

Japan-U.S. Summit under Trump 2.0 Agreed to Deepen Alliance and Cooperation

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On February 7, Japanese Prime Minister Shigeru Ishiba and U.S. President Donald Trump held a face-to-face meeting at the White House in Washington. At that first Japan-U.S. summit under the Trump 2.0 administration, Ishiba and Trump met face-to-face for the first time ever.

Based on the summit, the Japanese and U.S. leaders issued their joint statement, in which they first “affirmed their determination to pursue a new golden age for U.S.-Japan relations that upholds a free and open Indo-Pacific.” The statement sets out three pillars: (1) “U.S.-Japan cooperation for peace” to give priority to enhancing the U.S.-Japan alliance further, (2) “U.S.-Japan cooperation for growth and prosperity” to further upgrade bilateral economic cooperation, (3) “U.S.-Japan coordination in the Indo-Pacific” to address the severe and complex security environment. They thus affirmed that Japan and the United States will further enhance and deepen their traditional cooperation in these areas.

The Japan-U.S. summit attracted a great deal of interest and attention in many ways in both Japan and the United States, as well as around the world. First, attention focused on what would happen to Japan-U.S. relations when Trump 2.0 was shaking the world greatly by launching various policies in rapid succession since its January 20 inauguration. Earlier in February, Trump 2.0 announced the imposition of 25% tariffs on Mexico and Canada, with which the United States has had close relations, causing tensions between the United States and its two neighbors and even around the entire world. Stock prices fluctuated wildly in the aftermath. Eventually, Trump 2.0 postponed the imposition of tariffs on Mexico and Canada for one month. However, it implemented an additional 10% tariff

on China. In response, China vowed to levy tariffs on some U.S. goods and products and filed a complaint against the U.S. tariffs with the World Trade Organization. Depending on future developments, new turmoil may occur in the global economy. Against this backdrop, global attention focused on what would happen to the United States’ relations with Japan, the most important U.S. ally in the Asia-Pacific (Indo-Pacific).

The second focus of attention was what kind of discussions Trump, who reportedly places importance on personal relationships with foreign leaders, would hold with Ishiba attending his first Japan-U.S. summit to build their personal relationship. During his first term as U.S. president, Trump and then Japanese Prime Minister Shinzo Abe built an extremely good relationship of trust, which is said to have had a great positive effect on overall U.S.-Japan relations. At a time when more and more Trump-style initiatives began to dominate the world at the outset of his second term, there was a great deal of interest in what relationship Ishiba and Trump would build.

Under such circumstances, the Japan-U.S. summit was viewed as sufficiently successful. The joint statement clarifies that the two countries recognize the importance of deepening their alliance and cooperation in an extremely positive manner. I interpret the joint statement as emphasizing the two strategically important partners’ spirit of understanding, being conscious of, and respecting each

other's importance and promoting their cooperation while the domestic and external environments surrounding the two countries are severe, complex, and plagued with various challenges. I hope that the two leaders exchanged opinions frankly and effectively and built their personal relations smoothly at their first meeting. When asked at a joint press conference with Trump whether Japan would retaliate if the United States placed tariffs on Japanese imports, Ishiba humorously replied: "I am unable to respond to a theoretical question. That's the official answer that we have." Amid general laughter, Trump said, "That's a very good answer."

In this way, the Japan-U.S. summit got off to a good start under Trump 2.0. However, subsequent bilateral cooperation is going to be crucial. Now that the leaders have confirmed the importance of enhancing and deepening cooperation, it will be essential to materialize cooperation in the future. In deepening the Japan-U.S. alliance and cooperation, the governments, related organizations, and private companies of the two countries will advance discussions to materialize various measures that are written and unwritten in the joint statement. In this essay, I would like to focus on the issue of cooperation regarding LNG, which is mentioned in the joint statement.

Under the second subtitle "U.S.-Japan Cooperation for Growth and Prosperity," the joint statement says, "The two leaders announced their intention to strengthen energy security by unleashing the United States' affordable and reliable energy and natural resources, and by increasing exports of U.S. liquefied natural gas to Japan in a mutually beneficial manner." Although the statement mentioned critical minerals, nuclear energy, and small modular reactors as well for bilateral cooperation, the important focus was on cooperation regarding LNG. A Trump 2.0 executive order takes up Alaskan LNG and emphasizes exports to U.S. allies in the Asia-Pacific region such as Japan. Alaskan LNG exports are positioned as an important priority for Trump 2.0, which emphasizes "energy dominance."

For the United States, the expansion of LNG exports is expected to boost the U.S. economy by increasing investment and business opportunities and reducing trade deficits. On the other hand, Japan, which has a low energy self-sufficiency rate and is a major LNG importer, expects to strengthen its energy security through the expansion of imports of U.S. LNG. Expanding LNG imports from the United States as Japan's ally may lead to the diversification of LNG import sources. Depending on LNG shipping ports, LNG imports from the United States may help diversify import routes, avoid transportation chokepoints, and reduce transportation distances, time, and costs. If various conditions are met, it is expected that meaningful LNG cooperation between Japan and the United States will be promoted.

In future talks on the materialization of cooperation on LNG, the promotion and realization of investment will be an issue for the United States, on the supply side. For Japan, on the consumption side, LNG procurement at competitive prices will be an extremely important point. With regard to LNG development in Alaska, which has become one of the topics for the summit, it has been pointed out that infrastructure development such as pipeline construction, as well as resource development, will be required, boosting investment costs. A future focus of attention will be whether the advantages in terms of transportation routes, distances, and time will offset problems such as higher investment costs to make Alaskan LNG supply sufficiently competitive for Japan.

Given the importance of Japan-U.S. cooperation, it is significant to expand the scope and scale of LNG cooperation and consider how it can be developed in a way that is more beneficial to both sides. In addition to Alaskan LNG, it is important for the supply side to expand the potential of LNG projects that are expected to emerge in the 48 other mainland U.S. states such as those on the Gulf of America (Mexico) coast. On the demand side, Japan-U.S. LNG cooperation should cover not

only Japan but also Southeast Asian and other growing Asian markets as U.S. LNG export destinations. It is possible and important for Japan and the United States to promote cooperation in securing financing and developing LNG markets in Southeast Asia. Japan-U.S. LNG cooperation is expected to become more mutually beneficial through its expansion. Of course, it is also important to expand bilateral cooperation regarding not only LNG but also nuclear energy and SMR, critical mineral supply chains, carbon capture and storage, hydrogen, and other energy areas. There is no doubt that energy is positioned as a priority area for Trump 2.0. Meaningful energy cooperation proposals for Japan may be attractive for Trump 2.0. Japan and the United States should mobilize the wisdom of their public and private sectors to promote energy cooperation.

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