

## **ASIA'S PROSPERITY AND THE IMPORTANCE OF OPEN SEAS**

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On the Occasion of the Fullerton Lecture Organized by the IISS,  
the International Institute for Strategic Studies,  
at the Fullerton Hotel in Singapore  
on January 16, 2014

Your Excellencies, Dr Huxley, Distinguished Guests, Ladies and Gentlemen,

It is a great honor for me to be given this opportunity to address such a distinguished audience here in Singapore - the Garden City. I would like to express my appreciation to the International Institute for Strategic Studies for organizing today's event.

Many influential world leaders have appeared at previous events organized by the IISS. For example, just a couple of days ago, Dr. Ng Eng Hen, Minister for Defense of Singapore, made a thought-provoking presentation on the current strategic landscape in the Asia Pacific. Besides, last December, Mr. Kevin Rudd, former Prime Minister of Australia, gave a very inspiring speech regarding China's impact on the current regional and international order.

Today, I will talk about the importance of Asia's prosperity and the vital role played by the maintenance of open seas. I will do my best to offer my contribution to the policy community in Asia, hoping to follow the path set by Dr. Ng as well as Mr. Rudd.

As was mentioned by Dr. Huxley, I was named Minister for Ocean Policy and Territorial Integrity of the Government of Japan when the second Abe Cabinet was sworn in about a year ago.

However, this is not all that I do as I have a wide and varied portfolio which includes the jobs of Minister for Okinawa and Northern Territories Affairs, Minister for Science and Technology Policy, Minister for IT Policy and Minister for Space Policy. Evidently, Prime Minister Abe wanted to make sure that I was working harder. Despite this diverse and sometimes heavy workload, I feel extremely honored to work as a member of the Abe Cabinet. I will come back to this point later in my address.

As far as today's speech is concerned, I'm appearing primarily in my role as Minister for Ocean Policy and Territorial Integrity. My goal is to further Japan's partnership with ASEAN countries particularly in maritime affairs around the region.

The ASEAN-Japan Commemorative Summit, which was convened last month in Tokyo, was a great success. It was a heartwarming celebration of 40 years of successful partnership between Japan and the ASEAN countries. Under this partnership, Japan and ASEAN have advanced together and prospered together.

At the same time, the Summit marked a fresh start to the next 40 years of our partnership, and I am convinced that Japan and ASEAN will continue to cooperate successfully.

Indeed, Japan's partnership with ASEAN is of vital national interest. Today ASEAN is the world's growth center, whose vitality overflows into the rest of Asia and the world, and one of the most significant markets, as well as a manufacturing center for many Japanese companies. Furthermore, in the year 2015, the ASEAN member states will further integrate, becoming a truly unified community.

It is indispensable for Japan to tap into the energy of ASEAN for the revitalization of its own economy. In other words, our partnership with ASEAN is essential to the success of the second Abe administration's economic policies, known as Abenomics.

It gives me pleasure to see this term "Abenomics" being used by so many people around the world. In fact, just as the term "Selfie" won the Oxford Dictionaries' Word of the Year last year, I was one of those who believed that the word Abenomics should have won Japan's Word of the Year in 2013. Unfortunately, Abenomics lost to other new words, such as those related to Japan's successful bid to host the Olympic and Paralympic Games in 2020. Maybe, the result would have been different had we been assisted by the distinguished guests today.

It is important to note that Prime Minister Abe's election victory almost a year ago was very much based on a focus on revival of the Japanese economy. Economic revitalization and emerging from a long period of deflation are matters of crucial importance, not only for Japan but also for Asia as a whole. This is Prime Minister Abe's most urgent priority.

Since taking office, Mr. Abe launched the "three arrows" of Abenomics' economic revival. The first arrow is an aggressive monetary policy. The second is a flexible fiscal policy. And the third is a growth strategy which encourages private sector investment.

As Minister for Science and Technology Policy, Minister for IT Policy and also Minister for Space Policy, I have an important part to play in promoting innovation in Japan. Therefore, I could say that my role is directly relevant to supporting the future growth of the Japanese economy and thereby the success of Abenomics, especially in terms of the third arrow.

As many of us have seen, Abenomics has, in fact, begun to produce results. Last year stock prices rose dramatically in Japan. The Nikkei Stock Average increased by 56.7% in 2013, the biggest rise of the past 41 years. The latest Monthly Economic Report of the Japanese Government in December last year confirmed that the Japanese economy is moving steadily toward recovery. The report stated that prices are holding firm, a clear indication that Japan is making steady progress towards escaping deflation.

I will join some economic analysts who argue that the year 2014 will be a crucial year in determining the efficacy of the third arrow of Abenomics.

For my part, I remain optimistic.

Prime Minister Abe and his team, myself included, will work hard to ensure the effective implementation of these policies and to ensure the third arrow remains on target.

Through these efforts we can now see that, as Prime Minister Abe says, "Japan is back". Japan is back to contribute even more proactively to the peace and prosperity of the region and the world. In this endeavor, Japan will maintain a close partnership with ASEAN. Together we advance and together we prosper. This is the right direction for Japan and for ASEAN.

However, there is one important condition for our partnership to be successful; Our seas must be open and stable.

Our maritime order must be founded on the rule of law, and not on force or coercion.

Without freedom and safety of navigation, there would be no free flow of people, no free flow of goods and no free flow of information, which made the current prosperity of Japan and ASEAN possible.

Indeed, Japan's national interest lies resolutely in keeping Asia's seas open, free, and stable. And, in this respect, Japan and ASEAN share close common interests.

That is why, in the ASEAN-Japan Commemorative Summit last month, leaders agreed on the necessity of ensuring freedom of navigation as well as enhancing maritime security. To this end,

the leaders also agreed on the necessity of ensuring that the seas, which constitute global commons, are governed by international law, including UNCLOS, the United Nations Convention on the Law of the Sea.

As Minister for Ocean Policy and Territorial Integrity of Japan, I intend to play a significant part in advancing cooperation between Japan and ASEAN countries over maritime issues. While these efforts have to be multi-faceted, I would like to highlight three aspects to which Japan attaches particular importance; maritime security, international law, and the engagement of the United States in Asia.

First, maritime security is undoubtedly among our top priorities.

It is absolutely vital for Japan to actively engage in cooperation with ASEAN countries in this area.

It was natural that bilateral agreements and initiatives aimed at improving the maritime law enforcement capabilities of ASEAN countries became one of the most noticeable results of the Summit last month.

On the sidelines of the Summit, Japan and the Philippines signed an agreement, which seals an earlier promise by Prime Minister Abe to provide patrol vessels to the Philippine Coast Guard. Prime Minister Abe also agreed with Prime Minister Dung of Vietnam to start concrete talks on the provision of patrol vessels to the Vietnam Coast Guard.

I am pleased to note that the Regional Cooperation agreement on Combating Piracy and Armed Robbery against Ships in Asia, or ReCAAP, was launched in 2006 based on a Japanese proposal. Since then, ReCAAP has played an important role in ensuring maritime safety and security in the region.

The Japan Coast Guard has also been engaged in joint exercises with Malaysia and the Philippines.

Positive progress is thus being made in our efforts to advance maritime security in the region.

Second, it is important for Japan to support and encourage efforts by ASEAN countries to settle maritime disputes and to deal with controversies on the basis of international law.

This includes the use of dispute settlement mechanisms under international law.

Last September, when I visited Manila, I was briefed by Foreign Minister Del Rosario about the arbitration process initiated by the Philippines. The process, as I understand, is in progress today at the arbitral tribunal constituted under the UNCLOS. Japan supports such a step as it demonstrates to the world that international law matters, and will continue to matter, to settle disputes peacefully in the region.

In the same vein, the consultation, which has started between ASEAN countries and China with the aim to develop a Code of Conduct in the South China Sea, is also commendable.

The success of these efforts will be truly significant for the pursuit of our common objective to deny any attempt to resort to threats or use of force in order to unilaterally change the status quo in the region.

Third, Japan and ASEAN should continue to work together to engage the United States in Asia. The United States is a Pacific nation that, together with Japan and ASEAN countries, champions the objective of keeping Asia's seas open.

The American engagement and presence in the region have been vital in establishing and preserving the rule of law in Asia's seas, and bringing about peace and prosperity in this region. The alliance between Japan and the United States is a common good in the region, which is indispensable for the continued presence of the United States in Asia, from which both Japan and ASEAN benefit. Japan is committed to further enhancing this alliance.

Next, let me briefly touch upon a different, yet also important aspect of maritime affairs; the maritime environment.

As a guest coming from Japan, I should probably say a few words regarding Fukushima Daiichi Nuclear Power Plant.

Last September, in my role as Minister for Science and Technology Policy, I headed the Japanese delegation to Vienna, where the General Conference of the IAEA, the International Atomic Energy Agency, was held. I explained to the delegates from member states about Japan's efforts to address the nuclear accident caused by the Great East Japan Earthquake and Tsunami in March, 2011.

My explanation included our account on what we are doing to put an end to the challenge of contaminated water. I laid out the Government's action plan, including our decision to provide funding of 47 billion Yen, or 470 million US Dollar for necessary projects such as the construction of frozen-soil impermeable walls.

As I explained at the conference, levels of radioactivity outside the port of Fukushima Daiichi Nuclear Power Plant and in the open sea remain well below the limit of WHO's Guideline for drinking water quality.

As Prime Minister Abe has repeatedly stated, the Government of Japan will continue to devote the necessary resources to resolve this issue. As Minister for Science and Technology Policy, I will continue to play my part and make every effort to meet this challenge.

I would like to return to an issue which is closely linked with my role as Minister for Ocean Policy and Territorial Integrity. As some of you may be aware, the situation surrounding Japan's territorial integrity has become severe and there are numerous ongoing challenges.

I would like to explain to you briefly how I, as Minister for Ocean Policy and Territorial Integrity of Japan, approach the current situation.

My approach is based on three principles. Please call them 'Yamamoto's Three Principles':

- The first principle is the rule of law.
- The second principle is the promotion of bilateral relationship with our neighbors.
- The third principle is the strengthening of the regional community, where members are becoming even more interdependent.

My first principle, the rule of law, is an essential component.

Japan, along with other countries, has benefited enormously from the current international order. In fact, the stability of today's international order is what brought us to where we are now.

The most fundamental feature of this international order is, I believe, the rule of law, which, among other things, outlaws any attempt to use force or coercion to change the status quo.

This is why Japan has consistently sought, and will continue to seek, peaceful settlements of

territorial issues with our neighbors, always in accordance with international law.

At the same time, when our territorial integrity is threatened or challenged by other countries, international law remains our guide. We will deal with these threats or challenges, in accordance with the principles of international law, in a calm and resolute manner.

This is how we are responding to the current attempts by China aimed at challenging and disturbing the international status quo in the East China Sea. The recent imposition by China of a so-called "Air Defense Identification Zone" in the East China Sea is another attempt to challenge the status quo as well as the international order founded on the rule of law.

Today, I have no intention to go into details of the situation surrounding the Senkaku Islands. It suffices to point out just one fact. Before 1971, neither China nor Taiwan, officially expressed any opposition to Japan's sovereignty over the Senkaku Islands, which are an integral part of Japan's Okinawa Prefecture.

Under Japan's sovereignty and administration, more than 200 Japanese people once inhabited the islands, forming a village, constructing and running a dried bonito factory and engaging in various economic activities.

After the end of World War II, no objection was filed in response to the Senkaku Islands being treated, unequivocally, as part of Okinawa in the San Francisco Peace Treaty. Similarly, no objection was raised to the same treaty excluding the Senkaku Islands from those territories Japan was expected to abandon.

In short, no controversy whatsoever existed before the 1970s.

Taiwan and then China objected to Japan's sovereignty and valid control over the Senkaku Islands for the first time ever in 1971. It is worth noting that these objections began shortly after a survey by a UN organ announced the possible existence of oil reserve in the vicinity of these islands.

Now I proceed to my second principle, which is the promotion of bilateral relationship with our neighbors.

It is indeed our firm conviction that controversies related to Japan's territorial integrity should

not be allowed to damage the relationships with our neighbors.

China and Japan will always be neighbors. China is now Japan's largest trading partner, and a powerful country that has the potential of contributing to the prosperity and stability of the region and the world.

It was for this reason that, in 2006, Mr. Abe, then in his first term as Prime Minister, agreed with Chinese leaders of that time to develop a "Mutually Beneficial Relationship Based on Common Strategic Interests" between the two countries. While the two countries may have differences on certain issues, Japan and China should respect and develop their bilateral relationship for mutual benefit. Since then this has become an established policy of Japan.

Prime Minister Abe's stance on this has not changed. The second Abe administration believes that Japan and China should come back to the principle of the "Mutually Beneficial Relationship Based on Strategic Interests" and should develop the bilateral relationship with each other. Japan always keeps the door open for dialogue.

Next, let me touch upon my third principle.

As everyone knows, many parts of the world are now becoming more and more interdependent in a variety of activities, including those in the economic field.

Asia is no exception. Japan is increasingly interconnected with neighbors, such as China and South Korea, as well as with regional partners such as the ASEAN countries.

The emergence of a regional community is under way, where ASEAN plays the central role. It may be the case that the stronger a community is, the stricter the rules of the community need to be. A strong community requires members to observe rules so that members can resolve their differences in a rule-based and amicable manner. This is why the strengthening of the regional community in Asia is relevant to Japan's approach to territorial integrity.

I sincerely hope that Japan and ASEAN can continue to cooperate together in order to keep Asia's seas and air space open and free.

In the context of these regional developments, the success of Abenomics also plays an important role, as it will further develop interdependent relations in the region and contribute to greater

economic activity in the region.

These three principles, – “the rule of law”, the promotion of bilateral relationship with our neighbors, and the strengthening of regional community –, should not only guide effectively my work as Japan’s Minister for Ocean Policy and Territorial Integrity, but should also lead to sustained prosperity in Asia.

It is important for Japan to continue to explain its position in a logical and calm manner. As Minister in charge of this particular issue, I am determined to take the lead in this endeavor, by emphasizing my three principles, and appreciate the important opportunity today to speak to such an influential audience.

Lastly, let me conclude my address by reaffirming Japan’s determination to continue to walk the path of peace.

For 68 years after the defeat in World War II, Japan has consistently walked this path. More importantly, there is no doubt whatsoever that we will continue to pursue this path of peace into the future.

This path is based on the severe remorse for Japan’s past aggression, and the unwavering determination never to wage war again. Those were the words of Prime Minister Abe in his own statement shortly after he visited Yasukuni Shrine last month.

While some criticize his visit to the Yasukuni Shrine as an act to pay homage to war criminals, Mr. Abe explicitly denied this in his statement. He made it very clear that the purpose of his visit was to explain to the souls of the war dead how his administration had worked for one year and to renew the pledge that Japan would never wage war again.

I would like to draw your attention to the fact that Prime Minister Abe also visited Chinreisha, which is a remembrance memorial to pray for souls of all the people regardless of their nationalities who lost their lives in the past wars, but were not enshrined in Yasukuni.

In his statement, Mr. Abe also emphasized that it was not his intention at all to hurt the feelings of the Chinese and Korean people. He expressed his wish to respect each other’s character, protect freedom and democracy, and build friendship and mutual respect with China and South Korea.

Prime Minister Abe expressed his earnest wish to explain his intentions in visiting the Shrine to the Chinese and Korean leaders. It is also of no less importance for Japan to gain the understanding of ASEAN countries including Singapore regarding Prime Minister Abe's sincere intention. It is now truly important for Japan to engage in meaningful dialogue with countries such as China, South Korea and ASEAN member states in order to explain Japan's firm pledge for everlasting peace.

The strong determination to continue on the path of peace is the very foundation of Japan's policy of "Proactive Contribution to Peace" based on the principle of international cooperation, which was launched by the Second Abe Cabinet.

Prime Minister Abe himself explained this policy to the leaders of ASEAN member states during the Commemorative Summit in Tokyo last month. We appreciate the understanding and support stated by the ASEAN leaders on this occasion.

As I mentioned earlier, I believe that Japan and ASEAN, by working closely together as partners and by keeping our seas and skies open, can make tremendous contributions to peace, stability and prosperity in Asia and beyond.

With the success of our partnership, the Century of Asia will truly be realized.

Thank you so much for your kind attention.