

5 December 2016

Dear friends,

I hope this email finds you well.

Recently I delivered a speech to the Asia Society Australia in Sydney which highlighted our efforts on economic and security issues, and their relevance for Japan–Australia relations.

In my speech, I explained Japan’s Abenomics agenda of economic reform, which is in two stages. Through stage one—which began in 2012—nominal GDP has risen by 7.0 per cent, while real GDP has grown by 3.3 per cent. Furthermore, nominal gross national income has risen by 7.6 per cent and by 5.6 per cent in real terms. Abenomics has provided the kick-start necessary to revitalise Japan’s economy and as Prime Minister Abe has declared, “Japan is back.”

To capitalise on these strong results, the Abe Government has embarked on stage two of Abenomics, which will drive structural reforms across a wide range of areas. Key initiatives include:

- preparing for the fourth industrial revolution by driving growth in the fields of:
 - the Internet of Things
 - Big Data, and
 - artificial intelligence and robotics
- revolutionising Japan’s healthcare sector using IT and selective privatisation
- deregulating the country’s energy market to stimulate investment.

Other reforms will boost productivity in the agricultural sector, increase tourism and skilled migration, and enhance employment opportunities for women and older workers.

Another way in which the Abe Government is seeking to raise productivity and economic growth is by bolstering international economic engagement. The Japan–Australia Economic Partnership Agreement (JAPEA) has already played a major role in this connection, and the Trans–Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP) have potential to build further on the reform momentum that JAPEA has helped to generate.

Notwithstanding the TPP's economic significance, the pact also has a very important role to play in strategic terms as it will help bind the United States to the region. Ratification of the deal by the US Congress would also send a clear signal that the US intends to maintain the leadership role it has upheld in the Asia-Pacific for many decades.

While continuing our efforts to bring the TPP into force, it is crucial that Australia and Japan forge even closer ties based on our shared values and common interests.

Ever since the 2007 Japan-Australia Joint Declaration on Security Cooperation was signed, our countries have steadily developed a framework for a closer, more integrated security posture, and we now share a special strategic partnership.

Examples of Japan and Australia's deepening security-related cooperation includes:

- signing the Trilateral Information Sharing Arrangement between Japan, Australia and the US in Hawaii in October
- stepping up Japan's joint exercises with Australia, notably through events such as Talisman Sabre and Southern Jackaroo
- the bilateral cooperation between Japan and Australia in response to natural disasters in the Philippines and Vanuatu.

Our region and the world are faced with growing uncertainty in both economic and security terms. While the present challenges should not be understated, Japan and Australia have the capacity to respond to these issues and challenges in a positive and constructive way, and we'll work together to ensure the peace and prosperity of our region is preserved and enhanced in the years ahead.

I have attached a copy of my speech for your records. ([Full text of Ambassador's speech](#))

Yours Sincerely,

/S/

Sumio Kusaka

Ambassador of Japan to Australia