

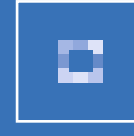
# Northeast Asia's engagements with the Middle East

Ilhong Ko

Northeast Asia's links with the Middle East can be traced back to ancient times, when the two regions were connected via trade routes. The material remains of these trade relations, housed in the museums of Japan, South Korea, and China, are a vivid reminder of the active movement of Arab merchants and goods. In the modern period, engagements between the two regions have extended to the political, as well as economic realms. In this issue of *News from Northeast Asia*, we examine the reality of modern interactions between the Middle Eastern region and the countries of Northeast Asia, focusing on issues such as energy, diplomacy, investment, and military relations.

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The Seoul National University Asia Center (SNUAC) is a research and international exchange institute based in Seoul, South Korea. The SNUAC's most distinctive feature is its cooperative approach in fostering research projects and international exchange program through close interactions between regional and thematic research programs about Asia and the world. To pursue its mission to become a hub of Asian Studies, SNUAC research teams are divided by different regions and themes. Research centers and programs are closely integrated, providing a solid foundation for deeper analysis of Asian society.

Of the Northeast Asian countries, Japan was the first to establish formal economic relations with the Middle East in the modern period. The way in which these economic, and later political, relations developed throughout the 20th century to the present day is addressed by Akiko Yoshioka, Senior Analyst at the JIME Center-IEEJ, in 'Relations between Japan and the Middle East'. For South Korea, the Gulf region has been a 'land of opportunities' since the 1970s. In 'Reinventing the Middle East? South Korea's Engagements with the Gulf amid Geopolitical Conflicts', June Park of Seoul National University discusses the potentials and risks facing South Korea's maneuvers in the Middle East. China's presence in the Middle East is considerable indeed, and its influence in the

region is expected to increase even further. In an attempt to present a multi-faceted view of China-Middle East relations, two perspectives are presented. The way in which China envisages its role in, and relationship with, the region is first illustrated by Tsinghua University's Tingyi Wang in 'China and the Middle East: Old Friends in a New Era'. The reality of China's engagements in the Middle East is then examined by Ceren Ergenç of Middle East Technical University in 'China's Relations with the Middle East: A Perspective from the Region'.

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## Relations between Japan and the Middle East

Akiko Yoshioka

The beginning of the 20th century saw a rapid increase in Japan's demand for oil, along with the introduction of motor vehicles and warfare, while domestic oil production had already peaked at the time. Safeguarding a stable supply of oil became a keystone of Japan's energy security, which led Japan to the Middle East, as well as Asia and Russia.

Japan's first import of Middle Eastern oil took place in 1921 from Iran.<sup>1</sup> After World War II, Japanese demand for oil continued to increase, for postwar reconstruction and economic growth. Despite failing in Saudi Arabia and Iraq in the 1930s due to insufficient development funds and technical capacities,<sup>2</sup> Japan's endeavor to secure crude oil by developing oil wells eventually succeeded in 1957, when the Arabian Oil Company gained concession of the Khafji field at the neutral zone between Saudi Arabia and Kuwait. However, since most of Japan's oil was imported through major Western oil companies that controlled vast resources

by concession agreements, Japan's relations with Middle Eastern countries, albeit important, were not considered vital.

A paradigm shift occurred in 1973 when the Organization of Arab Petroleum Exporting Countries (OAPEC) implemented an oil embargo after the fourth Arab-Israeli war. Japan had failed to be categorized as an Arab-friendly nation and was informed of an export reduction. The news caused a so-called 'toilet-paper panic' among the Japanese who believed paper production would soon stop, leading to massive purchases. The oil crisis accelerated inflation, which led the government to introduce a legal framework to prevent the hoarding of goods and the arbitrary hiking of prices. This event inspired some serious rethinking with regard to Japan's energy security and its relations with the Middle East. As a new initiative to understand Middle East geopolitics and to strengthen ties, the Japanese Institute of Middle Eastern Economies (JIME), the predecessor of JIME Center-IEEJ, was established in 1974.

On the energy security front, the national oil stockpile, which did not exist in 1973, is now secured for more than 100 days, and energy-saving measures have become prevalent in Japanese society. The Japanese government also increased the use of nuclear energy and natural gas in an attempt to diversify its primary energy supply. Therefore, the share of oil among primary energy sources decreased significantly from 75.5% in 1973 to 41.1% in 2015.<sup>3</sup> However, in terms of dependence on Middle Eastern oil, not much has changed; the current share of the oil supply coming from the Middle East is more than 80%, higher than the 77.5% in 1973—although it did temporarily decrease in 1987 to 69.7%. In 2015, four Middle Eastern nations—Saudi Arabia, the UAE, Kuwait, and Qatar—provided as much as 75.4% of Japan's oil. Since 1975, either Saudi Arabia or the UAE have been top oil exporters to Japan; meanwhile, UAE, Qatar, and Oman provide a quarter share of Japan's natural gas supply. In 2011 Qatar doubled its gas export to Japan following the suspension of nuclear power operations caused by the Great East Japan Earthquake, and became Japan's third gas provider besides Australia and Malaysia.<sup>4</sup> Since the Ministry of Economy, Trade and Industry (METI) has predicted that oil and natural gas will continue to make up about half of Japan's primary energy in 2030, relations with the Middle East shall remain the most important for Japan's energy security.

Relations between Japan and the Middle East have grown outside the realm of energy in past decades. The Middle East is an important market for the automobiles and machinery export, as well as for infrastructure development for Japanese companies, who have also worked on enhancing human resources and technical cooperation in various fields through government support. Japan International Cooperation Agency (JICA) has been engaged in several reconstruction projects after the Iraq War in 2003, such as power plants, water-supply systems, communication networks, oil refineries, and fertilizer factories. At the beginning of the 21st century, some gulf airlines introduced direct flights to Japan and contributed to raising the profile of Arab Gulf countries among the Japanese. Dubai has now become a well-known tourist destination among the Japanese, in addition to the historic cities of Istanbul and Cairo.

Beyond these economic aspects, the Middle East has also been the center stage of national security discussions, especially since the end

of the Cold War. During the Gulf Crisis and the Gulf War in 1990–1991, the Japanese government maintained a rather tentative approach to the hostage situation in Iraq, where hundreds of Japanese were used as human shields; at the same time they were asked by the United States to contribute militarily in the war as an ally. It was the first time post-World War II that Japan had to deal with an international conflict. Even though Japan ended up spending as much as \$13 billion, the *ad hoc* policy was not appreciated in the international community, and the Gulf War is now remembered as a diplomatic defeat. Since then, Japan has pursued a 'Proactive Contribution to Peace' policy, sending the Self-Defense Force (SDF) overseas mainly through peace-keeping operations with the UN. A new law in 2007 upgraded international operations as the primary mission of the SDF. So far, the SDF has been deployed to the Persian Gulf (1991), the Golan Heights (1996–2013), Iraq (2004–2008), Sudan (2008–2011), and South Sudan (2011–2017), as well as other Asian and African countries.

Japan's active political and economic engagement with the Middle East, at both government and private levels, aims to achieve peace and stability in these countries. For this purpose, Japan has been deeply involved in the Middle East peace process since the 1990s. However, Japan lacks the political leverage to be an influential mediator between parties in conflict because of stringent constitutional limitations on the military sphere, despite the historical advantage of neutrality it has enjoyed in the Middle East compared to European countries. Therefore, Japan's approach to energy security and strengthening relations with the Middle East has been and will be mainly to focus on the economic field, including a steady and long-term commitment to human and social development.

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### Notes

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