

# Speech

## Griffith Asia Institute – *Perspectives: Asia*

Delivered online by HE YAMAGAMI Shingo

Ambassador of Japan to Australia

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### 1. Introduction

Thank you very much Mr Saines for that kind introduction.

I'd also like to thank Professor Byrne and the Griffith Asia Institute for having me today.

Distinguished Guests, Ladies and Gentlemen,

It is lovely to be here in Brisbane, host of the 2032 Olympic Games!

Many of you would have caught some of the Tokyo Olympics, and more recently the Paralympics, on television.

I understand that a record number of Griffith University students, staff and alumni qualified for the Games.

The medal haul by athletes such as Emma McKeon and Rowan Crothers was truly something else.

Japan learnt a lot through holding Tokyo 2020.

And we'd like to share anything that might be of help with Australia, to ensure the success of the 2032 Games.

I know that Brisbanites sometimes refer to their home city as *Brisvegas*.

With the closer ties the organization of the Games will bring, I'm hoping we can change that to *Bristokyo*.

As Japan's Ambassador to Australia, the thought of Japanese sporting fans having the chance to visit this beautiful Sunshine State for the Olympics is very exciting.

Queensland, as you would know, is already a popular destination for Japanese tourists.

Before the pandemic hit, this State saw a yearly Japanese tourist count of some two-hundred and twelve thousand.

That's around half of all Japanese visitors to Australia.

These visitors contributed 463.5 million dollars to the State economy.

As recently as March this year, Treasurer Frydenberg reportedly recognized the 'high quality, high spending' Japanese tourist market as a necessity for the Australian economy.

When travel can safely resume, it would be incredible to see a Japanese tourist boom in Queensland like that of the 90s.

I'm sure that many Japanese people would be eager to stretch their legs on Surfers Paradise Beach, stroll through the greenery of the Daintree, or take a happy snap by the Big Pineapple.

## **2. The Evolution of our Bilateral Ties**

I'm here today to talk to you about current Japan-Australia ties.

On these, there is much we can reflect and celebrate.

Queensland should be particularly proud.

Because it was here that one of the first major milestones in our relationship was reached.

Exactly one-hundred and twenty-five years ago, the first Japanese mission in Australia was set up in Townsville.

In the following year, 1897, a regular shipping service commenced between Yokohama and Sydney.

Since then, our economic and diplomatic ties have grown exponentially.

Australian exports to Japan now account for around ten per cent, or 60 billion dollars of Australia's total trade.

And Japanese investment into Australia has accumulated to a massive total stock value of one-hundred and thirty-two billion dollars.

This makes Japan Australia's second largest investor.

Our robust bilateral relations have expanded to multilateral cooperation, too.

The Quad is the epitome of such cooperation.

The first ever Quad Leaders' Summit Meeting in March this year was held as a vehicle to promote our shared vision of a Free and Open Indo-Pacific.

There, our nations agreed to boost the manufacturing and distribution of up to 1 billion doses of vaccines in the Indo-Pacific.

But of course, there's no use simply tooting our own horn.

Because there is more that we can achieve together.

So today, while taking the time to reflect more deeply on our current ties, I hope to open up a conversation about what is ahead.

What goals do Japan and Australia share that we can work towards?

Where do our strengths and needs complement one another?

These are the questions Japanese and Australian diplomats and business leaders are constantly asking.

### **3. Current Ties: a Special Strategic Partnership**

First, where we are now.

You may have heard our relationship described as a 'Special Strategic Partnership'.

It was in 2014, that the leaders of our nations elevated the relationship to this status.

But what does this mean?

Last year, when Prime Minister Scott Morrison flew to Japan to meet with newly elected Prime Minister Suga Yoshihide, despite the necessity of quarantine, the two leaders reaffirmed this partnership.

Together, they highlighted what makes it special.

In their words, our relationship is special because it is based on both shared values and shared strategic interests.

Furthermore, these build upon our strong business ties, steeped in economic complementarity.

Our shared values include a commitment to democracy, human rights, a market economy and a rules-based order.

Our shared strategic interests are in the security, stability and prosperity of the Indo-Pacific region and beyond.

Adding to this, of course, are our cultural ties.

So when we talk about our partnership as special, what we are highlighting is that our ties are both broad and deep.

They cover a range of areas: economics, security and cultural exchange.

## **Economic Ties**

The longest of these are of course our economic ties.

I've already mentioned how over a century ago Japan's first mission opened in Townsville.

But even before this milestone, Japanese businesses had recognized the great potential of our complementary strengths and needs.

Japanese trading houses such as Kanematsu, Mitsui & Co and Mitsubishi Corporation, for example, were doing business in Australia as early as 1890, 1901 and 1956 respectively.

In the years that followed, Aussie resources came to dominate the Japanese market.

Today, more than half of all Japan's coal and Iron ore is bought from Australia, as is almost half of its LNG.

As you know, much comes from Queensland where Japanese companies have been working with their Aussie counterparts to find, dig and ship the resources that have helped regional communities to flourish.

In this regard, as you may know, Mitsubishi Development and Idemitsu have played a large role.

Australian agricultural products have been just as impactful.

Aussie sugar has captured more than four fifths of Japan's imported sugar market.

Cheese almost a quarter.

And Aussie beef almost a half.

Here too, supply from Queensland makes up the lion's share.

Around thirty-per-cent of all of Queensland's exported beef ends up on Japanese dinner tables.

Indeed, Japan is this State's second largest export market.

For Australia as a whole, the past fifteen years alone have seen an incredible increase in trade and investment with Japan.

Total trade between our nations has grown by around 60 per cent.

Investment has increased six-fold.

One of the reasons Japan holds the position of Australia's second largest investor is because Japanese companies have faith in the Aussie market.

They continue to reinvest the earnings from their Australian businesses.

In Queensland, there are around two-hundred and thirty Japanese companies contributing to the local economy through job creation, taxes and royalties.

## **Security Ties**

Over the past 15 years, these economic ties have been complimented by a growing security relationship.

This relationship was spurred on by the signing of our Joint Declaration on Security Cooperation in 2007.

The declaration has enabled us to cooperate in a myriad of ways on issues including border security, maritime and aviation security, peace operations and humanitarian relief operations.

Japan and Australia have also been working towards the stability and security of our region with likeminded partners.

In July, our nations participated in Exercise Talisman Sabre 21, right here in this State.

Along with Defense Minister Peter Dutton, I attended the opening ceremony of this impressive Australia-US exercise.

This year it involved 17 thousand personnel from seven different nations.

Furthermore, just last month the naval forces of Japan, Australia, the United States and India were engaged in Exercise Malabar in the sea off Guam.

Since 2007 our Foreign Affairs Ministers and Defence Ministers have also been coming together for regular 2+2 consultations.

You may have heard that Japan and Australia are on the cusp of finalizing negotiations on another landmark agreement, the Reciprocal Access Agreement.

In a sign of just how much Japan values our strategic relationship, this will be Japan's first Visiting Forces type-agreement, adding to the existing Status of Forces agreement with the United States.

The RAA provides a framework defining the legal status of defence personnel involved in activities within their counterpart's territory.

It will open the way for more exercises, more exchanges, more information sharing, and more capability development.

Moreover, Japan has already created a framework to allow the JSDF to protect ADF assets upon request.

All of this defence cooperation between our two countries will lead to further enhancement of deterrence in our region.

## **Cultural Ties**

Last, but definitely not least, we have our cultural, exchange ties.

It would be no exaggeration to say that the Japan-Australia relationship is built upon these vital people-to-people ties.

Australia has the largest number of people per capita in the world learning Japanese.

In Queensland alone there are over one-hundred and thirty-thousand.

Which equates to thirty-percent of Australia's total population of Japanese learners.

That's just incredible, isn't it?

We also share some truly inspiring sister city relationships.

Of the one-hundred plus sister-city relationships our nations share, many of the oldest can be found here in this State.

Queensland and Saitama, since 1984.

Brisbane and Kobe, since 1985.

And Townsville and Shunan, Yamaguchi since 1990 as well as Iwaki, Fukushima since 1991.

These regions have been there for each other through good times and bad.

In the wake of the 1995 Kobe earthquake, the people of Brisbane raised thousands of dollars to help with the appeal.

And, when Iwaki was devastated by the 2011 earthquake and tsunami, the leaders of Townsville offered their assistance, along with their best wishes and condolences via a local radio broadcast.

Australia is also a participant in Japan's JET Programme which allows participants to live, work and promote cultural exchange in Japan for up to five years.

Before the pandemic, there were over three-hundred and forty-three Australians living in Japan on the Programme.

But we'd love to see even more of you there!

I'd recommend this program to all of you here today with an interest in experiencing Japanese life.

#### **4. Looking ahead to the Future**

This brings me to the most important questions for today.

How can we continue to grow such broad and deep ties?

I would like to suggest to you there are at least three main areas we can focus on moving forward.

These are improving our economic resilience, working together towards a carbon free future and deepening our cultural exchange ties.

#### **Economic Resilience**

I spoke about how strong our trade and investment ties have become.

But there is room for growth.

The pandemic and growing challenges to the rules-based international order have been a stark reminder of the importance of diversifying trade and fostering economic resilience.

One of my own personal goals during my time as Ambassador is to help Australian producers promote their exports to Japan.

It has been a great joy to discover so many beautiful, high quality meats, fruits and vegetables in this country.

It is my belief that imports of Australian mangoes, for example, have not increased relative to their potential.

Aussie mangoes, particularly from this State, already have an excellent reputation in Japan.

Because of the difference in our seasonal calendar, Aussie mangoes can also be sold in Japan's off season.

During Japan's autumn and winter months, the option of a high quality Queensland mango is certainly a tempting one.



It would be wonderful to see this opportunity taken advantage of to the full.

Trade diversification of course relies on the existence of a robust rules-based trading system.

Japan and Australia understand that the preservation of this system benefits not only our nations, but our entire region.

Which is why 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 have both been involved in examining the accession of the United Kingdom as chair and vice-chair of the Working Group.

Together our two nations are also working closely towards reform of the WTO, including its dispute settlement mechanism.

I have high hopes in our ability to transform this most vital institution.

Japan understands the importance of having an impartial global umpire.

When unjustified export restrictions were placed on rare earths in 2010, Japan, along with the United States and The European Union brought this case to the WTO.

We were able to claim victory in this dispute.

This lesson also taught Japan about the need to ensure ones eggs aren't all in the same basket.

Since then, it has brought its dependence on rare earths from one source from 85 per cent down to sixty-three per cent.

One of those new sources of rare earths was Australia.

In their bilateral talks last year, our two Prime Ministers publicly agreed that 'trade should never be used as a tool to apply political pressure'.

They stated that 'to do so undermines trust and prosperity'.

This is a message which will continue to underline the importance of the rules-based trading system for the years to come.

## **Climate Change**

Looking ahead, Japanese and Australian businesses and households are increasingly focused on tackling the challenge of climate change.

With our long history of economic complementarity in the resources sector, Japan and Australia are natural partners in this global endeavor.

Last year in December, Japan published its 2050 carbon neutrality roadmap, the *Green Growth Strategy*.

In it, we outlined our ambition to be using up to three million tonnes of hydrogen each year by 2030.

By 2050 our goal is to increase this to up to 20 million tonnes.

Just like Australia, Japan is committed to a technology-led response to climate change.

Like Australia, it sees hydrogen as the future.

As such, Japan is eager to see Australia succeed in its endeavor to become a world-leader in hydrogen production and exports.

In June this year, our nations announced the Japan-Australia Partnership on Decarbonisation through Technology.

In it, we outlined our shared ambition to accelerate the development and commercialisation of low and zero emissions technologies.

Already our business communities have taken up the challenge.

There are dozens of Japan-backed hydrogen and ammonia projects underway all over Australia.

Many of them are right here in this State.

Kawasaki Heavy Industries is assessing the potential of a green hydrogen production facility in Townsville.

In Western Downs, IHI Corporation and CS Energy are studying feasibility for the Kogan Hydrogen Demonstration Project.

The Queensland University of Technology is leading a collaborative research project with partners like the University of Tokyo and Sumitomo Electric to establish a pilot plant producing hydrogen from renewable energy.

In the latest development, ENEOS has begun a Joint Study with Origin Energy for a Co2 free hydrogen supply chain.

Meanwhile in Gladstone, Japanese companies clearly have their eye on the region to become Australia's first renewable hydrogen hub.

Mitsubishi Heavy Industries is funding H2U's proposal for a renewable hydrogen and ammonia hub.

Itochu has signed an MOU with Australian Future Energy to participate in its Energy and Ammonia Project.

And, most recently, Sumitomo Corporation and Rio Tinto announced a joint study into the utilisation of hydrogen at Rio's Yarwun alumina refinery.

The vast potential of hydrogen could very well be the key to significant emissions reductions and hail a new golden era for the industries of our two nations.

## **Cultural Exchange**

I also spoke earlier about our strong Cultural ties.

These too have the potential to be nurtured further.

Of course, the COVID-19 pandemic has brought considerable challenges to Australia's university sector.

But it is with considerable sadness that I note the trend of diminishing Asian language studies departments across Australia.

I'm certain that Former Australian Ambassador to Japan Mr Bruce Miller would agree when I say that Japanese language studies can take you far.

His impeccable Japanese skills, which he picked up throughout university, enabled him to spearhead some of the most significant developments in our bilateral relationship.

It was during his time as Ambassador, that our relationship was elevated to a 'Special Strategic Partnership'.

The all-important Japan-Australia Economic Partnership, which has supported a rise in our two-way trade of some 31 per cent, was also signed.

For those of you who aren't considering a career path in diplomacy, I would like to bring your attention to Australian Artist Gotye.

Before his worldwide hit 'Somebody That I Used to Know', he went to Japan on exchange and studied Japanese at University.

This enabled him to connect more closely with his Japanese fans during his tours and make several appearances on Japanese television.

I hope that one day I will be able to see more Australians rising to great popularity and acclaim in my country thanks to their language skills.

With heightened Japanese language skills, more Aussies will also be able to enjoy trips to Japan at a deeper, more satisfying level.

Many Australians already enjoy getting deep into Japan's powder snow in ski resorts like Hakuba.

But with language skills, they could enjoy getting deeper into the community and discover hidden gems off the beaten track.

#### **4. Conclusion**

To conclude, I would like to reiterate that we have much to celebrate when it comes to Japan-Australia ties.

We are connected through shared values, shared strategic interests, strong business and cultural ties.

As we move forward, I am confident that we can deepen and broaden these ties through further cooperation.

Together, we can ensure our nations are economically resilient.

We can lower our emissions and meet our climate goals.

And we can enjoy our bilateral ties to the fullest by strengthening our cultural understanding.

Thank you.

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