

Stronger Japan a better friend

Partnerships Japanese Prime Minister Shinzo Abe says he is building a 'special relationship' between his country and Australia and has high hopes for future growth.

Shinzo Abe

This year Prime Minister Tony Abbott visited Japan in April and I visited Australia in July. The warm relations of Japan and Australia have been cultivated over many years and are now stronger than ever before.

Over the year, Prime Minister Abbott and I have achieved the historical transformation of establishing a new "special relationship" between Japan and Australia.

This raises the question of why Japan and Australia are now able to share this special relationship. Historically, the ties of Japan and Australia have been supported by a foundation of friendly co-operation, as demonstrated 100 years ago, when the Japanese battle cruiser *Ibata* escorted the Anzac fleet across the Indian Ocean.

However, the two countries have not experienced an uninterrupted history of friendly cooperation. By contrast, the strength of our present relationship - which is characterised by commitment to the shared basic values of freedom, democracy, human rights and the rule of law - also reflects the efforts we have made to overcome profound challenges and difficulties.

The Japan-Australia Economic Partnership Agreement (EPA) - that Prime Minister Abbott and I signed in July - obtained Diet approval last week.

As the EPA comes into effect, the people of Australia will feel the benefit of Japan and Australia's special relationship in their daily lives through improved access to Japanese goods and services.

I also hope that we will see tangible steps taken in the area of security and defence cooperation, beginning with those enabled by the Agreement on the Transfer of Defence Equipment and Technology signed by myself and Prime Minister Abbott in July.

Our two peace-loving countries will continue to cooperate to support international peace and stability.

I am committed to further advancing the relations of Japan and our best friend Australia, not only over the next five years, but also thereafter. Our special relationship is built firmly on friendship and trust and I will continue to progress our ties in all fields.

Furthermore, as the United States is the most important ally for Japan and Australia, I am determined to expand trilateral cooperation between the three countries, to realise

a peaceful, secure and prosperous future for the Asia-Pacific region. I also hope that our countries will work closely together to support the resolution of global issues.

Japan's economic revival

Before the change of government, more than 15 years of continuous deflation had taken its toll on Japan's national revenue and competitive strength. The Japanese people had lost confidence.

It is my mission to increase the capacity of the economy as a whole by way of the 'three arrows'. These arrows consist of bold monetary policy, flexible fiscal policy and economic growth strategies that encourage private investment.

The 'three arrows' of Abenomics have completely reversed the atmosphere of gloom that had come to prevail in Japan. After the change of government, the econ-

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omy experienced positive growth, job offers were at a 22-year high and the rate of wage increases was at a 15-year high. Corporate earnings were also at record highs.

I want to create win-win relationships, wherein countries that strive for economic growth benefit individually and also have a positive effect on international society as a whole. As for the economic growth strategy, through reforms such as the complete liberalisation of the retail electricity market, we are dedicated to drilling through 'bedrock regulations'. A review of the Government Pension Investment Fund (GPIF) portfolio has also been conducted.

Moving ahead, we will continue to carry out major reforms. These will include corpo-



rate governance reforms and corporate tax reforms that will increase 'earning power'; positive promotion of economic cooperation on multiple levels, through initiatives including the Trans-Pacific Partnership (TPP), the Regional Comprehensive Economic Partnership (RCEP) and the

Japan-EU Free Trade Agreement. We will pursue these and other reforms with a sense of speed and purpose.

I want to ensure that you will see an economically stronger Japan that contributes even more to international society in the years ahead.

Japanese Prime Minister Shinzo Abe ... Our relationship is built on friendship and trust. PHOTO GETTY IMAGES