

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <https://www.djreprints.com>.

<https://www.wsj.com/articles/japan-approves-extra-defense-spending-and-sets-a-record-11637916622>

WORLD | ASIA | JAPAN

Japan Approves Extra Defense Spending and Sets a Record

With China in mind, Tokyo budget allots 1.14% of GDP for the military, erasing longstanding guideline



Traditionally, Japan has kept defense spending in a given fiscal year below 1% of the previous fiscal year's GDP.

PHOTO: POOL/REUTERS

By [Chieko Tsuneoka](#)

Nov. 26, 2021 3:50 am ET

TOKYO—Japan's cabinet approved a boost in defense spending that for the first time will bring the annual total beyond ¥6 trillion, to the equivalent of \$53 billion, responding to China's rapid military expansion and U.S. requests for upgrades.

The move makes Tokyo's defense budget for the current fiscal year equal to 1.14% of last fiscal year's gross domestic product, exceeding an informal guideline of 1% of GDP that has usually been observed in recent decades.

Defense officials said the spending would be used to speed up deployment of patrol aircraft, helicopters and personnel defending the island chain that runs from southern Japan toward Taiwan, a sensitive region where China has stepped

up military maneuvers.

It will also be used to accelerate purchases of missile-defense equipment after North Korea resumed test-firing missiles in September, including what it said was a submarine-launched ballistic missile that landed in waters off the coast of Japan on Oct. 19.

The money is part of an economic stimulus package announced on Nov. 19 and is included in an extra budget expected to get parliamentary approval in December.

While Japan often adopts extra budgets to stimulate its chronically slow-growing economy, it is unusual to use the money in those budgets to place new orders for military equipment. The government said when deciding on the stimulus that “the security environment surrounding Japan is increasing in severity at an unprecedented pace.”

A defense official said, “We packed in as many items as possible that could be allocated ahead of schedule.”

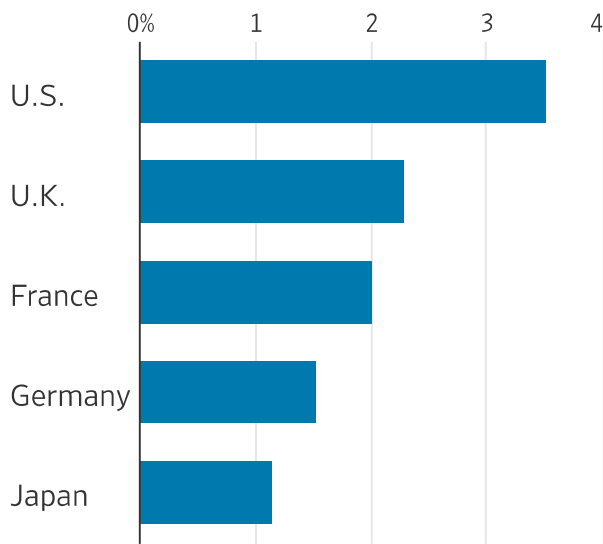
The extra spending approved by the cabinet Friday amounts to ¥774 billion and brings the total for the current fiscal year, which ends March 2022, to ¥6.1 trillion, topping the ¥6 trillion mark for the first time. In dollar terms, the current fiscal year total of about \$53 billion isn’t a record because the yen was much stronger about a decade ago, so a smaller yen total then translated into more dollars.

Traditionally, Japan has kept defense spending in a given fiscal year below 1% of the previous fiscal year’s GDP, although it has slightly exceeded that level on several occasions and it isn’t a legal requirement.

This fiscal year’s total defense spending significantly exceeds the 1% level and suggests that it no longer holds force even as an informal benchmark. Defense officials said they haven’t decided how much to seek next fiscal year, but it would be difficult to make the sharp cuts needed to get back below 1% of GDP.

Prime Minister Fumio Kishida’s ruling party has said it is taking note of a target set by U.S. allies in the North Atlantic Treaty Organization to spend at least 2% of GDP on defense, although Mr. Kishida hasn’t committed to that level.

Defense spending as a percentage of gross domestic product, 2021



Note: Figures are estimates. Japan figure is for fiscal year ending March 2022.

Source: North Atlantic Treaty Organization; Japan Cabinet Office and Japan Defense Ministry

Former President [Donald Trump](#) as well as officials in the Biden administration and analysts in Tokyo have raised concerns that Japan's defense spending falls short of what it needs to address threats from China and North Korea. China's annual defense spending, once a fraction of Japan's, is now about four times as big, and even South Korea, with a population less than half of Japan, spends about as much on defense.

In October, China and Russia held a joint naval exercise in which 10 of their warships made a near-circle around Japan's main island of Honshu, passing through international waterways north

and south of the island. In November, two bombers from each country flew over the Sea of Japan and the East China Sea before heading toward the Pacific Ocean.

"The two countries, each with powerful military might, are conducting exercises together. This is a matter of concern not just for our country but for every country," said Japanese Defense Minister Nobuo Kishi on Wednesday.

The [additional defense spending](#) approved Friday includes accelerated deployment of P-1 patrol aircraft, C-2 transport aircraft and UH-2 multipurpose helicopters, as well as faster construction of housing for military personnel on the southern Japanese island of Ishigaki, where a new missile unit is scheduled to be deployed by March 2023.

Japan has been increasing imports of U.S. military hardware [such as F-35 jet fighters](#) and Osprey tilt-rotor aircraft, but most of the latest hardware spending will go for Japanese-made weapons. Tokyo defense officials have said they want to keep a healthy domestic arms-manufacturing business.

Mr. Kishida, the prime minister, is working on revising Japan's national security strategy, with decisions expected as soon as the end of next year.

Write to Chieko Tsuneoka at chieko.Tsuneoka@dowjones.com

Appeared in the November 27, 2021, print edition as 'Japan Defense Outlay Rises With China in Mind.'

Copyright © 2021 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit <https://www.djreprints.com>.