

Address by His Excellency Shigekazu Sato,
Ambassador of Japan to Australia

Japan and Australia

Comprehensive and Strategic Partnership

The Asialink Leaders Program

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Professor Anthony Milner,
Friends from the Asialink,

Introduction

Welcome to my residence.

I'm Kaz Sato, Ambassador of Japan to Australia.

Overview of the Japan-Australia relationship

What I'd like to emphasize in my speech today is two-fold. The first point is that our economic and trade ties are very deep, and based on longtime experience and trust accumulated between Japanese and Australian companies. The second point is that our relationship today is quite extensive and far-reaching, not limited to economic and trade ties.

Before entering into my assessment of the current relationship between our two countries, let me touch briefly upon its history.

The history of exchange between Japan and Australia does not begin with Toyota, Sony, Nintendo or Pokemon.

It dates back to the 19th century, even before the establishment of the Commonwealth of Australia in 1901.

There are several examples of this:

- Australian whaling vessels fishing in the waters near Japan appeared at a port in Japan and had contact with Japanese people in 1831. It is said that this was the very first contact between Japan and Australia.

- In the late 1870's, many Japanese crossed the ocean heading for the northern part of Australia for the cultivation of pearls. These Japanese laid the foundations of today's prosperity in Australia's pearl industry. In 1896, the first Japanese consulate in Australia was established in Townsville, Queensland, where as many as 4,000 Japanese were staying.

We had an unfortunate and painful time during WWII, during which Japan fought with the Allied Powers and even raided Australia.

(Economy)

Let me now go on to our economic relationship.

Diplomatic relations between our two countries were restored in 1952 when the Peace Treaty with Japan came into force. In 1957, the Japan-Australia commerce agreement was concluded and full scale economic and trade relations started. The economic relationship between our two countries swiftly developed and Japan became Australia's largest trade partner.

Japan has been Australia's largest export market over the four decades since 1966. In 2009, China took Japan's position. This does not mean Australia's exports to Japan are dropping. Australia's exports to Japan increased by 10% from the previous year. As of 2009, Japan still accounts for nearly 20% of Australia's total exports.

Secondly, Japan has been and remains Australia's largest trade surplus producing country. It amounted to 21.5 billion Australian dollars in 2009.

Thirdly, Japan is the third largest investor for Australia after the United States and the United Kingdom.

Fourthly, from the Japanese point of view, Australia is a large and stable supplier of various strategic goods such as mineral resources. Australia is the largest energy supplier to Japan and the largest source of food such as Aussie beef and natural cheese. Even if we count Japanese domestic beef, 40-50% of the beef that Japanese eat every day is Aussie beef.

I have been emphasizing so far the "volume" or "quantity" of our economic relations. However, we will underestimate the real value of Japan for Australia's economy if we evaluate it only in terms of volume.

Japanese companies have closely collaborated with Australian companies in resources development and accumulated mutual trust. For example, Mitsubishi Corporation has been working in coal mining sector in Queensland for more than 40 years. Many Australian leaders fully share the view of the Honourable Martin Ferguson, Minister for Resources and Energy, who aptly observed that "Japan has been with us from the beginning in developing the Australian resource sector". Through business partnership over the years, strong ties and bonds of mutual trust have been built.

(Comprehensive and strategic partnership beyond economic relations)

We, as two major democracies in the region, share basic values such as democracy and human rights. We, as two major allies of the United States, share strategic interests. Our relationship has developed beyond a mere economic partnership. It has become a comprehensive and strategic partnership.

(Security cooperation)

Cooperation in the field of national security has been developing and deepening rapidly. A stable and peaceful Asia-Pacific region is of crucial significance to both Japan and Australia. It is therefore natural for our two countries to cooperate in this area.

The Japan Self-Defense Forces and the Australian Defence Force have cooperated in many places of the world, namely Cambodia, Timor-Lest, Indonesia, Iraq, Afghanistan and now Pakistan.

In 2007, then Prime Minister Shinzo Abe and then Prime Minister John Howard signed the Joint Declaration on Security Cooperation. Since then, we have been accumulating concrete outcomes. For example, we regularly hold Foreign and Defense Ministerial Consultations (2+2 meetings). At the third consultations held in Tokyo this May, our two countries signed the Acquisition and Cross-Servicing Agreement (ACSA). This agreement will enable further cooperation between the Australian Defence Force and the Japan Self-Defense Forces with respect to logistics cooperation in UN Peace Keeping Operations as well as humanitarian and disaster relief operations.

We also cooperate closely with the United States, our common ally. Tokyo and Canberra both believe its presence in the Asia-Pacific is the anchor for the stability of the region. We have successfully developed the “Trilateral Strategic Dialogue (TSD)” process, in which we discuss matters of common concern such as non-proliferation, counter-terrorism, disaster relief, and many other areas of strategic significance.

(People-to-people exchanges)

I won't dwell at length on the wide-ranging people-to-people exchanges between us.

Australia currently hosts 71,000 Japanese residents. This is the 3rd largest number of Japanese residing overseas, after the United States and China.

From a tourism perspective, Japan is Australia's 5th largest inbound tourism market. Australians visiting Japan to enjoy skiing and hot springs are increasing in number.

In relation to education, Australia has the 4th largest number of students studying Japanese.

Between us, 107 sister city relationships have flourished. These sister city relationships embrace not only the cities involved, but also form an important part of the cultural dialogue between our two countries.

One of these sister city relationships is between Canberra and Nara-city. Nara, which is celebrating the 1300th anniversary of Nara Heijo-kyo Capital this year, is one of the world's oldest capital cities, and Canberra, one of the youngest. The two cities have held an annual festival, the Canberra-Nara Candle Festival, in Canberra since 2003. This year, it took place last Saturday and I participated and enjoyed the activities. More than 12,000 people gathered to enjoy Japanese culture and Japanese food.

(Cooperation on the regional and global scene)

We are also cooperating on the regional and global scene.

The theme of the Asialink Leaders Program 2010 Canberra retreat is "Australia-Asia Engagement". Japan has been always a strong supporter of Australia's engagement with Asia.

Japan and Australia worked together to launch APEC in 1989. Since its inauguration, APEC has firmly established itself as the leading forum in the region. This year, Japan will host the 18th APEC Leaders' Meeting in November.

Another good example of our cooperation is the East Asia Summit. When the EAS was launched in 2005 with the initiative of ASEAN countries, Japan insisted that the membership be expanded beyond ASEAN+3 (Japan, China and ROK). Some countries had either opposed or had reservations about this. Finally, Japan's position was accepted, and the EAS encompassed Australia, New Zealand and India.

Why have we been so cooperative in Asia?

Asia is the epicenter of world growth. Both the Australian and Japanese economy depend greatly on the growth of Asian countries. On the other hand, Asia is facing serious security challenges, such as the Korean Peninsula and Taiwan Strait issues. New challenges like terrorism, proliferation of weapons of mass destruction, and increasing natural disasters have also emerged.

Cooperation between our two countries is therefore a natural evolution of our common desire for a stable and prosperous Asia.

Before moving on, I will briefly talk about our cooperation on global agenda. Cooperation on nuclear disarmament and non-proliferation is a good example. This year, we worked together intensively towards the success of the NPT review conference. As a follow-up to the successfully closed NPT review conference, Japan and Australia are trying to establish a new group on the issue. The aim of this new group is to create a bridge between nuclear weapon states and non nuclear weapon states, as well as developed countries and developing countries.

Climate change is another good example of our cooperation on the global scene. Japan and Australia have been cooperating closely for the successful establishment of a post-Kyoto regime in which major emitting countries all participate.

Potential of Japan-Australia relationship and Challenges

As I have stated tonight, we have had an excellent partnership since the 1950's and the fundamentals of the Japan-Australia relationship are solid.

That being said, we shouldn't take for granted the current good and mature relationship. We must continue to explore its potential.

For example, our economic frontier can be further expanded. One of the important steps would be the conclusion of the Economic Partnership Agreement, otherwise known as the Free Trade Agreement in Australia. Once completed, it will develop further regional economic integration in the region. I know there are some sensitive areas on both sides. We should continue our negotiations extensively to obtain agreement.

(Whaling)

The only thorny issue between us is whaling. We have to manage our differences on this issue, so that they do not undermine our overall bilateral relationship. We need to minimize negative impacts. In this connection, the violent activities by Sea Shepherd must be strongly condemned. Such activities just make things worse by driving us apart.

Conclusion

I hope my presentation today helps to deepen your understanding of Japan-Australia relations. The Asialink Leaders Program aims to advance Australia's relationships with the countries of Asia and equip Australians with skills and a better understanding of the region for the Asian century.

I highly regard the Program and hope that participants here will serve in their positions to promote Australia's engagement with Asia and also promote the valuable relations between Japan and Australia.

Thank you.

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