

# Canberra 'not alone' in Beijing battle: Japan

## Trade war

Michael Smith

Japan's top diplomat in Australia says Canberra is "not walking alone" in dealing with an increasingly aggressive China, signalling Tokyo's willingness to work closely with the government to counter economic coercion and security threats in the region.

"I can assure you all that Australia is not walking alone because this is something Japan has experienced about 10 years ago," Japan's ambassador to Australia, Shingo Yamagami, told The Australian Financial Review Business Summit yesterday.

"Each and every day Japan is struggling because of ... China, and the rise of China, the dramatic increase of defence spending and increasingly assertive, even aggressive behaviour, both in the South China Sea and East China Sea," he said. "[It is a] cause of great concern to us."

Mr Yamagami's hawkish remarks about China came ahead of the first leaders-level meeting of the Quadrilateral Security Dialogue (Quad), involving Australia, the US, Japan and India, which is expected as early as this week.

With US President Joe Biden tipped to use the alliance to push back against China in the region, Beijing on Sunday warned Japan it would be better if the two countries were friends instead of enemies.

Mr Yamagami said Tokyo supported the Morrison government's decision to call out China's unofficial campaign of



Above left: Shingo Yamagami says Tokyo supports Australia's decision to call out China's unofficial campaign of economic coercion. Above right: Frances Adamson expects tensions with China to persist for some time. PHOTOS: LOUIE DOUVIS

economic coercion after it slapped restrictions on wine, barley, beef, coal and other products.

"So, what's important is all eyes are now on Australia and, personally, I do marvel at the consistent, persistent, steadfast, resilient response shown by people here," he told the Summit. Japan wants Australia to step up joint naval exercises and patrols in the East China Sea.

He drew parallels with China's decision in 2010 to cut off rare earths supplies to Japan because of a dispute over the Senkaku Islands and Beijing's

restrictions on Australian exports. Japan won a dispute lodged with China over that case with the World Trade Organisation in 2014.

The ambassador's remarks came as business and political leaders warned they did not expect a thaw in Australia-China tensions in the near term.

Department of Foreign Affairs and Trade secretary Frances Adamson told the Summit she expected the situation to persist for "some time". She also said Australian companies doing business in China were aware of the changing risk profile and needed to be deeply

knowledgeable about regulatory shifts and the legal system.

She said despite the "stresses and strains", Australia's relationship with China would continue. "We need to move forward to a settling point."

Peter Costello, former treasurer and Future Fund chairman, said Canberra could never address China's list of 14 grievances against Australia, which covered a wide range of security and other issues.

"My own view is that China is putting pressure on Australia and it wants to see whether Australia will buckle. As

time goes by and it becomes apparent Australia won't change its position on these issues, we will have all learnt something and hopefully we will go back to normal," he said.

**I do marvel at the consistent, steadfast, resilient response shown here.**

Shingo Yamagami, ambassador

"Business people say the government has to pick up the phone and fix it. This is not real world. No self-respecting medium-size power, which Australia is, is going to backtrack on those sort of issues."

Jane Golley, director of the Australian Centre on China in the World at the Australian National University, called for an end to the megaphone diplomacy.

"There's got to be a way to level off. If it continues as it is, I fear for Australia's economic prospects. The future is pretty grim," she told the Summit.

Treasury Wine Estates chief executive Tim Ford said he had not given up on China despite an anti-dumping investigation believed to be linked to political tensions, which saw tariffs of up to 200 per cent slapped on Australian wine. "Things will change over time and we need to make sure that our business is ready and broadly diversified," Mr Ford told the Summit.

The current restrictions "might not be a permanent situation", he added.