

**“The strategic environment of the Asia Pacific region :  
addressing the challenges ahead”**

Ladies and gentlemen,  
Good afternoon

- I am delighted to be here today, and would like to thank **Mr Jennings** for giving me the opportunity to speak to you about **the strategic environment of the Asia-Pacific**, and to reveal some of my thoughts about **meeting the challenges of the region**.

*1 The strategic environment of the Asia-Pacific region*

- Let me start with the changing strategic environment of the Asia-Pacific region.

*(1) Center of world growth*

- In the Asia-Pacific region, we are witnessing the rise of **China** and **India** as well as the rapid economic development of **South-East Asian countries such as Indonesia**.
- This region is now in the process of becoming **the center of world growth**.
- For example,
  - the total GDP of China, India and ASEAN member countries has increased four-fold over the last decade.
  - Some experts predict that the GDP of China will be four times bigger than that of Japan by the year 2020 and it will exceed the GDP of the US sometime between 2020 and 2040.
  - India's GDP is also expected to be one and a half times bigger than Japan's by 2030.

*(2) Destabilizing factors in security*

- However, the region faces various **potential risks to its stability**.
- These include;

----the provocative actions of **North Korea**,  
----the status of **Taiwan**,  
----**China's** military build-up without transparency,  
and

----tensions in **the South China Sea** and **East China Sea**.

- The security environment around Japan is in the process of transformation, and is becoming increasingly tense and complicated.
- There are in addition other challenges such as **food security**, **energy issues** and **environmental threats** that might negatively affect the economic growth of the region in the future.

### *(3) Challenges to the existing order*

- I would like to add one more important aspect in this region. It is about **challenges to the existing order**.
- **Emerging countries**, as a result of their increased economic and political influence, have also affected **the strategic environment of the region**.
- They have enjoyed the benefits of **current international political and economic systems**, such as the rule of law, the free-trade system and freedom of the navigation, in order to achieve their economic growth.
- Despite this, they have, on occasion, sought to create **a new order**, based on self-interest, and in contravention to established rules.
- Such behavior is typical of countries such as **China**, which is in the process of pursuing its ambition to become **a strong nation**, and realize its "**China dream**".

### *(4) How we could maintain peace and stability*

- Under these circumstances, I believe that **three areas** should be addressed in order to maintain peace and stability for Japan and peace and stability in the whole Asia Pacific region.

----**Firstly**, it is appropriate that we examine **the establishment of new systems and rules** for the future of the region. These systems should maintain the strengths of **the existing order**, and

should be developed in cooperation with all relevant countries, including **emerging ones**.

----**Secondly**, we should strengthen **the alliance and cooperation** with countries with whom we share **fundamental values and strategic interests**.

----**Thirdly**, we should strengthen **confidence-building** and establish a **mechanism for crisis management** with neighboring countries.

## *2 Meeting challenges*

- I would like to start with the first area of “**rule making based on regional cooperation**”.

### *(1) Rule making based on regional cooperation*

- Looking at the Asia-Pacific region, we see the formation of a range of frameworks based on regional networks .
- Let me start with the economic field.

#### *① Economy*

- **The growth in economic interdependence or the establishment of rules** that relate to it will not have an immediate effect on **regional security**.
- However, there is no doubt that enhancing **the integration of the region** will contribute to an improvement in **security**.
- **ASEAN** has taken the initiative to develop such frameworks in areas such as **finance and trade, confidence building, environment, narrowing economic gaps** and so on.
- Many emerging countries are already a part of these frameworks.
- I expect that under such frameworks, rule making processes will be further promoted, aimed at tackling the present challenges of the Asian region, and that such rules will be shared by the region as a whole.
- In regards to **economics and trade**, the inclusion of **emerging**

economies in the creation of new rules is important to promote **freer trade and investment**.

- This is particularly necessary with regard to regional economic partnerships such as the **TPP(Trans Pacific Partnership)** and the **RCEP(Regional Comprehensive Economic Partnership)**.
- **These two approaches**, when combined into a single system in the future, will assist in liberalizing trade and investment in the Asia Pacific, and help to promote **the integration of the region**.

## ② *Security*

- In the fields of **politics and security**, we should attach importance to the strengthening of regional frameworks, such as the **East Asia Summit (EAS)**, the **ASEAN Regional Forum(ARF)** and the **ASEAN Defense Ministers' Meeting Plus (ADMM Plus)**.
- **The East Asia Summit(EAS)** is a forum in which the leaders of 16 East Asian countries, the US and Russia, exchange views on how to proceed with various issues of common interest in the region.
- **The EAS** should be promoted as a principal forum to confirm common objectives and lay out the basic rules of the region, as well as realize **concrete cooperation in political, security and other areas**.
- **The ASEAN Regional Forum(ARF)** aims to improve the security environment of the Asia-Pacific by building confidence among member countries.
- This forum is useful in that it provides a motivation for each country in the region to take responsible action.
- **The ASEAN Defence Ministers' Meeting Plus(ADMM Plus)** was established in 2010 and is the only official meeting for the regions' defense ministers.
- **The ADMM Plus** will become a core feature of security cooperation in the region.

## (2) *Strengthening the alliance and cooperation*

- Next, I would like to move to my second point about strengthening the alliance and cooperation with countries with whom we share fundamental values and strategic interests.
- I will mainly touch upon strengthening the **US Japan alliance** and **Australia Japan defense cooperation**.

### ① *US-Japan alliance*

- First I would like to talk about **US-Japan alliance**.
- The peace and stability of the Asia Pacific region as it exists today has been maintained by the close cooperation with the **US** such as those included under the **US-Japan alliance**.
- For over 60 years, the **US-Japan alliance**, founded on the **US-Japan security treaty**, has brought peace and stability not only for **Japan and the Far East region**, but also for the **whole Asia Pacific region**.
- Therefore it is essential, both for Japan's security and the peace and stability of the region, that Japan continue to provide support for the **forward deployment of US forces** under the **US Japan Security Treaty**, and enhance the **deterrence factor of US Japan security arrangements**.

### ② *Australia-Japan defense cooperation*

- Next I would like to move on **Australia-Japan defense cooperation**.
- Australia and Japan share **fundamental values** such as democracy, the rule of law, respect for human rights and also **strategic interests**.
- Both countries have **alliances with the US**.
- So it is only natural for us to strengthen our cooperation to provide for the peace and security of the Asia-Pacific region.
- Defense cooperation and exchanges between our two countries have been steadily progressing since the **2007 joint declaration**, the "Australia Japan Joint Declaration on Security Cooperation".
- This declaration was signed by then **PM John Howard** and **PM**

**Shinzo Abe.**

- For Japan it was **the first joint declaration** related to security with another country other than the US.
- Now I would like to briefly touch upon **the achievements** we have made in defense cooperation and exchanges with Australia.
- This concerns **policy consultations**, the ACSA(Acquisition and Cross Servicing-Agreement), the ISA(Information Security Agreement), bilateral and trilateral training, capacity building, cooperation in equipment and technology, and exchanges in research.

**(a) *policy consultations***

- In regard to **policy consultations on defense and security issues**, our countries hold **foreign and defense ministerial consultations** (2 plus 2) and **defense minister meetings**.
- Our ministers exchange views on a wide variety of topics such as **the current regional situation, defense policy and defense cooperation**.
- **The 2 plus 2 last September** resulted in a paper titled “Australia and Japan-Cooperating for peace and stability, Common Vision and Objectives”, aimed at realizing regional peace and stability.
- This year **the third Australia-US-Japan defense ministers’ meeting** was held on the margins of **the Shangri-La Dialogue** and a joint statement was issued.
- It announced a series of strategic goals aimed at contributing to the security of the Asia-Pacific region, such as **adherence to international law and ensuring maritime security**.

**(b) *ACSA and ISA***

- In relation to **the ACSA and ISA**, the ACSA came into force this January and ISA this March.
- **The entry into force** of these two agreements has laid the foundation for **further defense cooperation** across a broader spectrum between our countries.

**(c) *PKO etc***

- In relation to concrete **cooperation on the ground**, the SDF and

ADF have cooperated in a number of operations in the past.

- For example, both forces have cooperated in peacekeeping activities in **Cambodia** and **East Timor**, and also international emergency relief operations in **Pakistan** and **Indonesia**.
- There was cooperation between the SDF and ADF when the SDF conducted humanitarian reconstruction and assistance activities in **Iraq**.
- It is becoming increasingly important for countries to cooperate in international settings on operations characterized by peacekeeping.
- For example, the SDF and ADF have been working together in South Sudan under the **UNMISS(United Nations Mission in South Sudan)** since last August.

*(d) bilateral and trilateral training*

- In relation to bilateral and trilateral training, **Australia-Japan bilateral** and **Australia-Japan-US trilateral training** has been held almost every year since 2009 and continues to develop.
- **Trilateral training** has been conducted mainly among **the navies** of the three countries.
- However **the air force** and **army** have recently been conducting trilateral training and we are seeing progress in practical cooperation among our three forces.

*(e) capacity building*

- As for capacity building, during last September's Australia-Japan defense minister's meeting it was agreed to coordinate administrative measures in order to accommodate **an official from the Australian Department of Defense in the Japanese Ministry of Defense(MOD)**.
- Since July, an Australian defense official has been working within the MOD.
- It is anticipated that the cooperation in the capacity building area will become more efficient and effective through the close cooperation the MOD has with this official.

*(e) equipment and technology cooperation*

- In relation to strengthening equipment and technology

cooperation, the TRDI(Technology Research and Development Institute) at Japan's MOD and DSTO(Defense Science Technology Organization) at Australia's Department of Defence conduct personnel exchanges through such measures as reciprocal visits of technical officials.

- At present, these technical officials share **information and views** in order to explore **where cooperation in defense science and technology can be further promoted**.

*(f) research exchange*

- Moving on to research exchange, following the signing of the MOU in 2008 on Australia Japan defense cooperation, the Japan's National Defense Institute(NIDS) has increased its exchanges with the ADC(Australian Defence College) , ASPI(Australian Strategy Policy Institute) and ANU(Australian National University).

*③ others*

- I have talked about strengthening the **US Japan alliance and the Australia Japan defense cooperation**, but I would also like to point out that enhancing cooperation with "like minded nations" such as **South Korea, India and ASEAN members** is important as well.

*(3) Strengthening confidence building and establishing a mechanism for crisis management*

- Lastly, I would like to talk about my third point concerning strengthening confidence-building and establishing a mechanisms for crisis management with neighboring countries.
- In the Asia Pacific region there are many **hotbeds of confrontation** concerning resources and territories, including those that run the risk of developing into a military conflict depending on the course of events.
- In order to prevent such a situation from occurring, **confidence building and mechanisms for crisis management** are necessary.
- **Multilateral frameworks**, such as those I have already mentioned, can serve this role.

- In addition, confidence building and the establishment of mechanisms for crisis management **on a bilateral basis** are extremely important.
- More has to be done in this area. But I would like to point to **a few examples**.
- Specifically, I would like to talk about some measures taken by **Japan and China**, such as **the security dialogues, defense exchanges and mechanisms to strengthen maritime communication**.

### ① *security dialogues and defense exchanges*

- First, let me touch upon security dialogues and defense exchange.
- In 1998, **the defense ministers of China and Japan** held talks on how to proceed with defense exchanges, in which both sides reached agreement.
- Ever since, **defense exchanges** have been promoted and both countries have made and continue to make efforts to promote mutual understanding and build trust.
- Other than **the ministerial talks**, there are (a) **defense consultations at the vice ministerial level**, (b) **reciprocal visits by the chiefs of staffs**, and (c) **security dialogue at the working level**.
- At the unit level, **reciprocal port visits by navy vessels** have occurred.
- In the field of **the research and education**, **Japan's National Institute for Defense Studies(NIDS)**, **National Defense Academy(NDA)** and **China's National Defense University** have conducted research and education exchanges.
- Continuing to promote this kind of defense exchange is important to strengthen **the mutual understanding and trust** between China and Japan.
- However, after tensions intensified over **the Senkaku islands** last September, such defense exchanges have been put on hold.
- We hope to resume **security dialogues and defense exchanges with China as early as possible**.

## ② *mechanism to strengthen maritime communication*

- Last of all, I would like to talk about a **mechanism to strengthen maritime communications.**
- Japan strongly wishes to see the early commencement of a mechanism which is aimed at avoiding and **preventing unforeseen consequences with China at sea and in the air.**
- We have held three “**Joint Working Group**” meetings concerning this mechanism.
- This mechanism includes installing **high level hotlines** between the defense authorities and also **annual meetings.**
- In light of the increased necessity for such mechanisms Japan has made approaches to China with **the aim of implementing such mechanisms as soon as possible.**
  
- Other than these efforts, China and Japan held their first “**Japan China High-Level Consultation on Maritime Affairs**” with participants from ministries which have responsibilities related to maritime matters such as foreign affairs, defense, security, resources and the environment”.
- At this meeting both sides introduced their respective organizations and responsibilities, and exchanged views.
- It is also anticipated that confidence will be built among the maritime ministries of both countries.

## 3 *Conclusion*

- Today I have talked about **the strategic environment of the Asia Pacific region** and also **how we are addressing the challenges.**
- In order to take advantage of the “**Asian Century**”, peace and stability of the Asia Pacific region is essential.
- I would like to reiterate the importance of cooperating with many countries in the three areas I have addressed:
  - the creation of rules based on regional cooperation**
  - **strengthening alliances and cooperation with countries with**

whom we share fundamental values and strategic interests  
-----strengthening confidence and establishing a mechanism for  
crisis management

- **Australia Japan relations** are becoming increasingly important for both sides in the changing environment of the Asia Pacific region.
- Our two countries have found it necessary to maintain peace and stability in the Asia-Pacific region to enables consistent and sustainable economic growth.
- We are “like minded nations” who acknowledge **the importance of regional cooperation, the US Japan alliance, Australia Japan cooperation, and peaceful settlement of conflicts.**
- Let me conclude by saying that **the continuation of cooperation between Australia and Japan** will significantly contribute to the peace, stability and prosperity of the Asia Pacific region.

Thank you.