

Japan's Relationship with Australia

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Background

The Japan-Australia relationship is of fundamental importance to both countries and has attracted many descriptions. More recently it has frequently been described as a comprehensive and strategic relationship and as an outstanding example of a partnership between two countries with very different cultural heritages. The ties and areas of cooperation have continued to expand and deepen and now include political, security, economic, commercial, trade, cultural, academic and social aspects. The comprehensive partnership that now exists is based on the long established economic relationship. Japan remains Australia's closest partner in Asia. In November 2008, then Prime Minister Taro Aso said the relationship is reaching the most productive time in its history.

There are several basic reasons behind the strength of the relationship. For example: both countries are democracies; there is a high degree of interdependence in the trading relationship; both are advanced industrialised economies and share a common interest in maintaining stability in world trade; both have similar views about foreign policy and security for the region; and both are close allies of the United States.

Early Years

After the opening of Japan to the rest of the world in 1867, Japanese were again allowed to travel overseas. Many went to Australia and worked as pearl divers and in the sugar industry in northern Australia. Probably the earliest official Japanese report on Australia was prepared by officials from the then Ministry of Industrial Promotion who visited Australia for the Australian Intercolonial Exhibition in Melbourne, Victoria, which was held from 1875 to 1876. In 1890, F. Kanematsu & Co. began operations in Australia to ship wool to Japan. The first professional Japanese consul was appointed to Townsville, Queensland, in 1896. The first serious attempt to cultivate rice on a commercial basis in Australia was by Jo Takasuka from Matsuyama, western Japan, who arrived in Australia in 1905. These are just a few examples of the many early exchanges.

Economic Partnership

The economic relationship between Japan and Australia developed more actively from the mid-1950s. Australia's important trading relationship with Japan was formalized with the 1957 Agreement on Commerce between Australia and Japan, recently described as one of the most important trade agreements signed by Japan. Later, the

1976 Basic Treaty of Friendship and Cooperation and Protocol broadened the relationship. By 2002, the partnership had emerged as a full and diverse relationship.

Japan has been Australia's largest export market for more than 40 years and in 2008-09 accounted for about 20% of Australia's exports. Japan's imports of Australian resources have been very important to industrialization in Japan. Australia is Japan's most important source for imports of energy and accounts for nearly 22% of Japan's energy imports, including uranium. Australia's main exports to Japan include coal, liquefied natural gas, iron ore and beef. Japan's major exports to Australia include passenger and goods vehicles, refined petroleum and electrical and electronic equipment.

Japan is the third largest foreign investor in Australia after the United States and Britain. Japanese investment has played a very important role in Australia's development, particularly in the export sector, and it has been part of major developments in Australia's resource sector from the beginning. There is now Japanese involvement in most areas of the Australian economy and, more recently, there have been significant additional investments in major food and beverage companies in Australia.

The two governments are keen to expand the economic relationship further and are currently involved in negotiations on a bilateral free trade agreement (FTA), the first FTA Japan is negotiating with a major developed country. Such an agreement has been under discussion since about 2001. In late October 2009, Minister for Trade Simon Crean met with his Japanese counterpart Masayuki Naoshima. The two ministers reaffirmed their commitment to work toward a comprehensive FTA. Negotiations are continuing, however, focusing on two areas sensitive in particular for Japan, agriculture and services.

Cultural Relations

The trade and investment partnership has formed the basis for relationships in many other areas. At the community level there are 99 sister city and sister port relationships between Japan and Australia. Australia has 66,000 Japanese residents (including temporary residents), the third largest after China and the United States, and at the end of 2009 there were more than 9,000 Japanese students enrolled in Australia. Thirty-seven of the 39 Australian universities conduct courses or undertake research related to Japan and there are nearly 550 agreements of various kinds between Japanese and Australian universities. In Japan, 95 universities have courses in Australian studies. There are 370,000 students in Australia studying the Japanese language.

Other Areas of Cooperation

The relationship is formalized in many other important arrangements. For example, the Japan-Australia Joint Declaration on Security Cooperation was signed in March 2007. This was the first such agreement Japan has finalized apart from the one with the United States. This agreement facilitates further cooperation in several areas, including border security; counter-terrorism; maritime and aviation security; and humanitarian relief operations. Japan and Australia co-chair the International Commission on Nuclear Non-proliferation and Disarmament, a joint initiative of the two countries. Prior to this, however, there has been cooperation between Japan's Self-Defence Forces and Australian forces since the 1990s in Cambodia, East Timor and, more recently, Iraq. Japan and Australia are also cooperating in activities related to climate change technology such as the Global Carbon Capture and Storage Institute.

Japan consistently supports Australia in regional groups such as the East Asia Summit and Asia-Pacific Economic Cooperation (APEC) forum. Australia has supported Japan's objective to be accepted as a permanent member of a reformed United Nations Security Council.

Perceptions

Recent surveys undertaken in Japan and Australia have affirmed that the peoples of both countries hold positive perceptions and feelings about the other country. For example, in 2007, a survey released by the Sydney-based Lowy Institute indicated that Japan was trusted to act responsibly more widely than any other country. In Japan, a poll conducted in 2009 by Japan Broadcasting Corp. (NHK) found Australia was the only country in which Japanese showed an increase in trust and interest over the last 10 years.

Despite such positive perceptions, it does not follow of course that the citizens of both countries have a realistic, broad knowledge or a contemporary understanding of the other country. This position is not improved by the popular media in both countries. For example, there is a paucity of substantial information on Japan in major Australian daily newspapers and in recent years about two-thirds of the references to Australia in a major English-language newspaper in Japan have related to sport alone. The largest Japanese business daily *Nikkei* operates a Sydney bureau whereas its Australian counterpart, *The Australian Financial Review*, has no equivalent office in Japan.

Recent Trends

Until recently, some Australian academics considered that the main feature of the relationship since the 1970s was its predictability and that there did not appear to be many opportunities to diversify or expand it significantly. However, as Emeritus Professor Peter Drysdale (Australian National University) observes, a new strategic focus is now starting to appear.

Prime Minister Kevin Rudd has met with Japanese Prime Minister Yukio Hatoyama several times and they have reaffirmed the importance of further strengthening Japan-Australia cooperation and exploring additional opportunities, including at regional and global levels. Drysdale and others have emphasized that the Japanese market is no longer confined to Japan itself and that the huge interna-

Selected key dates in Japan-Australia relationship

1875	— Visit to Australia by Ministry of Industrial Promotion officials for Australian Intercolonial Exhibition
1897	— Japanese Consulate established in Sydney
1952	— Australian Embassy established in Tokyo
1953	— Japanese Embassy established in Canberra
1957	— First visit by Australian prime minister to Japan
	— First visit by Japanese prime minister to Australia
	— Agreement on Commerce between Australia and Japan
1969	— Agreement for Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income, and Protocol
1976	— Basic Treaty of Friendship and Cooperation and Protocol
1980	— Agreement on Cooperation in Research and Development in Science and Technology
1982	— Agreement for Cooperation on Peaceful Uses of Nuclear Energy
1995	— Joint Declaration on Australia-Japan Partnership
2003	— Australia-Japan Trade and Economic Framework
2005	— Agreement to Conduct Joint Free Trade Agreement Feasibility Study
2006	— Australia-Japan: Building Comprehensive Strategic Partnership
2007	— Australia-Japan Joint Declaration on Security Cooperation
2008	— Joint Statement by Prime Minister Rudd and Prime Minister Fukuda on Comprehensive, Strategic, Security and Economic Partnership
2009	— Inaugural meeting of Australia-Japan Trade and Economic Dialogue

tional market generated by Japanese activities, particularly through production networks in Asia, creates opportunities for Australian companies. Recently, many analysts have also commented on the potential for the relationship to become far more significant regionally. Prime Minister Rudd has said he is looking forward to expanding the relationship with Japan and examining new areas of cooperation.

As noted by Professor Aurelia Mulgan of the University of New South Wales, the growth of direct security relations between Japan and Australia adds a new and significant dimension. This has meant that the relationship is becoming more balanced as the emphasis moves from trade and economics towards political and security issues.

The increased emphasis on Australia's strategic importance to Japan has been attributed to several key factors including: the enhanced role of Australia; Japan's food and energy security approach; structural changes in Asia; and Australian policies related to Japan. From Australia's view, Drysdale explains that the Japan relationship is critical to the achievement of all the Australian government's economic, political and security objectives in Asia and the Pacific. **JS**

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