

AUSTRALIA-JAPAN MINISTERIAL ECONOMIC DIALOGUE

JOINT MINISTERIAL STATEMENT

8 OCTOBER

Joint Statement between

- Senator the Hon Don Farrell, Minister for Trade and Tourism
- HE Mr Nishimura Yasutoshi, Minister of Economy, Trade and Industry
- The Hon Chris Bowen MP, Minister for Climate Change and Energy
- The Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia

8 October 2023

1. Australia's Minister for Trade and Tourism, Senator the Hon Don Farrell, and Japan's Minister of Economy, Trade and Industry, His Excellency Mr Nishimura Yasutoshi, co-chaired the fifth Japan-Australia Ministerial Economic Dialogue on 8 October in Melbourne. The Ministers were joined by the Hon Chris Bowen MP, Minister for Climate Change and Energy, and the Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia.

Advancing the Australia-Japan Special Strategic Partnership

2. Ministers recognised that Australia and Japan's Special Strategic Partnership was stronger and more important than ever, underpinned by common values, deep economic complementarity, and enduring people-to-people links.

Energy security, transition and climate cooperation

3. Ministers acknowledged the unprecedented gathering of four Australian and Japanese Ministers responsible, among other issues, for trade, energy security, transition and addressing climate change – and agreed to work towards an enhanced partnership on energy security, transition and climate change to address mutual opportunities and challenges, including to achieve net zero. Ministers tasked senior officials to report back on progress in 2024.

4. As reaffirmed by Prime Minister Albanese to Prime Minister Kishida on 9 September 2023, Australia has committed to remaining a reliable supplier of resources and energy to Japan and the region now and into the future. This applies to traditional energy commodities such as coal and liquefied natural gas (LNG), as well as new energy supply, hydrogen and ammonia, as countries decarbonise their economies to meet their net-zero and Paris Agreement commitments. Ministers agreed to ensure the stable energy supply and to provide investment certainty in the transition period based on mutual trust. Japan welcomed Australia's bid to host the UN Framework Convention COP31 Climate Conference in 2026 in partnership with Pacific Island Countries and its aims to accelerate global climate action.

5. Ministers acknowledged the importance of following various pathways for energy transition while achieving economic growth, ensuring energy security, and addressing decarbonisation. They noted the importance of LNG along with renewables and energy storage technologies in the energy transition. Ministers recognised the importance of Australia's and Japan's energy relationship to both countries' economic, security and decarbonisation agendas.

6. Ministers underscored the importance of continued investment cooperation, including in clean energy and critical minerals, as a key contributor to our two nations' economic prosperity. Ministers recognised our shared interests in accelerating the transition to net zero through continued bilateral energy trade and investment. Ministers reaffirmed the importance of the hydrogen and ammonia sector in securing clean energy and other related trade and investment opportunities, and recognised the importance of working together towards mutual recognition of carbon intensity based hydrogen certification schemes to accelerate clean hydrogen trade.

7. Ministers reaffirmed their intention to engage in wide-ranging consultations between Japan and Australia to strengthen cooperation and better leverage our deep economic complementarity to support energy security, transition and achieve net-zero by 2050, including cooperation through multilateral fora such as Asia Zero Emission Community (AZEC).

8. Ministers discussed the Safeguard Mechanism. They agreed to move forward, together. They noted officials' discussion on its implementation.

9. Ministers also agreed to continue their support for the implementation of high-integrity international carbon markets under Article 6 of the Paris Agreement, including through existing initiatives.

Economic security and supply chains

10. Ministers reaffirmed the importance of strengthened cooperation on economic security and enhanced resilience, including through robust economic architecture, trade diversification and supply chain resilience. Ministers noted that free and open markets and rules-based trade and investment remained the best means to mitigate supply chains disruption risks. Ministers committed to progress towards building diverse, resilient, competitive, and sustainable supply chains in key goods and critical sectors, including under the Critical Minerals Partnership.

11. Ministers recognised Japan's significant support of Lynas over many years as an example of collaboration between governments and industry that has reduced supply chain vulnerabilities.

12. Ministers reiterated their commitment to advancing diversified and secure clean energy supply chains in the Indo-Pacific, as urgent and critical for energy security, creating economic opportunities and accelerating the global energy transition. Ministers reaffirmed the Quad Statement of Principles on Clean Energy Supply Chains in the Indo-Pacific, and their commitment to deliver the Quad Clean Energy Supply Chains Diversification Program.

13. Ministers discussed the Coalition for LNG Emission Abatement toward Net-zero (CLEAN), announced at the LNG Producer-Consumer Conference 2023 and its efforts to create a globally aligned methane emission assessment of LNG projects. They appreciated CLEAN's efforts to incentivise methane mitigation by LNG producers.

14. Ministers committed to engaging on the Australian Government's Future Gas Strategy, which will help plan out future natural gas supply and demand and provide investors certainty. Ministers also agreed to cooperate on Japan's LNG Strategy for the world published at the LNG Producer-Consumer Conference 2023.

Advanced Liquid Processing System (ALPS) treated water

15. Ministers discussed the water release from the Fukushima Daiichi Nuclear Power Station and highlighted the importance of a science-based response, and the International Atomic Energy Agency's role in monitoring the safety of the release. Ministers appreciated that Japan has sought to be transparent and engage the international community, and expected this to continue.

Regional economic challenges

16. Ministers discussed regional economic challenges, such as the rise of protectionism, non-market practices and policies, economic coercion, and the impact of the current geostrategic environment on the global trading system. Ministers welcomed deepened cooperation to strengthen regional economic security. They committed to working together with other partners to address these regional economic challenges and to ensure a global level playing field. Ministers remained united in their commitment to promoting open, diversified, rules-based trade, including by supporting efforts to reform and strengthen the multilateral trading system, with the WTO at its core.

WTO

17. Ministers underlined the importance of maintaining momentum to achieve strong outcomes at the WTO's 13th Ministerial Conference (MC13) in February 2024. They agreed to work towards a fully and well-functioning dispute settlement system accessible to all Members by 2024. They also determined that they would collaborate closely on other important areas of mutual interest, including extension of Moratorium on Customs Duties on Electronic Transmissions, progressing rule-making work as well as institutional and deliberative reforms, with a view to launching dedicated deliberations on the interface of trade and industrial policy, among other topics. Ministers also undertook to continue working closely, as co-convenors, and accelerate our work towards substantial conclusion in the WTO Joint Statement Initiative (JSI) on Electronic Commerce by the end of 2023 ahead of MC13.

Trade Agreements

18. Ministers welcomed the United Kingdom as the newest signatory of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) as an economy able to fully meet, implement and adhere to the Agreement's high standards and with a demonstrated pattern of complying with trade commitments. Ministers reiterated their commitment to maintaining, through the CPTPP's general review and any future accessions, the Agreement's high standards, which support an open, rules-based, inclusive and prosperous region. Ministers noted that unjustified restrictive trade and other practices are contrary to the objectives and high standards of the Agreement.

19. Ministers reaffirmed the importance of the implementation of the Regional Comprehensive Economic Partnership (RCEP) Agreement in a transparent manner. They also looked forward to the establishment next year of an RCEP Support Unit.

20. Ministers recognised the Japan-Australia Economic Partnership Agreement (JAEPA) as a central pillar of the bilateral trade and investment relationship, and the importance of its full implementation.

21. Australia and Japan welcomed the published text of the Indo-Pacific Economic Framework for Prosperity (IPEF) Supply Chain Agreement and will continue to work closely together to support negotiations on the remaining Pillars. Ministers emphasised the importance of tangible outcomes on IPEF to support a prosperous, resilient, and inclusive Indo-Pacific region.

G7 Trade Ministers' Meeting

22. Australia commended Japan's G7 Presidency. Minister Farrell accepted Japan's invitation to Australia to attend the G7 Trade Ministers' Meeting as an outreach partner. Ministers highlighted the G7's important role in addressing climate change, coordinating responses to economic security issues and helping to enhance supply chain resilience.

Regional Cooperation

23. Ministers welcomed ongoing economic cooperation in Southeast Asia and committed to explore new areas of collaboration, including energy transition. Ministers reiterated their commitment to ASEAN centrality and the principles of the ASEAN Outlook on the Indo-Pacific. They committed to continuing their longstanding collaboration within the ASEAN-led architecture, including the East Asia Summit. Australian Ministers outlined Australia's Southeast Asia Economic Strategy to 2040, and Ministers welcomed the progress in their respective approaches towards Southeast Asia. Ministers reaffirmed their support for India's presidency of the G20 in 2023. Ministers also appreciated close bilateral cooperation in APEC, including on digital trade, and promoting the trade of environmental goods and services.

24. Ministers reaffirmed their support for Pacific Island countries and the Pacific Islands Forum (PIF). They committed to enhance coordination on capacity-building efforts with key partners including through Partners in the Blue Pacific. They agreed on cooperation for startup and SMEs business development in Pacific Island countries. Ministers noted the strong relationship between Export Finance Australia and the Japan Bank for International Cooperation, which are already working together on major Pacific projects. This includes cooperation through the Trilateral Infrastructure Partnership with the US.

Expo 2025 and tourism

25. Ministers welcomed the concept design for Australia's national pavilion at Expo 2025 Osaka, Kansai, and looked forward to the opportunity of the Expo to deepen the bilateral relationship and contribute to the post-COVID global economy. Ministers highlighted the importance of working together on future challenges including decarbonisation, technology and innovation, health and sustainability as a global issue to be addressed at the Expo and the scope for bilateral collaboration on initiatives to progress this shared goal.

26. Noting the importance of people-to-people links to economic recovery, Ministers welcomed the rapid revival of tourism towards pre-pandemic levels. Ministers also welcomed the continuing efforts of businesses and civil society to deepen bilateral links.

Continuing bilateral and regional cooperation

27. Ministers valued the opportunity to meet in person at the Ministerial Economic Dialogue. Ministers looked forward to reinforcing the bilateral economic relationship, and to continue working with partners to protect the stability, security, and prosperity of the Indo-Pacific region. Ministers also agreed to continue exploring opportunities to enhance bilateral cooperation on energy and climate, including meeting our own emissions reduction goals while supporting the stable and secure decarbonisation of economies in our region.