

‘No limits’ as Japan opens arms to trade

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Japanese Prime Minister Shinzo Abe addresses parliament in Canberra. Picture: Lucas Coch
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AUSTRALIA stands to gain from a new wave of trade and investment as Japanese Prime Minister Shinzo Abe pledges to tighten economic ties while building a stronger defence agreement to ward off threats in the region.

Mr Abe held out the prospect of bigger trade deals to come as he assured yesterday there would be “no limits” to the work being done to expand the relationship between the two countries.

The message came in a historic speech to federal parliament where he expressed his horror at the trauma suffered by Australians at Kokoda and Sandakan during World War II.

As tensions with China loomed over his speech, Mr Abe declared that Japan would never allow a repeat of the evils of the past, and then outlined ambitious plans to ensure stronger economic growth.

“We will now join up in a scrum, just like in rugby, to nurture a regional and world order and to safeguard peace,” he told a joint sitting of parliament.

“Australia and Japan have now freed ourselves from one old layer and are now moving towards a new special relationship.”

Tony Abbott responded with a call to “give Japan a fair go” as he countered fears Mr Abe’s reforms to the country’s pacifist constitution posed a danger to others.

“As Shinzo made crystal clear in the parliament today, the lessons of the past have been well and truly learned and they will never, ever be forgotten,” Mr Abbott said.

In a surprise move, Mr Abe singled out swimming champion Dawn Fraser — invited to hear the speech — to praise the Australian spirit and promise a “new dawn” in relations between the two countries.

Corporate chiefs said the message was vital for all Australians because it set out a new path for relations with a huge trading partner to deliver more trade, growth and jobs.

The address, the first by a Japanese leader to federal parliament and unexpectedly delivered in English, was the high point in a visit to Canberra yesterday that cemented a trade deal that will expand two-way trade already worth \$70.8 billion a year.

Mr Abe said the agreement, signed with Mr Abbott yesterday, would be a “great catalyst” to greater co-operation.

Mr Abe said it would give a “great push forward” to conclude the Trans-Pacific Partnership, a regional trade agreement that could cover a dozen countries and remove more Japanese barriers to Australian beef, dairy and other food exports.

At a later press conference, Mr Abe said the TPP talks were in the “final stage” and that there was “smooth progress” between Australia and Japan.

Mr Abbott backed that optimism and said the agreement between Australia and Japan - augered well for the TPP talks, given strong US support for a deal.

Trade between TPP members is worth more than \$1.5 trillion a year, indicating the potential for gains if barriers are removed.

Regional tensions weren't too far away at yesterday's proceedings given China's dispute with Japan over islands in the South China Sea.

While Mr Abbott repeated his assurance that Australia could make new friends in the region without losing old ones, Mr Abe said his talks with Mr Abbott canvassed China's behaviour.

“We also discussed China's attempts to unilaterally change the status quo,” Mr Abe said.

“China, along with Japan and Australia, should play a greater role for peace and prosperity in the Asia-Pacific region.”

Mr Abe also thanked former prime minister Julia Gillard for visiting the devastated area of Minamisanriku after the 2011 tsunami. “This is an excellent example, isn't it, showing that Australia-Japan relations go beyond fences between political parties,” he said.

Bill Shorten cited the 2011 visit when he said the friendship between the two countries was deeper than treaties or trade agreements.

Rio Tinto chief executive Sam Walsh, one of dozens of corporate leaders in Canberra yesterday, said Mr Abe's message was “full of hope and promise” on economic growth.

Mr Abe flies with Mr Abbott today to a Rio Tinto mine in the Pilbara to see the result of Japanese investment. The company's iron ore exports supply 50 per cent of Japan's steel production. "There's a lot of trust in that relationship and that's really the fabric of what we saw today — the trust, the friendship, the strength of the relationship between our two countries. That's important to every Australian," Mr Walsh said.

Asia Society chairman Warwick Smith said the elevated relationship on trade and investment was "absolutely essential" for Australian growth.

"It's more than symbolism — it actually has deep meaning. What's important for us is that Abe is having a deep commitment to the friendship and the trade," he said after the Japanese leader spoke at a lunch at the National Gallery.

"Abe is basically saying we've done this trade agreement and now we've got to do the TPP. He wants to go down the continuum and that's to our advantage.

"My sense is that it's a much stronger embrace than we might otherwise have expected."

Trade Minister Andrew Robb, who finalised most of the trade agreement in April, said the fact that Mr Abe chose to make the speech in English conveyed much about the "sincerity and integrity" of his speech. "In the end, life is all about trust and he conveyed trust, which radiates out to his community and will radiate out to our community," Mr Robb said.

"And all of that leads to more co-operative efforts, more trade, more business, more jobs and prosperity for both countries."