

Good evening,

It is my pleasure to be here for today's panel discussion, which has been kindly organised and hosted by ASPI and is also supported by the Japanese government.

The theme of this panel discussion is *South China Sea* and it couldn't be timelier. In the Asia-Pacific region, we are witnessing the rise of China and India, as well as the rapid economic development of many South-East Asian countries. It is often said that this region is the centre of world growth. However, the region also faces various potential risks to its stability, including escalating tensions between neighbouring countries in the region.

In the South China Sea, both Japan and Australia share huge economic and strategic interests. Majority of our exports and imports pass through the South China Sea. Also the TPP, as a game changer, will further expand our free and creative economic sphere in the Asia-Pacific region, enabling us to soar even higher, and to propel the world economy. The member states of the TPP, including Japan and Australia, will surely enjoy an overwhelming economy of scale through the agreement.

In order to have the generations of our children and followers share such economic benefits and potential, we must make peace and stability absolutely rock-solid by observing international law by all the countries concerned. In this light, we cannot help but be concerned about unilateral actions by any country that seeks to change the status quo, such as large scale land reclamation or construction for military purposes again by any country.

Just two weeks ago at the Japan-Australia 2+2 Foreign and Defence Ministerial Consultations in Sydney, our foreign and defence ministers expressed strong concern over the recent situation in the South China Sea and reiterated their strong opposition to any coercive or unilateral actions that could alter the status quo in the South China Sea. They called on claimants to pursue territorial claims and accompanying maritime rights in accordance with international law. In this regard, they support the right of claimants to seek the peaceful resolution of disputes, including arbitration. The Ministers took note of the ongoing arbitration case under UNCLOS brought by the Philippines, affirming that decisions of the arbitral tribunal are legally binding.

Last year, Prime Minister Abe gave the keynote address to the Shangri-La Dialogue on the topic of "Peace and Enduring Prosperity in Asia." During the

address, Prime Minister Abe emphasised the importance of strengthening rules-based order in the Asia Pacific, saying: “Today, the prosperity of each and every one of us is dependent on the seas of the Pacific and Indian oceans, being preserved as open, free and peaceful. Continued protection of the sea and the air as public goods under the rule of law is of common interest to us all.” These words of Prime Minister Abe not only reflect the views of Japan, but a common awareness shared by many of the countries of the Asia Pacific. In this context, Prime Minister Abe made our stance very clear at the Shangri-La Dialogue in May last year by referring to the "Three principles concerning the rule of law at sea":

- A) States shall make and clarify their claims based on international law.
- B) States shall not use force in trying to drive their claims, and
- C) States shall seek to settle disputes by peaceful means.

The statement made by Australian Prime Minister Turnbull about the rule of law was indeed encouraging. This October, he told the media that “we have to stand up for the rule of law. We have to stand up for a rule-based international order, which means that the stronger power cannot do whatever it likes”. It is clear that both leaders of Japan and Australia completely agree that all countries must observe international law.

I believe that we need to keep sending this clear message to all the countries concerned and my feeling is that the U.S., Japan, Australia and ASEAN countries are stepping up and voicing their concerns against any unilateral actions.

Based on this awareness, and on the principle of “proactive contribution to peace,” Japan will work together with regional partners that hold the same basic values and intentions, to ensure the peace, stability and prosperity of the region. To these ends, given the shared values and strategic interests of Australia and Japan, I feel that there is ample opportunity for our countries to further deepen our close relations.

In closing, I would like to encourage all of you to actively engage in the discussions of today's symposium, particularly in relation to the questions of what kind of order is needed, and how Japan and Australia can work together, to achieve enduring peace, stability and prosperity for the region.