

News from under the Southern Cross – Edition 16

Principal Commercial Officer

10 June

Another of my major responsibilities as Ambassador is to develop the economic relationship between my assigned country Australia and Japan. Of course, the actual legwork in trade and investment is undertaken by representatives from private industry. However, as to what role government and the Embassy in particular can play in this process, (1) at the ‘micro’ level, it means providing as much assistance as possible to facilitate economic transactions, while (2) at the ‘macro’ level, it means creating the legal framework for trade and investment while endeavouring to resolve any dispute in accordance with existing rules.

As former Director-General of the Economic Affairs Bureau at the Ministry of Foreign Affairs, I have been trying to work in this field with an exceptionally sharp awareness. The well-respected former US Ambassador to Japan Mike Mansfield once described the job of ambassador as being that of “principal commercial officer”. It is certainly true to say that there are many areas in which ambassadors do need to take the lead.

1. Business trips to the regions

As to where I go the extra mile every time I embark upon a business trip to various places around Australia, I endeavour to;

- (1) Visit the factories and offices of Japanese businesses as often as possible, study what the situation is on the business front line and grasp what difficulties or hardships they might be facing,
- (2) Meet with state government business representatives and Australian businessmen and look for ways in which to further develop business relations with Japan,
- (3) Do interviews with local media, make speeches at think tanks and universities etc., and appeal to the importance of the economic relationship with Japan.



At the AFR Business Summit held in March this year.

2. Maintaining the framework of the Japan-Australia economic relationship

Both Japan and Australia are responsible members of the WTO (World Trade Organisation), and since the era of GATT (General Agreement on Tariffs and Trade) have promoted trade over many years in accordance with GATT and WTO rules. Furthermore, both countries have exerted leadership in taking on the dual task of rule-making and trade liberalisation in order to achieve high quality standards for this purpose.

Given this state of affairs, not only did both countries conclude JAEPA (the Japan-Australia Economic Partnership Agreement), but it also explains why Japan and Australia are actively involved in regional-level frameworks for economic integration such as the TPP (Trans-Pacific Partnership) and RCEP (Regional Comprehensive Economic Partnership).

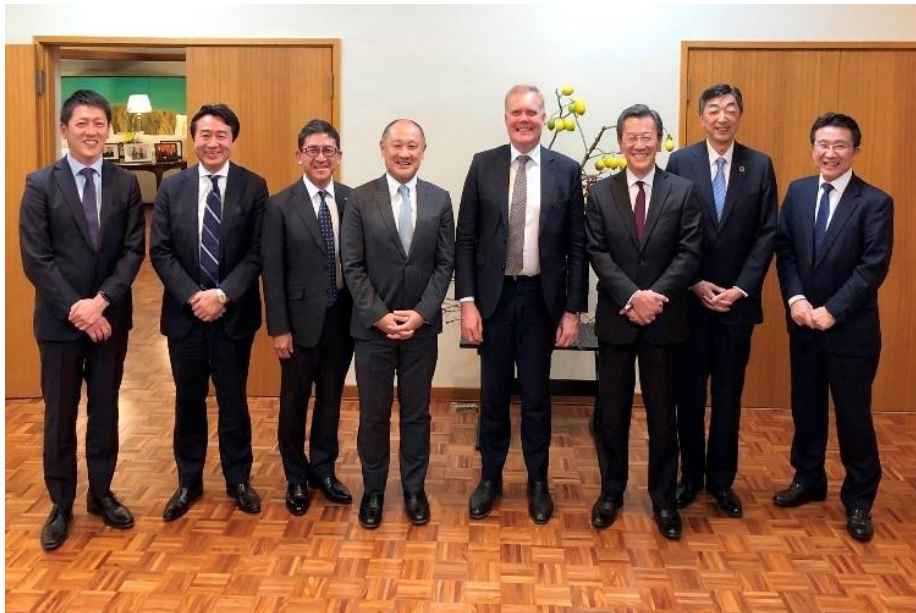
However the process of promoting free trade, which has been likened to “riding a bike”, has aspects to it in which the whole thing will fall apart if you stop pedalling. You must never stop moving forward. Hence it is indispensable to work to expand and strengthen frameworks as required while preserving them.

The admission of the UK, countries of Southeast Asia and Taiwan into the TPP, and the involvement of India in RCEP are all areas where cooperation between Japan and Australia remains absolutely vital.

3. Bridging between key Australian politicians and Japanese businesses

In addition to the roles described above, the Embassy provides assistance as a mediator in strengthening relations between Australian stakeholders and Japanese businesses. Such a role can be accomplished only after the Embassy establishes people-to-people links both with key Australian political figures and the representatives of Japanese corporations.

Recently, in order to create a shared awareness of issues, I invited to my Residence Australian dignitaries the Hon. Tony Smith MP, Speaker of the House of Representatives, and Energy Minister the Hon. Angus Taylor MP, separately along with Japanese corporate representatives (from trading companies, manufacturers, banks etc.) to serve as a venue where both sides could have a frank exchange of opinions over dinner. Restrictions on the number of guests meant that I wasn't able to bring together as many people as I would have liked, which gave me grief, however I will endeavour to create other opportunities for similar meetings in the future and so do my best to contribute to strengthening Japan-Australia economic relations.



Exchanging opinions with House Speaker the Hon. Tony Smith MP and Japanese corporate representatives



Exchanging opinions with Energy Minister the Hon. Angus Taylor MP and Japanese corporate representatives

4. Assistance for Australian businesses

Of course, the assistance the Embassy offers for strengthening the economic relationship between Japan and Australia is not only focused on Japanese corporations. Just the other day, the Embassy did its utmost to process the visa and facilitate the entry to Japan of a West Australian entrepreneur who wanted to hold business talks with Japanese companies concerning hydrogen, as well as a businessman from New South Wales who wanted to visit Japan as soon as possible in order to expand his business operations in Japan. This is one of the important tasks performed by both the Embassy and the Consulate-Generals.

5. Expanding to new horizons to transcend the traditional complimentary relationship

For many years, the economic relationship between Japan and Australia involved the export of wool, agricultural goods, energy sources and minerals from Australia in exchange for electronics and automobiles from Japan. This was referred to as a “complimentary trading relationship”.

More recently, this relationship has expanded and deepened to include new frontiers for cooperation in hydrogen (whereby Japanese capital and technology is used to produce hydrogen

in Australia for transport to Japan), investments in infrastructure (using the technical know-how, capital, and ingenuity of Japanese corporations to develop a smart city in Western Sydney), and space.

The Embassy cannot be just concerned with the short term, but should be doing everything possible to advance cooperation between Japan and Australia for the next 10, 20, and indeed 50 years.



A coal gas and hydrogen production facility

6. High Speed Rail

On that note, one topic which has often been raised with me by Australians is whether or not high speed rail will be introduced to Australia. The reason why this issue has remained unresolved for so long is because of economic costs, thereby tilting towards a preference for faster rail over high-speed rail.

Yet the distance from Sydney to Canberra is just 280kms, the same as that from Tokyo to Toyohashi. If you expand this out to Melbourne it becomes 800kms, or the distance from Tokyo to Hiroshima.

One thing I often hear, not only from Japanese citizens but also from Australians with extensive experience of visiting Japan, is “how convenient it would be if we had a Shinkansen.”



A Shinkansen races past Mt Fuji

When you look at recent events such as the development of Western Sydney Airport and the Brisbane Olympics proposal for 2032, then there is clearly value in raising this anew as a topic for discussion.

“A Japanese Shinkansen zipping through the vast, red Australian landscape”

It’s certainly not a pipe dream.

YAMAGAMI Shingo