

“Partners and friends.”

**JAPAN AUSTRALIA BUSINESS CO-OPERATION COMMITTEE
LUNCH**

Tokyo Kaikan

21 APRIL 2011

Thank you very much for that welcome. Can I acknowledge Mr Mimura thank you very much and Sir Rod Eddington, and thank you for your leadership in Australia-Japan business co-operation over many years.

Members of the Japan-Australia and Australia-Japan Business Cooperation Committees, I know there are so many of you here, thank you for everything you do to bring our two nations closer together.

Welcome to so many other representatives from the business community... And especially expatriate Australians here ... g'day.

The bilateral business co-operation committees do both our nations great service in strengthening our bilateral economic ties. Members account for around three quarters of all bilateral trade. They also account for many of the best ideas in our economic relationship. Pioneering work on public-private partnerships in infrastructure financing, to take just one.

You've done great work for both our countries through the decades. You've been an example to our nations, Australia and Japan, of our relationship at its best: not just partners but friends.

JAPAN WILL REBUILD

And in 2011 that friendship has been on display more than ever.

Australians were very grateful for the sympathy and support of the Japanese people after our summer's natural disasters. And then Australians were deeply shocked by the events of 11 March which truly dwarfed our own suffering.

So friends, I begin by saying we were all thinking of you on that awful day in March and we are still thinking of you now. I know that many of you here must have had difficult days since – personally and professionally, for families and for business. I also know Japan will rebuild – and you should know that you will not be alone.

In the immediate aftermath of the disaster, Australia helped. We deployed an Urban Search and Rescue team, which, with the close assistance of officials from the Australian Embassy in Tokyo and my own department, searched for survivors in the devastated town of Minami Sanriku. Australia also contributed a \$10 million donation to the Red Cross and deployed our heavy lift aircraft to transport water pumping equipment, emergency relief supplies, personnel and equipment.

The fact that so much of this work was done in close cooperation with the United States as well as Japan reflects the value of our trilateral defence cooperation.

And amid all this devastation, Australians are greatly impressed – even humbled – by the incredible courage, stoicism and unity of the Japanese people. The way you stick together in the hardest of times is an example to every country in the world. It says a lot about why Japan is one of the world's leading nations.

I know how determined you are and you should know how confident I am in your ability to pull your nation through these dark days. No one could downplay the scale of the challenge that now faces Japan. You grieve for your dead and missing – Japan is home to many broken hearts. The suffering and dislocation continue for hundreds of thousands of people. The impact on infrastructure, transport, energy, telecommunications has been severe.

But while the human and economic impact of this tragedy is huge, your courage, resources and reserves are even greater. Your capacity to recover, renew and rebuild, to innovate and adapt, will serve you well now.

I want you to understand that Australia knows well that Japan will rebuild and become stronger than ever. And we have complete confidence that our friendship and our economic relationship will emerge stronger as well.

AUSTRALIA'S STRONG ECONOMY

Today, I want to say to you that we join you in mourning what you have lost. And I want to say to you that as Japan rebuilds and in the days beyond rebuilding, we can inject new vigour into our economic relationship.

Australia speaks from a position of economic strength. During the global financial crisis, Australia did not go into recession. We benefitted from decades of economic reform, a world-class banking system, effective fiscal and monetary stimulus and above all, from the efforts of a creative and confident people who worked together to preserve employment through the downturn.

Of course, Australia's reform agenda is far from complete. We are pursuing reforms to build a clean energy economy, deliver high speed broadband to Australians, develop a seamless national economy, increase participation in our workforce and lift skills.

This is good news for Japan as well. We welcome Japanese economic engagement with Australia as a partnership between friends.

THE ECONOMIC RELATIONSHIP

Australia's strong economy is not only creating work for Australians, it is creating opportunities for trade and wealth for investors around the world. Japanese investment has been crucial to the development of Australia's strong economy.

Trade between our countries goes back to the nineteenth century, when Australia exported wool to Japan and Japanese pearl-divers, cane-cutters and traders worked in large numbers in northern Australia.

But the foundation of our modern partnership and friendship was the *Agreement on Commerce between Australia and Japan* in 1957 signed by the Australian Trade Minister Black Jack McEwen and the Japanese Prime Minister Kishi. This was a visionary economic reform, a brave decision by two nations to look to the future and to the long-term interests of their peoples.

The *Commerce Agreement* set a course for decades of strong growth in trade and investment. Japan became Australia's largest export market for over 40 years and remains our second-largest export destination and third-largest source of imports. By 2009, accumulated Japanese investment in Australia exceeded \$100 billion. Indeed, Japan's direct investment into Australia went on increasing through 2008 and 2009, even as the world economy was contracting.

There are many more opportunities. Not just because of reforms in policy but because the complementary nature of our two economies is deep and enduring.

In overall terms Australia is the largest single supplier of primary energy to Japan, which has helped Japan become a major exporter of industrial goods. Over the next few years Australia will become Japan's most important supplier of liquefied natural gas, as we are already with coal and iron ore. Japan can certainly continue to rely on Australia as a reliable source of supply at this difficult time.

We are also committed to being a secure and reliable supplier to Japan of rare earth metals which are so important to advanced manufacturing.

And, of course, those clean, sustainable agricultural products that are so important to Japanese life - wheat for your noodles, barley for your beer, buckwheat for your soba. and "Aussie beef" for your enjoyment.

Individual Japanese and Australian firms are also at the forefront of innovation, with significant investment in R&D and a strong global orientation. They reflect the increasing sophistication of our trade links.

For example, business services company Team Management Systems is providing corporate training to a range of Japanese financial companies. Melbourne-based biotechnology firm Mimotopes works closely with several Japanese universities and pharmaceutical firms. And Tasmanian agribusiness companies are growing Sato Nishiki cherries specifically for the Japanese market.

As Japan rebuilds from the earthquake and tsunami, we know that rebuilding infrastructure will be a major focus, and financing this will be a major preoccupation. So the work of the two bilateral business cooperation committees in the last two years in working through the issues of infrastructure financing and in particular promoting the benefits of the public-private partnership model has proved timely. On 7 March, just before nature's destructive power hit, business and government representatives from Australia and Japan held the first round of a new dialogue on infrastructure issues.

TRADE LIBERALISATION AND THE FREE TRADE AGREEMENT

The economic partnership between our countries is good for us both. Australia and Japan are great trading nations. We know trade means jobs in our economies. And good jobs mean good lives for our peoples. This is why I believe Australia and Japan must work together to promote openness, not only between us but among the countries of the region and the world.

Our bilateral Free Trade Agreement has been on the agenda since 2003 and under negotiation since 2007. A comprehensive Agreement will benefit Japanese consumers by giving them greater access to a range of quality products. Japanese producers will also gain new opportunities to sell high-quality products in Australia and companies in both countries will gain from increased investment opportunities in the other. Not only in merchandise trade, but in service sectors as well.

Successful conclusion of the FTA will also be of benefit to any consideration of Japan joining the Trans-Pacific Partnership and pave the way for a new stage of Japanese integration into regional and global economies. Prime Minister Kan and I are deeply committed to a conclusion of this very important agreement.

I welcome Japan's new policy direction in opening up Japan to more trade, in the form of the Basic Policy on Comprehensive Economic Partnerships issued by the Japanese Government in November 2010. Australia sees this as an historic and fundamentally important new policy for Japan that will be vital to Japan's future role in the global economy.

Our bilateral Free Trade Agreement negotiations are not the only way we can stimulate further trade and growth. We are both already actively engaged in global and regional efforts – in the G20 forum, in the WTO Doha Round of trade negotiations and through APEC's regional economic reform agenda.

As the worst effects of the financial crisis recede, the G20 will remain the leading multilateral economic forum, with a vital role to foster sustained and balanced growth into the future.

I also want to work with Japan and others, including through the G20, to ensure that every effort is made to conclude the Doha Round. Australia and Japan are both strong supporters of a successful conclusion to the Doha Round. We both see it as vital that the world trade agenda not fall backwards. One way or other Doha should conclude in 2011. Australia is working with Japan to try and get this done.

SECURITY AND PROSPERITY

Of course, the prosperity brought by our close relationship and the contribution Australia and Japan both make to regional and global prosperity are underpinned by the contribution we also make to stability and security in our region and in the world.

As in our economic relationship, Australia and Japan work closely together on other shared challenges. Through forums like the East Asia Summit in our region and

through our work together in the United Nations for global peace and security – our close cooperation to address the DPRK nuclear problem being an important example.

Working together as friends, working together for progress.

CONCLUSION

And working together to overcome nature's destructive power.

Japan will rebuild and Australia will help as a friend. We have great admiration for Japan's people and great confidence in Japan's future. And the economic relationship between our countries will come through these hard days stronger than ever, I have no doubt.

I visit a great nation today. I see Japan determined to look to the future, on a path of reform, seeking prosperity for its people still.

I come as a confident partner ... who shares that vision and determination.

And I come as a heartfelt friend ... for the future you are building is one we will share.

Thank you.