

Keynote Address by H.E Ambassador SUZUKI Kazuhiro

On the occasion to the Minerals Council of Australia for Minerals Week 2024

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(1) Introduction

Before I begin my remarks, I would first like to acknowledge the traditional custodians of the land on which we meet, the Ngunnawal and Ngambri people, and pay my respects to their elders past, present, and emerging.

Ms Tania Constable

Distinguished guests, ladies and gentlemen

Thank you very much, Geraldine, for your kind introduction.

It is an honour to speak to the Minerals Council of Australia and its members, as well as many leading figures of the political, business and media sectors of Australia this afternoon.

I am particularly delighted to speak on today's theme, "Asia in a changing world – risks and opportunities".

There is no other topic more appropriate than this one for the Ambassador of Japan to talk about. So, thanks again Tania, for your thoughtful consideration.

The world faces various challenges. Well, we all know the most serious challenge facing us right at this moment. It is on the mind of everyone here in the room and is surely uniting us all.

I am, of course, talking about listening to the post-lunch speech. Never an easy task as we all begin to feel a little sleepy, but I promise to make it as easy as possible.

However, before going to today's theme, I feel compelled to congratulate you on Australia's remarkable performance at the Paris Olympic and Paralympic Games. It was a pleasure to watch both our national teams do so well.

Did you know that if we add Japan and Australia's Olympic medals together, the total number will be very close to that of the US.

This would make us Number 2 in the ranking despite our combined population being less than half of America's.

In the Paralympics, similarly, the combined total of Japan and Australia's medals is almost the same as that of the US.

I'm sure this is just one example of how great the potential Japan and Australia would be if we worked closely together.

This is what I would like to discuss today.

(2) Digital age

For decades, ladies and gentlemen, the main trajectory of the international community has been the pursuit of a free and open international order, based on the rule of law.

Yet in recent years, the stable international order has begun to face more fundamental challenges.

One key factor has been the advance of digital technology.

It has enriched countless lives and made the world far more connected and visible, allowing access to the entirety of our collective knowledge bringing about truly transformative effects. Today, we can order sushi on Uber Eats with a smartphone even at 2 am.

Such scale of innovation, however, cannot escape unintended, negative consequences.

The huge flow of information causes confirmation bias and is open to manipulation, and greater surveillance is now possible.

Digital technology certainly fosters economic growth, but at the same time, it can be used as a tool to control.

We are witnessing a socio-economic model where authoritarian leaders pursue economic growth while keeping a tight rein on society, shattering the once-held hope that economic growth would lead to more democracies.

The digital age also requires a higher level of digital literacy among the public.

The current spread of misinformation and acts of disinformation shows us we are being severely challenged in that regard.

The international community has experienced this in the context of Russia's illegal invasion of Ukraine.

While Japan and Australia and many other countries rightly condemn Russia's outrageous acts, some have criticized such a response as a double standard.

Major powers with different values than Japan and Australia are skillfully exploiting such criticism, blending it with disinformation to craft their own narratives and disseminating them through the internet and social media.

Today, the United States is understandably focused on its election at home. Europe faces its own security crisis with the situation in Ukraine. These circumstances are creating greater room for disruption through disinformation and misinformation.

(3) The opportunities of new frontiers

To tackle with these challenges, Japan and Australia must play an even greater role, and I am absolutely confident we can do it together, particularly as Japan and Australia share a brilliant track record in broader cooperation among countries, particularly in the Indo-Pacific.

It may not be well known, but groundbreaking regional frameworks, such as APEC, the ASEAN Regional Forum, CPTPP, and the QUAD would not have been realised without the strong leadership of Japan and Australia.

This tradition lives on today.

Japan and Australia are working ever more closely together with various partners, such as ASEAN and Pacific Island countries to tackle common challenges in the region.

And, in the security field, we have just confirmed our further cooperation at our foreign and defence ministers' 2+2 meeting at Queenscliff, Victoria, last Thursday.

(4) Japan-Australia cooperation on climate change and energy

Ladies and gentlemen, along with geopolitical challenges, we are also facing a different kind of challenge: that is, climate change.

Governments and the private sector have been responding with determination. Yet as many in the audience here would know, a challenge presents just as many opportunities as it does risks.

It is estimated that Asia requires 40 trillion Australian dollars in funding to achieve decarbonisation in the region. That's a lot of zeros, and trust me, I had to double-check that number myself.

But this figure alone shows just how many business opportunities exist for the taking, and how both Japan and Australia can work together to seize such opportunities.

So, I would like to share how Japan and Australia can best explore potential business opportunities and what's needed to enhance investment in the interrelated areas of climate change, energy transition, and critical mineral supplies.

Two points merit everyone's attention.

One often overlooked aspect is that our aim is to attain global emissions reduction. The other is that net-zero literally means net-zero rather than absolute zero.

Allow me to elaborate further.

On global reductions, Japan's carbon emissions account for 3% of the global total, while in the case of Australia it is 1%.

Even if both countries were to achieve net-zero, 3+1 equals only 4. It is very simple mathematics – the kind I'm sure we all like. How the world copes with the remaining 96% will have a far larger ramification.

When you play video games with your family, do you really focus on 4% of the battle ground and let your children conquer the remaining 96%? I do not think so. To win against your very smart children, you must maximize your chances. Right?

Similarly, carbon emissions coming from Asia account for 50% of the global total. Furthermore, the energy demands of ASEAN will only increase as their economies grow.

Japan and Australia must therefore cooperate on reducing carbon emissions in the whole region as many countries do not have natural environments that support solar or wind power like Australia.

With this in mind, Japan, in partnership with Australia and ASEAN, has launched the Asia Zero Emission Community or AZEC initiative.

The principle of AZEC is “one goal, various pathways” and has three aims:

Number 1, decarbonization;
Number 2, economic growth;
And number three, economic security.

At present, the activities related to AZEC are making steady progress.

Under AZEC, more than 300 memorandums of understanding have already been signed, and we encourage further cooperation from Australia’s business sector.

The market is in need of batteries and critical minerals.

To reduce emissions in the transport sector, which accounts for 20% of overall carbon emissions, there needs to be a steady transition to EVs, PHEVs and hybrid electric vehicles.

Renewable energy generation and storage also need batteries.

This is where Australia can take its crease, right? I’m sure you know cricket much better than I do.

Australia is the world's largest producer of lithium, and second in nickel reserves. It also produces large quantities of manganese and cobalt, and projects for graphite extraction are also already underway.

A great encouragement over the past year has been the activities of Japanese businesses involved in critical minerals.

From research and development to mining, processing, and refining.

Panasonic, Sumitomo Metal Mining and Mitsubishi Corporation are all working on nickel.

Iwatani is developing a cobalt refinery. Idemitsu is investing in vanadium.

And I'm sure everyone here knows about Japan's strong support for Lynas in rare earths.

More initiatives are in the pipeline and will contribute to further enhancing our cooperation in critical minerals.

Now to my second point: Net-zero rather than absolute zero.

One of the key technologies in achieving net-zero will be in carbon capture, usage, and storage, or CCUS.

The International Energy Agency has estimated that it will be necessary to store around 7.6 giga tonnes of CO2 annually or around 20% of current carbon emissions by 2050.

And here, the availability of numerous depleted gas fields in Australia has huge potential as a solution.

Let me point out the virtuous cycle where business opportunities drive technological innovation.

Thirty years ago, no one could have imagined that the US would become an oil-exporting country. I believe CCUS opportunities in Australia can be expanded by tax reductions and various forms of public funding.

Such opportunities will then bring about technology innovation, contributing to carbon reduction. That's why I thank whole heartedly Minister Madeleine King for her initiative in Future Gas Strategy and trust her to come up with more specific measures in days to come.

(5) The case for hydrogen

Let me now turn to hydrogen as an area for further cooperation.

Across Australia, Japanese companies are involved in around 30 hydrogen-related projects. This is only natural, given Australia's latent potential in solar and wind power generation.

But there is a caveat to that.

Unlike LNG and iron ore, which are blessed resources of Australia, hydrogen is H, a molecule composing H₂O.

It can be produced anywhere in the world, naturally, leading to stronger levels of global competition.

The US has already introduced policy support in this field in the form of the Inflation Reduction Act, and Japan has its Green Transformation or GX initiative.

The Kishida Cabinet issued an approximate and unprecedented 17 billion Australian dollars in GX bonds this February. Japanese companies are of course seizing this enormous business opportunity.

Therefore, I hope under the Future Made in Australia, Australia too will boldly grasp these chances lying in front of it.

(6) A transparent investment environment

But corporate investment needs more than just financial incentives.

There are other factors to consider, such as policy and regulatory stability, energy costs, stable industrial relations, and accessibility of an affordable and skilled workforce.

Generally speaking, investors abhor big surprises, such as unexpected regulatory changes, unexpected delays in required approvals, or sudden drastic policy changes.

So, given Japan's 160-year history of economic relations with Australia, I cannot overemphasize the importance of predictability to attract more Japanese investment here.

For all that I have said today, it's well worth remembering that the pathway to net-zero is far from easy, though both Japan and Australia have been steadily working on it.

And on this pathway, we have come to realise that this transition needs to be economically feasible in order for all of mankind to succeed.

The global reality is that gas and coal will still have vital roles. The key to our success will rest on the realisation of a global pursuit in carbon reduction and sustainable development simultaneously.

And I want to emphasize Japan is the destination where coal and gas can be used with the least carbon emissions possible as a result of its very advanced technology developments.

In this context, I'd like to acknowledge that we owe a lot to the efforts of many in this room to make stable and necessary coal exports to Japan, with the least emissions possible in your mining operations.

(7) Expansion of business opportunities in other fields

Ladies and gentlemen, in the case of Japan and Australia, in addition to these new opportunities in our energy and resources sectors, business opportunities are expanding across a wide range of other sectors.

The year 2023 witnessed a record 53 M&A deals and Japan's FDI in Australia reached a historic high of around 130 billion Australian dollars.

Housing is an increasingly important issue in Australia.

Japan's strength in the housing industry lies in its efficiency in heating and cooling as well as high productivity, which can contribute to both alleviating housing shortages and combating climate change.

The importance of cooperation in the cyber domain is also increasing.

As to our potential, the defense industry stands out.

The progress in Japan-Australia defence cooperation has been remarkable, so the standardisation of equipment will naturally become necessary.

Strengthening our defence industry cooperation is a completely natural development. In AUKUS Pillar 2, Japan is the closest partner.

I look forward to vigorous discussions across such broad ranges of sectors at the AJBCC and JABCC joint meeting in Nagoya this October.

With only 90 minutes ride from Tokyo by bullet train, which is available every 6 minutes, Nagoya is in quite a convenient location and I believe many of you here will participate in the meeting.

And as the one who must promote Japan's bullet train to Australia, perhaps I must tell you the truth that you can actually commute from your hotel in Tokyo to Nagoya.

But frankly speaking, my unofficial advice is that you should stay in Nagoya so that you won't miss nice local Nagoya cuisine and above all, your great Karaoke time with your Japanese counterparts. Never tell your boss that you can commute to Nagoya from Tokyo as well.

The 2025 Osaka Expo will also provide a showcase for Japan-Australia cooperation.

I'm sure many of you know Myaku Myaku here better than me as Myaku Myaku is getting many more "likes" than I do in our Embassy's social media posts. But we are good friends, you know.

We both are really excited and looking forward to seeing the Australian pavilion and what it will showcase to the world.

(7) Conclusion

Ladies and gentlemen, Japan and Australia have shaped the international economic order and cooperated on numerous individual projects across decades.

This solid trust, built up by previous generations, is the foundation of our modern relationship.

As evidence, this year marked the fourth year in a row in which the Lowy Institute poll of public attitudes to foreign affairs found that Japan is Australia's most trusted partner, which I take great pride in and one that I am determined to continue.

As I suggested at the outset through my Olympic medals analysis, Japan and Australia have great potential to play a bigger role together for this region and for the globe.

Many people say Australia is "renewable energy superpower" because of its natural potentials in solar, wind, CCUS and minerals.

Then, our battle ground should not be the 4%, but 100% of global carbon emissions.

A stronger, closer relationship between us will quite literally change the world for the better.

So I invite you all to join me in this endeavour, for in the words of great Australian singer-songwriter, Sia, it's high time for us to 'shine bright like a diamond'.

Thank you.