

# PERSPECTIVE

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## **Japan's Weapons Transfers to Southeast Asia: Opportunities and Challenges**

*Victor Teo\**



Riding on the rise of neo-conservatism in Japan, the Abe government decided in 2012 that it was vital for Japan to acquire greater autonomy and independence for the sake of its technological sector, particularly those related to the manufacturing of weapon systems. In this picture, a Japanese Navy sailor walks next to a gun on Japan's missile destroyer JS Sazanami during the inauguration of joint naval exercises with the United States and India in Chennai on July 10, 2017. Picture: Arun Sankar, AFP.

*\* Victor Teo is Project Research Fellow at the Beyond The Cold War Project housed at the University of Cambridge's Centre for Research in the Arts, Humanities and Social Sciences. He was previously Visiting Senior Fellow under the Wang Gungwu Visiting Fellows Programme at ISEAS – Yusof Ishak Institute.*

**EXECUTIVE SUMMARY**

- Japan's long history of indigenous weapon development and export was curtailed by Japanese law and the US-Japan alliance after the Second World War.
- Japan's re-emergence as a weapon exporter is fuelled by desires to increase Japanese capabilities, counteract China's rise, hedge against possible future strategic abandonment by the US, fund next-generation weapon research, and foster Japan's global leadership and influence in Southeast Asia.
- Tokyo's weapon exports have been more successful through Overseas Development Assistance (ODA) transfers than through commercial deals.
- Using its ODA to the region, Japan is promoting the transfer of weapon systems, naval vessels and surveillance planes, particularly to Southeast Asian claimant states in the South China Sea.
- These transfers help raise the naval operational capabilities of the recipient states. But they are unlikely to deter China sorties into disputed waters and will probably increase risks of confrontations in regional waters.

**JAPAN'S RE-EMERGENCE AS A WEAPONS EXPORTER**

Since the Meiji Restoration, Japan had had a tradition of importing foreign technology and adopting it for her own modernisation.<sup>1</sup> This national obsession<sup>2</sup> stimulated industrial growth and cultivated technological development, and over time, nurtured the institutions and practices of indigenisation and diffusion of technology. This enabled Japan to close the capabilities gap with the West.<sup>3</sup> By the 1930s, Japan had built a fleet powerful enough to challenge the US Navy.<sup>4</sup>

After the Second World War, Japan's wartime industrial capacity was reoriented wholly towards domestic economic reconstruction. Due to Cold War exigencies, the United States (US) restored Japan as an important strategic actor, but Washington remained wary about Japan's industrial capacity and technological prowess, and kept a close eye on these developments. By 1967, Japan's Diet promulgated the Three Principles on Arms Exports, limiting Japan's defence exports.<sup>5</sup> During the Cold War, Japan's defence exports were intended only for the US-Japan alliance during the Korea and Vietnam Wars and for projects subsumed under the alliance, such as the FSX fighter project<sup>6</sup> and items (such as gyroscopes) used in Patriot missiles.<sup>7</sup>

In the post-Cold War era, Japan's defence industry has been beset by the twin problems of limited demand in Japan due to tight defence budgets, and lack of access to co-development partners and economies of scale for increasingly expensive weapon systems. The latter was directly due to the ban on arms transfers (which was removed in 2014).<sup>8</sup> Under Abe's new doctrine of pro-active pacifism, the Japanese government revised the 'three principles on transfer of defence equipment and technology' in 2014, and promulgated a new Development Cooperation Charter that gives Japanese Overseas Developmental Assistance (ODA) a 'strategic edge' in 2015.<sup>9</sup> As such, Japan's ODA, including those to South China Sea (SCS) claimant states, can now include weapon systems<sup>10</sup> to boost their maritime capacity and surveillance capabilities.

It is important to note that weapon transfers to Southeast Asian countries from Japan are not new. Commercial shipping from Japan and other nations has often suffered from piracy attacks in the Straits of Malacca and the Gulf of Aden.<sup>11</sup> In this regard, Tokyo has since 2006 provided aid on an *ad hoc* basis to certain Southeast Asian states (Indonesia, Malaysia, The Philippines and Vietnam) to improve their maritime security – mostly using technical cooperation and funds to build up infrastructure such as ports or the purchase of equipment (communication equipment, range finders, speedboats, hand thermal imagers, X-ray machines).<sup>12</sup> Japan also extended a loan to Indonesia to purchase three patrol vessels in FY2006 (JP¥1.9 billion), billed as "civilian items" for the prevention of 'piracy, maritime terrorism and proliferation of weapons'.<sup>13</sup>

Riding on the rise of neo-conservatism in Japan, the Abe government decided in 2012 that it was vital for Japan to acquire greater autonomy and independence for the sake of its technological sector, particularly those related to the manufacturing of weapon systems. In order to revive its domestic defence industry, Japan saw the need for a viable export market to scale up manufacturing to make its products cheaper to domestic and foreign customers. To that end, it has tried to enter the global arms market by advertising Japan's submarines (Soryu class) to Australia and its planes (P-1 and US-2) to Germany, the United Kingdom, New

Zealand, Greece and France. Within Asia, Japan has tried to transfer weapons and radar systems to India, Indonesia, Malaysia, The Philippines, Thailand and Vietnam.

There are six reasons why Japan wants to revive her defence industry: (1) Manage the strategic rise of China; (2) Increase Japan's strategic independence under the rubric of US-Japan alliance and hedge against possible strategic abandonment by the US; (3) Improve the effectiveness and capability of Japanese forces; (4) Fund next-generation weapon research; (5) Foster Japan's global leadership and influence; and (6) Cultivate a politically favourable role for Tokyo in Southeast Asia.

## **JAPAN'S WEAPON TRANSFERS TO SOUTHEAST ASIA**

Appendix I provides an overview of Japan's attempts to transfer significant defence systems to Southeast Asia<sup>14</sup> and beyond from 2012, including both successful and unsuccessful deals. Successful transfers include donations (or items granted outright), assistance (subsidised/co-funded items) and commercial sale of naval vessels, aircraft and radar systems. Japan has also approached European and Oceania countries to sell limited defence hardware (P-1 Anti-Submarine Warfare [ASW] Aircraft and the US-2 Seaplane), but it has not been very successful. Most of these countries chose to buy from American firms. Japan's success lies overwhelmingly in transferring her used equipment, particularly naval assets to Southeast Asian states, especially the SCS claimants as detailed below.

**The Philippines:**<sup>15</sup> Under President Benigno Aquino III (2010-2016), The Philippines saw its relations with Japan strengthen significantly from 2012 onwards. Tokyo had signed bilateral agreements with Manila even before the Weapon Exports Ban was lifted in 2014.<sup>16</sup> In 2013, under the first phase of the joint Japanese-Philippines Maritime Safety Capability Improvement Project (MSCIP) designed to strengthen the Philippine Coast Guard (PCG), Japan provided Manila with ten Japan-built 44.5 meters multirole response patrol vessels (MMRV), considered as Parola-class by The Philippines and Bizan-class vessels by Japan. The contract for these vessels was worth JP¥18.7 billion (US\$172 million), 85% of which was funded by the Japan International Cooperation Agency (JICA).<sup>17</sup> The Philippine Navy has designated the vessels for law enforcement, environmental and humanitarian missions, and maritime security operations and patrol missions.<sup>18</sup> The second phase of the MSCIP was signed on 7 February 2020, involving a contract worth JP¥14.55 billion yen (US\$132.57 million) with a JP¥7 (US\$64.2 million) JICA loan. Tokyo will build two 96-metre Kunigami-class (or Kunisaki-class) patrol ships for the PCG by 2022.<sup>19</sup>

In 2013, Japan agreed to lease two retired TC-90 surveillance aircraft to The Philippines, and as part of the leasing deal, hosted a training programme at the Tokushima air base to train the Philippine crew to operate the aircraft. The terms of the deal changed over the course of 2017-2018, when Japan donated five TC-90 Beecher Turbo-prob aircraft as part of its ODA to help Manila build its surveillance capacity.<sup>20</sup> Japan has used these aircraft since the early 1970s, and only managed to transfer them officially after the amendment of the export law.

Japan further responded to a Philippine request for used Huey helicopter parts in June 2017. The deal involved transferring about 40,000 units of different parts of retired JASDF Vietnam war-era Hueys, worth about JP¥50 million (US\$461,000).<sup>21</sup> The transferred parts enabled The Philippines to restore several helicopters back to operational status, thereby ensuring their full serviceability and readiness.<sup>22</sup> The Philippine Air Force Chief Lt. Gen. Rozzano Briguez

indicated that spare parts would restore up to a maximum of seven Hueys to full mission capable status, transport and intelligence, reconnaissance and surveillance missions of the Philippine Air Force (PAF).<sup>23</sup>

The first successful commercial deal for Japan in Southeast Asia was the sale of early warning radar technology to The Philippines. Under a contract between the Philippine Department of National Defense (DND) and Mitsubishi Electric Corporation (MELCO) in 2018, Manila purchased four MELCO-manufactured air radar systems as part of the “Cooperation to Enhance The Philippines’ Capacity in Vigilance and Surveillance” efforts based on Japan-Philippines “Concerning the Transfer of Defense Equipment and Technology”.<sup>24</sup> The weapon system was originally reported to cost between JP¥1 to 2 billion<sup>25</sup> but by 2020, the entire package was stipulated to cost JP¥10 billion (US\$92.2 million). Of the four air defence radar systems, three will be improved versions of the FPS-3 radar system and one will be the TPS-P14 air defence system. The former will be deployed in fixed localities to detect incoming fighter jets or missiles, while the latter will be mounted on a mobile platform (such as a vehicle or a ship).<sup>26</sup>

**Vietnam:** In 2014, Vietnam and Japan elevated their relations to Extensive Strategic Partnership. In 2015, Vietnam took delivery of six second-hand fishery patrol vessels from Japan as part of a JP¥500 million (US\$4.6 million) ODA grant to improve her maritime security. Japan MSDF ships along with US vessels have been making port calls at Cam Ranh Bay since 2016.<sup>27</sup>

In October 2020, Japan announced that it had reached an agreement to export technology and weapons to Vietnam. While its actual details have yet to be announced, Vietnam-Japan cooperation is focused on maritime security, with Japan offering to export offshore patrol vessels, maritime patrol craft, radar and surveillance equipment and communications and information system. In July 2020, JICA agreed to loan Vietnam JP¥36.6 billion (US\$349 million) to finance the procurement of a second batch of six patrol vessels for the Vietnam Coast Guard (VCG) by 2025.<sup>28</sup> Vietnam has also expressed an interest to acquire second-hand American P3 ASW aircraft from Japan, although Tokyo is keen to sell her more advanced domestically produced P-1 aircraft to Hanoi too. Purchasing the P1 will help boost Japan’s ambition as a weapon exporter. It is not clear how far they have progressed on this front.

**Indonesia:** In 2006, Japan transferred three small patrol vessels to Indonesia’s marine police to combat piracy and terrorism. Japan announced in February 2020 that Tokyo will donate a maritime patrol vessel Hakurei Maru, a 499-ton purposely built Fishery Surveillance Patrol Vessel to Indonesia’s Coast Guard. By end-2020, Japan was to have provided an additional JP¥2.2 billion to upgrade Indonesia’s Coast Guard Fleet but the pandemic has delayed this from happening in 2020.<sup>29</sup> There are reports that Indonesia has expressed an interest in acquiring ShinMaywa US-2 Seaplane from Japan, but so far there has been no official confirmation of this.

On 30 March 2021, after a meeting between Indonesian and Japanese Defence and Foreign Ministers, both sides announced ambitions to work more closely on maritime security.<sup>30</sup> Tokyo and Jakarta concluded a tentative US\$3.6 billion deal for the purchase of eight Mogami-class stealth frigates worth US\$450 million each, four of which are to be delivered by Japan by 2023-2024, and another four to be built in Indonesia after that.<sup>31</sup> If actualised, these multi-role

frigates will improve the Indonesian navy's capability on the high seas. This agreement however has yet to be officially confirmed by the Japanese or Indonesian authorities.

**Thailand:** Thailand has reportedly expressed an interest in acquiring ShinMaywa US-2 Seaplane, P-1 ASW planes and Mitsubishi Electric's FPS-3 fix warning and control radar systems from Japan. However, to date, there has been no successful deal made between the two countries.

**Malaysia:** In November 2016, Japan pledged to donate two Offshore Patrol Vessels from the Japanese Coast Guard to Malaysia, and these were delivered in 2017. There were reports in 2017 that Malaysia was interested in acquiring second-hand PC-3 planes from Japan, but these reports were subsequently denied by Malaysia's Ministry of Defence.

## IMPLICATIONS

**Japan's emergence as weapons exporter:** Japan faces competition for almost every category of weapon export from Western and Asian competitors. While the Japanese items are often technically more advanced, they are almost invariably costlier.<sup>32</sup> Tokyo's endeavour to become a more important strategic actor through weapon exports has been more successful through ODA transfers than through commercial deals. The inability or reluctance of most Southeast Asian states to pay top dollar for Japan's weapon systems means that sustained exports can only be possible if Tokyo is prepared to export on terms that most competing global arms companies cannot afford to offer (i.e. providing them for free, or heavily subsidising them or transferring the weapons as second-hand equipment).

As a new kid on the block, Japan faces considerable difficulties displacing the US and Russia as the dominant weapons supplier commercially. The Philippines for instance has imported weapons from the US,<sup>33</sup> Russia,<sup>34</sup> India,<sup>35</sup> and South Korea.<sup>36</sup> Likewise, Vietnam is a significant client of Russia, acquiring 78% of her weapons from Russia during the 2010-2018 period.<sup>37</sup> South Korea is emerging as a formidable competitor, at least in terms of naval vessels. Apart from the cost issue, Southeast Asian countries have other considerations too, such as the desire to develop their domestic defence industrial capacity, and the exigencies of geopolitics. For instance, the Thai military has opted to acquire Chinese S26T diesel-electric Yuan-class submarines instead of the technically more advanced Soryu submarines from Japan, albeit the deal has been delayed because of budget difficulties.

**Enhanced strategic deterrence:** The patterns of Japan's weapon transfers to Southeast Asia suggest a clear strategic imperative. Tokyo wants to improve the capabilities of Southeast Asian claimant states in the SCS disputes with China, and prevent those states with tense relations with the US (such as Indonesia, Myanmar and Thailand) from falling further into China's strategic orbit. Tokyo has signed agreements with the SCS claimant states (Vietnam and The Philippines) to assist their maritime needs. These sets of relationships will likely grow and hence these states are likely to be "locked" into a *de facto* (as opposed to a *de jure*) defence relationship with Japan for the foreseeable future. Tokyo's assistance to Indonesia also provided an alternative at a time when Indonesia-US relations were tense (until 2020) and Beijing was courting Jakarta with defence assistance. Likewise, Japan's reach-out to Bangkok stems out of its concern about Thailand tilting too much towards Beijing as Thailand-US relations remain relatively estranged, since the 2014 coup.<sup>38</sup>

While these transfers might be good for Japan and Southeast Asian states to build up deterrence capabilities against the Chinese navy, there are costs involved. Southeast Asian states risk becoming proxies in the Sino-Japanese rivalry, i.e. some SCS claimants have now become defence partners of sorts with Japan, leaning towards Tokyo to “balance” against China, either overtly or tacitly.

From the Southeast Asian perspective, certainly donations and grants of second-hand equipment are welcome. However, they might not want to see ODA assistance loans being increasingly tied to weapon purchases at the expense of ODA dedicated to infrastructure or in-country public goods investment. While this is still not an overt policy by Japan, it is clear that the ruling Liberal Democratic Party (LDP) is increasingly linking ODA to Japan’s strategic needs. Hence, the question is whether weapon-related ODA is necessarily beneficial for the Southeast Asian country concerned. There are two considerations here: (1) Whether the assistance will greatly enhance the recipient country’s operational capabilities, and (2) Whether this assistance through weapon exports is made in lieu of other important development-related ODA. Appendix II shows that Vietnam (36.7%), The Philippines (15.7%) and Indonesia (16.9%) have benefitted from a lion’s share of Japanese ODA since 2014. Excluding the latest agreement between Indonesia and Japan, the share of funds to subsidise weapons sales to Vietnam, The Philippines and Indonesia, expressed as a percentage of JICA’s ODA to Southeast Asia, is around 17.6%. This is not an insignificant amount, and reflects an additional avenue whereby Japan can increase her strategic influence in the region.

**Reviving Japan’s defence industry:** The immediate beneficiaries of Japan’s defence industry revival would be the Japanese companies involved such as Mitsubishi Electric, Kawasaki, ShinMaywa and Marine United Corporation. With the necessary government funding, they will be able to do cutting-edge R&D, build better systems and stay at the forefront of latest defence technologies. Japan would be able to acquire valuable indigenous capabilities and prestige if their domestic companies are capable of producing advanced weaponry, and become competitive in the international export market. Tokyo’s attempt to export to Australia her Soryu submarines failed for two reasons: domestic politics related to how the award of the contracts would affect jobs in Australia and some Australian elites who felt uncomfortable or thought that it was unwise to buy from Japan. Without a substantial export market beyond Southeast Asia, the revival of Japan’s defence industry might be more difficult than the Japanese government envisages as production cannot be scaled up sufficiently to achieve the kind of self-sustaining dynamics that Western and Russian weapons firms enjoy.

Insofar as Southeast Asia is concerned, Tokyo will find it hard to sell arms and weapon systems without heavily subsidising or donating the sales involved or providing loans for purchase. While Japan will no doubt find solace in the political support of the Southeast Asian recipients of Japanese ODA, there is no guarantee that their arms acquisition henceforth would increasingly or exclusively be from Japan. Russian arms will continue to be attractive because of their lower costs and Moscow’s no-strings-attached policy, and American companies have an edge because of Uncle Sam’s patronage.

The upside, however, is that Japan might find it easier to “upgrade” its own defence arsenal as Southeast Asia will become the prime destination for Japan’s obsolete equipment. The Japan Self-Defense Forces (JSDF) will benefit in the sense that the Japanese government can ask its domestic industry to construct new weapons to replace the equipment donated out as part of Japan’s ODA. It might even be plausible that in the future, Japan will apportion increasing

amounts of ODA funds towards the donation of weapons, and reduce ODA in other categories to make the programme more sustainable.

**Japan's domestic politics:** The main political beneficiaries would be neo-conservative elements in the LDP. If successful in their efforts to revive the fledging defence industry, they will gain significant momentum in their political platform of “normalising”<sup>39</sup> Japan going forward, and will certainly enjoy the support of the military and the industry involved in these programmes.

**Increased militarisation in South China Sea:** Southeast Asia has already been seeing an arms race of sorts prior to these transfers from Japan. From 2006-2017, the competitive arms acquisition is driven not only by China-threat perceptions, but also by domestic challenges in various countries related to Islamic fundamentalism, separatist challenges and territorial grievances.<sup>40</sup> Arms purchases in the region are generally focused on upgrading weapon systems in the air force and the navy, particularly in Anti-Access/Area Denial and Maritime Domain Awareness. Japan's transfers to Southeast Asia are increasingly falling into this category. While the improvement of the capabilities of SCS claimant states might be important to the balance of power at sea between these states and China, there are considerable risks too. For one, would such transfers embolden the claimants to take more drastic measures against perceived Chinese incursions or provocations and lead to an escalation in naval skirmishes? If that should happen, would it provide a pretext for greater involvement and military presence by the US?

In the longer term, these dynamics will have repercussions for Sino-Japanese relations as well as for the dynamics of intra-Southeast Asian relations.



## Appendix I

**Record of Japan's Recent Weapon Donations, Assistance or Commercial Export since 2014**

# Shaded Grey Boxes denote successful weapons transfer deals that have taken place or are in process; Unshaded Boxes denote unsuccessful attempts.

## For thoroughness, items transferred before the 2014 Export Ban lift are also included to illustrate the history of Japan's weaponry transfers to the region over the last two decades. Japan was in the planning stages to undertake some transfers at the onset of the second Abe administration (e.g. the leasing of TC90 planes to the Philippines) but had to institute the 2014 Export Weapons Ban lift to legitimise the transfer after the fact.

	<b>Item</b>	<b>Transaction Details</b>	<b>Result (shaded if successful)</b>
The Philippines	Mitsubishi Radar System	3 x FPS-3 Fix warning and control radar and 1 x TPS-P14 air defence mobile system for JP¥10 billion (US\$92.9 million)	Originally scheduled for delivery by May 2020 but reportedly delayed because of Covid-19 pandemic
	Japan Ground Self Defense Force Helicopter (Original Name: UH-1H "Huey") Spare-parts	Donation of 40,000 pieces of parts; Deal is approximately worth JP¥5.3 billion yen (US\$43.6 million).	Reported in August 2017; Delivered in March 2019  Enough to restore approximately 5-7 helicopters
	10 Patrol Vessels (Philippine-designated Palora-class)  (Original Japan Maritime Self Defense Force designated Bizan Class Patrol Craft)	Built for PCG by Japan Marine United Corporation for JP¥12.7 billion (US\$118 million) with 85% (JP¥10.8) funded by Japan International Cooperation Agency	Ships were launched between October 2016 and August 2018.
	Japan Maritime Self Defense Force TC-90 Aircraft (Original Name: Beechcraft Model	2 leased in March 2017 (and later donated officially); 3 others donated by Japan in March 2018. This marks the first time a donation of used military	Total 5 retired JSDF aircraft donated to The Philippines; Pilots and maintenance crew were trained initially as part of the lease deal. The

	90 King Air Twin-Engine Turboprop aircraft	equipment is made since the weapon export ban was lifted in Japan.	Philippines was originally supposed to pay USD\$28,000 a year to lease them.
	94-metre Multi-Role Response Vessels (MRRV) patrol ships (Japan Maritime Defense Forces designate Kunigami-class of Japan Coast Guard)	PCG awarded contract to Mitsubishi Heavy Industries to build two MRRVs. Contract is worth JP¥14.55 billion \$132.57 million.	Status in progress
	The Philippines Total	JP¥40.65 billion (excluding the 5 retired TC90s as their value has not been stipulated)	
Vietnam	Kawasaki P-1 Maritime Patrol Aircraft	Reported in 2018 that Japan is keen to export P1 aircraft to new markets, including Vietnam	Status pending
	Kawasaki / Lockheed Martin P-3C Anti-Submarine Maritime Patrol Craft	Reported in 2015 that Vietnam is interested in acquisition of used P-3C aircraft from the US or from Japan	Status pending
	Used Patrol Vessels (Japan Coast Guard or Former Japan Maritime Safety Agency designated Tsugaru-class patrol vessel) & Four Japanese Commercial Fishing Boats	Donation of 2 former Japanese Fisheries Agency patrol boats and 4 regular commercial fishing boats worth JP¥500 million (US\$4.6 million)	Vietnam first asked Japan for patrol boat aid in April 2013. Japan FM Fumio Kishida visited Vietnam in 2014 in the aftermath of the flare-up over China's Haiyang Shiyou 981 deployment in the South China Sea. Delivered in 2015 to the Vietnam Fisheries Resources Surveillance Force based in Hai Phong City

	Sale of 6 additional Naval Vessels for Coast Guard (Japan Coast Guard designated Aso-class 79 meters long vessels)	JICA to fund 40-year-old loan of JP¥36.6 billion (US\$349 million) to Vietnam to procure 6 purposely built Naval vessels for Vietnamese Coast Guard in October 2025.	Reported July 2020; Janes has reported that this would be a collaboration between Mitsui and T7 (a Malaysian conglomerate).
	Vietnam Total	JP¥37.1 billion	
Thailand	Mitsubishi Radar Systems	Mitsubishi Electric's FPS-3 Fix warning and control radar (Modified version)  Chief of Staff of Japan's Air Self Defence Force, Yoshiyuki Sugiyama travelled to Bangkok in November 2016 to negotiate this.	Thailand however awarded the contract to Leonardo Company to supply the NATO standard TAR31 DL Surveillance radar instead.
	Kawasaki P-1 Maritime Patrol Aircraft	In June 2016, Japan Defence Minister Nakatani visited Bangkok where Thai officials expressed interest in P1 Patrol Craft.	Tensions in US-Thai relations mean that transfers between Japan and Thailand are strictly bilateral. Bangkok had backtracked on an MOU on maritime security in 2013; Deal did not materialise.
	ShinMaywa US-2 Air-sea rescue Amphibian (Short-takeoff and landing boat-planes)	In June 2016, Japan Defence Minister Nakatani visited Bangkok where Thai officials expressed interest in US-2 Seaplane.	Deal did not materialise.
	ShinMaywa US-2 Air-sea rescue Amphibian (Short-takeoff and landing boat-planes)	Indonesia Defence Minister remarked in 2015 that US-2 was suited for Indonesia's geographical conditions.	Status pending

		Japan is reportedly considering to ask Indonesia to replace India as US-2 co-producer.	
Indonesia	Fishery Patrol Vessel Hakurei Maru	Reported in February 2020 that the 1993 499-tons purposely built Fishery Surveillance Patrol Vessel to be donated to Indonesia Coast Guard. This vessel is not valued.  Japan to provide additional JP¥2.2 billion (US\$20.3 million) to training and maintenance to combat illegal fishing after China and Indonesia clashed over fishery rights in Natuna Island in January 2020.	Exchange of Notes signalling handover of vessel on 14 February 2020. Initial training for Indonesia Coast Guard to be provided by Japan from March. The vessel was handed over to Indonesia in February 2021.
	Marine Police Patrol Vessels (*2006)	Aid to construct 27-metre bullet proof long vessels with maximum speed of 30 knots that can carry crew of 10 + 2 prisoners to be made available to Indonesia Marine Police	Indonesia requested this in 2003 and 2004; Vessels specially constructed for Indonesia to fight piracy; Japan government announced this to be exception to the Three Principles on Arms Export.
	Mogami-class Frigates (Built by Mitsubishi Heavy Industries)	A potential US\$3.6 deal that could see Japan transfer up to 8 Mogami-class frigates to Indonesia was discussed. Each of these cost 450 million each. 4 Mogami class frigates could be delivered by 2023-2024 while the other 4 would be manufactured under license in Indonesia.	Details of this deal have yet to be officially confirmed by either the Japanese or the Indonesian government but news of the deal was released by third-party news sites in March and April 2021.
	Indonesia Total	JP¥2.2 billion	
Malaysia	Kawasaki / Lockheed Martin	In early May 2017, several websites reported that	Malaysia Air Force Chief reported in May 2017 that

	P-3C Anti-Submarine Warfare (ASW) Patrol Craft	sources in Japan said that Malaysia asked for donation of old P-3C planes.	Malaysia received no offer of such donation or offer of P-3C from Japan.
	Offshore Patrol Boats (OPV)  1 x 92m Ojika-class Patrol Vessel  1 x 87m Nojima-class Patrol Vessel	In November 2016, Abe told visiting PM Najib that Japan would provide two patrol vessels for free to Malaysia.	Transferred from Japanese Coast Guard in April and June 2017
Australia	Mitsubishi-Kawasaki Soryu Class (Blue Dragon) Attack Class Submarines	Japan competed against Germany and France in 2014 to supply Australia with 10 Soryu Submarines worth AU\$20 billion (US\$18.7 billion)	Lost the bid to French shipbuilder Direction des Constructions Navales Services (DCNS) in 2016
Greece	ShinMaywa US-2 Seaplane (Short-takeoff and landing boat-planes)	Reported in 2018 that Greece was interested in buying this plane	Status unknown
India	Kawasaki P-1 Maritime Patrol Aircraft  ShinMaywa US-2 Air-sea rescue Amphibian (Short-takeoff and landing boat-planes)	India purchased eight Boeing P8 planes in 2009 and these were delivered in 2015; In 2016, India bought 4 more Boeing P8 planes for delivery to begin in 2020  Possible contract US\$1.3 billion for Japan to supply 12 units of the US-2 planes under discussion; In January 2016, India reportedly turned down Abe's proposal that India and Japan jointly manufacture the US-2 plane (last stage assembly done to reduce cost) and the plane be marketed collectively as	Did not materialise  Discussions started 2010; India decided not to jointly produce US-2; renewed push in 2014 but India has not agreed to purchase the plane as at 2019 (Abe-Modi) meeting, because of budget constraints.

		India-Japan strategic aid (to be funded by Japanese ODA).	
United Kingdom	Kawasaki P-1 Maritime Patrol Aircraft	Negotiations throughout 2015 for UK Royal Air Force to acquire P-1	UK chose to purchase US Boeing P-8 Poseidon instead
France	Kawasaki P-1 Maritime Patrol Aircraft	Under consideration in 2018 to replace its Breguet Atlantique turboprop anti-submarine aircraft	In talks to jointly develop an ASW plane with Germany; unlikely to acquire since Germany decided against P-1 in 2020.
Germany	Kawasaki P-1 Maritime Patrol Aircraft	Under consideration in 2018 to replace its Lockheed Martin P-3C Orion planes	Decided against P-1 in 2020 because it would take 5 years to become operationally ready for its military.
New Zealand	Kawasaki P-1 Maritime Patrol Aircraft	Requested technical specs for consideration in 2016	Announced in 2018 that they have chosen US Boeing P8 Poseidon instead
United States	MH53E  Used F-15	Japan sold parts from 2 decommissioned MH53E back to the United States  Reported in 2018 that Japan is considering reselling its F-15 planes to fund F35 purchases and that the United States is considering reselling these planes to Southeast Asian states.	Completed in 2015  Reported in October 2019 that US Congress has approved a package to upgrade 98 of Japan's existing 202 F-15 fighter jets to "Japanese Super Interceptor Configuration". Unclear if sale of F-15 back to the United States is still under consideration.

**Appendix II**
**Japan's ODA Towards Selected Southeast Asian Countries (2014-2020)  
(Administered by Japan International Cooperation Agency)**

	<b>SE Asia Total</b>	<b>Vietnam ¥ millions</b>	<b>Philippines ¥ millions</b>	<b>Indonesia ¥ millions</b>	<b>Myanmar ¥ millions</b>	<b>Cambodia ¥ millions</b>
2014-15	361946	155615	67295	54642	25109	13587
% of SE Asia ODA		43%	18.6%	15.1%	6.9%	3.8%
2015-16	394655	192910	36485	54194	41608	15599
% of SE Asia ODA		48.9%	9.2%	13.7%	10.5%	4%
2016-17	356076	185695	30368	41992	30871	12219
% of SE Asia ODA		52.2%	8.5%	11.8%	8.7%	3.4%
2017-18	310463	114697	47413	53753	34407	13047
% of SE Asia ODA		36.9%	15.3%	17.3%	11.1%	4.2%
2018-19	326615	77177	60135	74307	59446	17600
% of SE Asia ODA		23.6%	18.4%	22.8%	7.8%	5.4%
2019-20	349317	44922	89258	75986	75897	20037
% of SE Asia ODA		12.9%	25.6%	21.8%	21.7%	5.7%
Total ODA 2014-20	2099072	771016	330954	354874	267338	92089
% of SE Asia ODA 2014-2020		36.7%	15.7%	16.9%	12.7%	4.4%
Total Value of Arm Transfers so far (Derived by Appendix One - Excluding items which have not been quantified such as donated ships / aircrafts)		37100	40650	2200	N/A	N/A
Value of Arms Transfer as % of JICA administered ODA 2014-20		4.8%	12.2%	0.6%	N/A	N/A

The country value shows total value of JICA programmes in each country including Technical Cooperation (Training Participants, Experts, Study Teams, Provision of Equipment, JOCV and other Volunteers and other costs), Finance and Investment Cooperation (disbursement), and Grants in the stipulated fiscal year. Figures exclude JICA's cooperation for multiple countries and multiple regions and organisations. Yearly figures are derived from JICA's annual reports available here:

<https://www.jica.go.jp/english/publications/reports/annual/index.html>

<sup>1</sup> The most famous of these Japanese missions abroad is the Iwakura Mission, where Japan sent delegations to both the US and the Great Britain to learn from the West. For details, see LSE STICERD Paper, “The Iwakura Mission in Great Britain”, <https://sticerd.lse.ac.uk/dps/is/IS349.pdf> ; also see James McClain, *A Modern History: Japan* (New York: W. W. Norton, 2002), pp 119-182.

<sup>2</sup> This success of importing technology and modernising Japan enabled Japan to escape the fate of colonialism and emerge as the sole Asian imperial power with her own colonies at the turn of the 20<sup>th</sup> century. The period leading up to the First World War provided the most lucrative opportunity for Japan, with the emergence of the first *Zaibatus* that helped Japan build up the industrial capacity to manufacture weapons. The key to successful weapon exports is however not just technological know-how but also an export market to keep the industry sustainable.

<sup>3</sup> Richard Samuels, *Rich Nation Strong Army: National Security and the Technological Transformation of Japan* (Ithaca and London: Cornell University Press, 1994), pp 79-129.

<sup>4</sup> “IJN Imperial Japanese Navy / ( Nihon Kaigun )” *Global Security*, <https://www.globalsecurity.org/military/world/japan/ijn.htm>.

<sup>5</sup> This outlined situations where arms exports are prohibited: (i) Communist Bloc Countries; (ii) Countries under UN Arms Embargo resolution; and, (iii) Countries involved in or likely to be involved in conflicts.

<sup>6</sup> See Michael Green, *Defense Production, Arming Japan: Alliance Politics and the Postwar Search for Autonomy* (New York: Columbia University Press, 1995).

<sup>7</sup> Sebastien Roblin, “Japan Strikes First Arms Export Deal — Can Tokyo Find More Buyers For Its Pricy Weapons?”, *Forbes*, 18 November 2019, <https://www.forbes.com/sites/sebastienroblin/2020/09/11/japan-strikes-first-arms-export-deal-can-tokyo-find-more-buyers-for-its-pricy-weapons/?sh=32d2798c2a5e>.

<sup>8</sup> Christopher Hughes (2008) Chapter Four: Japan's Military-Industrial Complex, *The Adelphi Papers*, Vol 48 Issue 403, pp67-78.

<sup>9</sup> This paper focuses mainly on Japan defence transfers to Southeast Asia during Prime Minister Abe and Suga’s tenure. Where relevant, the paper takes into account defence equipment transfers in previous decades such as those made to Indonesia to assist the fight against piracy in the Straits of Malacca, as well as in the overall discussion when referring to patterns of Japan’s technology export.

<sup>10</sup> I use the phrase “weapon system” to denote the transfer of the various defence items, particularly aerial or naval vessels. While the transfer usually involves hardware, Japan invariably also provides training in terms of usage and maintenance to the recipient country involved, hence the phrase implies that the transfer often extends beyond just hardware, to include expertise and know-how.

<sup>11</sup> See Adam Mccauley, “The Most Dangerous Waters in the World”, *Time Online*, <https://time.com/piracy-southeast-asia-malacca-strait/> ; From 1993 to 2013, 41% of the world’s piracy attacks happened in Southeast Asia.

<sup>12</sup> Jun Ishimaru, “Japan’s Cooperation for ASEAN Region in Areas of Maritime Security”, Paper Presentation ASEAN Regional Forum, <https://aseanregionalforum.asean.org/wp-content/uploads/2019/02/Annex-7-Japans-ODA-Cooperation-for-the-ASEAN-Region-in-the-Areas-of-Maritime-Security-9th-ISM-MS.pdf>.

<sup>13</sup> Purnendra Jain, “Japan’s weapon-export industry takes its first steps”, *East Asia Forum*, 30 October 2020, <https://www.eastasiaforum.org/2020/10/30/japans-weapon-export-industry-takes-its-first-steps/>.

<sup>14</sup> In this context, it is worth mentioning that Japan also offers military training for the maintenance and handling of equipment that she intends to donate such as planes or naval vessels.

<sup>15</sup> It is important, however, to contextualise weapons transfers to The Philippines. Manila has received weapons from the US (prior to 2016), South Korea (Pohang-Class Corvettes), India (missiles) Russia (assault rifles and trucks) and China (small arms). The Philippines have turned to China and Russia for arms after its traditional ally, the US refused to stock its military requests. The Chinese offer involved a donation of US\$14 million worth of military hardware to The Philippines, besides a soft loan for US\$500 million in Chinese arms. This is insignificant compared to the United States. Since 2002, the US has provided over US\$800 million worth of second-hand small arms, ships and



helicopters, and radios, armour vests, night-fighting equipment and coastal radars, peaking at US\$82 million of aid in 2015. See Tim Kelly & Nobuhiro Kubo, “Exclusive: Japan seeks Southeast Asia clout with chopper parts for Philippines military – sources”, *Reuters*, 10 August 2017,

<https://www.reuters.com/article/us-japan-defence-philippines-exclusive-idUSKBN1AQ0W3>;

Beijing’s weapons offer to the Philippines was tailored mostly for counter-drug operations. See “China offers \$14 million arms package to the Philippines: Manila’s defense minister”, *Reuters*, 20 December 2016, <https://www.reuters.com/article/us-philippines-china-arms-idUSKBN1490HN>.

<sup>16</sup> This was done with the revision of Article 116-3 of the Japan’s Self-Defense Forces Law.

<sup>17</sup> Xavier Vavasseur, “MHI To Build 2 Multi-Role Response Vessels for The Philippine Coast Guard”, *Naval News*, 19 February 2020, <https://www.navalnews.com/naval-news/2020/02/mhi-to-build-2-multi-role-response-vessels-for-the-philippine-coast-guard/>.

<sup>18</sup> “Coast guard acquires 44-meter patrol vessel from Japan”, *GMA News Online*, 18 August 2016 <https://www.gmanetwork.com/news/news/nation/578122/coast-guard-acquires-44-meter-patrol-vessel-from-japan/story/>.

<sup>19</sup> Vavasseur, op. cit.; In addition to transfers of naval assets, since 2015, the JMSDF has held regular interactions with their Filipino counterparts including cross-training between Japanese forces, the Philippine Navy and the Philippine Coast Guard, as both organisations can benefit from combined training in basic seamanship, damage control from fires and flooding, and marine navigation.

<sup>20</sup> Mike Yeo, “Japan to bolster Philippine maritime security with TC-90 aircraft”, *Defense News*, 30 October 2017, <https://www.defensenews.com/global/asia-pacific/2017/10/30/japan-to-bolster-philippine-maritime-security-with-tc-90-aircraft/>.

<sup>21</sup> The transferred package included items such as airframe structures, dynamic power control, rotor, hydraulic, electrical, and instrument systems.

<sup>22</sup> Prashanth Parameswaran, “Why the New Japan-Philippines Military Helicopter Parts Deal Matters”, *The Diplomat*, 30 March 2019, <https://thediplomat.com/2019/04/why-the-new-japan-philippines-military-helicopter-parts-deal-matters/>.

<sup>23</sup> Frances Mangosing, “Philippine Air Force receives Huey spare parts from Japan”, *The Inquirer*, 19 March 2019, <https://newsinfo.inquirer.net/1097432/philippine-air-force-receives-huey-spare-parts-from-japan>.

<sup>24</sup> “Transfer of Air Surveillance Data to Philippines”, Embassy of Japan in Philippines, 28 August 2020, [https://www.ph.emb-japan.go.jp/itpr\\_en/11\\_000001\\_00188.html](https://www.ph.emb-japan.go.jp/itpr_en/11_000001_00188.html).

<sup>25</sup> Walter Sim, “Japan wants to sell air defence radar equipment to the Philippines”, *The Straits Times*, 14 December 2018, <https://www.straitstimes.com/asia/east-asia/japan-wants-to-sell-air-defence-radar-equipment-to-the-philippines>.

<sup>26</sup> “Mitsubishi wins contract to sell air radar system to Philippines”, *The Asahi Shimbun*, 26 March 2020, <http://www.asahi.com/ajw/articles/13247035>.

<sup>27</sup> Sebastian Strangio, “Japan’s Suga Set to Authorize Arms Sales to Vietnam”, *The Diplomat*, 15 October 2020, <https://thediplomat.com/2020/10/japans-suga-set-to-authorize-arms-sales-to-vietnam/>.

<sup>28</sup> Jon Grevatt, “Japan, Vietnam Prepare defence-trade agreement”, *Janes Defence News*, 15 October 2020, <https://www.janes.com/defence-news/news-detail/japan-vietnam-prepare-defence-trade-agreement>.

<sup>29</sup> Dian Septiari, “RI to acquire Japanese patrol ship by years end”, *The Jakarta Post* 17 Feb 2020, <https://www.thejakartapost.com/news/2020/02/17/ri-acquire-japanese-patrol-ship-year-s-end.html>.

<sup>30</sup> See, Press Release by the Japanese Embassy in Jakarta, “Second Japan-RI Minister of Foreign Affairs and Minister of Defense (2+2) Meeting, [https://www.id.emb-japan.go.jp/news21\\_11.html](https://www.id.emb-japan.go.jp/news21_11.html) ; also see Sebastian Strangio, “With an Eye on Beijing, Japan and Indonesia Sign Arms Export Equipment”, *The Diplomat*, 31 March 2021, <https://thediplomat.com/2021/03/with-an-eye-on-beijing-japan-and-indonesia-sign-arms-export-equipment/>.

<sup>31</sup> Sebastian Strangio, “Japan Could Deliver 8 Cutting-Edge Frigates to Indonesia”, *The Diplomat*, 8 April 2021, <https://thediplomat.com/2021/04/japan-could-deliver-8-cutting-edge-frigates-to-indonesia/>.

<sup>32</sup> For instance, in the recent Philippine deal, Japan's Mitsubishi 4 radar offerings cost the same as five radar deals by Lockheed and Israel's Elta. See Sebastian Roblin, "Japan Strikes First Arms Export Deal – Can Tokyo Find more Buyers for its Pricey Weapons", *Forbes*, 11 September 2020, <https://www.forbes.com/sites/sebastienroblin/2020/09/11/japan-strikes-first-arms-export-deal-can-tokyo-find-more-buyers-for-its-pricy-weapons/?sh=1dff2b712a5e>.

<sup>33</sup> The US is by far the largest arms donor/supplier to The Philippines. Since 2000, the United States has donated close to US\$1 billion ranging from surveillance planes, drones and boats. Relations between Manila and the West deteriorated over President Duterte's campaign against drugs where extrajudicial killings were conducted by security forces in The Philippines, with Washington suspending a sale of 20,000 rifles to Manila. The Russians and Chinese both made overtures to The Philippines during Duterte's term with weapon transfers that would help in the war on drugs, and the fighting in Marawi City against Islamic fundamentalists. In total, Russia and China donated more than 11,000 assault rifles and trucks to Manila. However, the US has recently reaffirmed that it will continue selling arms to The Philippines despite the criticisms. Nick Aspinwall, "US to sell Philippines arms despite no human rights reforms", *Nikkei Asia*, 24 February 2021, <https://asia.nikkei.com/Politics/International-relations/Biden-s-Asia-policy/US-to-sell-Philippines-arms-despite-no-human-rights-reforms>.

<sup>34</sup> Russia has been offering to sell weapons to Southeast Asian states since the mid-1990s. In particular, Moscow approached The Philippines to sell fighter jets, submarines and helicopters on a cash or barter basis but has been unsuccessful. Manuel Mogato, "Philippines, Russia sign two military deals", *Reuters*, 25 Oct 2017, <https://www.reuters.com/article/us-philippines-russia-defence-idUSKBN1CU1K6>; also see Raissa Robles, "Russia offers arms technology to the Philippines with 'no conditions' as US ties falter", *South China Morning Post*, 24 Oct 2019, <https://www.scmp.com/week-asia/politics/article/3034460/russia-offers-arms-technology-philippines-no-conditions-us-ties>.

<sup>35</sup> Kiran Sharma, "Philippines set to be first buyer of India-Russia cruise missile", *Nikkei Asia*, <https://asia.nikkei.com/Politics/International-relations/Philippines-set-to-be-first-buyer-of-India-Russia-cruise-missile>.

<sup>36</sup> South Korea has exported 12 FA-50 light attack aircraft to Philippines in 2014, and all aircrafts were delivered by 2017. Ruben Santos, "South Korea completes delivery of FA-50PH squadron", *Philippines Update*, 31 May 2017, <https://www.update.ph/2017/05/south-korea-completes-delivery-of-fa-50ph-squadron/17851>; South Korea transferred a Pohang Class Corvette to The Philippines in 2019. The ship is now known as BRP Conrado Yap (previously ROKS Chungju) and is widely acknowledged to be the most heavily armed ship in the Philippine Navy, and brings Anti-Submarine Warfare (ASW) capabilities to the Philippine Navy. The Philippines Navy will acquire two frigates (BRP Jose Rizal in 2020 and the BRP Antonio Luna in 2021) from ROK's Hyundai Heavy Industries. Additionally, Manila is thinking of acquiring two more advance Corvettes from ROK's HHI, and anticipates the donation of two additional Pohang Class Corvettes. See JC Gottinga, PH to buy 2 navy corvettes from South Korea, may receive 2 more, *Rappler*, 24 August 2019.

<sup>37</sup> Meaghan Tobin, "From Russia with guns: why is Southeast Asia buying arms from Moscow, not Washington?", *South China Morning Post*, 12 Oct 2019, <https://www.scmp.com/week-asia/politics/article/3032608/russia-guns-why-southeast-asia-buying-arms-moscow-not-washington>.

<sup>38</sup> Zachary Abuza, "America should be realistic about its alliance with Thailand", *War on the Rocks*, 2 January 2020, <https://warontherocks.com/2020/01/america-should-be-realistic-about-its-alliance-with-thailand/>.

<sup>39</sup> The process of "normalisation" would essentially revolve around three key policy aspects for neo-conservative politicians in Japan: (1) Eroding pacifism through the rehabilitation of the use of military force in Japan; (2) Adapting US-Japan alliance to serve Japan's needs and globalising Japan's security presence; and (3) Revising the Constitution to enable Japan to address the security challenges of the future. For a more in-depth discussion, see Victor Teo, Japan's Arduous Rejuvenation as a Global

Power: Democratic Resilience and the US-China Challenge (Singapore: Palgrave-Macmillan, 2019), <https://link.springer.com/book/10.1007/978-981-13-6190-6#authorsandaffiliationsbook>.

<sup>40</sup> Felix Heiduk, “An Arms Race in Southeast Asia?”, *German Institute for International and Security Affairs*, August 2017, <https://www.swp-berlin.org/en/publication/an-arms-race-in-southeast-asia/>.

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