meanwhile, Japan is mobilising funds for infrastructure construction through multilateral development banks – above all, the ADB, in which Japan and the US are the joint largest shareholders with 15.6 per cent each.

If both public and private funding is taken into account, Japan's lead over China is even more pronounced. This can be seen from an analysis by Fitch Solutions: as of July 2022, Japan funded infrastructure projects in ASEAN countries worth a total of US\$330 billion, while China came a far second with US\$100 billion.¹⁰⁴

People-to-people exchange

A top priority for Tokyo is people-to-people exchange with ASEAN. In December 2023, Prime Minister Kishida said it was his wish that the mutual trust built through the Fukuda Doctrine be passed on to the next generation.¹⁰⁵ Japan provides both financial and organisational support for exchanges between individuals in areas such as culture, sport and research as well as for exchanges between expert groups on topics such as disaster relief, health and the environment.¹⁰⁶

For the past twenty or so years, Japan has focused in particular on youth exchanges with ASEAN member states. Between 2007 and 2022, a total of almost 40,000 young people took part in youth exchange programmes.¹⁰⁷ Tokyo has also provided support for

language and cultural programmes. For example, it sent almost 2,400 Japanese language teachers to Southeast Asia between 2014 and 2023.¹⁰⁸ And in 2023, Japan announced another initiative for exchange and language programmes that was expected to benefit some 10 million people from ASEAN countries and Japan over a ten-year period.¹⁰⁹

Challenges

The above analysis highlights the intensity of Japan-ASEAN relations and underscores the important role that Tokyo plays in the region as a whole. Nonetheless, there are three key challenges for Japanese policy. First, international developments are making it more difficult to promote unity among the ASEAN member states. In recent years, growing geopolitical tensions and the ongoing conflict in Myanmar have exacerbated the divisions within the Community. Moreover, there are diverging views over security policy, in particular, including over the disputes in the South China Sea. And this is likely one of the reasons why Tokyo has focused on security policy cooperation at the bilateral rather than multilateral level.

Japan cannot replace the US as the backbone of regional security and as a key economic partner.

Second, Japan's ability to shape the region is influenced by the actions of the great powers China and the US. Should Washington reduce its engagement with Southeast Asia under the second Trump administration, Tokyo might be able to pick up the slack in some areas through its own cooperation efforts but it cannot replace the US as the backbone of regional security and as a key economic partner alongside China. It also remains to be seen how China will position itself vis-à-vis Southeast Asia (and Japan) going forward in light of the policies being pursued by the new US administration. This will have an impact on how the ASEAN states perceive Japanese offers to cooperate. But regardless of what happens on that

%20Institute%20Southeast%20Asia%20Aid%20Map%20-%202024%20Key%20Findings%20Report.pdf (accessed 24 September 2024).

¹⁰³ Ibid., 5.

¹⁰⁴ Brunei is not included in the analysis. Lien Hoang, "China's ASEAN Silk Road Gets Slippery as Other Powers Move In", *Nikkei Asia* (online), 23 August 2022, <https://asia.nikkei.com/Spotlight/Asia-Insight/China-s-ASEAN-Silk-Road-gets-slippery-as-other-powers-move-in> (accessed 24 September 2024).

¹⁰⁵ Fumio Kishida, "Striving for Peace and Prosperity through Co-Creation Based on Trust: Speech" (Tokyo, 17 December 2023), <https://www.mofa.go.jp/files/100596243.pdf> (accessed 24 September 2024).

¹⁰⁶ Ministry of Foreign Affairs of Japan, *Progress Report on Japan's Cooperation* (see note 81).

¹⁰⁷ Japan-ASEAN Integration Fund, "JENESYS Program", 18 December 2023, <https://jaif.asean.org/jaif-component/jenesys-programme/> (accessed 24 September 2024).

¹⁰⁸ Ministry of Foreign Affairs of Japan, *Japan's Cooperation Projects on AOIP* (see note 56).

¹⁰⁹ Id., "Outcomes of the 50th Year of ASEAN-Japan Friendship and Cooperation/the Commemorative Summit", Tokyo, 17 December 2023, <https://www.mofa.go.jp/files/100597147.pdf> (accessed 24 September 2024).

front, Japan's high national debt and rising social expenditure will make it increasingly difficult for Tokyo to mobilise extensive financial resources for the ASEAN countries.

Third, Japan's international economic policy agenda with its emphasis on multilateral free trade agreements is coming under growing pressure. Protectionist tendencies are on the rise in various countries — not least in the US. For his part, President Trump appears intent on abandoning the IPEF initiative, which, introduced by his predecessor, has enjoyed the support of Japan.

Implementation: Japan's Relations with the Philippines and Cambodia

Japan attaches great importance to bilateral exchange and cooperation with ASEAN member states, not least as the Community is not always able to reach a uniform position on important foreign policy issues. Since 2012, it has been significantly strengthening relations with the individual member states. The large number of bilateral meetings — at the level of head of state and foreign minister — is noteworthy. From 2020 to 2024, most of those meetings took place with Indonesia, the Philippines and Malaysia (see Table 1).

All Southeast Asian countries pursue “hedging” strategies to minimise risks, but each of them positions itself differently vis-à-vis China. While countries such as Cambodia and Laos are considered to be more aligned with China, others — including the Philippines and Vietnam, which have been engaged in territorial disputes with China in the South China Sea — adopt a more critical stance towards Beijing. Japan's handling of these different positions is examined below in two case studies — one on the Philippines and the other on Cambodia. Both of these countries are of geostrategic importance and thus relevant for Europe; the Philippines is most exposed to China's aggressive behaviour in the South China Sea, while Cambodia is centrally located in the Mekong region and has direct access to the Gulf of Thailand.

Table 1

Number of bilateral meetings and talks between the heads of state and foreign ministers of Japan and the ASEAN member states during the period 2020–24

ASEAN member state	Head of state	Foreign minister
Brunei	1	12
Indonesia	13	17
Cambodia	6	10
Malaysia	8	10
Myanmar	0	1*
Laos	5	7
Philippines	9	18
Singapore	9	7
Thailand	4	4
Vietnam	12	4

* The talks with Myanmar took place before the military coup.

Source: The respective country pages of the Japanese Ministry of Foreign Affairs — see <https://www.mofa.go.jp/region/asia-paci/index.html> (accessed 24 March 2025). The figures include talks that took place virtually or over the phone — in part owing to the coronavirus pandemic.

Japan–Philippines

Overview and focus of bilateral cooperation

Over the past few years, Japan and the Philippines have significantly strengthened their bilateral relationship, which, according to Prime Minister Kishida in a speech in November 2023, has entered a “golden age”.¹¹⁰ For both countries, bilateral cooperation has become important not least owing to China’s uncompromising and aggressive stance in the territorial disputes in which it is engaged with each of them. Tokyo and Manila are also concerned about regional tensions in the nearby Taiwan Strait. The two countries see themselves as partners committed to a rules-based order in the Indo-Pacific and representing fundamental liberal values. As allies of the US, they also have an interest in Washington’s continued engagement in the region. In particular, Tokyo and Manila have massively stepped up cooperation over security policy.

Asia’s security architecture, which dates back to the Cold War, is founded on the “hub and spokes” system, which comprises bilateral alliances between the US (the hub) and its five regional partners Australia, Japan, the Philippines, South Korea and Thailand (the spokes). Though still important, this US-centred system has been complemented in recent years by deepening “spoke-to-spoke” cooperation between the US partners.

Cooperation between Tokyo and Manila is largely unaffected by domestic political dynamics.

In this context, the increasingly close relations between Japan and the Philippines play an important role, as anti-US sentiment and domestic political factors have repeatedly had a negative impact on the relationship between the US and the Philippines.¹¹¹ At the same time, cooperation between Tokyo and

Manila is largely unaffected by domestic political dynamics, as was evident, for example, during President Rodrigo Duterte’s term in office (2016–22). Unlike his predecessor, Benigno Aquino III (2010–16), Duterte distanced himself from the US during his first years in office by criticising its security policy and aiming for closer relations with China — in the hope of boosting the domestic economy.¹¹² He also played down the dispute with Beijing over territorial claims in the South China Sea. Unlike Washington, Tokyo was able to deepen its cooperation with Manila during this period, despite Duterte’s foreign policy causing concern in Japan. Thus, Tokyo provided the Philippines under Duterte with what was a domestically uncontroversial link to the US alliance system.¹¹³

Duterte was criticised both at home and abroad for numerous human rights violations and extrajudicial killings as part of his fight against drugs and terrorism. However, Japan did not publicly address those actions and Prime Minister Abe even became the first foreign head of state to pay a courtesy visit to Duterte (in January 2017).¹¹⁴ As a result, Tokyo’s approach to the Philippines during this period appeared to contradict its general claim to be standing up for values such as democracy and human rights in its foreign policy.

Disappointed by unfulfilled Chinese investment promises and alarmed by the growing maritime tensions in the South China Sea, the Philippines repivoted towards the US at the end of Duterte’s term in office and following the inauguration of Ferdinand Marcos Jr as president in 2022.¹¹⁵ Nevertheless, Tokyo and Manila continue to be interested in bilateral cooperation. For the Philippines, Japan is doubtless the most important partner for advancing its economic and security policy diversification to include countries other than the great powers China and the US and thereby increasing its room for manoeuvre. As a US ally and part of the first island chain, the Philip-

¹¹⁰ Fumio Kishida, “Policy Speech at the Joint Session of the Philippine Senate and the House of Representatives”, 4 November 2023, <https://www.mofa.go.jp/files/100580296.pdf> (accessed 19 September 2024).

¹¹¹ Yusuke Takagi, “Institutionalizing the Japan-Philippine Relationship through Security, Economic, and Social Cooperation”, *Nippon.Com* (online), 28 February 2024, <https://www.nippon.com/en/in-depth/d00969/> (accessed 19 September 2024).

¹¹² Renato C. de Castro, “Preventing the Philippines from Pivoting toward China: The Role of the US-Japan Security Alliance”, *Asian Journal of Comparative Politics* 8, no. 1 (2023), 381–99.

¹¹³ Sakaki, *Japan: A Critical Player in Southeast Asia* (see note 19).

¹¹⁴ Karl I. Chua, “Philippine-Japan Relations: Friends with Benefits”, *Kyoto Review of Southeast Asia*, no. 34 (2022), <https://kyotoreview.org/issue-34/philippine-japan-relations-friends-with-benefits/> (accessed 19 September 2024).

¹¹⁵ Richard J. Heydarian, “Philippines Reaching Back to US as Duterte Fades Away”, *Asia Times* (online), 25 March 2022, <https://asiatimes.com/2022/03/philippines-running-back-to-us-as-duterte-fades-away/> (accessed 19 September 2024).

Philippines is an important strategic partner for Japan, which shares the former's concerns about China's aggressive expansionist policy. At the same time, since Marcos became president, the Philippines has begun to expand trilateral cooperation with the US and Japan. At their first summit meeting in February 2025, President Trump and Prime Minister Ishiba expressed their intention to maintain this cooperation.¹¹⁶

Security policy

For a long time, it was economic issues that dominated the bilateral agenda of Japan and the Philippines. Cooperation on non-traditional security issues, such as disaster relief and maritime crime, did not begin until around the turn of the millennium, although it was on a limited scale only at that time.¹¹⁷ Since 2006, Japan has been playing a leading role in the peace process in the Bangsamoro region on the southwestern Philippine island of Mindanao, where a local autonomy movement is causing instability.¹¹⁸ Tokyo has made significant diplomatic and financial contributions to the region.

In 2012, tensions with China escalated over Scarborough Shoal in the South China Sea, to which the Philippines lays claim, and the Japanese-controlled Senkaku Islands (Diaoyu Dao) in the East China Sea. Since then, bilateral security cooperation has become a priority for both Manila and Tokyo. The focus is on three areas: capacity building in the Philippines, exchange and dialogue, and operational cooperation between the two countries' armed services and coast guards.

Today, Japan is almost certainly the most important partner for the modernisation of the Philippine Coast Guard (PCG). Of the twenty-five larger vessels owned by the PCG in spring 2024, Japan provided twelve.¹¹⁹ They included the two largest PCG vessels,

which are 97 metres long and equipped with on-board helicopters.¹²⁰ It was in the wake of the Scarborough Shoal standoff in 2012 that Japan had announced – for the first time – that it was planning to make such a delivery. In November 2023, the Philippines announced its plans to purchase another five vessels of the largest class from Japan.¹²¹ Tokyo has repeatedly provided low-interest loans for those acquisitions while at the same time contributing to the technical training of the PCG.¹²²

Moreover, Japan has donated five TC-90 airplanes to the Philippine Navy since 2017. These aircraft, which have a range of 1,900 kilometres, have allowed the Philippines to double the size of its patrol area.¹²³ In recent years, Manila has repeatedly deployed the ships and airplanes supplied by Japan to monitor disputed areas in the South China Sea. At the same time, Japan has supported the Philippines in the construction of radar stations. In November 2023, Tokyo announced it would provide the Philippine military with radar systems worth 600 million yen through its OSA programme.¹²⁴ Those devices are of strategic importance, especially in combination with the BrahMos anti-ship missiles that Manila is acquiring from India

120 “Teresa Magbanua — New Class of 97m Multi-role Vessels for Philippine Coast Guard”, *Baird Maritime/Work Boat World* (online), 30 May 2022, <https://www.bairdmaritime.com/security/non-naval-security/vessel-review-teresa-magbanua-new-class-of-97m-multi-role-vessels-for-philippine-coast-guard> (accessed 19 September 2024).

121 Gottfried, *The Philippine Coast Guard's Modernization* (see note 119).

122 Toko Sekiguchi, “Japan to Provide Patrol Vessels to Philippines”, *The Wall Street Journal* (online), 4 June 2015, <https://www.wsj.com/articles/japan-to-provide-patrol-vessels-to-philippines-1433424771> (accessed 19 September 2024); “Japan to Provide Philippines 64 Billion Yen for 5 More Patrol Ships”, *Kyodo News* (online), 17 May 2024, <https://english.kyodonews.net/news/2024/05/6a64a25cddb5-japan-to-provide-philippines-64-bil-yen-for-5-more-patrol-ships.html> (accessed 19 September 2024); and Gottfried, *The Philippine Coast Guard's Modernization* (see note 119).

123 Prashanth Parameswaran, “Japan, Philippines to Finalize New Military Aircraft Deal for Five TC-90s”, *The Diplomat* (online), 4 May 2016, <https://thediplomat.com/2016/05/japan-philippines-to-finalize-new-military-aircraft-deal-for-five-tc-90s/> (accessed 19 September 2024).

124 Ministry of Foreign Affairs of Japan, “Signing and Exchange of Notes for Official Security Assistance (OSA) to the Republic of the Philippines”, press release, Tokyo, 3 November 2023, https://www.mofa.go.jp/press/release/press4e_003330.html (accessed 19 September 2024).

116 The White House, “United States-Japan Joint Leaders’ Statement” (see note 36).

117 Matteo Piasentini and Alice Dell’Era, “Beyond the Weak Link: The Philippines’ Proactive Role in Emerging U.S.-led Strategic Minilateralism”, *Australian Journal of International Affairs* 78, no. 4 (2024), 459–78.

118 Takagi, “Institutionalizing the Japan-Philippine Relationship” (see note 111).

119 Josiah Gottfried, “The Philippine Coast Guard’s Modernization: An International Joint Effort” (Washington, D.C.: CSIS, 5 March 2024, blog), <https://www.csis.org/blogs/new-perspectives-asia/philippine-coast-guards-modernization-international-joint-effort> (accessed 19 September 2024).

so that it can expand its deterrent capabilities against China.¹²⁵

Meanwhile, Japan and the Philippines have intensified their exchange and dialogue on security policy. The defence ministries and military leaderships frequently hold meetings and consultations. Indeed, the intensity of the exchange at a high level is noteworthy: between April 2019 and March 2024, a total of fifty-one bilateral meetings were held at the level of minister of defence, minister of state for defence, deputy minister of defence or chief of staff, which outstrips the frequency of meetings between Tokyo and other Southeast Asian countries.¹²⁶ Since 2022, there have also been so-called 2+2 meetings of the Japanese and Philippine foreign and defence ministers. In its consultations with Manila over security policy, Tokyo regularly stresses that it opposes China's aggressive behaviour in the South China Sea.¹²⁷

Increasingly, representatives of the Philippines are openly citing tensions with China as a motive for cooperating with Japan.

Tokyo and Manila have also intensified operational cooperation between their armed forces and coast guards through joint exercises and port visits. The first joint naval exercise in the South China Sea took place in 2015.¹²⁸ Besides the two countries taking part in various multilateral exercises, there were eight bilateral naval exercises and three bilateral air force exercises between April 2019 and March 2024.¹²⁹ Increasingly, representatives of the Philippines are

openly citing tensions with China as a motive for cooperating with Japan.¹³⁰ In July 2024, Tokyo and Manila signed a *reciprocal access agreement* that facilitates reciprocal visits by the armed forces.¹³¹ The number of joint exercises is likely to increase further as a result of this new legal framework.

Since President Marcos Jr took office, the Philippines and Japan have engaged in trilateral cooperation with the US and quadrilateral cooperation with the US and Australia. In April 2024, the first trilateral summit between the US, Japan and the Philippines was held; among other things, a joint regular maritime dialogue was launched. Coast guard exercises between the three countries have already taken place (in June 2023 and December 2024) and more manoeuvres are planned for 2025.¹³² In the quadrilateral format with Australia, the defence ministers met for the first time in 2023 and then again in 2024 to discuss tensions in the South China Sea.¹³³ Joint naval and air exercises were held in the South China Sea in April 2024.¹³⁴ Thus, it is clear that the trilateral and quadrilateral cooperation is directed against China's aggressive stance towards the Philippines. However, this

¹²⁵ Background discussion with scholar from the Philippines, January 2025.

¹²⁶ Own analysis of Japan Ministry of Defense, *Defense of Japan (Annual White Paper)* (various years), https://www.mod.go.jp/en/publ/w_paper/index.html (accessed 19 September 2024).

¹²⁷ Ramon Royandoyan, "Philippines, Japan Sign Defense Pact to Seal South China Sea Ties", *Nikkei Asia* (online), 8 July 2024, <https://asia.nikkei.com/Politics/International-relations/Philippines-Japan-sign-defense-pact-to-seal-South-China-Sea-ties> (accessed 19 September 2024).

¹²⁸ Prashanth Parameswaran, "Japan, Philippines Hold First South China Sea Naval Exercises", *The Diplomat* (online), 13 May 2015, <https://thediplomat.com/2015/05/japan-philippines-hold-first-south-china-sea-naval-exercises/> (accessed 19 September 2024).

¹²⁹ Own analysis of Japan Ministry of Defense, *Defense of Japan (Annual White Paper)* (various years) (see note 126).

¹³⁰ Kyle A. Atienza, "Philippines Asks Japan, US Coast Guards to Boost Presence in South China Sea," *Business World* (online), 4 June 2024, <https://www.bworldonline.com/the-nation/2024/06/04/599642/philippines-asks-japan-us-coast-guards-to-boost-presence-in-south-china-sea/> (accessed 19 September 2024).

¹³¹ Ministry of Foreign Affairs of Japan, *Signing of the Japan-Philippines Reciprocal Access Agreement* (Tokyo, 8 July 2024), https://www.mofa.go.jp/sa/sea2/ph/pageite_000001_00432.html (accessed 19 September 2024).

¹³² Masafumi Iida, "Pushing Back against China: US-Japan-Philippine Trilateral Cooperation in the South China Sea", *Nippon.com* (online), 6 June 2024, <https://www.nippon.com/en/in-depth/d00998/> (accessed 19 September 2024); and Kenneth Christiane Basilio, "Philippine Coast Guard to Conduct Training with US, Japanese Peers", *BusinessWorld* (online), 19 March 2025, <https://www.bworldonline.com/the-nation/2025/03/19/660483/philippine-coast-guard-to-conduct-sea-training-with-us-japanese-peers/> (accessed 7 April 2025).

¹³³ U.S. Department of Defense, "Joint Readout from Australia-Japan-Philippines-United States Defense Ministers' Meeting", press release, Washington, D.C., 3 May 2024, <https://www.defense.gov/News/Releases/Release/article/3765061/> (accessed 19 September 2024).

¹³⁴ Jim Gomez, "US, Japan, Australia and the Philippines Will Stage Drills in Disputed South China Sea", *AP News* (online), 6 April 2024, <https://apnews.com/article/south-china-sea-united-states-japan-philippines-6f2c83d4157d9c8902d161ba2b23075a> (accessed 19 September 2024).

cooperation is not without risk for Tokyo: if Japan is increasingly seen to be associated with Washington's confrontational China policy, it cannot be ruled out that Southeast Asian countries that have close relations with China will become less interested in co-operation with Tokyo.

Economy and infrastructure

For decades now, Japan has been an important economic and infrastructure partner of the Philippines. Based on their 2008 bilateral free trade agreement, Tokyo and Manila have been stepping up their economic cooperation. In 2023, the Philippines ranked nineteenth among Japan's trading partners, with bilateral trade totalling US\$20.6 billion.¹³⁵ For its part, Japan is the Philippines' second-most important partner, with a share of 10.4 per cent of its foreign trade, after China (including Hong Kong and Macau) with 25.6 per cent – the US is in third place with 10.0 per cent.¹³⁶ Japan is also the Philippines' largest state creditor.¹³⁷

At the same time, Japan has long been one of the main investors in the Philippines. In 2023, some 28 per cent of foreign direct investment in that country came from Japan.¹³⁸ Because of the dynamism of the Philippine economy, Japanese companies regard investment conditions on the island state as favourable: more than 1,400 Japanese companies were active there at the end of 2023.¹³⁹ Geographical proximity is another factor that makes the Philippines an attractive location for Japanese companies looking to diversify their supply chains. Meanwhile, there are around 230,000 Filipinos working in Japan; they account for some 11 per cent of the foreign workforce.¹⁴⁰

¹³⁵ IMF, "International Trade in Goods" (see note 1).

¹³⁶ Ibid.

¹³⁷ World Bank, "International Debt Statistics" (IDS), <https://databank.worldbank.org/source/international-debt-statistics> (accessed 3 October 2024).

¹³⁸ "Aboitiz InfraCapital Positions the Philippines as a Preferred Hub for Japanese Investments", *Inquirer* (online), 11 October 2024, <https://business.inquirer.net/484378/aboitiz-infracapital-positions-the-philippines-as-a-preferred-hub-for-japanese-investments> (accessed 11 October 2024).

¹³⁹ Fumio Kishida, "Celebrating Our Special Bond of Friendship with the Philippines", *Philippine Daily Inquirer*, 3 November 2023, <https://www.mofa.go.jp/files/100576341.pdf> (accessed 19 September 2024).

¹⁴⁰ Thi Ha Hoang and Thi Phuong Thao Pham, "Japan and Southeast Asia Set to Co-create an Interwoven Future",

Because Chinese infrastructure commitments have fallen short of expectations, Tokyo's significance for Manila has increased.

Japan is by far the largest infrastructure investor in the Philippines. Because Chinese infrastructure commitments have fallen short of expectations, Tokyo's significance for Manila has increased. Between 2015 and 2022, Japan financed projects worth a total of US\$7.2 billion – well ahead of China, which invested US\$441 million over the same period – with the annual amounts of funding steadily increasing year on year.¹⁴¹ In 2023, Manila abandoned a plan whereby China was to have financed three major railroad projects, citing a lack of interest on Beijing's part.¹⁴² Instead, it was able to secure Japan and the US as financial backers for one of the three projects: at their first trilateral summit in April 2024, the three countries agreed to build the Luzon Economic Corridor, which, among other things, envisages a freight rail line connecting the Port of Subic Bay with Clark International Airport.¹⁴³ According to media reports, Japan also wants to support the Philippines in expanding its 5G network and thus promote itself as an alternative technology partner to China.¹⁴⁴

At the same time, Japan is providing technical assistance for infrastructure projects. Between 2019 and 2022, for example, it was involved in an infrastructure master plan for regional development around Subic Bay.¹⁴⁵ Through a low-interest loan,

Fulcrum (online), 19 April 2024, <https://fulcrum.sg/japan-and-southeast-asia-set-to-co-create-an-interwoven-future/> (accessed 19 September 2024).

¹⁴¹ *Lowy Institute Southeast Asia Aid Map* (see note 101).

¹⁴² Sebastian Strangio, "Philippines Drops Chinese Funding for Three Railway Projects", *The Diplomat* (online), 27 October 2023, <https://thediplomat.com/2023/10/philippines-drops-chinese-funding-for-three-railway-projects/> (accessed 19 September 2024).

¹⁴³ Ministry of Foreign Affairs of Japan, "Joint Vision Statement from the Leaders of Japan, the Philippines, and the United States" (Washington, D.C., 11 April 2024), <https://www.mofa.go.jp/files/100652855.pdf> (accessed 3 April 2025).

¹⁴⁴ Kana Baba, "Japan Plans Support for Philippine 5G Network to Counter China Tech", *Nikkei Asia* (online), 27 June 2024, <https://asia.nikkei.com/Business/Telecommunication/Japan-plans-support-for-Philippine-5G-network-to-counter-China-tech> (accessed 19 September 2024).

¹⁴⁵ Ralf Rivas, "Japan Completes Subic Bay Master Plan", *Rappler* (online), 26 April 2022, <https://www.rappler.com/>

Japan is helping fund the construction of public transport infrastructure in Manila, including the metro and a north-south commuter train line. It is also supporting the training of management and maintenance specialists at the newly opened Philippine Railway Institute.¹⁴⁶

Japan–Cambodia

Overview and focus of bilateral cooperation

Since 2012, Japan and the Kingdom of Cambodia have been expanding their relations, too — by, among other things, increasing the number of diplomatic exchanges and launching new joint projects in the areas of the economy and security. Despite differing approaches to China, their mutual interest in cooperation has persisted and is even intensifying. While Japan has increasingly perceived China as a threat and supports the US as a hegemonic power in Asia, Cambodia under long-serving Prime Minister Hun Sen (1985–23) forged ever closer ties with Beijing — a course continued by Hun Sen's successor and son, Hun Manet. Back in 2010, Cambodia entered into a “comprehensive strategic partnership” with China, but at the same time it had upgraded its relations with Japan. In 2013, Phnom Penh and Tokyo announced their “strategic partnership”; and in 2023, Japan became the only country — apart from China — with which Cambodia has a “comprehensive strategic partnership”.¹⁴⁷

Over the past two decades, China has emerged as Cambodia's most important economic partner. While, in the 1990s, foreign direct investment in the kingdom came mainly from Malaysia, Taiwan and the US, China has significantly increased its share since the mid-2000s.¹⁴⁸ Of the US\$3.96 billion in foreign direct investment that flowed into Cambodia in 2023, a

record 50.3 per cent came from China.¹⁴⁹ Today, China (including Hong Kong) accounts for 40.0 per cent of Cambodia's foreign investment stock.¹⁵⁰ Moreover, in 2009, China replaced Japan as Cambodia's largest donor of development aid.¹⁵¹ As part of the BRI, Beijing has provided massive support for infrastructure projects in the country.

As regards trade, China has accounted for the largest share of Cambodian imports for the past twenty years or so: that share rose from 12.7 per cent in 2003 to 44.3 per cent in 2023.¹⁵² But it is a rather different picture with regard to Cambodian exports: with a share of just 6.4 per cent, China is clearly surpassed by the US (38.3 per cent), the EU (13.8 per cent) and Vietnam (12.8 per cent), while Japan is trailing China with 5.1 per cent.¹⁵³

China's economic dominance appears to have given Beijing influence over Phnom Penh's foreign policy stance. In recent years, Cambodia has repeatedly taken China's “core interests” into account — for example, it blocked an ASEAN statement on the conflict in the South China Sea in 2012 and ensured that a joint declaration was watered down in 2016. In addition, Phnom Penh has frequently reaffirmed its support for China's position on Taiwan.¹⁵⁴

Japan wants to prevent Cambodia from becoming a satellite state that is increasingly dependent on China.

For its part, Japan is concerned about China's growing influence over Cambodia and the resulting difficulties in ASEAN cooperation. Despite — or, perhaps, precisely because of — this, Tokyo recognises the value of bilateral cooperation with Phnom Penh. Japan wants to prevent Cambodia from becoming a satellite state that is increasingly dependent on China, which is why it is promoting itself as a partner and thus as an alternative in various policy areas. Cambodia,

business/japan-completes-subic-bay-regional-development-master-plan/ (accessed 19 September 2024).

¹⁴⁶ Ministry of Foreign Affairs of Japan, *White Paper on Development Cooperation 2022* (see note 27).

¹⁴⁷ Chhay Lim, “Cambodia and Japan: Firm Friends amid Great Power Rivalry”, *Fulcrum* (online), 29 February 2024, <https://fulcrum.sg/cambodia-and-japan-firm-friends-amid-great-power-rivalry> (accessed 3 April 2025).

¹⁴⁸ Kei Koga, “How Strategic Is ‘Asymmetric’ Strategic Partnership? Japan's Partnership Diplomacy toward Cambodia and Laos”, *Asian Security* 18, no. 2 (2022), 93–118.

¹⁴⁹ ASEAN Secretariat, “ASEANstat” (see note 25).

¹⁵⁰ Ibid.

¹⁵¹ Koga, “How Strategic Is ‘Asymmetric’ Strategic Partnership?” (see note 148).

¹⁵² IMF, “International Trade in Goods” (see note 1).

¹⁵³ Ibid.

¹⁵⁴ Ministry of Foreign Affairs, Republic of China (Taiwan), “MOFA Response to Cambodian Prime Minister Hun's False Claims Regarding Taiwan during Meeting with Chinese Foreign Minister Wang”, 24 April 2024, https://en.mofa.gov.tw/News_Content.aspx?n=1330&sms=274&s=117225 (accessed 19 September 2024).

meanwhile, sees advantages in cooperating with Japan: namely, expanding its room for manoeuvre, limiting the risks of dependency on China and strengthening its negotiating hand vis-à-vis Beijing.

However, China is not the only motivating factor for cooperation between Japan and Cambodia. Japan takes pride in its long-standing commitment to the Cambodian peace process, which followed decades of civil war and conflict. For example, it played a prominent role both in the negotiations that led to the 1991 peace agreement and in the organisation of an international donor conference in 1992; it also led the United Nations Transitional Authority in Cambodia in 1992–93. Owing to its continued engagement and commitment, Japan enjoys high standing in Cambodia and has close contacts with the political elites. Thus, it wants to continue to cooperate and exercise an influence on developments in that country.

At the same time, Japan feels a sense of responsibility to act because Cambodia is one of the poorest ASEAN member states. Tokyo regards the development gap within ASEAN as one of the main obstacles to a more integrated Community. For this reason, it is promoting the development of the entire Mekong region (which, besides Thailand and Vietnam, includes the economically weakest ASEAN states of Myanmar, Laos and Cambodia); and since 2009, it has regularly taken the opportunity at summit meetings with the Mekong countries to identify priority areas for cooperation.

In recent years, Phnom Penh has faced significant criticism from the West, including the US. Under the leadership of the Cambodian People's Party, the government has restricted freedom of expression, violated human rights and suppressed and marginalised the political opposition. For its part, Japan has responded cautiously: for example, the Japanese foreign minister merely commented that the large number of ballots declared invalid in the 2018 Cambodian election was “disappointing”.¹⁵⁵ But at the same time, Tokyo has long sought to promote the rule of law, political freedoms and human rights in other ways. Since the 1990s, it has been helping Phnom Penh to draw up and implement civil law as well as train civil servants. Furthermore, Tokyo has regularly invited

politically interested young people from Cambodia to learn about and discuss Japan's democratic system.¹⁵⁶ And Japanese government representatives have used confidential talks with Cambodian officials to address problematic political developments, including during the regular human rights dialogues between the two countries.¹⁵⁷

In recent years, Cambodia has repeatedly stressed that it sees Japan as a key partner and has welcomed Tokyo's regional initiatives — at times it has even adopted a very different position from that of Beijing. In August 2017, it was the first ASEAN country to declare its support for the Free and Open Indo-Pacific vision announced by Prime Minister Abe the previous year, while China was more critical, as it suspected Tokyo of wanting to promote a containment strategy.¹⁵⁸ Phnom Penh also responded positively to Japan's 2022 National Security Strategy, including the plan to significantly increase defence spending.¹⁵⁹ And like Japan, Cambodia unequivocally condemned Russia's war of aggression against Ukraine, whereas China de facto supported Moscow. In a joint statement issued following a bilateral summit in March 2022, Tokyo and Phnom Penh declared that Russia's aggression endangered the “foundation of the international order”, according to which “any unilateral change of the internationally recognized borders by force” was unacceptable.¹⁶⁰

¹⁵⁵ Sun Narin, “Japanese Gov't Calls Cambodia's Election ‘Disappointing’”, *VOA Khmer* (online), 5 August 2018, <https://www.voacambodia.com/a/japanese-govt-calls-cambodias-election-disappointing/4514501.html> (accessed 19 September 2024).

¹⁵⁶ Ministry of Foreign Affairs of Japan, “Press Conference by Foreign Minister Taro Kono”, Tokyo, 30 November 2018, https://www.mofa.go.jp/press/kaiken/kaiken4e_000582.html (accessed 19 September 2024).

¹⁵⁷ Id., “The Twelfth Japan-Cambodia Human Rights Dialogue”, press release, 30 August 2023, https://www.mofa.go.jp/press/release/press5e_000038.html (accessed 19 September 2024).

¹⁵⁸ Chheang Vannarith, “How Will Cambodia Manage the ASEAN Chairmanship and China Relations?” *Think China* (online), 21 March 2022, <https://www.thinkchina.sg/politics/how-will-cambodia-manage-asean-chairmanship-and-china-relations> (accessed 19 September 2024).

¹⁵⁹ Ministry of Foreign Affairs of Japan, “Japan-Cambodia Foreign Ministers' Meeting”, press release, Tokyo, 24 January 2023, https://www.mofa.go.jp/press/release/press1e_000361.html (accessed 19 September 2024).

¹⁶⁰ Id., “Joint Statement between Japan and the Kingdom of Cambodia”, Tokyo, 20 March 2022, <https://www.mofa.go.jp/files/100319295.pdf> (accessed 19 September 2024).

Security policy

The security cooperation between Tokyo and Phnom Penh dates back to the 1990s, when Japan supported the Cambodian peace process. For example, through the provision of financial and technical assistance as well as equipment, Japan has been helping Cambodia for many years to clear landmines.¹⁶¹ Since 2012, their security cooperation has developed in three ways: through intensified diplomatic exchanges, joint military exercises and joint initiatives at the international level.

Under their “strategic partnership”, the two countries now meet regularly for consultations on security policy – a trend that has accelerated over the past few years.¹⁶² Between April 2019 and March 2024, for example, 14 bilateral meetings took place at the level of defence minister, minister of state for defence, deputy defence minister or chief of staff.¹⁶³ Exchanges are also promoted at other levels: senior officials from the foreign and defence ministries of the two countries met for the first time in 2023 and 2024, respectively, for talks on international security issues.¹⁶⁴ Moreover, in August 2024, Tokyo and Phnom Penh announced they would be sending defence attachés to each other’s country.¹⁶⁵

At the same time, the two partners are expanding cooperation between their armed forces. In the past, joint exercises took place almost exclusively in multi-lateral contexts, but today they are also regularly held at the bilateral level. Between 2022 and 2024, the

Japanese and Cambodian naval forces conducted four joint exercises near the port of Sihanoukville in Cambodia; joint manoeuvres involving ground forces are currently at the planning stage.¹⁶⁶ Tokyo also intends to supply the Cambodian police with patrol boats for maritime surveillance, although it is not yet known how many and for what specific purpose.¹⁶⁷ In April 2025, two Japanese minesweepers became the first foreign military vessels to dock at the Chinese-funded Ream naval base, which had opened earlier that month.¹⁶⁸

At the international level, Japan and Cambodia are also increasingly looking for opportunities to cooperate in the area of security policy. Particularly noteworthy is the Japan-Cambodia Landmine Initiative, which was announced at a bilateral meeting of foreign ministers in July 2024. Through this initiative, the two partners aim to provide Ukraine and other third countries with expertise and technology for clearing landmines. At the same time, they want to raise international awareness of the humanitarian consequences of landmine use. Elsewhere, Tokyo and Phnom Penh have been exchanging views on developments in Myanmar since the 2021 military coup, although those talks have not yet yielded any concrete results.

Economy and infrastructure

As regards the economy and infrastructure, Japan has been providing support of various kinds to Cambodia in the area of development policy since the 1990s, including in agriculture, health and medical care, the training of human capital and the promotion of infrastructure. Cambodia’s economic significance for Japan is comparatively low: although bilateral trade volume tripled to US\$2.4 billion between 2013 and

161 See, for example, Japan International Cooperation Agency, *Ex-Post Evaluation Report of Japanese Technical Assistance Projects. Grant Aid Projects 2009* (Tokyo, 2010), <https://openjicareport.jica.go.jp/pdf/12031647.pdf> (accessed 19 September 2024).

162 Koga, “How Strategic Is ‘Asymmetric’ Strategic Partnership?” (see note 148).

163 Own evaluation of: Japan Ministry of Defense, *Defense of Japan (Annual White Paper)* (various years) (see note 126).

164 Ministry of Foreign Affairs of Japan, “The First Japan-Cambodia Foreign Senior Officials’ Talks”, 20 November 2023, https://www.mofa.go.jp/sa/sea1/kh/page1e_000813.html (accessed 19 September 2024); and Japan Ministry of Defence, *Inaugural Japan-Cambodia Senior Officials’ Dialogue* (Tokyo, 4 March 2024), <https://www.mod.go.jp/en/article/2024/03/f86b14755c6827af9b3bc7219b08b08f720a0a7b.html> (accessed 19 September 2024).

165 “Defense Minister Kihara Begins Visits to Cambodia and Vietnam, Both under Beijing’s Shadow” (Associated Press), *The Asahi Shimbun* (online), 6 August 2024, <https://www.asahi.com/ajw/articles/15377916> (accessed 19 September 2024).

166 Ry Sochan, “Ueno Discusses Japan-Cambodia Ties”, *Phnom Penh Post* (online), 25 March 2024, <https://www.phnompenhpost.com/national/ueno-discusses-japan-cambodia-ties> (accessed 19 September 2024).

167 Cambodian Ministry of Foreign Affairs and International Cooperation, *Official Visit of Japanese Foreign Minister Kamikawa to Cambodia from 5 to 6 July 2024* (Tokyo, 6 July 2024), https://www.mfaic.gov.kh/files/uploads/ZP3J0DZY1LJ5/sealed_PR_JP%20FM%20.pdf (accessed 19 September 2024).

168 Ananth Baliga, “Japanese Minesweepers Dock at Controversial Cambodian Naval Base”, *Nikkei Asia* (online), 22 March 2025, <https://asia.nikkei.com/Politics/Defense/Japanese-minesweepers-dock-at-controversial-Cambodian-naval-base> (accessed 23 May 2025).

2023, it still ranks only fiftieth among Japan's trading partner.¹⁶⁹ Japan, on the other hand, is Cambodia's sixth-largest trading partner — accounting for 3.8 per cent of its total trade — after China, the US, Vietnam, the EU and Thailand.¹⁷⁰

Japan is the fourth-largest direct investor in Cambodia.

In 2023, Japan's direct investments in Cambodia amounted to some US\$3 billion — equal to 6.2 per cent of total foreign direct investments in that country¹⁷¹ — making it the fourth-largest direct investor behind China (including Hong Kong), South Korea and Singapore. Although, in the past, Tokyo has promoted the construction of various economic zones in Cambodia, Japanese companies are still reluctant to invest owing to widespread corruption, legal uncertainty and low educational standards. At the same time, Japan was Phnom Penh's second-largest government creditor in 2022 with an 11.2 per cent share of Cambodia's foreign government debt (behind China with 39.8 per cent).¹⁷²

Despite its close ties with China, Cambodia has shown a growing interest in economic diversification and thus in cooperation with Japan. In 2023, for example, Phnom Penh urged Tokyo to consider a bilateral free trade agreement, alongside ongoing cooperation within the framework of the multilateral RCEP agreement. A response from Tokyo is still not yet forthcoming.¹⁷³ In December 2023, newly installed Prime Minister Hun Manet floated the idea of establishing a special economic zone for Japanese companies. For Cambodia, the aim is to avoid “reliance on China alone”, Deputy Prime Minister Sun Chanthol told the *Nikkei Asia* newspaper in May 2024.¹⁷⁴

It is a similar picture in the area of infrastructure development. Although Cambodia has greatly benefited from China's BRI, Japan plays an important role as partner, too, not least because of the enormous sums required. China provided around one-third of the funding for infrastructure development in Cambodia raised between 2015 and 2022, while Japan's share was around 12 per cent and that of the ADB 10 per cent.¹⁷⁵ Japan is currently supporting a large number of projects, most of which have limited capital requirements, in the area of transportation infrastructure, including road and bridge construction.

That there is Japanese-Chinese rivalry in infrastructure development is evident in port construction. Since 1999, Japan has been investing in a major project: the expansion of Cambodia's only deep-sea port, which, located in Sihanoukville, is of strategic importance to the country. In recent years, it has significantly increased funding for this project — for example, with a guaranteed loan of US\$383 million for the modernisation and expansion of the port in 2022.¹⁷⁶ Phnom Penh and Tokyo intend to continue their cooperation in Sihanoukville in the future. Meanwhile, Cambodia has rejected Chinese offers to invest in the project.¹⁷⁷ But at the same time it has been cooperating with a Chinese state-owned company since 2019 to build another port — in Kampot, around 100 kilometres east of Sihanoukville.¹⁷⁸ Cambodia is thus benefitting from this parallel development structure.

Challenges

These case studies on the Philippines and Cambodia reveal two challenges for Japan's relations with individual ASEAN states. First, there is the question of how Japan (just like other Western countries) can

169 IMF, “International Trade in Goods” (see note 1).

170 ASEAN Secretariat, “ASEANstat” (see note 25).

171 Ibid.

172 World Bank, “International Debt Statistics” (see note 137).

173 Phoung Vantha, “Cambodia Suggests to Japan a Free Trade Agreement between the Two Countries”, *Cambodianess* (online), 11 June 2023, <https://cambodianess.com/article/cambodia-suggests-to-japan-a-free-trade-agreement-between-the-two-countries> (accessed 19 September 2024).

174 Tamayo Muto, “Cambodia Deputy PM Says Japanese Investment to Help Curb Its China Dependence”, *Nikkei Asia* (online), 29 May 2024, <https://asia.nikkei.com/Editor-s-Picks/Interview/Cambodia-deputy-PM-says-Japanese-investment-to-help-curb-its-China-dependence2> (accessed 19 September 2024).

175 *Lowy Institute Southeast Asia Aid Map* (see note 101).

176 So Cheata, “Japan Grants \$383.22 Million for Sihanoukville Port Modernization Project”, *Khmer Times* (online), 6 August 2022, <https://www.khmertimeskh.com/501127089/japan-grants-383-22-million-for-sihanoukville-port-modernisation-project/> (accessed 19 September 2024).

177 Kenji Kawase, “Cambodia's Biggest Port Sees China Coveting Japan's Dominant Role”, *Nikkei Asia* (online), 3 August 2018, <https://asia.nikkei.com/Business/Company-in-focus/Cambodia-s-biggest-port-sees-China-coveting-Japan-s-dominant-role> (accessed 19 September 2024).

178 Ibid.

make its commitment to the rule of law, democracy and human rights in the region more effective. A number of countries in the region have regressed on political freedoms and democracy in recent years. They include Cambodia, where the largest opposition party was excluded from running in the July 2023 elections. However, against the backdrop of Chinese support for the Cambodian rulers, Tokyo's influence is limited.

Second, Japan must credibly distance itself from the confrontational policy of the US towards China, which is forcing Southeast Asian countries to choose sides. This is a difficult balancing act for Tokyo. On the one hand, it increasingly views itself as directly threatened by China: the 2022 National Security Strategy describes China as posing “an unprecedented and the greatest strategic challenge”.¹⁷⁹ On the other hand, the US considers Japan to be its most important partner in dealing with China. If Sino-Japanese tensions were to increase, Southeast Asian countries might turn away from Japan and towards other partners as they pursue their diversification efforts. However, more recently — and especially since Trump's re-election — China has adopted a more cooperative attitude towards Japan, for example, by announcing the easing of visa restrictions.

¹⁷⁹ Cabinet Secretariat of Japan, *National Security Strategy of Japan* (Tokyo, December 2022), <https://www.cas.go.jp/jp/siryou/221216anzenhoshou/nss-e.pdf> (accessed 3 April 2025).

Conclusions and Outlook

Japan plays a crucial, albeit often overlooked role in the geopolitical dynamics of Southeast Asia. Tokyo's long-standing focus on the region has gained new momentum since 2012 amid increasing concerns about China's growing presence and continued great power rivalry. It has sought to deepen relations with both the ASEAN community as a whole and its individual member states. Japan not only has important economic and security interests vis-à-vis Southeast Asia; it also regards the region as an integral part of a broad institutional architecture based on multilateralism and common rules. At the same time, Tokyo is seeking to prevent Beijing from using power asymmetries vis-à-vis Southeast Asian countries to establish a hierarchical order led by China. Through its own initiatives and cooperation, it seeks to provide those countries with alternatives to Chinese offers and thereby help them bolster their strategic autonomy. Japan's Southeast Asia policy since 2012 has been characterised by four overarching tenets.

First, Tokyo has demonstrated leadership in promoting and supporting common rules and standards as well as international law. This is in line with its vision of a Free and Open Indo-Pacific as a rules-based (rather than power-based) order in the region. In the economic sphere, for example, Japan has championed free trade standards by playing an important role in negotiating the RCEP and CPTPP free trade agreements. In infrastructure funding, it has drawn up proposals for common standards on infrastructure development investments, emphasising transparent financing conditions and quality features such as sustainability — principles that it successfully advocated at the international level, including in the context of its G7 and G20 presidencies. In the maritime sector, Japan is committed to compliance with the UN Convention on the Law of the Sea; among other things, it offers training in international law to individuals from Southeast Asian countries. However, Japan may face growing challenges in the coming years, as the second Trump administration has shown an aversion to common standards and rules. In particular, protectionist trends in the US and elsewhere

could increasingly impair Japan's ability to promote free trade norms.

Second, Japan has consistently supported the ASEAN Community as a central player in the broader region and as a platform for multilateral cooperation. From the Japanese perspective, ASEAN contributes to stability and security through dialogue and cooperation and allows the smaller players in the region to establish shared positions and defend them vis-à-vis the great powers. By aligning its bilateral cooperation agenda with ASEAN's Outlook on the Indo-Pacific, Japan has demonstrated that it recognises the member states' shared positions. Furthermore, it has promoted the cohesion of the ASEAN Community through development assistance that seeks to reduce socio-economic disparities and foster connectivity in the region. Japan also stands out as a leading supporter of ASEAN institutional integration; among other things, it helped establish the ASEAN Centre for Public Health Emergencies and Emerging Diseases in 2022.

Nevertheless, it is not an easy task to maintain ASEAN unity, as, in recent years, the member states have been divided over important foreign policy issues. Thus, Tokyo's relations with the individual countries are just as important as those with ASEAN as a group. Furthermore, Japan does not view its participation in various minilateral cooperation formats in the Indo-Pacific — such as the Quad (with the US, Australia and India) — as undermining its support for ASEAN as a central player in the region.

Third, Japan has established itself as an important and valued security policy partner of Southeast Asian countries. Since 2012, it has stepped up its support for countries involved in the South China Sea dispute — including the Philippines, Vietnam and Malaysia — so that they can increase their maritime and coast guard capacities. By supplying defence equipment, Tokyo wants to enable these countries to monitor disputed maritime areas and counter Chinese attempts to unilaterally change the status quo. Amid the escalating tensions between the Philippines and China, there has been significant progress in security policy cooperation between Tokyo and Manila — at the bi-

lateral, trilateral (with the US) and quadrilateral (with the US and Australia) levels. Nevertheless, Japan cannot replace the US as the backbone of security in Southeast Asia. Moreover, Tokyo's more active engagement in the South China Sea and open cooperation with the US in the region poses risks: its actions could be increasingly perceived as part of a confrontational US containment policy towards China, while the trust it has built up — as a country offering pragmatic cooperation focused on socio-economic development — could be eroded. As a result, some countries might be less willing to cooperate with Tokyo.

To avert such a perception, Japan has sought to engage comprehensively with the ASEAN member states — including those seen as leaning towards China (such as Cambodia and Laos) — while also engaging with the ASEAN Community as a whole. Furthermore, Japan promotes security policy exchange and cooperation with the entire region through dialogues, joint military exercises and training courses.

Fourth, Japan plays a subtle but nonetheless important role in facilitating and anchoring US engagement with Southeast Asia. As Washington's most important alliance partner in Asia, Japan makes the huge American military presence on Asian soil possible; and the two allies have similar goals and values vis-à-vis Southeast Asia. But apart from their trilateral cooperation with the Philippines, there have been few joint initiatives to date. And Tokyo even went so far as to distance itself from the US FOIP strategy and its confrontational undertones by redesignating its own version of the FOIP as a concept. But at the same time, Japan has supported US initiatives, drawing on its close ties with Southeast Asia to promote the Biden administration's Indo-Pacific Economic Framework, for example.

Japan has also played an important role when relations between the US and individual Southeast Asian countries have been disrupted by political sensitivities, domestic politics or human rights-related disputes. At such times, Tokyo has stepped up cooperation with its Southeast Asian partners, thereby ameliorating the risk of those countries becoming alienated from the US-centred security architecture. For example, when US-Philippine relations were strained under President Rodrigo Duterte, Tokyo deepened its cooperation with Manila and used bilateral consultations to underscore the crucial role of the US in regional security, although it stopped short of seeking to mediate between the two countries. Japan itself has been reluctant to criticise the human rights situation

in Southeast Asian countries. Instead, it has used other means to promote the rule of law, political freedoms and human rights — for example, through dialogue and legal training. However, this has not prevented a number of Southeast Asian countries from regressing on political freedoms and democratic norms in recent years.

Japan enjoys a high level of trust in its relations with Southeast Asia, which attests to the success of its long-term commitment to development assistance and the promotion of diplomatic and people-to-people exchange. Amid the growing geopolitical tensions, Southeast Asia is of great importance for Germany and Europe as a whole. Indeed, it is in Europe's interest to step up its involvement in this dynamic region and establish a policy approach that is both sustainable and based on a long-term vision. With its in-depth knowledge of Southeast Asia, Japan can serve both as an inspiration and as a valuable partner.

To prevent China from unilaterally dominating Southeast Asia, Germany and Europe — together with Japan — should promote cooperation with the region in the areas of the economy, politics and security. At the same time, Europe should seek to advance cohesion among the ASEAN member states — for example, by supporting regional economic integration. Among other things, the EU can draw on its wealth of experience in areas such as digitisation and the harmonisation of customs procedures. In recent years, Europe has focused on promoting infrastructure projects in Southeast Asia, including through the Global Gateway Initiative. With Japan as a key player in this area, Europe should take a coordinated and complementary approach to pursuing such projects. Moreover, Europe and Japan should consider joint undertakings, given that they are both committed to standards such as transparency and sustainability. And through formats such as the G7, Germany and Japan can work together on initiatives related to Southeast Asia and coordinate their approaches — for example, in formulating joint positions on the South China Sea.

Abbreviations

ADB	Asian Development Bank
ADBI	Asian Development Bank Institute (Tokyo)
ADMM+	ASEAN Defence Ministers' Meeting Plus
AIIB	Asian Infrastructure Investment Bank
AOIP	ASEAN Outlook on the Indo-Pacific
ARF	ASEAN Regional Forum
ASEAN	Association of Southeast Asian Nations
BRI	Belt and Road Initiative
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CSIS	Center for Strategic and International Studies (Washington, D.C.)
EAS	East Asia Summit
ERIA	Economic Research Institute for ASEAN and East Asia (Jakarta)
EU	European Union
FOIP	Free and Open Indo-Pacific
G7	Group of Seven
G20	Group of Twenty
HSFK	Hessische Stiftung Friedens- und Konfliktforschung (Frankfurt am Main)
IMF	International Monetary Fund
IPEF	Indo-Pacific Economic Framework for Prosperity
JICA	Japan International Cooperation Agency
JIIA	Japan Institute of International Affairs (Tokyo)
NIDS	National Institute for Defense Studies (Tokyo)
ODA	Official Development Aid
OSA	Official Security Assistance
PCG	Philippine Coast Guard
PRIF	Peace Research Institute Frankfurt
RCEP	Regional Comprehensive Economic Partnership
TPP	Trans-Pacific Partnership (Agreement)
USAID	United States Agency for International Development (Washington, D.C.)

