

Speech by His Excellency Takaaki Kojima,
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Japan and Australia
– *Strategic Partnership at the crossroads*

Lecture at the ANU, Japan Institute

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Professor MacIntire, Dean of the College of Asia and the Pacific,
Professor Corbett, Convener of the Japan Institute,
Distinguished guest,
Ladies and Gentlemen,

●Introduction

It is a great pleasure for me to have an opportunity to exchange views with you on our bilateral relations. This is especially true today as I will be departing Canberra just next week, after two years and eight months tenure as Japanese Ambassador to Australia. I have been lucky to have served in this lucky country.

Today I would like to give you an overview of the current bilateral relationship between Japan and Australia, describe some challenges we are facing today, for which I deliberately call the strategic partnership “at the crossroads”, and finally I will present my suggestion as to how we should maintain and strengthen our good partnership for the future.

●Overview of the Bilateral Relationship

Firstly let me touch upon our strategic partnership. It seems that the term “strategic partnership or relationship” might be somewhat overused or abused. However, I believe that Japan and Australia are comprehensive strategic partners in the true sense of the term. We share basic values as two major democracies in the region. We share strategic interests as two of the major allies of the United States, which is the anchor for peace and security in the Asia Pacific and beyond.

Why should I consider our strategic partnership is at the crossroads? Firstly we are witnessing a historic transition in terms of geopolitics and strategic structure in the region and the world, with the rise of China and India. Secondly, although basically our bilateral economic relations have not changed, Japan is not the largest dominant export market for Australia anymore. Thirdly, we are facing a new development on the whaling issue.

Our comprehensive partnership encompasses a diverse range of fields, including the economy, national security, and people-to- people links.

●Economy

Our close and complimentary economic relationship is the cornerstone of our bilateral relations.

Firstly, Japan had been Australia’s largest export market over the last four decades. In 2008-2009,

Japan accounted for over 20% of Australia's export.

Secondly, Japan remains Australia's largest trade surplus producing country by far. (21.6 billion \$ (in 2009) followed by India (15.5 billion); and China (10.6 billion))

Thirdly, Japan is the third largest investor (9.2% in 2008) for Australia after the US (24.3%) and the UK (15.4%).

Fourthly, from the Japanese stand point, Australia is a large and stable supplier of various strategic goods such as energy, mineral resources and food stuffs.

Above all, mutual confidence and trust has been firmly established between business communities on both sides. Our economic relationship has been steadily developed over the last five decades since the signing in 1957 of the Japan-Australia Commerce Agreement. As Mr. Ferguson, Federal Minister for Resources, observed, "Japan has been with Australia from the beginning in developing the Australian resource sector". Japanese companies have over many years collaborated closely with the Australian side from exploration to exploitation as well as trade of resources, and financial and technical co-operation. Through business partnerships over the years, strong ties and bonds of mutual trust and respect have been built.

●Security Cooperation

Our security cooperation is relatively new but has steadily been expanding since the 1990's. We have cooperated in many places of the world - Cambodia, Timor-Leste, Indonesia and also in Iraq.

Our security cooperation is not just expanding but also deepening. It was just last May that Foreign Minister Smith and Defense Minister Faulkner visited Tokyo for what is called a "2+2 meeting". One of the major outcomes was that they have signed the Acquisition and Cross-Servicing Agreement (ACSA). This enables the Australian Defense Force and Japan's Self Defense Force to have logistics cooperation in UN Peace Keeping Operations, and also humanitarian or disaster relief operations.

We also cooperate together with the US as its major allies so that the Asia-Pacific region maintains its peace and stability. We hold a trilateral strategic dialogue with the US.

It is true that the Asia Pacific region is economically flourishing, but it still has unresolved issues in security aspects. North Korea is a good example and its nuclear program is not just a threat in

Northeast Asia but for the international community as a whole. Facing such clear and present security threat, security cooperation is now one of the major pillars of our bilateral relations.

●People-to-People Exchanges

As for people-to-people exchanges, which represents the 3rd pillar of the Japan-Australia relationship, statistics indicate that our relationship has, in this context, strengthened.

Australia currently hosts 71,000 Japanese residents. This is the 3rd largest number outside Japan, after the US and China.

From a tourism perspective, Japan is Australia's 5th largest inbound tourism market (355,400 in 2009).

We are also seeing more and more Australian tourists visiting Japan including skiers to Hokkaido (240,000 Australian tourists (6th) out of total 8,350,000).

The number of sister-city relations between Japan and Australia is currently 107. This is the highest number of sister-city relations that Australia has with any country.

It is indeed through grass-roots level exchanges, especially among younger generations, that the future of our relations can be further strengthened.

Ladies and gentlemen,

●Regional Cooperation

Having described our relationship in the bilateral context is not the end of my overview of our broad nature of cooperation. I would like to draw your attention to the fact that both of our countries are cooperating in a much wider context. First, regional cooperation in the Asia Pacific is a good example of our distinctive nature of cooperation. We, Japan and Australia, have historically been working closely to support this region's positive trend for regional cooperation. Japan and Australia are two of the founding members of APEC, which has firmly established itself as the leading forum in the region. This year Japan will host the 18th APEC leaders' meeting in November.

We successfully launched an East Asia Summit in 2005, and Japan insisted that the membership be expanded beyond ASEAN + 3 so that it should include Australia, as well as New Zealand and India. It is known that some countries had either opposed or had reservations about this.

●East Asian Community

As you are all aware, Japan experienced a change of head of government last month and now we have a new cabinet led by a new Prime Minister Naoto Kan. Prime Minister Kan stressed in his Diet speech that he will commit himself to the “East Asian community” initiative, which was originally proposed by his predecessor Prime Minister Yukio Hatoyama. We understand that this initiative is a long term vision. We think it is important for us to steadily advance our regional cooperation in fields such as trade/investment, financial cooperation, environment, education and so on. Given the diversity of the region, it is important for us to let various initiatives and ideas co-exist for the time being and advance concrete cooperation. In terms of the membership of the future community, we do not have any definite ideas at the moment as to which countries should be in and which countries should not be in.

●Global Cooperation

Now let me broaden the context of our cooperation further- namely to global agenda. Japan and Australia cooperate on global agendas such as nuclear disarmament and non-proliferation and climate change; we cooperate in international forums such as the United Nations and more recently in the G20. The G20 Summit meeting in Canada was held successfully last month, with the participation of Japan’s new Prime Minister Naoto Kan and also Australia’s new Deputy Prime Minister Wayne Swan.

●Nuclear Disarmament and Non Proliferation

Let me take nuclear disarmament and non proliferation as a good example of our cooperation today. Both governments jointly established two years ago what is called the International Commission on Nuclear Non-proliferation and Disarmament (ICNND). Two distinguished former foreign ministers, Ms. Yoriko Kawaguchi and Professor Gareth Evans, also the chancellor of the ANU, co-chaired the Commission and it produced ambitious but practical recommendations in December last year.

This year, both of our governments have worked together intensively towards the success of the NPT review conference, which was held in New York in May. Our Foreign Minister Katsuya Okada visited Australia in February and agreed with his counterpart Minister Stephen Smith on the Joint Statement “Towards a World without Nuclear Weapons.” We then jointly submitted the package of practical measures to the review conference and many elements of that package were reflected in the final document. Of course the review conference is not the end of the whole story and we will continue to work closely so that the momentum we have generated continues and further

strengthened towards creating a world free from nuclear weapons.

Ladies and gentlemen,

●Challenges

As I have outlined, we have so many venues for cooperation, in addition to the traditional economic relationship in trade and investment. We have had an excellent partnership since the 1950s and I am sure we will maintain it for decades ahead. The distinctive nature of our relationship is that it benefits not only ourselves but also contributes to the region we live in and even to the whole international community by making cooperation in broader agenda.

I have already explained earlier on why I view our strategic partnership at the crossroads. I would like to point out some specific challenges we are facing today.

●Not Take Our Relationship for Granted

First, the amicable view by which many Australians see the relationship with Japan is, to be frank, waning over the recent years, after we established our solid partnership in 1980's and 90's. It is understandable that many people began to shift their focus from Japan to other emerging countries such as China as we see in the region their rapid growth and physical volume or presence in economic terms. It is interesting to note that the recent Lowy Institute Poll 2010 shows that 55% of Australians said China is the "World's leading economic power", whereas 32% said the US followed by 8% the countries of the European Union and 3% Japan. I must remind you that Japan, which is still the second largest economy, is unduly being underestimated because rising powers have caught the attention of many Australians.

I am not commenting on the importance of China to Australia. Japan and China have a history over two thousand years of interactions and interchanges. We engaged in five major wars from the 7th century through the 20th century. We have had significant cultural exchanges although Japanese and Chinese civilizations are separate and independent ones as Professor Huntington describes in his book "The Clash of Civilizations and the Remaking of World Order." As Bill Emmott wrote, Japan and China as well as India have been "rivals" in Asia. From Japan's perspective, the relationship between Japan and China is vitally important to both of us and a sheer fact that many Japanese companies are investing and operating in China on a large scale shows that the interdependence between Japan and China is now much larger than any bilateral relations between other Asian countries.

One of the challenges we face today is that we tend to take our excellent bilateral relationship for granted as we have been comfortable partners for long time. As major allies of the United States in the region respectively, both Japan and Australia should reconfirm that the one is geo-politically indispensable to the other. We should not take our relationship for granted and we have to nurture the relationship for future generations.

This is the first challenge we are facing.

●Whaling

Secondly, we have a small but thorny issue on which our positions are different; whaling. As you are aware, the Australian Government lodged an application in the International Court of Justice on the 31st of May, despite having stated on many occasions that they would explore diplomatic solutions first. As then Prime Minister Rudd said, between friends we can be frank and sometimes even be blunt. I must say it is regrettable and not constructive that Australia had abandoned its diplomatic efforts and initiated international legal action against Japanese research whaling without having exhausted diplomatic negotiations, which undermined rigorous efforts by all concerned parties to reach consensus at the International Whaling Commission (IWC).

As the Japanese Government has expressed on numerous occasions, Japan's research whaling is a legitimate activity conducted on the High Seas, (not in Australian waters), in accordance with Article 8 of the International Convention for the Regulation of Whaling. The Government of Japan will respond appropriately to this international litigation.

With regard to Sea Shepherd, I reiterate that the Australian Government should show more robust attitude towards their violent activities.

Australia maintains that it strongly condemns the violent activities conducted by Sea Shepherd that endanger the safety of crew members at sea. However, the Japanese people have been often confused by the actions or statements of the Australian Government with regard to Sea Shepherd, especially when the Australian Government sent Australian customs ship Oceanic Viking to take the video clip for possible legal actions in future two years ago, and the video clip was actually released to the media. Many of the Japanese viewers might have wondered if the Australian Government supported the activities of Sea Shepherd.

The Japanese Government has requested and will continue to request that the Australian Government, as a country which provides its port for Sea Shepherd, and as a Contracting Party to relevant

international agreements on safe navigation on the sea, take appropriate measures against Sea Shepherd to punish and deter their violent activities.

Ladies and gentlemen,

●**Suggestions**

Having described some challenges of our relationship, I have to stress that I am positive about our relationship in future. I believe that the relationship is too important to wane so easily.

I would like to present a few suggestions for our relationship before I leave Canberra next week.

●**Strengthen People to People Link**

First and foremost, we have to strengthen people to people links at all levels. It is important, however, to focus on targeted areas when you try to expand links.

●**Utilize AJBCC**

Between business on both sides, the Australia Japan Business Co-operation committee (AJBCC) has been holding annual conferences since 1963, attended by several hundred business leaders. This forum is the cornerstone of business exchanges and under the distinguished leadership of Mr. Mimura and Sir Rod Eddington. It has expanded its membership to include more business leaders from the financial and other service sectors on top of the mining sector. I trust AJBCC will further expand and strengthen business cooperation. Among others, they are in the process of dispatching to India a joint infrastructure mission. As Professor Drysdale reported last year we have great potential to utilize the huge international market generated by the activities of Japanese business and investors, especially via their production and supply in Asia.

●**Strengthen AJC**

I participated in the last two Australia Japan Conferences, the one held in Tokyo in November 2008 and the most recent one in Canberra, in February this year. I highly value that a number of distinguished experts discussed there the way to improve our relationship, but I hope that the AJC will have more active participation from political leaders on both sides.

●**Educational and Academic Exchange**

One of the recommendations we had from the last AJC was that the Australian government creates what is similar to our JET (Japan Exchange of Teaching) program, where Japanese teachers are

invited to teach Japanese language in Australian colleges and schools. I strongly believe that this should be realized as our JET program has created not just deep understanding of English speaking countries at the grass roots level in Japan but that Australian and other English speaking teachers bring back good understanding on Japan and Japanese people or even enduring friendship back home.

I think it is important to have wider links at the academic and intellectual level in various fields as well. Taking this opportunity I would like to pay tribute to Professor Drysdale, Professor Corbett, and Professor Anderson for their outstanding contribution for many years in promoting research on Japan. In this connection I hope that ANU and the Australian Government will allocate more financial and human resources to the Japan Centre to further promote its research.

●Political Level Exchange

People to people links should be expanded at political levels. We have excellent exchange programs for Parliamentarians and Diet members and we should do more in expanding the program.

●EPA

Secondly, our economic frontier can be expanded by concluding the negotiation of the Japan-Australia Economic Partnership Agreement, otherwise known as the Free Trade Agreement in Australia. As the Japanese Foreign Minister Okada said in the symposium held in Tokyo last month, the EPA has a strategic importance, going beyond bilateral mutual benefit. Once completed, it will develop further regional economic integration in Asia and the Pacific and thus ensure peace and prosperity in the region. I know there are some sensitive areas on both sides but we should continue our negotiations intensively with the involvement of Ministers, bearing in mind the strategic importance of the agreement.

●Importance of the Strategic Partnership

Thirdly and finally, we can strengthen our strategic partnership by accumulating our cooperation records and strategic talks at various levels. I found in the Lowy Institute Poll that many Australians provided a rather harsh evaluation on the Rudd Government's handling of its relations with Japan; 20% said that relations with Japan were a lot or a little worse since 2007 compared with 16% who said they were a lot or a little better (59% said they were about the same). However, to do some justice to the former Prime Minister, I have witnessed during my tenure, many achievements in the context of strategic cooperation as I have described; cooperation on the nuclear non-proliferation issue, stimulating discussion on future regional architecture, cooperation in G20 as fellow members to name a few.

We have just seen a dramatic change of head of government here in Canberra and the Australian administration is led by new Prime Minister Julia Gillard. I hope and trust that her administration will continue to appreciate and promote further our strategic partnership.

I strongly encourage you, however, to remind each government and citizen to keep their attention towards the fundamentals of our relations; otherwise, our strategic importance to each other can be underestimated and undermined by something which does not belong to the fundamentals of our relationship. I emphasize once again, our relations are so important.

Thank you.

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