



**THE HON DR CRAIG EMERSON MP**  
MINISTER FOR TRADE

Transcript  
Press Conference with Banri Kaieda  
Japanese Minister for Economy, Industry and Trade  
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E&OE

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*Subjects: Australia-Japan Free Trade Agreement negotiations*

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EMERSON: Well, thank you for coming along today. It's been my pleasure to host a meeting involving Minister Banri Kaieda, who has come to Australia as the first bilateral meeting since his appointment as the Trade and Industry Minister in the middle of January and we regard that as a great honour and, Minister, you're always welcome in this country. You should know that in Minister Kaieda, from the Australian side, you have a friend.

He has had a long-standing interest in Australia. We welcome this because the relationship between Australia and Japan is a long, enduring and rich relationship and I think as a result of our discussions today, we have taken another step in further enriching and deepening that relationship.

So, Minister, you are most welcome in our country and you will be meeting further with Minister Ferguson, Minister for Resources, Energy and Tourism, this afternoon and a meeting will occur with the Prime Minister of Australia later this afternoon as well.

Thank you for flying through the night. I'm sure you must be starting to feel the effects of doing so but I will pass now to you and then we might give a very brief overview of the discussions that have just occurred over the last couple of hours.

KAIEDA: [Speaks Japanese]

TRANSLATOR: Minister Emerson, I would like to thank you first of all for your very warm welcome.

You have just given me a very cordial introduction. I actually have been to Australia about two times in the past on a Japan-Australia parliamentarians exchange.

Of course, even prior to that I have been in Australia on a private visit many times as a tourist.

: In particularly, I have had a chance to meet with Minister Emerson recently in Davos, where we had a meeting although for a very short period of time.

: It is indeed a great pleasure for me today to be able to take time today to discuss about economic cooperation and partnership between Japan and Australia.

After this – after Minister Emerson's statement – I also would like to follow Minister Emerson later to describe some of the things that we discussed during the meeting today.

EMERSON: Thank you, Banri. Discussions today spanned our trading relationships from the proposed economic partnership agreement between Japan and Australia onto the Trans-Pacific Partnership matter and on to the global trade negotiations – that is, the Doha Round of multilateral trade negotiations.

We also discussed investment in addition to trade – investment by Japan in rare earths development here in Australia – where I indicated that our reputation as a stable and reliable supplier of minerals and energy to Japan would extend to the issue of rare earths cooperation and investment in Australia. And also in the areas of infrastructure investment where we see new horizons between our two countries, involving not only private cooperation in infrastructure investment but public-private engagement in opportunities for infrastructure investment in Australia, and potentially in third countries as well, including perhaps India.

Regarding the economic partnership agreement, we would be aware that high level official discussions occurred – finished yesterday in Tokyo. Our side has reported to me some very encouraging developments in terms of engagement from the Japanese side.

And this follows the release of the basic policy on economic partnership agreements in November of last year and also the visit of Foreign Minister Seiji Maehara in December of last year.

It's a continuation of the new found momentum in the negotiations and while there is obviously a lot of work to be done, there is a very discernable - more conducive environment to be able to conduct these negotiations with a view to concluding the negotiations as soon as is practical.

EMERSON: And because that is maybe the most important issue in your minds, I will leave my opening remarks there. I turn now to Banri, and then of course we will seek to answer any questions that you may have.

KAIEDA: [Speaks Japanese]

TRANSLATOR: Minister Emerson, I thank you for a very efficient and succinct briefing. There is really not much that I need to add but let me just briefly touch upon a few points.

As was just mentioned from Minister Emerson – regarding EPA between Japan and Australia – as Minister Emerson mentioned directly right now, we are grateful that we have been given the assessment that we have been able to hold the meeting that has just ended in line with our basic policy of Japan of opening up our country that we have been taking since last year.

Of course, there are still challenges that need to be overcome, but taking into account the meeting that we had until yesterday, we were able to re-confirm that we will both make an effort so that we will be able to conclude quickly a high-level economic partnership agreement between Japan and Australia by further working on the EPA in the next round of negotiations.

Next, moving on to the trade-related aspects of natural resources and energy, as Mr Emerson has mentioned earlier; particularly from my side, I have requested the stable supplies of rare earth, and also regarding LNG, iron ore, coal and uranium.

We do have Japanese companies that are involved in some projects here in Australia. And I requested Mr Emerson for his continued support.

And also on the issue of co-operation in infrastructure, I have sought the co-operation of friends from Australia regarding infrastructure development in Australia. In particular, the railway construction on the Gold Coast.

And also I mentioned about co-operation between Japan and Australia regarding infrastructure development and export in third countries – including Indonesia and India – and we were able to agree on launching a government industry policy dialogue for discussing and promoting infrastructure co-operation between our two countries.

In regarding the TPP, I mentioned that Japan will be reaching a conclusion regarding our joining of the TPP around June. I also mentioned that we will be pursuing domestic reform – including agriculture measures – that will be necessary for our participation.

In particular, I also mentioned that we will be intensively having information exchange regarding the TPP with Australia and other TPP negotiating countries.

And also, regarding the WTO Doha Round, as Minister Emerson mentioned earlier, we were able to agree that we will continue to work together to be able to put into practice the road map for concluding the Doha Round during 2011.

And also, regarding CEPEA – the Comprehensive Economic Partnership for East Asia – which includes ASEAN and six [indistinct] countries, and also regarding the ERIA – the Economic Research Institute for ASEAN and East Asia – as we head towards the next East Asian Summit in the Fall of this year, this year would be a very crucial year for economic integration in this region.

And I mentioned that we wish to see some major progress towards starting negotiations for a comprehensive economic partnership for East Asia.

And also, regarding ERIA – the Economic Research Institute for ASEAN and East Asia – I express my deep gratitude for the very strong support that we have been receiving from Australia.

And lastly, on APEC, we were able to confirm during this meeting that Japan and Australia will further strengthen our co-operation for promoting regional economic development based on the Yokohama Vision, and to make sure to implement the growth strategy.

QUESTION: [Speaks Japanese]

TRANSLATOR: I am from [indistinct] *Newspaper*. First, I have a question to both ministers. The question is regarding Minister Emerson's points regarding the current status, as well as the status of progress of the negotiations in Japan. What kind of response did you give, Mr Kaieda, and also what kind of request was it? Were there any requests made from Australia regarding the Japanese approach to the negotiations, the Japan-Australia EPA negotiations?

And also regarding – I have a question, the next question – to Minister Emerson. There are agricultural groups that are strongly opposed, but what would you seek regarding the EPA and what kind of information would you like to draw in relation to the EPA negotiations?

And also, it has been described that for the TPP, the tariff elimination would have to be 100 per cent for all across the board. And is it also the position of Australia, or what is the view of Australia, regarding not allowing any exceptions?

KAIEDA: [Speaks Japanese]

TRANSLATOR: Since we are in negotiations – and negotiations are still in progress – I do hope you will understand that we cannot disclose the details of the negotiations.

Having said so, as I mentioned earlier, based on our basic policy of opening up our country, that we have decided last year, Minister Emerson mentioned that he felt a more forthcoming attitude on the part of the Japanese side.

And although there were no concrete offers made, Minister Emerson mentioned that he did feel a generally more positive attitude.

EMERSON: In response to your question, the basic policy on economic partnership agreements that was released last year by the Kan Government is a good reform for Japan, and we therefore support it.

We are seeking only to encourage the reform process. Now, that may open up some opportunities for extra Australian agricultural exports to Japan over time, but I have long taken the approach that reforms that are worth pursuing in a country should be pursued in their own right.

If that, in time, allows more Australian agricultural producers an opportunity to compete, then that is a good thing. And I agree with Minister Kaieda that while we have not got into a lot of detail about offers and responses, the environment is definitely better, and it is driven by the basic policy, which is a public policy document.

In relation to TPP, I have never heard of a suggestion that the ultimate point for TPP negotiations is anything as you have described. What has happened in TPP – amongst the nine participating countries – is that there have been initial offers in relation to goods, which occurred last December.

There will be initial offers in relation to services this month, in February, but there is no discussion of which Australia is aware – and we should be, as a member – that has defined an end point or the final shape of a trans-Pacific partnership agreement.

I will add this – that I think it's not appropriate for people to be making final judgements about a Trans-Pacific Partnership agreement taking a particular shape, when no such shape has been defined. And it is easy for members of the public to speculate about what such an agreement might look like. But those discussions have not occurred, and I wouldn't, therefore, seek to lend support to any such argument that has been put by you today, because those discussions have not occurred.

Sorry, just a translation.

TRANSLATOR: [Speaks Japanese]

EMERSON: Did I say all that? Okay, a question from *The Australian*.

QUESTION: Yes, Ministers – The Australian Associated Press. How important is trade between Japan and Australia in relation to natural resources? And if an agreement can't be made about Japan's agricultural [indistinct] will the EPA still go ahead, and when will that be? With no change to exports, agriculture exports in Australia?

EMERSON: Obviously, the economic and trading relationship in natural resources is vital to both countries. It's been going on at an increasing rate for half a century, and it will continue to do so. An EPA between the two countries will not profoundly change that.

The investing by Japan in Australia's mineral resources will continue. The sale of Australian mineral and energy resources will continue. It's conceivable that in an EPA there may be some provisions relating to that, but no Japanese investor and no Australian miner has been waiting for the conclusion of an EPA between our two countries to take the initiative to make the very important investments and trading decisions.

In answering the second part of your question, about when and so on, I don't want to set artificial deadlines for this reason – that in the four months that I have been Trade Minister, seeking to do so doesn't necessarily make anything particular happen.

What we want to do is have an agreement, and we are working with an enormous amount of renewed energy towards that.

And the final point that I would make is that in relation to the basic policy announced by the Government of Japan last November, it was never designed as a gift to Australia. It was designed as an economic reform that is in Japan's interests, because Japan wants to engage more fully in trade and investment in the region.

It's a good policy in its own right. It also creates opportunities for greater trade and investment between Australia and Japan. We welcome that, but it's not driven by an idea of just handing something to Australia in terms of access to agricultural markets. It is designed as part of a fundamental economic reform in Japan. And that's the basis on which we welcome it.

If it means more trade and investment in our – between our two countries – that can only mean more jobs, more prosperity for Japan, and also Australia.

QUESTION: [Speaks Japanese]

TRANSLATOR: I am (indistinct) from TV Tokyo. I have a question to Mr Emerson regarding the EPA. Japan does have some serious difficulties regarding agriculture and is not able to take that step forward.

And there are some views in Japan that we are really too [indistinct]. Can we have your frank and unreserved views on that point?

EMERSON: My frank and unreserved view is that the basic policy on EPAs, released in November last year, is a profound change in the

Japanese thinking and a deeply important reform for Japan because it offers the prospect of more jobs and higher wages in Japan through more trade and investment in the region.

It is therefore a good policy for Japan. If that means extra opportunities for Australia, that's good for Australia. But, fundamentally, it is a reform that is in Japan's national interest, and that's why we so warmly welcome it.

The launch of the basic policy in November last year has led to a very discernible change in the attitude of Japanese officials in our engagement on an EPA. So they are carrying forward the sentiments expressed in the basic policy, and that's why I am encouraged about the new, fresh approach to the negotiations for an EPA between our two countries.

QUESTION: An Australian Broadcasting Corporation question for both ministers but, perhaps, Dr Emerson, you can answer first. Was whaling discussed at all, and is the tension over whaling having any bearing on negotiations?

EMERSON: We had a very full agenda and managed to complete the agenda only minutes before joining you. And in those circumstances whaling was not discussed.

Our differences on whaling are well known between the governments and in the public, but we are continuing to work very constructively on deepening our economic relationship through both trade and investment.

KAIEDA: [Speaks Japanese]

TRANSLATOR: I totally share Mr Emerson's view.

EMERSON: Okay. Thank you very much.

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