



Photo: Instagram.com/tcg10



## A MESSAGE FROM THE MANAGING DIRECTOR

**Hiroyuki Nakazato**  
Managing Director  
JETRO Sydney

Dear Readers,

Thank you for reading the 2017 Spring edition of JETRO Sydney's newsletter.

My name is Hiroyuki Nakazato, and from the 23rd August I transferred from JETRO's Tokyo headquarters to take on the position of Managing Director. I am pleased to be staying for work in this city and country.

On the 18th September, 20 Japanese companies visited Sydney to attend the Japan Food & Drink Showcase & Masterclass, featuring business discussions with local Japanese food related business persons. As such, I would like to introduce this event and its importance related to Japanese food and drink exports.

The export of agricultural, fishery and food products from Japan was recorded as 750 billion yen (1 Australian dollar is equivalent to about 89 yen as of Sept. 2017) in 2016, with the Japanese government

setting a goal of 1 trillion yen by 2019. JETRO is conducting business to help contribute towards this goal. Australia is ranked 9th in terms of overall agricultural, fishery and food exports from Japan, but as it only amounts to 12.4 billion yen in total, I strongly believe there is room to grow. This time, we also held this event in order to share more new and interesting food products with the Australian guests. The event was organised by JETRO and supported by the Consulate-General of Japan, Sydney, with cooperation by the Sydney Fish Market. I would like to thank both organisations for their involvement.

Joining this event were two special guest chefs, who performed cooking demonstration of some of the Japanese company's products. Hideo Dekura, renowned sushi master chef and recipient of commendation from the Japanese government, and Darren Templeman, famous for Australian and Japanese fusion cuisines, and head chef of O Bar and Dining. I

would like to thank them for their participation and skill in creating new recipes and cooking methods with the featured Japanese products.

Whilst more detailed information about the event will be outlined in this newsletter, I hope it will act in increasing the popularity and market penetration of Japanese food in Australia. As for Australian consumers, please come and visit more Japanese restaurants, food retailers, or other providers of Japanese food in Australia. Also, for business involved in Japanese food, JETRO hopes for your continued cooperation in increasing the popularity of new Japanese foods.

Finally, I would like to thank all those who attended the event, including restaurant stakeholders, importers, retailers, and media representatives. Through these kinds of event, we hope that we can continue to strengthen business and economic relations between Japan and Australia. ●

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## FEATURE ARTICLE

# Japanese Investment in Australia: A Trusted Partnership



**Tom Yates**  
Director  
Japan Special Projects  
Austrade

### JAPANESE INVESTMENT IN AUSTRALIA

The Australian Trade and Investment Commission's (Austrade's) report, Japanese Investment in Australia – a trusted partnership, commemorates the 60th Anniversary of the 1957 Australia-Japan Agreement on Commerce. It also recognises the contribution of Japanese investment to Australia's economic prosperity over many decades which continues to grow today. From 2010 to 2016 Japanese direct investment in Australia increased by a very strong 78 per cent to more than A\$91 billion.

Austrade interviewed more than 45 Japanese companies for this report. We acknowledge the support we received from the Japanese Embassy and Consulate-General in Sydney, JETRO, AJBCC and JCCI.

The report highlights that Japanese companies reinvest a greater proportion of their earnings back into Australia than companies from most other major economies. In 2016, Japanese reinvested earnings in Australia totalled A\$3.9 billion, representing 4.3% of the total stock of FDI in Australia, as compared to 0.9% by UK

investors, 1% by US investors and 3.3% by German investors.

Japan continues to invest in Australian resources and agribusiness – sectors that helped transform our nation's economy. Austrade's report reveals that in recent times, many Japanese companies are now diversifying into services, particularly finance, ICT and health.

Major Japanese companies continue to closely follow public-private partnership (PPP) projects, particularly in the infrastructure and renewables sectors. New agribusiness opportunities are also emerging, particularly in northern Australia. Agreements with Japan signed by the Northern Territory and Queensland Government bode well for future cooperation.

In terms of new areas of focus for investment, hydrogen fuel remains an area where we are likely to see possibilities opening up for collaboration with public- and private-sector organisations.

Japanese companies continue to use Australia as a testing ground for new products, particularly electronics, before launching them into other (Western) markets.

Australians are early adopters of new technologies and systems and are terrific inventors of new technology and systems. Consider that WiFi was invented by CSIRO scientist Dr John O' Sullivan and his team. Australia has always been

an inventive country. It would be interesting to consider what could be achieved by merging this inventiveness with Japanese monotsukuri know how.

An area of common interest for Japan and Australia remains Asia. Given Japan's huge investment in Asia over the last 15 years, more effort needs to be taken to look at what could jointly be achieved in this region by way of co-investment or co-partnerships by Australian and Japanese companies.

There are many Australian companies with considerable cash reserves. Co-investment by Australian and Japanese companies would offer an attractive proposition to financiers and governments in the Asian region. **Read the report** to find out more. ●

**Tom is Director of Japan Special Projects, Investment Division, Australian Trade and Investment Commission (Austrade). For more information please visit the Austrade website or contact Tom directly at +61 2 9392 2029 or [tom.yates@austrade.gov.au](mailto:tom.yates@austrade.gov.au)**





# Sixty Years of Trade and Investment: A Good Start



**Manuel Panagiotopolous**  
Australian & Japanese  
Economic Intelligence

It has been my privilege to work on the Austrade report Japanese Investment – a Trusted Partnership, certainly an example of truth in advertising in the name. Austrade has produced an excellent document of useful size with powerful infographics and case studies.

The accumulated layers of investment in diverse and multiplying sectors (energy, resources, tourism, manufacturing, food, beverages, finance, insurance, asset management, infrastructure, power, water, construction, professional services, etc) are presented with clarity. The case studies show in detail the “trusted” aspect, which has been a constant ingredient for these six decades.

The Austrade report also fills a gap in the public awareness of social responsibility programs that Japanese companies support, investing in communities, education and mobil-

ity, health and aid to underprivileged members of our society.

Another important aspect of the report is the coverage of new investment in Australian manufacturing, e.g., Rinnai and Oji Fibre. In Rinnai's case the synergies of innovation and R&D have been instrumental and provide valuable



**These fruitful sixty years [...], built on innovative arrangements and joint progress, have provided a platform of trust and commitment from which to launch.”**

lessons. In the case of Oji Fibre, the greenfield manufacturing plant on the Gold Coast will use the latest technology to produce packaging that can safely transport Australian produce to the Asian markets, thus tying manufacturing with the burgeoning agrifood export sector.

These fruitful sixty years since the signing of the Commerce Treaty, built on innovative arrangements and joint progress, have provided a platform of trust and commitment from which to launch the next waves of mutual wealth creation. We are seeing the beginnings of these next waves in the fields of secure data management, cybersecurity, facial recognition, energy storage, the internet of things, biotech, drones and collaboration in space.

We must take heed of emerging megatrends such as food and water scarcity, expanding middle classes in the Indo-Asian region, recycling of urban resources, aging populations with emerging healthcare needs, the expanding use of AI to transform work and production and the ubiquitous Internet of Things. These present tremendous challenges which are transformed into opportunities with partners that share experiences of success based on trust.

The accumulation of sixty years of successful business ties forms a valuable set of assets with which to support the coming decades. As the old saying goes “you ain't seen nothin' yet”. ●



Read the latest JETRO Global Trade and Investment Report 2017:  
**Global Economy Reaching Turning Point**



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Photo: Courtesy of PEAK DMC Japan  
From left: Kyoto City Government Director of Industry and Tourism Bureau Yasuji Kitamura, Executive Vice President JETRO Shigeki Maeda, Intrepid Group CEO James Thornton, Consul General and Senior Trade Commissioner (Osaka) David Lawson, Deputy Governor of Kyoto Prefecture Takeharu Jofuku, Managing Director PEAK DMC Natalie Kidd, General Manager PEAK DMC Japan Jo Crisp

## SUCCESS CASE PEAK DMC

PEAK DMC is part of an independently-owned Australian company that began as Intrepid Travel back in 1989. Intrepid trips take small groups of people travelling on off-the-beaten track itineraries that support local communities. In the first year of operations Intrepid carried just a handful of Australians to Thailand, but this year 350,000 travellers from all around the world will travel with the group to more than 120 countries on all seven continents. This makes the Intrepid Group the world's largest provider of sustainable adventure travel experiences.

Over the past 28 years, Intrepid Group has grown to become a truly global company, one that employs 1600 staff across 27 offices around the world. PEAK DMC is the global network of 18 destination management companies, each offering in-depth local knowledge delivering fantastic sustainable travel experiences. PEAK DMC Japan is the latest company added to the network based in Japan's cultural capital Kyoto.

### WHY WE WENT TO JAPAN

Intrepid Group CEO James Thornton says

"with the diversity of experience that Japan offers together with events such as the 2020 Olympics and Paralympics more tourists are seeking to visit Japan. However, currently most tourists do not go beyond the country's three major cities and that is putting pressure on accommodation and infrastructure.

Our statistics show that there is an increasing

in bookings this year and our youth travel brand Geckos Adventures has had 13% growth in the first year of travelling to Japan.

This growth not only reflects the huge interest in Japan, the growth of our global business highlights an increasing appetite for a more sustainable and experiential style of travel. We believe that there is a huge opportunity for Ja-



**Our statistics show that there is an increasing appetite for a more adventurous and experiential style of travel in Japan. Last year we saw a 69% increase in departures on Intrepid Travel branded trips to Japan. That's across all ages."**

appetite for a more adventurous and experiential style of travel in Japan. Last year we saw a 69% increase in departures on Intrepid Travel branded trips to Japan. That's across all ages. We also actually doubled the number of travellers on our Japan Family Adventure trip. Our Perigrine Adventures brand has had a 38% increase

pan to grow tourism in a sustainable way, where international visitors can actually contribute to economic development in the regions".

Managing Director PEAK DMC Natalie Kidd said "One of the benefits of our style of travel is to bring tourism into smaller communities, helping to preserve traditional culture and conserv-



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DESTINATION  
MANAGEMENT  
COMPANY

ing areas of natural beauty. That's important everywhere but particularly in parts of Japan where people are moving into large cities".

### ESTABLISHMENT IN KYOTO

PEAK DMC Japan started operating trips throughout Japan in August 2017. The new company was opened in a ceremony by David Lawson Consul General and Senior Trade Commissioner Austrade Osaka, the Deputy Governor of Kyoto Prefecture Mr Takeharu Jofuku, together with Executive Vice President JETRO Shigeki Maeda and Kyoto City Government Director of Industry and Tourism Bureau Yasuji Kitamura.

PEAK DMC Japan General Manager Jo Crisp said "from the very beginning JETRO Sydney office were very supportive in linking us with the contacts that we needed in order to establish our Japan business. Preliminary meetings in Tokyo, Osaka and Kyoto followed with the JETRO teams in each location organising briefings with

key legal, HR, banking, labor, and accounting professionals. Once Kyoto was chosen as the location for company headquarters JETRO were invaluable at opening doors and helping us to build our Japan business network providing links to financial and in kind support. I am staggered at how much was achieved in a few short months".

"Not only will our travellers benefit from our new company in Japan, but it is our intention that we will benefit the places we travel through as a growing local employer, and the wider business community through strong responsible business initiatives and links. In time we have significant ambition to also open up our style of travel to more Japanese passengers". ●

For more information about this article, please contact Jo Crisp, General Manager of PEAK DMC Japan, directly at +81 (0) 80 4022 5533 or Jo.Crisp@peakdmc.com

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# Japanese Food and Drink: Showcase & Masterclass

On the 18th September, 2017 JETRO Sydney held our Japanese Food and Drink Showcase & Masterclass. The event was designed to bring together Australian chefs, restaurant and business with Japanese food and drink manufacturers.

Business guests were shown how to both create authentic Japanese dishes and also how to fuse these traditional ingredients with Western dishes to create new and unique tastes and culinary experiences.

The event featured a wide range of Japanese products including; wasabi, seafood, sake, beer and tea, local produce and seaweed, to processed foods including ramen, pasta, tamari soy sauces, curry and unique pastes. Among these were gluten free and organics ranges.

Cooking demonstrations were performed by special guest chefs Darren Templeman, head executive chef of O Bar & Dining, and Hideo Dekura, master sushi chef of Culinary Studio DEKURA.

For the event Darren prepared four dishes.

1. Seared Pike eel fillet, with a tomato, dai dai

and coriander cerviche.

2. Fillet of NT barramundi, glazed with curry sauce select, broad bean tahini.

3. Grass fed beef tartare, seasoned with wasabi miso, wild rice crisp.

4. Borrowdale pork cutlet, glazed with premium goby tamari, asparagus and preserved lemon.

For the event Hideo prepared three dishes.

1. Mekabu in shot glass with grapefruit, blueberry and salmon caviar.

2. Gluten free spaghetti in consommé soup infused earl grey tea.

3. Pastry of Japanese sweet potato with maple grazed apple.

After cooking demonstrations, guests had the chance to meet with 20 different Japanese companies visiting from Japan, sample their products and engage in business discussions. ●

**For more information about the Japanese companies and their products, please contact JETRO Sydney at [syd-bd@jetro.go.jp](mailto:syd-bd@jetro.go.jp)**

## PARTICIPATING JAPANESE COMPANIES

1. Ahjikan
2. Amari Spice Foods
3. Banjo Foods
4. Hachinohe Syurui
5. Hachiyo Suisan
6. Higashimaru
7. Honda Shoten
8. House Foods
9. Kankiku Meijo
10. Mlifecity
11. Musashino Shuzo
12. Nakaroku
13. Nosui
14. Odani Kokufun
15. Ogata Village Akitakomachi Rice Producers
16. Potato Kaitsuka
17. Re You Trade
18. Sawadaen
19. Shindo Shigeharu
20. Shokuryu

\*Please click on the Japanese company's name to be taken to their website.

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**JETRO**

See JETRO's latest food related videos at:  
[www.jetro.go.jp/en/videos/food](http://www.jetro.go.jp/en/videos/food)



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# Editor's Corner

## Japan's Energy Sector: Opportunities in Solar, Gas



**Adam Sims**  
Editor

In the past 12 months, the progress of Japan's energy system reforms in electricity, gas, and other sectors has increased customers' options. As the global energy supply and demand structure changes due to various factors, the circumstances surrounding the energy industry both within and outside of Japan continue to change dramatically.

Following on from the April 2016 liberalization of the retail electricity market in Japan, April 2017 saw the full liberalization of the gas retail market. In light of those changes, the Japanese government has a goal toward 2030 of promoting smart and finely-tuned energy conservation and multilateral energy procurement. With this, more foreign companies are looking to Japan's energy sector as an attractive market for investment.

One example of this is floating solar plants, which are making headway into Japan. Since the

introduction of the feed-in tariff (FIT) scheme for renewable energy, the development of mega solar projects in Japan has accelerated, leaving fewer sites suitable for solar power plants or with good conditions for grid connection. Against this background, interest has been growing toward development of floating mega solar projects that would make use of sites such as reservoirs or dams.

Foreign companies are also providing technologies for these plants, including French company Ciel Terre International, which has supplied components for the floating structure to facilities in 13 prefectures across Japan. As Japan is expected to be a driving force behind the floating solar power market, it could potentially become the most promising market to foreign companies in possession of relevant technical solutions.

In addition to these developments, the full deregulation of the gas retail market is now allowing consumers to now choose both their power and gas providers. For foreign companies, deregulation could provide business chances in the gas retail business. Additionally, as gas retailers need to build various types of systems

and operations to support their business (including customer management, consignment, and security systems), foreign companies could also find more business opportunities in these areas by targeting the newer players from different industries.

Existing gas companies have also been taking measures to distinguish themselves from the newer entrants, teaming up with communications and electricity companies, loyalty programs, and internet services to offer a more diverse line-up of services to their existing customers. Here, foreign companies with attractive services to offer consumers could have the chance to form partnerships with these gas companies, utilize their customer networks, and further expand business in Japan.

As the Japanese Government has already begun its "Energy Mix Plan for 2030" and reviewed its FIT energy policy, it can be considered on track towards realising a balanced energy mix and power supply. The end goals: achieving self-sufficiency improvement, energy cost reduction, and a reduction of CO2 emissions. ●

The Japanese Government would like to invite you to subscribe to its new Online Newsletter: **'We Are Tomodachi'** at: <http://www.japan.go.jp/tomodachi/>



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## About Business in Japan.

Japan welcomes global companies with open arms! This is an ideal country for innovation, with business and living environments unparalleled in the world.

JETRO is Japan's core governmental organization for promoting inward foreign direct investment and has supported over 14,000 overseas companies. Our Invest Japan Business Support Center (IBSC) offers comprehensive support services to provide our clients with the resources they need to get started and grow in Japan. Together with JETRO's IBSC, the Tokyo One-Stop Business Establishment Center (TOSBEC) streamlines the process of setting up a business including registration, taxes, and more. We are a partner you can count on.

When it comes to doing business in Japan, please "Talk to JETRO first!"