

**National Press Club Address
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**‘Japan-Australia Relations:
Current situation and future prospects’**

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One of the great joys of being an Ambassador is the opportunity to meet face to face with people from all walks of life.

COVID-19 has made this challenging.

But Australia’s success in containing the virus has made it stand-out in the international community.

And so, in the months that followed my arrival late last year, I had the fortune of meeting people in each state and territory.

In the words of a great Aussie tune, ‘I’ve been everywhere man’.

Today, we gather on the traditional lands of the Ngunnawal people.

One of my fondest memories was in the Riverland in South Australia.

There, my wife and I were gifted this beautiful handmade bracelet by Kokatha artist, Ms Ena Turner.

The intricate beads depict the Japanese flag.

I carry this today out of respect to the Traditional Custodians of this beautiful country.

Another great joy is the opportunity to get to know a nation through its film and literature.

Recommendations from Aussie friends have enriched my spare time.

From a wasteland in Mad Max, to a nation of suburban battlers in the Castle, Australia certainly has many faces.

My recent favourite is Penguin Bloom.

This true story of a resilient Aussie family reduced my terror of magpies.

I won’t say I’m cured.

In just two days, people will gather around screens to watch the opening ceremony of the Tokyo Olympics.

Like film and literature, sport can transcend borders and build bridges.

There is no denying these Olympics are being held under tremendous difficulties.

But a safe and secure Games will be a symbol of global unity in overcoming the pandemic.

Australia has been a true friend to Japan in the lead up to this.

I was very touched by Prime Minister Scott Morrison and Opposition Leader Anthony Albanese's words of encouragement in parliament.

Another encouragement came from the Australian softball team.

These true-blue embodiments of the Aussie Spirit were the first team to arrive in Japan.

Just a few hours ago, they faced off against the Japanese softball team, SoftJapan, in the much anticipated opening game of the Olympics.

I'm happy to report that SoftJapan proved they're not so soft after all.

The game took place in Fukushima, a community that went through adversity beyond description.

Ten years ago, Japan faced one of its darkest hours: the Tohoku earthquake, tsunami and nuclear accident.

Here again, Australia proved itself a true mate to Japan.

The Royal Australian Air Force transported food, water, supplies, and personnel to areas in need.

Then Prime Minister Julia Gillard crossed oceans to visit the hardest hit regions and speak with survivors.

For this, she will receive Japan's highest honour, the Grand Cordon of the Order of the Rising Sun, later this year.

Japan has endeavoured at every opportunity to return Australia's friendship.

During the Black Summer bushfires, two Japanese Self-Defence Force aircraft were dispatched to assist with the disaster response.

It was the first time the JSDF had responded to bushfires abroad.

Now, lest anybody should think Ambassadors just watch movies and sport, I'd like to turn to the main topic for today.

I want us to think about how far Japan and Australia have come.

And I'd like to open up a discussion about what could come next.

I want to turn the focus onto our ties in 15 years' time.

And in doing so, I would like to consider some of the most pressing questions.

How can we maintain our mutual prosperity?

How can we ensure that our region, the Indo-Pacific, is free, open, inclusive and prosperous?

And, how can we guarantee a rules-based international order in which disputes are resolved peacefully, free from coercion and in accordance with international law?

Japan and Australia: Where we started

First, how far we have come.

In order to consider this we must look at where we started.

Japan and Australia's relationship has long been defined by deep economic complementarity.

The roots of this are older than Australia's federation.

At the turn of the 19th to the 20th Century, a Japanese government delegation visited Australia, identifying it as a promising trade partner.

This potential had long been recognized by the private sector.

Japanese trading houses had set up what would become a more than century-long presence in Australia.

The delegation recommended the establishment of the first Japanese diplomatic mission in Australia.

Exactly 125 years ago, this was realized in Townsville.

Soon after a regular shipping route commenced between Yokohama and Sydney.

Six decades later, these trade relations were given a strong framework through Japan's accession to the GATT and our Commerce Agreement.

Japan then became Australia's largest trading partner- a position it held for 40 years.

Without even having seen the film Japanese Story or read Patrick White's Voss, Japanese people developed a fascination with the vastness and beauty of the Aussie landscape, driving unprecedented growth in the tourism industry.

And a cycle of Japanese investment and reinvestment gained traction, creating jobs and boosting economic growth.

Australian exporters also made significant headways.

Aussie cheese, beef and then sugar captured the largest share of the Japanese market.

Today, their market shares have reached 23, 45 and 82% respectively.

Resources exports to Japan also boomed.

When visiting resource-rich Queensland and Western Australia, I was humbled by the generous words of people there.

Without Japan, they said, Australia would not enjoy the prosperity it does today.

No other country in Australia's history has been so involved in every stage of the supply chain: finding, digging and shipping the resources that have helped regional communities to flourish.

What I'd like to add is that it has gone both ways.

Without the stable supply of resources, the Japanese economy would not have grown this big or this mature.

But the greatest benefit of our economic complementarity has not shown up on balance sheets.

It has been the increased engagement between our business communities.

Not for short-term profit.

But as a dedicated long-term commitment.

This became a seed of mutual trust which grew into the roots that anchor our relationship.

The people of our nations came to understand what we had in common.

They understood that we share faith in the free market economy.

That we value democracy and human rights.

And, above all, that we uphold the rule of law.

The past 15 years: How far we have come

What is most astonishing however, is how our relationship has deepened and broadened over the past 15 years.

We are no longer defined solely by trade and investment.

I just mentioned our shared values.

But our relationship today is also underpinned by shared strategic interests.

In 2007, our Prime Ministers signed the Joint Declaration on Security Cooperation.

In this same year, our Foreign Affairs Ministers and Defence Ministers came together for the first 2+2 consultations.

In 2014, Prime Minister Abe declared in the Australian parliament that, having deepened our economic ties, we would 'now join up in a scrum, just like rugby, to nurture a regional and world order and to safeguard peace'.

And that's exactly what we have been doing.

We elevated our relationship to a Special Strategic Partnership.

We created momentum for the QUAD, culminating in the historic, first-ever leaders meeting in March of this year.

There, Japan and Australia, 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'.

We also agreed to boost the manufacturing and distribution of up to 1 billion doses of vaccines in the Indo Pacific.

This is not to say that our economic relationship waned on the sidelines.

On the contrary, over the past 15 years trade between our nations has increased by around 60%.

This was spurred on by the conclusion of our landmark Economic Partnership Agreement in 2015.

Australian coal, the first traded commodity to Japan back in 1865, today makes up over half of all Japanese coal imports.

For Australia, that is over a quarter of all coal exports.

For Aussie LNG, the proportion that goes to Japan is even higher at around 40%.

Likewise, after a century-long export history to Japan, Australian Iron ore continues to be essential to the Japanese economy.

Over half of all Japan's imports of the mineral originate right here.

Investment has grown even further.

Over the past 15 years it has increased six-fold.

Today Japan is Australia's second largest investor.

The total stock value of this investment has reached \$132 billion dollars.

Significantly, Japanese companies have continued to reinvest earnings from their Australian businesses, contributing to well over 70 thousand jobs.

In the film Muriel's wedding, the bumbling businessman Bill Heslop struggled to tell the difference between Japan and its neighbours.

Those days are long gone.

The economic boost has been two-way.

Australian tourists have become a significant asset for Japan's tourism industry.

Did you know that Aussies are the biggest spenders with an average of three thousand dollars per trip?

At 13 days, their average stay is also one of the longest.

This has led to an Aussie investment boom in ski resorts like Niseko and Hakuba.

A flight crewmember once remarked to me that on every plane out of Japan, at least one poor Aussie with broken limbs can be spotted.

Once borders open, their limbs could certainly return to Japan for a hot spring.

Our commitment to the liberalization of trade and the rule of law also led us to work together to promote regional economic integration.

We ensured the entry into force of the CPTPP.

Our nations also became the driving force behind RCEP.

In honour of the Aussie Spirit squad, I would like to update the rugby metaphor into a softball one.

Japan and Australia now have all bases loaded, ready for a grand slam home run.

In the next 15 years, we can achieve prosperity and stability beyond that of the last.

The next 15 years: A vision for the future of Japan-Australia ties

So while we celebrate our success story, we must also look ahead.

Opportunities and challenges facing our nations leave no room for complacency.

Where do we want to be 15 years from now?

I would like to answer this question from three angles: our economic partnership, climate partnership and security partnership.

Economic Partnership

Let's start where we began, with our economic partnership.

How can we ensure our nations are economically resilient as we face growing difficulties?

To answer this question, I'd like to focus on trade, infrastructure and space.

Trade

As the world's second largest advanced economy, with over 126 million sophisticated consumers, the Japanese market is of course competitive.

But I have faith in the quality and competitiveness of Australian goods.

And the sales efforts of Aussie businesses are up to the task.

For wine, the time is ripe.

The groundwork for an Australian wine boom has been laid by our EPA.

As of April this year all tariffs on bottled wine have been reduced to zero.

I've nothing against a reasonably priced wine.

But the quality Aussie cheese and beef dominating the Japanese market needs to be paired with quality wine.

I would love to see some of those top-range labels at my local Tokyo bottle-o.

Infrastructure

Likewise, Japan is seeking opportunities to provide more of its unique technology and expertise to meet the needs of Australian businesses.

One area of potential is infrastructure.

Japanese experience in this field, particularly in high-speed rail, could dramatically revitalize the way of life in this country.

I'm sure there are many journalists here today who frequently travel between Sydney and Canberra.

With high-speed rail this journey could be shortened to an hour.

And the great leg from Melbourne to Sydney to a meagre 3 hours.

For me, the Shinkansen has been a game changer.

It allowed me to commute 150 kilometres through the mountains of Nagano to Tokyo for work.

What used to be more than a 3 hour trip became a single hour.

Both Australia and Japan already have esteemed global reputations for liveability.

But we also face the challenge of rapidly developing cities.

We all know that Greater Sydney is one of the fastest growing regions in the world.

Already Japanese companies are contributing to the transformation of this city.

Half a dozen Japanese infrastructure players have signed agreements to partner with the State government on a range of initiatives.

And Japanese involvement in the re-construction of the city's northwest has led to Australia's first fully automated rail network.

Space

Japan can also assist with Australia's goal of tripling the commercial space sector's contribution to GDP by 2030.

Our space agency JAXA has led dozens of international space exploration missions.

The most recent of these, the Hayabusa 2 mission, was carried out in cooperation with Australia.

The asteroid samples collected may provide insights into the origins of the solar system and life on Earth.

During the Blacksummer bushfires Japan's Himawari-8 satellite enabled Australia to use near real-time imagery to detect bushfire hotspots.

Australia's Optus C1, the world's largest hybrid commercial and military satellite, also utilizes Japanese technology to provide communications services to remote areas of Australia.

When I visited the Australian Space Agency in Adelaide I was lucky enough to receive a limited edition Koalanaut.

For those of you who haven't seen one of these, they are an adorable soft toy koala dressed as an astronaut.

Hopefully, with advances in space technology, eucalypt will germinate on the moon.

Otherwise they're going to get very hungry up there.

The Rules-based international order

Of course, our economic prosperity is contingent on the preservation of a rules-based international order.

Here again, what we do together matters.

Our cooperation can help to keep this most vital framework intact.

Over the next 15 years, this will not be easy.

To quote the words of Prime Minister Suga and Prime Minister Morrison, 'Trade should never be used as a tool to apply political pressure'.

These words embody Japan and Australia's determination to ensure our region is one where disputes are resolved peacefully, without coercion or the threat of force.

Indeed, Australia is not walking alone.

Japan fully supports Australia's efforts to solve the ongoing trade disputes through dialogue, in accordance with international laws.

I applaud the way Australia has faced up to tremendous pressures in a consistent, principled and resilient manner.

Together, we must continue to pursue liberalisation and the establishment of fair, transparent rules.

We must work to expand the CPTPP.

Currently, Australia and Japan are playing an active role to examine the accession of the United Kingdom.

The Accession Working Group is being chaired by Japan with Australia as Vice-Chair.

Successful implementation of RCEP will also require our joint efforts.

And we can engage further at the OECD.

The election of the Honourable Mathias Cormann to Secretary-General was warmly welcomed by Japan.

Japan supports Australia's increased global role, which has significance in raising the profile of the Indo-Pacific region.

Together with Deputy Secretary-General, Japan's KONO Masamichi, my good friend, we are confident Secretary-General Cormann will be a strong, positive force for multilateral cooperation.

It is also incumbent upon us, as staunch believers in the multilateral trading system, to push for the reform of the WTO and its dispute settlement mechanism.

Climate Partnership

Next, I will touch on our climate partnership.

Japan is not here to lecture, but to cooperate.

When we look ahead to the future it is natural that we think of climate change.

In 15 years' time, how will our governments and industries be responding to one of the defining global challenges of our times?

The answer can be found in the Japan-Australia Partnership on Decarbonisation through Technology announced last month.

Our nations are committed to a technology-led response to climate change.

We believe in the power of innovation.

We see hydrogen as our future.

Japan has high hopes for Australia's endeavour to become a world-leader in hydrogen production and exports.

By 2030, Japan aims to be using up to three million tonnes of hydrogen each year.

Some of this will come from the Hydrogen Energy Supply Chain (HESC) project in Latrobe Valley.

This world-first pilot project is being led by a consortium of Japanese heavy-hitters.

Commercial operations are tipped to begin within two decades.

With a 2050 goal of 20 million tonnes of annual hydrogen use, Japan will be eager to receive hydrogen from a great number of sources.

I am pleased to note that there are already dozens of Japan-supported clean energy projects underway all over Australia.

Japan's private sector is just as keen to make our hydrogen future a reality.

Currently over two hundred Japanese companies make up the Japan Hydrogen Association.

Their aim?

To promote the creation of a hydrogen supply chain.

Many of these companies are backing hydrogen and ammonia projects right here in Australia. So now you know how serious corporate Japan is about hydrogen.

Strategic partnership

Finally, on our strategic partnership.

I've already emphasised the importance of the rules-based international order for our prosperity.

This order must be backed up by our defence cooperation.

And the key concept is deterrence.

The geopolitical environment today cannot and should not be understood in cold war-era, binary terms.

What we face are challenges posed by the rise of emerging powers.

These affect the entire international community.

Japan and Australia are frontline states.

Which is why it is vital that we address them.

Not alone, but with a special sense of responsibility and leadership, in cooperation with the rest of the world.

As outlined in our recent 2+2 ministerial consultations between Foreign Minister Motegi and Payne, Defence Minister Kishi and Dutton, we welcome the strong and enduring presence of the United States in the Indo-Pacific.

We recognize the importance of our cooperation with ASEAN and Pacific Island Countries.

And, we welcome the increasing commitment of Europe.

All of this growing interest in our region from the international community enhances deterrence.

I am pleased to note that as I speak, Japan is participating in 'Exercise Talisman Sabre 21', which is taking place in the Northern Territory and Queensland.

This truly impressive Australia-US exercise will involve seventeen-thousand personnel.

Forces from Canada, New Zealand, the United Kingdom and the Republic of Korea will also participate directly and delegations from India, Indonesia, France and Germany will observe.

As we move forward, the spearheading role that Japan and Australia have been playing in building Defence ties will become more pronounced.

Our bilateral cooperation will grow stronger.

Almost 15 years since the signing of our Joint Declaration on Security Cooperation, countless joint exercises have been conducted between us.

Today, our Defence cooperation has reached a new stage.

On a practical, operation level, it has evolved significantly.

In September last year, the Royal Australian Navy and the Japanese Maritime Self Defense Force undertook a joint transit of the South China Sea.

In November, Prime Minister Morrison became the first foreign leader to meet with newly elected Prime Minister Suga to discuss the Reciprocal Access Agreement.

Negotiations have now entered their final stage.

The signing of the RAA will be a significant milestone for our Defence cooperation, and a clear indication of the importance Japan places on the partnership.

Recently, we also announced the creation of a framework to allow the JSDF to protect ADF assets.

This will further accelerate the sophistication of our joint activities.

Our ambition to increase the complexity of bilateral exercises and operations between our Defence Forces, including through air-to-air refuelling, will further enhance deterrence in our region.

Now, I cannot leave today without making reference to the importance of the East China Sea.

I foresee that we will need to deepen communication and cooperation regarding this body of water.

The situation there is by no means unrelated to Australia.

For Australia's shipping industry, the countries with the highest transaction value are all in Northeast Asia.

As are five of the world's top ten busiest ports.

All of these ports connect to shipping routes which pass through the East China Sea.

In this respect, the East China Sea is just as crucial for Australia's security and economic interests as the South.

Both are a lifeline for us.

Any unilateral attempts to challenge the status quo by force or coercion in these seas will inevitably impact on our prosperity.

The importance of the peace and stability of the Taiwan Strait has also been shared by both our nations.

It is my hope that a further deepening of our ties over the coming years will allow for unprecedented Defence cooperation.

Only together can we ensure a free and open Indo-Pacific, where all nations can equally enjoy peace, prosperity and stability under the rule of law.

The importance of a shared vision

I began this speech today by touching on the ways I have seen Australia represented through its film and literature.

To me, Australia is a forward-looking, resilient nation.

It is not simply 'lucky'.

It is talented.

It is fair and down to earth.

Indeed I would say it is a global power.

Though I know that here in Australia, like Japan, there is a tendency to undersell oneself.

How we view ourselves is important.

Not only for Australia, but for Japan-Australia.

Which is why I chose today to think in concrete terms about our relationship in the 15 years ahead.

But we need not limit our vision to that specific time frame.

Our mutual trust is our greatest asset.

This trust continues to be strengthened by mutual respect and tolerance.

With this as our foundation, we can continue to accomplish whatever we set out to do.

Our dedication to peace, freedom and democracy.

Our respect for the rule of law.

These, along with our strategic interests, tie our futures together.

What we do together matters.

It matters for our nations, our region and the world.
