

Speech by His Excellency YAMAGAMI Shingo

On the topic of 'Japan and Australia: A Partnership for the Future'

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Herbert Smith Freehills

(Acknowledgements)

- Ladies and Gentlemen
- It's wonderful to be here in Melbourne; the one-time capital of Australia, and recipient of the 'world's most liveable city' award on more than a few occasions.
- I sense that some rivalry might exist between Canberra and Melbourne on who's city is more liveable (let alone which should be the capital!).
- Yet I feel there are many things in common between these two beautiful cities.
- Melbourne has an abundance of Fairy Penguins; the smallest, most fragile species of penguin.
- While Canberra has diplomats; the smallest, most fragile species of public servant.

- Melbourne is also right in the middle of footy season. While I'm no expert, I'm impressed by the AFL footballers I've seen in action.
- Although I do my very best to maintain strict neutrality when it comes to sport, I've taken a shine to the Collingwood Magpies, which I assure you is pure co-incidence.
- I realise that might be crossing a line, but in a contest between a Swan and a Magpie, I know which side I'd be on (as for Eagles, I'll leave that comparison for my next trip to WA!).

1. The Japan-Australia Regional Relationship

- Today's topic, 'Japan and Australia: A Partnership for the Future' is one that I hold dear to my heart.
- Because I do believe that Japan and Australia have much potential for further cooperation heading into the future.
- But our future does not rest with us alone.
- It is deeply intertwined with that of the Indo-Pacific; the region our two nations call home.
- It's a point that has been reinforced by the new Albanese government.

- The fact that Prime Minister Albanese and Foreign Minister Wong made their inaugural overseas visit in their new positions to Japan to take part in the Quad was deeply appreciated by the other Quad members, as was the new government's commitment to a Free and Open Indo-Pacific.
- This is why, in response to today's topic, I would like to speak to you about what Japan and Australia can do together for this region.
- It is my view that our shared values and strategic interests position Japan and Australia as natural partners in facing some of today's most challenging global issues.
- And our ability to cooperate as partners in these areas has the potential to benefit not only our two nations, but our entire region.
- It is in the Indo-Pacific that Japan and Australia have built up our prosperity, through our mutual commitment to the rules based-system.
- Though bilateral trade existed between us as far back as the nineteenth century, we first gave it a framework six decades ago through our Commerce Agreement.
- Then, in order to further liberalize trade, we signed the groundbreaking Japan-Australia Economic Partnership Agreement, which covered not only trade in goods but also trade in services and investment.
- Thanks to our openness to one another, from 1968 to 2008 Japan enjoyed the status of Australia's largest trading partner.

- Today, exports to Japan account for around ten per cent, or ninety billion dollars of Australia's total trade.
- The liberalization of our trade also 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.
- But the question is; moving forward, how can we ensure that our entire region enjoys such prosperity?
- The answer lies in the realization of a 'Free and Open Indo-Pacific' supported by a rules-based trading order.
- In recent years, Japan has been pursuing a foreign policy based on this vision.
- 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.
- In this context, Japan and Australia, working together, became the driving force behind the establishment of APEC.

- We are playing an active role to examine the accession of UK to the CPTPP. The Accession Working Group is being chaired by Japan with Australia as Vice-Chair.
- As staunch believers in the multilateral trading system, Japan and Australia have contributed to the rulemaking under the WTO. Japan and Australia are the co-conveners of the joint initiative on E-commerce at the WTO, and issued joint ministerial statement to show continuous commitment at the MC12 (12th Ministerial Conference).
- In bilateral talks conducted last year, Japan and Australia publicly agreed that 'trade should never be used as a tool to apply political pressure'.
- Given what has happened to Australia's trade relationship, this was a strong and clear message Japan and Australia delivered to the world.
- And it is a message which will continue to underline the importance of the rules-based trading system for decades to come.
- However prosperity cannot be envisaged without peace and stability.
- Our two nations understand these are a vital precursor to growth in our region.
- We expressed our dedication to this end at both the Quad Leaders' Meeting in Tokyo a few weeks ago, and during the Quad Foreign Ministers' Meeting that took place here in Melbourne in February this year.

- Rather than needing a rest, Australia's reps were wide awake and ready to go, even without the benefit of a Market Lane flat white!
- In Tokyo, 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 and territorial integrity'.
- For this, Japan and Australia are well placed to cooperate both multilaterally and bilaterally.
- As a natural consequence of the deep trust built up between us 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.
- Today, Japan and Australia regularly participate in joint exercises.
- Japan and Australia have already taken part in a trilateral exercise with the US known as Southern Jackaroo.
- We have also undertaken joint transits of the South China Sea in defence of the rule of law.
- We cooperate on the prohibition of ship-to-ship transfers in the East China Sea to enforce UN sanctions against North Korea's nuclear weapon and missile development programs.
- And last year Australia participated in Exercise MALABAR, a naval exercise traditionally involving India, the United States and Japan.
- For Australia, this was historically significant as it marked its first participation in thirteen years.

- In January this year, our nations also signed the Reciprocal Access Agreement. This historic document will dramatically shift the scale and scope of our defence exercises and exchanges in the years ahead.
- Who knows? Maybe pilots from the Japan Air Self-Defense Force will travel to Bendigo to get a few pointers about swooping from the local maggies!
- These are just some of the aspects of our relationship, but it is so much more.

2. Energy Transition and Hydrogen Development

- At the first-ever Quad leaders' meeting held in March last year, emissions reduction was identified as a priority for the Indo-Pacific. That goal was reiterated during this year's Leaders' Meeting.
- Here I strongly believe Japan and Australia can work together to contribute to the cause of emissions reduction and energy transition in line with the Quad climate goals.
- Our two nations share a vision for a low emissions future.
- And with our long history of economic cooperation in the resources sector, we are natural partners in the global fight against climate change and are committed to delivering the outcomes of COP26.
- Last year, I had the pleasure of attending the commencement ceremony of the world's first global hydrogen supply chain project, right here in Victoria.
- And I must tell you- the sheer scale of this project is astounding.

- Pioneer technology is being used to produce and transport hydrogen all the way from Latrobe Valley to Kobe, Japan.
- Driven by an all-Japanese multi-industry consortium, this project's success will have an enormous impact.
- The vast potential of hydrogen could very well be the key to reducing emissions.
- This will benefit not just Japan and Australia but our entire region.
- This week I shall be visiting the Rinnai Group, located here in Melbourne. Rinnai have successfully developed the world's first 100% hydrogen combustion technology for residential water heaters, producing zero CO₂ emissions.
- As the Ambassador of Japan, I can tell you it warms my heart to know this innovative company is busily at work here in Australia, and that's without the benefit of their new heater!
- I'll give you another example. Last year I travelled to a Toyota facility in Altona to view the "Mirai".
- Some or perhaps all of you have heard of this car.
- The clue to its potential lies in its name; "Mirai", or "future" in Japanese.
- The car runs on hydrogen, its only emission is water, and unlike EVs it can be refueled and ready to go in a few minutes.
- The potential market for this sort of technology is enormous. Not only cars but all forms of transport.

- It was in recognition of the huge possibilities that hydrogen presents last year, Japan and Australia signed an agreement on the use of technology to transition from fossil fuels.
- It is through agreements such as this that Japan and Australia will work on improving hydrogen supply, its conversion into energy through innovation (particularly emission-free processing), and the gradual reduction in its cost.
- This technology will allow us to decouple from fossil fuel dependency, and end the crisis in energy prices sparked by Russia's illegal and egregious invasion of Ukraine.
- There are twenty Japan-related hydrogen projects in the works across Australia, and competition for their technology is high among the states and territories.
- To make the most of its potential, Victoria will have to move quickly and provide as much support as it can to this exciting energy field.

3. High Speed Rail

- This brings me to my next point.
- It has been evident for decades that an upgraded rail-transport system for Australia would go a long way to reducing emissions, increasing convenience, and improving lives for countless Australians living in both urban and rural areas.
- In my view, it is high time to promote high-speed rail in Australia.

- After all Japan, which is well-known for taking its time before making a decision, managed to do it. So there's no reason why a dynamo nation like Australia should put it off any longer!
- Imagine it. A Melbourne to Sydney trip, which is roughly 800 kms, is about the same distance as Tokyo to Hiroshima. High-speed rail could cover that distance in 4 hours.
- It would be efficient, it would be environmentally-friendly, and it might take some of the burden off Qantas and give them time to sort out their baggage claims!
- Prime Minister Albanese has made no secret of his vision for high-speed rail in Australia, and has consulted with Japanese experts on the best ways to achieve this.
- Japan, as you know, has a network of Shinkansen. Japanese rail is a world leader in technical innovation and development, with an impeccable safety record.
- We've built high-speed rail networks for countries across the region, and so we are well-experienced in working with local suppliers for major infrastructure projects.
- I, like so many others, look forward to the day when Aussie and Japanese workers begin what will be a true nation-building endeavor.

4. Tourism

- Yet it can't all be hard Yakka. Sometimes you need to take a vacation.
- 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.
- Australians who until recently visited Japan were 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.
- So you can see why we are so keen to have you back!
- With tourism between Japan and Australia steadily returning to normal, that will help boost local economies, create people-to-people links, and really get the ball rolling on promoting our bilateral ties.

5. Conclusion

- So it's self-evident, just from what I have outlined here this afternoon, that we have an enormous range of areas for cooperation both bilaterally and across the region.
- Our shared values and strategic interests in areas such as trade, defence, emissions reduction and our response to the pandemic have situated us as natural partners in supporting our region.
- I am determined to do my utmost to strengthen our bilateral ties and uphold our shared values in order to promote a Free and Open Indo-Pacific.
- Because what we do for our bilateral ties benefits us all.
- It benefits our region.

- And it benefits the entire global community.
- Thank you.

[Ends]