

Japan plans big defence spending boost to counter rising China threat

Tokyo move to increase military spending triggered by Taiwan tensions and Russia's invasion of Ukraine



Japan has moved to increase its defence capabilities after China's unprecedented military drills near Taiwan in response to a controversial visit by US House Speaker Nancy Pelosi © Akio Kon/Bloomberg

Kana Inagaki in Tokyo YESTERDAY

Japan will upgrade its cruise missiles and research hypersonic weapons as it seeks to significantly increase military spending to counter what Tokyo sees as the rising threat from China.

The defence ministry on Wednesday made a record ¥5.6tn (\$40bn) budget request for the year to March 2024, compared with ¥5.4tn in planned spending for the current fiscal year.

But people with knowledge of internal ministerial discussions said the final budget would top at least ¥6tn after the inclusion of additional requests for military equipment to be made at the end of 2022, when [Japan](#) will release a new national security strategy and defence guidelines. This would make the figure one of the biggest increases in the country's military spending in the postwar period.

Tokyo has been [steadily increasing](#) its defence budget for the past decade, but spending has remained equivalent to about 1 per cent of gross domestic product, which is low by global standards.

That is poised to change under Prime Minister Fumio Kishida, who has pledged to “significantly” upgrade defence capabilities after Russia's invasion of Ukraine raised fears that China could make a similar move against [Taiwan](#).

The ruling Liberal Democratic party has called for Japan to match Nato's target for member states to spend 2 per cent of GDP on defence, but the government has not set a specific target.

The people familiar with the budget discussions said Japan was considering developing homegrown cruise missiles that would have a range of more than 1,000km. This would allow Japan to strike targets within North Korea or China from ships and fighter jets.

The long-range surface-to-ship missiles are expected to form the basis of first-strike capabilities against enemy bases that Japan, which has traditionally committed to a purely defensive military stance, is considering as part of the national security strategy.

Those deliberations are likely to intensify after China carried out a series of [unprecedented military exercises](#) in response to a visit to Taiwan by US House Speaker Nancy Pelosi. Tokyo criticised Beijing for firing ballistic missiles into Japan's exclusive economic zone for the first time as part of the drills this month.

The upgrade of cruise missile capability is expected to be part of a long shopping list of additional items that the defence ministry plans to put price tags on by the end of 2022.

The budget request included outlays for drills to be conducted around the waters of the southernmost tip of the Ryukyu island chain — which Tokyo calls [the Nansei islands](#) — where China has recently increased its naval presence. It also included spending on unmanned aerial vehicles as well as cyber security and space capabilities.

Keitaro Ohno, an LDP parliamentarian formerly in charge of economic security issues, said debate about strengthening Japan's capabilities should not focus only on missiles and other weapons but also on research and development, growth of domestic defence companies and other basic needs such as ammunition.

“Instead of simply increasing combat equipment, we need to focus on building a robust structure for the defence industry,” Ohno said.

How far the Kishida administration can actually increase military spending remains unclear. The prime minister will need the backing of the LDP's coalition partner Komeito, which draws its support from Buddhist voters, for the expanded budget and the addition of first-strike capabilities.

Those talks are expected to begin in October.

“Komeito may make tough demands and there is the risk that additional individual requests for spending would not be approved,” a senior LDP parliamentarian said.

Some people within the LDP have called on the government to use this year’s defence budget to send a strong message on security. But others have questioned how Japan will finance big outlays as it also addresses an ageing population and ballooning social security spending.

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