

Speech

‘Opportunities for Businesses as Australia-Japan Economic Relations Skyrocket’

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Ambassador of Japan to Australia

On the Occasion of the Australia-Japan Roundtable Dinner,

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1. Introduction

Thank you Manuel.

I am a rather unusual diplomat.

I have been seconded on three separate occasions throughout my almost 40 year in the foreign service.

One was to the Prime Minister’s Office, the second was to the National Police Agency as was described by Manuel, and the third time I was seconded to the biggest Japanese think tank, the Japan Institute of International Affairs (JIIA).

So, three separate occasions.

This speaks volumes about how much I am hated by the Japanese Foreign Service.

So I’m here now living in this free-loving country, Australia.

But first, my appreciation goes to Tsutsui-san for your kind introduction, as well as all of the leaders of Deloitte for tonight.

Thank you for giving me this fantastic stage.

Whenever I come to this kind of well organised and beautiful office space, I firmly believe I took up the wrong profession.

Having grown up in this grey-metallic office of Kasumigaseki, ever longing... this is another way of my dream coming true.

So, can I just take this opportunity to congratulate you, Manuel, on having your significant contributions to the Australia-Japan relationship recognised, through conferment of the Order of the Rising Sun, Gold Rays with Rosette.

I was glad to hear that after some pandemic-related disruption, your award ceremony will finally be held later this month at Consul-General Kiya’s Official Residence.

So once again, congratulations!

So, ladies and gentlemen, please be assured that I am not going to talk about anything serious tonight, for two reasons; because I am drunk.

And because I am not going to talk about the Taiwan Strait or Ukraine.

This time I'm going to talk about the Japan-Australia relationship.

This year began with a momentous signal of flourishing Japan-Australia relations: a Leaders' Meeting between Prime Minister Kishida and Prime Minister Morrison.

Regarding this, I have a small national secret to share with you.

I was in fact able to join this meeting as a member of team Australia.

Prime Minister Morrison conducted the virtual meeting in a secure room, in Parliament House in Canberra.

In a sign of the deep trust our nations share, I was invited to participate from that same, very, very small room.

Only seven people could get in.

And that shows how far our bilateral relationship has come.

The two leaders signed the historic Japan-Australia Reciprocal Access Agreement, opening a new chapter for elevated security and defence cooperation and underscoring their commitment to the Indo-Pacific.

As we look at the year ahead, it is clear that the Japan-Australia relationship will continue to evolve in breadth and depth.

The second in-person summit of the Quad will be convened this year.

Prime Minister Kishida expressed Japan's intention to host the summit, just over a week ago.

So this summit meeting will take place in the first half of this year, somewhere in Japan.

And on top of that, next week, if the situation allows, we are coordinating to have a foreign ministerial meeting of the quad in Australia.

So this speaks a lot about the close coordination among the quad members.

There, Japan, Australia, India and the United States are expected to discuss wide-ranging topics including their coordinated response to numerous regional challenges, such as vaccine access and quality infrastructure.

Having recently had the chance to meet with Premier Perrottet for a second time since he took up his position, I personally have high expectations for the expansion of the New South Wales-Japan relationship.

Despite his busy schedule, the Premier has been making the State's relationship with Japan a priority.

This was evidenced in July last year when the New South Wales Government appointed veteran business executive and Japan expert Mike Newman to the position of Senior Trade and Investment Commissioner in North Asia.

Mike will be stationed in Tokyo, in recognition of Japan's status as one of Australia's oldest and largest sources of foreign direct investment and as New South Wales's largest export market for goods.

The Premier expressed to me that he is looking forward to going to Japan himself sometime soon.

Looking even further ahead, the Expo 2025 Osaka, Kansai, Japan, is on the horizon.

Australia has just confirmed its participation in this much-anticipated world exposition.

It was referenced during the Leaders' Meeting as 'an opportunity to further strengthen and broaden the trade, investment and people-to-people links' between our two nations.

So as you can see, Japan-Australia relations are about to skyrocket.

For Japanese and Australian businesses, that means there will be many opportunities.

But it also means there is a risk of letting opportunities pass by.

So today, I would like to outline some of my observations regarding what business leaders can do to ensure they ride this wave of prospering relations.

Areas of high potential for growth include emissions reduction and energy, infrastructure, defence and even space.

2. Emissions Reduction and Energy

On energy, our nations have a clear common goal.

That is, to keep our economies running while achieving emissions reduction.

The solution we share is decarbonisation through technology.

We believe that the key to net zero by 2050 is innovation.

I'm sure you've all been hearing a lot about Aussie innovation in something starting with H.

I'm not talking about the Hills hoist, but hydrogen.

Just ten days ago, I attended a ceremony at the Port of Hastings in Victoria to celebrate the arrival of the *Suiso Frontier*, the world's first liquid hydrogen carrier.

This was a significant milestone for the HESC project and indeed for the future of a global commercial hydrogen industry.

Including HESC there are around two dozen Japan-supported hydrogen and ammonia projects underway across Australia.

Many of you here today, including Marubeni, Sumitomo, ENEOS, IHI Engineering, Itochu, Mitsui, Sojitz, MHI and others, are involved in these pioneering projects.

As the Japan-Australia Partnership on Decarbonisation Through Technology signifies, the governments of our two nations are committed to supporting decarbonisation efforts by our businesses long into the future.

But none of this allows us to be complacent.

Because, as I'm sure you know well, an interest in hydrogen is not exclusive to Japan and Australia.

Other nations have begun to turn their focus onto this game-changing energy source.

So communicating the value of Japan-Australia partnerships on this frontier will be important.

Japan's strengths lie not only in its ability to provide cutting-edge technology, but in the strong relationship based on trust and consistency it has fostered with Australia over decades.

This is particularly apparent in the energy sector.

For over a century, Japanese businesspeople like yourselves have been investing in Australian mining, contributing to the development of the industry and creating jobs in Australia.

The trust our business communities share based on that history is not something which can be built up overnight.

So I would encourage you to take pride in that achievement as you continue to shape the future of our energy partnership.

3. Infrastructure

Now, on infrastructure, I think it is important to note that Australia is one of the few advanced countries in the world where the population is growing.

Predictions are that by 2056, Australian will be home to almost 40 million people.

If you think about it, for Japanese companies, that is like having another consumer base equivalent to the Tokyo Metropolitan Area, but with five-hundred times the space to build on.

Let me put that in a more common unit of Japanese measurement.

The area of Australia is roughly 153 million Tokyo Domes.

It comes as no surprise that many Japanese companies are already investing in this field.

Six Japanese companies have signed MOUs with the NSW State Government regarding the development of Western Sydney.

Three of those, Hitachi Australia, MHI Australia and Sumitomo Mitsui Banking Corp, are with us tonight.

In this fast-growing region, opportunities are set to open up in a variety of industries from aviation to medical technology and tourism.

Yet here too, there is a risk of these opportunities not being fully taken advantage of.

Last year in November, our Embassy held the 5th Japan-Australia Infrastructure Networking Meeting on the topic of this very project.

It became obvious during the course of this event that there was a gap in communication occurring between the State Government and Japanese companies.

Japanese companies were eager to know when the masterplan would be released and were urging the government for more detail on the overall project.

Understandably, they wanted this information in order to develop their procurement applications to the highest standard.

The Australian side however explained that their procurement process did not rely on companies fitting into a particular mould.

Instead, they were looking for companies with new proposals and ideas, who would work *with* them on the overall plan.

In the end, it was obvious that there were differences in how the procurement process was usually approached in Japan and Australia.

But having understood that difference, participants acquired the tools they needed for successful collaboration.

Outside of the development of Western Sydney, new opportunities are forming.

On my way here, I visited the City of Newcastle to get a better understanding of opportunities for Japanese companies.

I can tell you the two-hour road trip certainly would be more enjoyable if it were a short train ride.

Eye-spy is a lot more fun and less dangerous when you don't need to drive.

Just by going there and speaking with local people, I could see that there was a lot of eagerness for the prospect of high-speed rail.

High-speed rail would have a remarkable effect on productivity in this country.

Congestion and house prices would decline in Australia's capitals and wealth would spread to regional communities.

It would be wonderful if Japanese technology could be utilised in such a project as it is sure to go down in history as one which heralded a great deal of prosperity for Australia.

The Member for Bennelong, Liberal party MP, Mr John Alexander seems to agree.

He sent me a memorable Christmas card last year.

In it, he said that Santa would surely be able to deliver presents quicker in Australia with the help of Japanese high-speed rail.

4. Defence and Space

Now, on the topic of Defence and space.

Thanks to the reactions of a certain European country, Japan has recently been highlighted in the media for its humility regarding the infamous submarine contract.

To be fair, submarines are a risky-business: there's a lot of pressure and opportunities to go under.

But still, I believe we should be looking for something to replace the forty-billion dollar hole in our hearts.

It goes without saying that with the signing of the Reciprocal Access Agreement, there will be joint exercises and disaster relief operations of a higher complexity and scale between our nations.

A roadmap for this, in the form of a new Japan-Australia Joint Declaration on Security Cooperation, is already being drawn up.

All this translates to more openings for Japanese companies to collaborate with Australia in the provision of military equipment and technology.

But the possibilities for Japanese business involvement are even broader than that.

Because at their recent meeting Prime Minister Kishida and Prime Minister Morrison also pledged to strengthen cooperation on economic security.

In concrete terms, this will involve bilateral cooperation on building resilient supply chains, protecting critical infrastructure and collaborating on critical technology, including space-based technology.

From weather forecasting to emergency management and GPS, there are so many ways space technology underpins our economic security.

It is for this reason that at the Quad Leader's Meeting last year, we agreed to consult on rules, norms, guidelines and principles for ensuring the sustainable use of outer space.

As space usage becomes more prevalent in our national security discussions, I believe Australia will only team up with its most trusted partners to achieve its goal of tripling its commercial space sector's contribution to GDP by 2030.

This is great news for the Japan-Australia economic relationship.

With our leading technology and experience in space, there is much Japanese companies could potentially offer their Aussie counterparts.

For Japan, there are also geographical reasons for pursuing further cooperation with Australia.

Australia's vast landscape and position in the Southern Hemisphere have a lot of merit.

So does the fact Australia lies on almost the same longitude as Japan, meaning satellite information can be shared in real time.

These are some of the considerations behind JAXA's decision to land not one but two asteroid sample collectors in the Aussie outback.

It is also possibly the reason the tenth season of Ultraman was filmed in South Australia.

Released in the early 90's, it seems surprisingly fitting that it was produced in cooperation with the South Australian Film Corporation, considering Adelaide's new role as Australia's space capital.

5. Conclusion

I've spoken in length about possible roadblocks on the pathway to closer Japan-Australia business ties.

But I hope my message today has been one of encouragement.

Because while it is my mission to deepen Japan-Australia ties, I cannot do that without you.

I am fully aware that it is business leaders such as yourselves who do the legwork to strengthen our people-to-people ties each day and provide Australia with proof of Japan's value as a trusted partner.

So I would like to finish by thanking you and by promising to do my best to assist you.

Wherever possible I would like to humbly act as a mediator in strengthening relations between Australian stakeholders and Japanese businesses, as the Embassy's 'Principal Commercial Officer'.

Let's work together to ensure we don't miss out on any of the opportunities before us to create an even brighter future for Japan-Australia.

Thank you.