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Japan urges Australia to boost East China Sea presence

Andrew Tillett Political correspondent

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Japan is encouraging Australia to step up joint naval exercises and patrols in the East China Sea to help preserve regional peace and stability amid increasing incursions by Chinese vessels and aircraft into Japanese and Taiwanese territory.

In an exclusive interview with *The Australian Financial Review*, Japan's incoming ambassador to Australia, Shingo Yamagami, also said Tokyo was willing to help <u>Australia reduce its trade dependence on China</u> after Japan also endured rough treatment at the hands of Beijing.



Japan's Ambassador-designate Shingo Yamagami feels sympathy for Australia during its spat with China. **Alex Ellinghausen**

"This is a trying time for Japan's friends in Australia. The fact of the matter is the world's eyes are now on Australia," he said.

"This issue between Australia and this Asian continental power has been gathering international attention.



"In this regard some might be able to say this is a golden opportunity for Australia to demonstrate to the international community what kind of country Australia is.

"Whether you know Australia is willing to show its steadfastness and resilience, and in what way, I don't think this is to be dictated or influenced by others."

Mr Yamagami's interview coincides with Foreign Minister Marise Payne and new US Secretary of State Tony Blinken speaking for the first time, with Mr Blinken highlighting the importance of the Quadrilateral Dialogue which also includes Japan and India.

The comments also come as New Zealand's Trade Minister, Damien O'Connor, caused consternation in Canberra when he suggested the Morrison government could show China more respect if it wanted a better relationship with Beijing as the Kiwis have achieved.

Upgraded deal

"I guess a little more diplomacy from time to time and be cautious with wording, then they too, hopefully could be in a similar situation," Mr O'Connor told CNBC.

While Australia has accused China of breaching the free trade agreement between the two countries with its succession of trade strikes, New Zealand and China this week upgraded their deal.

In a break with the other Five Eyes members including Australia, New Zealand pointedly did not put its name to a joint statement issued on January 10 condemning the latest mass arrests of pro-democracy activists in Hong Kong.

Australian government sources said the comments had highlighted a perception New Zealand was being naive once again, while Mr O'Connor was forced to call Trade Minister Dan Tehan to clean up the gaffe.

Mr Tehan said Australia's relationship with China was based on an assessment of our national interests.

Mr Yamagami, who is technically still ambassador-designate, takes up the post as Australian and Japanese relations are being drawn ever closer. Scott Morrison was the first leader to both speak to and visit Japan's new Prime Minister Yoshihide Suga last year.

Mr Yamagami said historically trade and investment had been the most important pillar of the Australian-Japanese relationship but it was increasingly taking on a strategic dimension, with co-operation in security, intelligence and multilateral and regional forums.

Intelligence sharing

"Co-operation has gained its depth and width. I think it's natural for us to regard each other as best friends in the region," he said.

Mr Yamagami, who was a former director-general of the Japanese foreign ministry's intelligence and analysis service, said strengthening intelligence sharing with Australia was one of his priorities but was coy about whether this would involve Japan joining the Five Eyes alliance, as some Japanese policymakers have expressed their eagerness to do.

"It sounds very flattering to us ... at the same time we are also aware that Five Eyes consists of countries that have long shared their language, history and culture," he said.

As part of deepening military ties, Australian, Japanese and US naval ships last year conducted joint exercises five times in the region last year.

While the South China Sea is Australia's major focus given its importance as a trade route, strains are also growing in the East China Sea.

In Beijing's latest show of strength two large Chinese formations of aircraft flew through Taiwan's air defence identification zone on the weekend, while Chinese coast guard ships are operating more and more frequently in the waters surrounding the disputed Senkaku Islands, which are administered by Japan.

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— Shingo Yamagami

While Australia has conducted surveillance of North Korean ship-to-ship transfers as part of enforcing United Nations sanctions in the East China Sea, Mr Yamagami believes there are opportunities for Australia and Japan to increase their presence.

"The security situation in the East China Sea has been worsening year-by-year, which continues to cause a great concern to us," he said.

"Australia's interest not only in the South China Sea but also the East China Sea is something to be warmly and strongly welcomed by Japan.

"What will happen around Taiwan is extremely important in terms of maintaining peace and prosperity in the Indo-Pacific region as a whole, not just in the East China Sea.

"We have been conducting a number of exercises and joint transits in the South China Sea. I think there is room for us to do more in the East China Sea."

Mr Yamagami said Japan had experience of China using trade as a weapon when it cut off exports of rare earths in 2010 over the Senkaku Islands dispute.

Though Japan successfully challenged the ban in the World Trade Organisation, it highlighted to the government and businesses the need to diversify away from relying on China.

"This is a kind of experience we are willing to share with our friends in Australia," he said.

"There is a strategy now called China plus one, a common strategy taken by Japanese corporations. Rather than putting all eggs in one basket, they are trying to diversify risks.

"Australia is not walking alone on this. Japan is in the same boat."

Mr Yamagami said Japan was engaging with Australia on co-operation in multilateral bodies, including reform of the World Trade Organisation.

While Japan did not publicly endorse candidates for positions on international bodies, Mr Yamagami said Tokyo had "favourable impressions" of former finance

Mr Yamagami also played a key role in helping to keep the <u>Trans-Pacific</u> <u>Partnership</u> alive after the US under Donald Trump withdrew from the free trade deal.

His dream is for the US to come back and welcomes the interest of other countries including the United Kingdom, Thailand and Taiwan in joining the pact.



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"We have very big appetite to enlargen the circle of like-minded countries," he said.

"Once it becomes clear that these countries can meet the requirements to be a member, Japan is willing to embrace those aspirants with open arms and I do believe Australia shares this same attitude."

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Andrew Tillett writes on politics, foreign affairs, defence and security from the Canberra press gallery. Connect with Andrew on Facebook and Twitter. Email Andrew at andrew.tillett@afr.com

