



The Australia-Japan bilateral relationship

Japan is a Special Strategic Partner to Australia. Our relationship is underpinned by shared democratic values, deep economic complementarity, and enduring people-to-people links. We share a commitment to a free and open Indo-Pacific that is peaceful, stable and prosperous.

Through its hosting of World Expo 2025 Osaka, Japan is highlighting its attractiveness as a global business partner. Australia's strong participation in this Expo reflects the value we place in a future-oriented, economically impactful relationship with Japan. When Japan succeeds, Australia does too.

Major trading partners

Japan was Australia's second-largest trading partner in FY2023-24, with two-way goods and services trade valued at \$104 billion – an increase from \$67 billion in FY2020-21.

A shared focus on economic security and emerging tech cooperation is bringing us closer together.

There are significant opportunities for more alignment between Australia and Japan in emerging areas of renewable energy, critical minerals, green metals, battery supply chains, clean energy manufacturing and supply chain diversification.

Australia provides around a third of Japan's energy needs (supplying around 8 hours' worth of Japan's daily energy consumption). Australia



is committed to supporting Japan's energy security, including by providing a stable supply of conventional resources such as LNG (Japan is Australia's biggest market for LNG). At the same time, Australia and Japan are working together to develop supply chains for future fuels such as hydrogen and ammonia, as we strive for a shared target of net zero emissions by 2050.

A growing investment partnership

In 2023, Japan was the fourth-largest total investor in Australia (A\$265 billion) and third-largest direct foreign investor (A\$141 billion), accounting for almost 12 per cent of foreign direct investment flow. Japan is currently the number one investor in Australian real estate, with total capital inflows exceeding A\$2 billion in 2023.

People to people links

Deep and enduring people to people links reflect the closeness of our bilateral relationship.

Currently, record numbers of Australians are visiting Japan. 903,001 Australians visited in calendar year 2024. In January this year (2025) we had over 140,000 – our busiest month on record.

For the 12 months to June 2024, there were an estimated 360,130 Japanese visitors to Australia. While the total remains slightly lower than pre-pandemic levels, it is on an upwards trend. Australia is the top destination for Japanese high school study tours. 11,639 Japanese students studied in Australia in 2023. There are around 700 university and research partnerships, 550 sister school arrangements, and 100 sister city/state relationships between Australia and Japan.

There are Australia-Japan societies in both countries, actively supporting events/exchange programs. The 2024-25 Australia Japan Foundation grant round supported 22 collaborative projects, many of whom will present at Expo.