

## Speech

On the topic of 'Japan-Australia Relations in the Indo-Pacific Region',  
Presented by His Excellency Yamagami Shingo, Ambassador of Japan to Australia,  
Monday 10th of May 2021, University of Adelaide

Pro Vice-Chancellor, Professor Lo  
Head of the Department of Politics and International Relations, Dr Chacko  
Emeritus Professor Jain  
Distinguished guests  
Ladies and Gentlemen

I would like to begin by acknowledging that we are gathered on the traditional lands of the Kaurna people and pay my respects to their Elders past, present and emerging.

It's wonderful to be here in Adelaide for the first time, particularly at this prestigious University where many famous graduates with Japanese ties have studied.

As you may know, Japan's first astronaut to take part in an official Japanese space program, Mr Mohri Mamoru, completed his doctorate here.

Celebrity chef Mr Adam Liaw, who was appointed 'Goodwill Ambassador for Japanese Cuisine', also started off his brilliant career here.

I'm tempted to enroll myself, particularly after learning that you have an on-campus vineyard and Australia's 'largest teaching winery'.

Unfortunately I arrived in Adelaide just a little late for South Australia's largest Japanese event, the *Kodomo no Hi* festival.

I hear that many students of this university volunteer their time towards its success.

As the 'Festival State' of Australia, I'm confident that South Australia would be more than qualified to pull off a fantastic Japanese festival.

Today's topic, 'Japan-Australia Relations in the Indo-Pacific Region' is of paramount importance.

To say that 'our future rests in the Indo-Pacific' would not be an exaggeration.

For Japan and Australia this fact is indisputable.

The Indo-Pacific region is our home.

But as Prime Minister Morrison has rightly pointed out, it is also 'the region that has accounted for two-thirds of global growth over the last decade'.

So in fact you could say that the future of the international community is deeply intertwined with the Indo-Pacific.

Today I would like to speak to you about what Japan and Australia can do for the region.

The Indo-Pacific accounts for more than sixty-per-cent of both the world's total GDP and population.

It is the epicenter of potential world economic growth.

And, it is in this geographical sphere that Japan and Australia have built up our prosperity, through our mutual commitment to the rules based-trading system.

Though bilateral trade existed between us as far back as the 19th century, we first gave it a framework six decades ago through our Commerce Agreement.

Then, in order to further liberalize trade, we signed the ground-breaking Japan-Australia Economic Partnership Agreement, which covered not only the trading of goods but also investment and services.

Thanks to our openness to one another, Japan enjoyed the status of Australia's largest trading partner for over forty years.

Today, exports to Japan account for around ten per cent, or ninety billion dollars of Australia's total trade.

But the benefits don't end there.

The liberalization of our trade helped to forge a deep trust between us.

Our business leaders were given confidence in the market and an eagerness to invest.

Indeed, Japanese direct investment has more than doubled over the past twelve years.

Today, Japan is the second largest source of foreign investment in Australia, providing a remarkable one-hundred-and thirty-one billion dollars' worth of total stock value.

Here in South Australia alone, Japanese companies such as NEC, Asahi Kasei Homes and Hitachi Zosen have invested in the local economy.

Last year, Japan's MUFG Bank signed an MOU with the state government covering resources, energy, food, wine, space, healthcare and international education.

This MOU will provide further support for Japanese companies to invest in South Australia.

The liberalization of our bilateral trade has also spurred on local job creation.

According to one calculation, over seventy-four thousand jobs have been created here in Australia by Japanese companies.

Mitsubishi Motors, for example, who have been headquartered in this State for over forty years, have recently opened a new office at Adelaide Airport which will house more than two-hundred employees.

But the question is; how can we ensure that our entire region enjoys such prosperity?

The answer is crystal clear.

It is through a 'Free and Open Indo-Pacific' supported by a rules-based trading order.

For over half a decade, Japan has been pursuing a foreign policy based on the vision of a 'Free and Open Indo-Pacific'.

Through the improvement of regional connectivity, infrastructure development, trade and investment, Japan has been striving to ensure this 'international public good' brings prosperity to all.

What is good for the region is good for the international community.

I know Australia believes this.

Because it was together with Australia that Japan became the driving force behind the establishment of APEC.

It is also together that we are working towards the expansion of the CPTPP.

Japan and Australia continue to unite our efforts to support the rules-based multilateral trading system for the good of our region.

We are working closely towards reform of the WTO.

In bilateral talks last year, Prime Minister Morrison and Prime Minister Suga publicly agreed that 'trade should never be used as a tool to apply political pressure' and that 'to do so undermines trust and prosperity'.

This was a message that Japan and Australia delivered together to the world.

We have been reminded in recent times that diversification of trade is essential for prosperity.

We all know the phrase 'don't put all your eggs in one basket'.

But perhaps it should be 'don't export all your premium wine to one country'?

There are over thirty million regular wine drinkers in Japan just waiting for someone to introduce them to the delights of a good Barossa Valley Shiraz.

The good news is that the groundwork has already been laid for an Australian wine boom in Japan.

Our free trade agreement has steadily reduced tariffs on Australian wine.

As of April this year, the pre-EPA bottled wine tariff of 15% has been completely eliminated.

Yet imports of Australian wine to Japan have not increased relative to their potential.

Instead wines from France, Italy and Chile line the shelves of Japanese bottle-os.

It would be wonderful if sales of wine in Japan could contribute more to the South Australian wineries effected by the black summer bushfires.

As much as I love being able to have a nice glass of Jacob's Creek in Tokyo, what I'd really like is to be able to enjoy the full range of SA wines; from a fancy Penfolds to a Berri Estates Fruity Lexia.

As the state where goon was first patented back in 1965, I expect more of South Australia.

So come on SA! Let's make this happen!

I have spoken to you about prosperity.

But we cannot envisage prosperity without peace and stability.

Japan and Australia understand that these are a vital precursor to growth in our region.

We expressed our dedication to this end at the historic, first-ever leaders' meeting of the Quad, just under two months ago.

There, our two nations, along with the US and India, agreed to 'support principles such as the rule of law, freedom of navigation and overflight, peaceful settlement of disputes, democratic values and territorial integrity'.

Following on from this, just last month, Prime Minister Suga became the first foreign leader to visit newly elected US president Joe Biden.

The two leaders re-committed to working with partners 'such as Australia and India to build the free, open, accessible, diverse, and thriving Indo-Pacific we all seek'.

For this, Japan and Australia are well placed to cooperate both multilaterally and bilaterally.

As a natural consequence of the deep trust built up through decades of trade and investment, Japan and Australia's relationship has been elevated to a 'Special Strategic Partnership' and diversified to include cooperation in areas like Defence and intelligence.

Here in Adelaide, Japanese company NEC has established a Global Security Intelligence Centre, providing security services to defense departments all over the world and helping South Australia to achieve global prominence in the cyber security field.

My experience as the former head of the Intelligence and Analysis Service of Japan's Foreign Ministry has led me to be personally grateful to Australia for its security and intelligence cooperation.

I can't divulge any sensitive information but I can tell you that we still haven't figured out why South Australians put pies in pea soup; nor why you call them floaters when they actually sink.

Through the new level of close cooperation that our heightened relationship provides, we are promoting peace and stability in the Indo-Pacific.

Today, Japan and Australia regularly participate in joint exercises.

This year alone, our nations undertook a joint transit in the South China Sea. Concerning North Korea's nuclear weapon and missile development we cooperated on the prohibition of ship-to-ship transfers in the East China Sea.

Japan and Australia also participated in Exercise MALABAR.

For Australia, this was historically significant as it marked its first participation in thirteen years.

Negotiations on the Australia–Japan Reciprocal Access Agreement have now entered their final phase, after it reached in principle agreement during Prime Minister Morrison's visit to Japan last year.

Joint exercises have already been performed in places like Queensland, the Northern Territory and Hokkaido.

It's no secret that South Australia is home to a number of defense bases.

Once the Reciprocal Access Agreement is finalized, opportunities for Japan's self-defense force to visit here may also arise.

As you might know, Japan is eager to cooperate further with Australia in the manufacturing of Defence equipment; an industry I know South Australia prides itself on.

And so, whilst I am always astonished by the beauty and tranquility of the Australian ocean, I can't help but think it would be even more beautiful and quiet with South Australian manufactured, Japanese submarines in it.

The first-ever leaders' meeting of the Quad also identified emissions reduction as a priority for the Indo-Pacific.

Here again I strongly believe Japan and Australia can work together to contribute.

Our two nations share a vision for a low emissions future.

And, with our long history of economic complementarity in the resources sector, we are natural partners in the global fight against climate change.

Only a few months ago, I had the pleasure of attending the commencement ceremony of the world's first global hydrogen supply chain project.

And I must tell you- the sheer scale of this project is astonishing.

Pioneer technology is being used to produce and transport hydrogen all the way from Victoria's Latrobe Valley to Kobe, Japan.

Driven by an all Japanese multi-industry consortium, this project's success will have an enormous impact.

As the first jurisdiction to release a hydrogen strategy as early as 2017, South Australia has always been ahead of the game in recognizing the great potential of hydrogen energy.

Premier Marshall made it his priority on his trip to Japan last year to discuss collaboration in hydrogen production and transportation with the University of Tokyo and energy company representatives.

And, did you know that some of your homes may soon be powered using hydrogen?

I was intrigued to learn that the South Australian government plans to trial the use of hydrogen gas to power seven hundred homes starting this month.

In particular, Japan is excited about South Australia's endeavor to create the largest green ammonia plant in the world.

As a lower cost alternative to the transport of hydrogen, green ammonia is a potential game-changing fuel.

The two-hundred-and-forty million dollar Eyre Peninsula Gateway Hydrogen Project, backed by the state government, is being developed by pioneer Australian company H2U.

Having recognized the value of such an endeavor, Japan's Mitsubishi Heavy Industries has provided financial muscle through a capital investment into H2U.

Ammonia has been singled out by the Japanese government in its 2020 New International Resource Strategy.

But it is not only the government.

Japanese companies also hold great expectations for this pioneer technology.

Japan's Green Ammonia Consortium represents a significant force for the implementation of this energy in Japan and beyond.

I for one am excited.

And I hope that you are too.

The vast potential of hydrogen and green ammonia could very well be the key to reducing emissions, benefiting not just our two nations but our entire region.

Along with the US and India, Japan and Australia have also committed to supporting countries in the Indo-Pacific through the difficult circumstances of this global pandemic.

Together with our Quad partners, we will strengthen and assist our neighbors through the provision of at least one billion doses of vaccines.

As two nations who have been successful in preventing our health systems from being overwhelmed, we are well placed to assist the region.

Throughout the pandemic, we have continued to balance the health and economic well-being of our nations by looking for new frontiers of economic cooperation.

We have not allowed necessary but strict health restrictions to stagnate our cooperation.

Did you see, for instance, the dazzling blaze of light that streaked across the South Australian outback last December?

Japanese space agency JAXA's Hayabusa 2 capsule landed in Woomera. This created an opportunity for the people of Japan and Australia to forget about their pandemic woes and look to the stars.

Under the volatile circumstances of Adelaide's sudden lockdown, it was only because of the dedication of our two nations' stakeholders that this mission was able to succeed.

With the opening of the Australian Space Discovery Centre in Adelaide and the announcement that SA would be the twelve billion dollar space capital of Australia, there are sure to be even more opportunities for us to cooperate.

The vaccine rollouts in our region also signal that resumption of travel is becoming more attainable day by day.

Tourism is of course a vital source of economic prosperity for the Indo-Pacific.

Travel between Australia and Japan is likewise central to our economic relationship.

Just a few weeks ago a special 'Tasting South Australia' campaign was held in Tokyo boasting over 40 wines from this state's greatest vineyards.

So I'm certain that there are a great number of Tokyoites keen to head on over for a true kangaroo island or Adelaide Hills cuisine experience.

Australians who visit Japan are also an important asset to Japan's tourist market.

You might be surprised to hear Australians spend the largest amount of money per person and have a long average stay of thirteen days.

Can I get a show of hands from anyone who has been to Japan?

Can I get another show of hands from anyone who has visited the Himeji garden in Adelaide?

And who here has visited Himeji City in Japan?

Some of you may be thinking that it's too expensive for you to visit Japan on a holiday.

To you I would say that Japan has in place a wonderful program known as JET, in which you can live in Japan for one, two or even five years whilst being paid for it.

Japan has already been recognized as a potential partner for Australia in a future travel bubble.

Once Japan and Australia resume travel, we will be even better placed to cooperate to support our Indo-Pacific neighbors in their fight against the pandemic.

To conclude, I would like to reiterate that our shared values and strategic interests in areas such as trade, defense, emissions reduction and our response to the pandemic have situated us as natural partners in supporting our region.

I for one am determined to do my utmost to strengthen our ties and uphold our shared values in order to promote a Free and Open Indo-Pacific which benefits us all.

I do hope that you will join me in this endeavor.

Thank you.