



Congratulations! Celebrating the 50th Anniversary of the AJBCC-JABCC Australia-Japan Joint Business Conference



SPECIAL GUEST VIEW: Where are the new complementarities between Australia and Japan?



Professor Jenny Corbett is Executive Director, Australia-Japan Research Centre Crawford School of Public Policy, ANU

Japan and Australia in the 21st century are both large service economies. This is crucial to understanding the future of the bilateral relationship which now faces the challenge of how to maximise the advantages of trade and investment between service-based economies. The complementarity between the two economies over the last 50 years was based on a match between the types of goods each country traded. With different comparative advantages between them there were big gains from trade: exchanging resource for manufactured goods was valuable for both sides. The external and internal environment for both economies is different now. There are other large consumers and producers of both the resources and the manufactures that made up past trade flows. Where should we now look for complementarities between Australia and Japan in the new environment? What do “complementarities” mean in post-industrial, service economies? Who will export services to whom and why?

Australia's strengths beyond farm and mine

Services are an even bigger share of value added and employment in Australia than Japan. Services make up around 70% of output while the combined farm and mine sectors account for around 10%¹. Despite the mining boom, the trend is towards an even greater share for services.

Innovation

Furthermore, labour productivity growth in
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GUEST VIEW: Reflections on the Australia-Japan Joint Business Conference on the 50th Anniversary

The ink was barely dry on the Australia-Japan Agreement on Commerce, signed in 1957, when both the Australia-Japan Business Cooperation Committee (AJBCC) and the Japan-Australia Business Cooperation Committee (JABCC) were established in 1962, peak associations of major business enterprises. Thus began an experiment on the development of bilateral human relations capital that responded to, built upon and consolidated an economic partnership that was itself anchored in true mutual benefit. The highlight of these institutional links has been the annual Joint Business Conference of members, which has been held without fail every year, alternating between various Australian and Japanese cities as host locations. These alternating conferences highlight the true reciprocity and equality

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Manuel Panagiotopoulos is from the Australian & Japanese Economic Intelligence and is a consultant with JETRO Sydney.

MD's Message: Coal, Iron-Ore, and now LNG – Evolution of Australia-Japan Business Relationship

This year, and next month, October 2012 more specifically, marks an event that all of us in the Australia-Japan business community have known to be coming for a while now. I would like



Takashi Tsuchiya is the Managing Director of JETRO Sydney

to begin by congratulating those involved on the impending 50th Anniversary of the Australia-Japan Joint Business Conference. The 50th AJBCC will be held from the 7th to the 9th of October, in this beautiful city of Sydney. I myself will be in attendance, however right now I would like to cast your attention back over some developments in trade over the last half-century. In 1957, the post-war trade agreement between Australia and Japan was signed. Six years later, the first meeting between the Australia-Japan Business Co-operation Committee (AJBCC) on the Australian side, and the Japan-Australia Business Co-operation Committee (JABCC) on the Japan side, was held in May of 1963 in Tokyo. The bi-lateral (not to mention global) business relationship of that time was something to be remembered.

By the 1964 Australian fiscal year, Australian exports to Japan totalled AU\$487.8million. Back in those days, wool and wheat constituted the bulk of Australian exports. Australian exports to Japan ran to AU\$162.5million. By fiscal 2011, Australian exports to Japan have exploded to AU\$51.177billion (that's a 103-fold increase), and Australian imports from Japan had similarly shot up to AU\$20.301billion (with a 123-fold increase). 2011 statistics show us now that Australian

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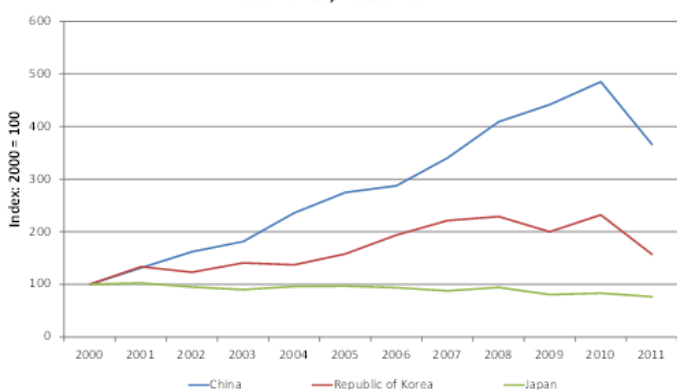
Australia has been driven by the services sector. The three sectors that contributed most to overall productivity growth between 1992 and 2004 are all in the service sector: wholesale trade, communications and finance. Agriculture, construction and transport were also amongst the top ten contributors. Australia also has a world leading mining technology sector (Cutler, 2008). These results are not as surprising as they first appear. Services are more investment intensive than manufacturing and have fast Research and Development growth.

R&D intensity in Australian services is in the top one third of OECD countries. And, although Australia is not a “high R&D” economy in value, it is considered “innovative”, ranking with the UK in the OECD “2nd tier” group (OECD 2006). *Non-technological* innovation is undertaken by a significant number of firms across all industries in Australia (ABS Surveys) so it is not surprising that *process* innovation is high in the Australian service sectors (Cutler, 2008).

Export performance in Services

Globally the value of services trade is generally lower than trade in goods (though data limitations give an incomplete picture of services trade) but since services trade often accompanies goods trade we would expect that bilateral flows of services would follow the geography of other trade relationships. Yet, despite Australia's general success in exporting some services¹, our exports to Japan are far less than would be expected on the basis of both countries' size and proximity. The Figure shows the growth of Australian services exports to other Asian countries has been much more rapid than to Japan.

Australia's exports and imports of services, selected countries, 2000-2011



Source: International Trade in Services by Country, by State and by Detailed Services Category, Calendar Year, 2011, ABS
<http://www.abs.gov.au/AUSSDAT5/absx@.nsf/Lookup/5368.0.55.004Main+Features12011?OpenDocument>

Why so little?

Though Japan is a large global importer of services, in total it engages less in services trade than the norm for its size. Australia's services exports to Japan are mainly in tourism and transport services and relatively little in the areas of Australia's expertise (education, financial services and niche business services). How can these parsimonious flows be explained? Research shows that distance between partners matters for services trade despite technologies that could allow service delivery anywhere in the world. Common culture and language also matter. So neighbouring countries, particularly ones with a common border, trade services more than other pairs of countries. Business barriers, so-called “behind the border barriers” such as restrictions on entry into services business and preferential treatment of national firms, matter a lot too. All these factors affect services trade between Australia and Japan.

Complementarity in Services

Since services trade is often linked with goods trade, we might expect an intense services trade between Australia and Japan. Our goods trade is not just large, it is larger than would be expected for a pair of countries of our size and distance from each other – i.e. our goods trade is “intensive”. Furthermore, we share a time zone and are fairly familiar with each other's business culture and legal systems. All this suggests that there is a large, unexploited potential in services trade.

The challenge is to discover what types of services are complementary between the two economies. It is unlikely that Australia will export to Japan services linked to mining, despite our expertise. Some Australian expertise is simply not relevant

to Japan.

Complementarity will be found elsewhere. One possibility is “general process” services where Australia is innovative. Another possibility may be in services associated with the consumption of our export products in Japan, not the production of them. And there may also be potential in collaborations with Japan in third markets where

Japanese firms develop industries familiar to Australian business.

For example, where Japanese firms develop resource-related or infrastructure businesses in other markets, Australian expertise in mining services and in financing large-scale projects become even more relevant than they would be inside Japan. In the same way that there are possibilities for collaboration between Australia and Japan in the goods production networks in the region, collaboration may be even more relevant for services than for goods.

Conclusions

Both Australian and Japanese productivity growth has slowed in recent years. Both rank only in the middle of OECD countries in important elements of the knowledge economy: education spending and innovation. Each has strengths in different parts of the increasingly important services sector, so there is potential for complementarity but it is more challenging to identify in services than in goods. There is scope for business collaboration in services sectors both inside each country, and together in third countries, and these are likely to expand. While the major initiative will come from the private sector, government can help. Both countries need better focussed public policy for productivity revival. Behind-the-border regulatory reform will speed innovation. For Japan, improving productivity in services is particularly beneficial (Tyers and Corbett, 2012). The additional benefit is that such policies can also provide a big boost to services trade.

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GUEST VIEW – Manuel Panagiotopoulos – from page 1

... of responsibility that has been a hallmark of this bilateral association. The AJBCC has also played an important role in government relations and supporting the relationship in the public sphere. The Joint Business Conference is supported by both Governments, with representatives of the Foreign Ministries, Austrade and JETRO attending and often providing speeches. This highlights the facilitative role that the conference has played in the business-government interaction from both sides.

The development of a consistent and long-lived institution allowed for the creation of real and abiding trust and friendship between Australian and Japanese business people. It has formed the core of an economic relationship that has become richer in depth and breadth. The origins were, of course, in the complementary supply and demand relationship between energy and industrial inputs and final production. But as both economies developed, a host of new opportunities were developed, again

reflected in the AJBCC make-up and agenda.

Leadership on both sides was needed for this relationship joint venture to succeed. Business ambassadors of the calibre of Sir Arvi Parbo, John Ralph, Hugh Morgan and Sir Rod Eddington on the Australian side and Eishiro Saito, Takashi Imai and Akio Mimura on the Japanese side. Saito was a member of the Japanese delegation that visited Australia in the early 1950s, a prelude to decades of energetic commitment to this vital partnership.

When I first began attending the Australia-Japan Joint Business Conference, more than 20 years ago, the emphasis was squarely on the resources and energy sectors. There were many parts of the programme devoted to various commodities, such as coking coal, thermal coal, copper, iron ore, non-ferrous metals and LNG. The content reflected the main membership, miners and heavy industry and power generators. These companies accounted for the vast majority of the commercial links between Australia and Japan.

Gradually, the programme began to include

tourism and other services sectors, such as education and health care, but for a while these were marginal interests. There was some awareness that the conference was not reflecting the overall relationship, which had grown in proliferating sectors and moved to a new level.

Due to the tireless work of Hugh Morgan, Sir Rod Eddington, Takashi Imai and Akio Mimura, the Joint Business Conference responded with remarkable success to the growing diversity of trade and investment links between Australia and Japan. Issues of telecommunications, sustainable development, climate change response, financial services, infrastructure and the economic dynamics of the Asian region and China are all core topics of discussion. There have also been unique joint delegations of infrastructure missions to India and Indonesia and healthcare services to Japan. Finally, the AJBCC and JABCC have been consistent and active promoters of the FTA between Australia and Japan, which would open even more opportunities for both sides.

EVENT PREVIEW:

Australia-Japan Joint Business Conference

~~ 50th Anniversary ~~

**7th -9th October 2012
Sydney, Australia**

The 50th annual meeting of the **Australia-Japan Joint Business Conference** will be an exceptional gathering, with business leaders past and present descending on Sydney Harbour. Prominent businessmen from both sides of the relationship attending include:

Sir Rod Eddington AO - *President of the Australian Japan Business Co-operation Committee (AJBCC), Chairman Australia-New Zealand for JP Morgan, Chairman, Infrastructure Australia*

Mr Akio Mimura - *Chairman, Japan Australia Business Co-operation Committee (JABCC), Representative Director and Chairman of the Board, Nippon Steel Corporation*

With Welcoming messages from:

Terry Witherall, *President, NSW Business Chamber*

The Honourable Barry O'Farrell, *Premier of New South Wales.*

For information about the 50th **Australia-Japan Joint Business Conference**, please contact:

Ms Marcela Bernal of the AJBCC Secretariat:

Email: marcela.bernal@acci.asn.au Fax: (02) 6273 3196

Important sections of the event include:

- ▶ **"The Past Fifty Years – Retrospective Highlights"**, commented by *Mr Hugh Morgan AC* (Immediate Past President, AJBCC) and *Mr Takashi Imai* (Immediate Past Chairman, JABCC).
- ▶ **Discussion Theme for Tuesday 9th October: "The Development of Innovative Futures"**, featuring discussion topics on *Green Smart* and *Competitive Start – Innovative Organisations*
- ▶ **"Facing the Global and National Challenges – Building a prosperous and sustainable future"**
- ▶ **JABCC's Essay Contest Awards Ceremony"**
- ▶ **"Asia's Changing Demographic: Challenges and Opportunities"**

Australia-Japan Foundation-sponsored Conference Dinner on Monday October 8th will include an address by The Honourable Julia Gillard MP, Prime Minister of Australia, as Guest of Honour.





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Case Study:



By Thomas O'Keefe, JETRO Sydney

Chef's Armoury is a specialist Japanese food and knives store and claims title to be the number one importer and distributor of authentic Japanese knives in Australia. They are also soon to be a major importer of the finest of Japanese *sake* and *shochu*. For many years they have had a close association with the Australian hospitality industry, covering the spectrum from wholesale to management and operations. *Chef's Armoury* supplies to hotel, cafe and restaurant chefs, and they also sell directly to the consumer, through their Rosebery (Sydney) store, and online.

Mr Leigh Hudson, Owner, Senior Buyer and resident Knife-maker at *Chef's Armoury*, declares his store focus is "quality, functionality and that certain X-factor which is reflected in the beauty, sharpness and performance of our products". All knives are sourced from Japanese commercial producers and small artisan knife-makers. Also, *Chef's Armoury* specialise in Japanese handmade cast iron cookware, imported Japanese kitchen-knives and sheaths, Japanese charcoal barbeques, tableware, sharpening stones, Japanese groceries, books on knives and Japanese cooking. Knife brands carried by *Chef's Armoury* include *Kanetsune*, *MCUSTA*, *Kaiden*, *Sakai Takayuki*, *Keijiro Doi*, *Konosuke Sakai*, *Takamura*, *Takashi Saji*, and *Bespoke*. Of the cooking-wares, chief name brands are *Oigen* and *Naked Pan*. In-store, they also hold a *Bespoke Design Your Own Knife* option, as well as hosting Japanese cooking classes and other events, and providing a professional knife sharpening service.

Leigh Hudson is a chef by trade, with over 20 years of experience in the Australian hospitality industry. His interests focused knives, and his dedication has seen him re-train in Japan as a qualified knife-sharpener.

When asked about his interest in Japan, Leigh's first thought is, "it's just awesome". Upon elaboration, we found that Leigh has had a lengthy and vested involvement with Japan both in general and with specific companies, which all began after a private holiday away there many years ago.

"Japan has consistently high quality products, with minimum quality-control needed," says Leigh. This might explain how, for the last five and a half years, Leigh and *Chef's Armoury* has been actively importing Japanese-made knives from various companies in various regions across the country. As a result, Leigh travels back and forth from Australia to Japan three times a year on average, and has cultivated his business and personal relationships the entire time. "The people are hospitable," continues Leigh, "but it can be slow going to start," - noting that the establishment the trusting relationship is key. It can be a long process. "An existing personal link is always helpful, and once a trusting relationship is established, you know that you will have a solid partner," says Leigh, affirming the strong commitment and stability that is shown by his partners in Japan for the last several years.

Mr Hudson and Chef's Armoury first came to the attention of JETRO through a pre-existing relationship with Japanese cast-iron cookware maker *Oigen*. As it happened, Leigh was in Iwate prefecture, working with *Oigen*, a Japanese cookware company that JETRO has been assisting with export-product promotion. That connection presented the opportunity for Leigh to visit JETRO's head office in Tokyo. Soon after, *Oigen* and *Chef's Armoury* were collaborating again, this time at a product launch in Australia, and a meeting was encouraged and subsequently arranged with us here at the JETRO Sydney office. Leigh is currently unveiling plans to import and sell top-quality Japanese *sake*, which is a big part of the near future for the business. Leigh has many years ago accomplished recognition as a sommelier of fine wines, and now translates that through his love of all things Japanese and culinary, into under-way plans to include high-quality Japanese *sake* into the *Chef's Armoury* mix. This also happens to be the subject of *Chef's Armoury's* latest collaborations with JETRO Sydney. Currently in the running to travel to Japan for a sake importers meet-up, Leigh is sizing up to establish an online avenue for Australia's sake lovers to get their hands on the best of the best from Japanese breweries. The *Chef's Armoury* website, www.chefsarmoury.com, will be the online shopfront for all Australian *sake* lovers. More than that, *Chef's Armoury* is assessing plans to host and run *sake* appreciation courses and the like, in order to improve the currently limited understanding of this great Japanese product among the Australian consumer base.



The top-of-the-line *Konosuke Sakai* 300mm Waning Crescent Moon Sushi & Sashimi Knife - \$2250.00



The in-store *Bespoke Design-Your-Own-Knife* display, two pieces of metal are transformed into a precision, razor-sharp Japanese knife blade.



Right: From the extensive *Oigen* cast-iron cookware range:
 Top: *Oigen Takoyaki* Grill Pan (\$75.95)
 Middle: *Oigen* 3.8L Dutch Oven (\$215.95)
 Bottom: *Oigen Taiyaki* Waffle Iron (\$98.95)

MD's Message – from page 1

...exports to Japan are still mostly raw materials: Coal (constituting 33.4% of Australian exports to Japan), Iron-Ore (22.1%), and Petroleum-Gases (21%). Australian coal accounts for 61.3% of all Japanese coal imports, sitting pretty at no.1 on the list of import markets. Australian iron-ore covers 58.2% of all Japanese iron-ore imports, at no.1 on that list, too. Australian petroleum-gases account for 16.7% of Japanese gas imports, making it no.2, preceded only by Qatar, which accounts for barely 17.4%. And this is set to change.

In the 1950s and 1960s, things really started to fire up.

Coal: In 1957, adverse weather conditions affecting domestic coal production forced the Japanese government to ease restrictions, allowing Japanese steel manufacturers to import Australian coal for the first time.

That first boatload was a modest 300,000 tonnes. This led to Japanese steel manufacturers sending their first research mission to Australia in 1958. In 1959, they signed the first agreement with the Australians, to purchase a further 600,000 tonnes of Australian coal per year, over five years, from Port Kembla. Thereafter, a dramatic increase in such Australian imports began arriving in Japan.

Iron-Ore: December 1960 saw the iron gates open up, as the Australian government's contemporary prohibitions on iron-ore exports were lifted, leading to a flurry of exploration projects, especially in Western Australia and South Australia. In June 1963, a consortium of nine Japanese companies signed the first purchase agreement with WA's *Western Mining Corporation*, worth a total of AU\$5.1million over an eight-year period. At this time, Australian exports of iron-ore in 1964 amounted to a modest 105,000 tonnes, which equated to only 0.3% of the total of Japan's iron-ore imports of that period.

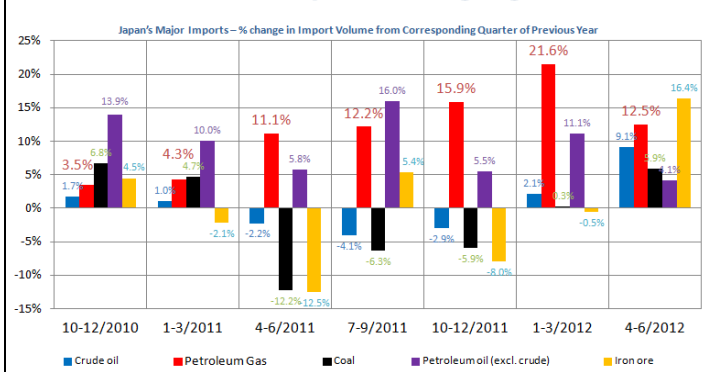
In 2011, however, Australian iron-ore exports to Japan sat at 80.2million tonnes, showing a massive 764-fold growth of Australian iron-ore exports to Japan. Facts and figures like these should paint a pretty vivid picture that Japan is, and has been for a long while, a very stable, dependable export market

Japanese Imports – a comparison

Commodity	2011		
	Commodity as share of total Japanese imports (A\$829.02bn)	Commodity as share of total imports from Australia (A\$54.96bn)	Australian share of imports by commodity and rank
Coal	3.6	33.4	61.3 1
Iron ore	2.5	22.1	58.2 1
Petroleum gases	8.3	21.0	16.7 3
Copper ore	1.4	2.8	13.4 2
Aluminium	0.8	2.6	21.4 1
Crude oil	16.6	1.8	0.7 13
Fresh/chilled beef	0.2	1.7	64.2 1
Woodchips	0.3	1.4	30.0 1
Frozen beef	0.1	1.3	63.0 1
Wheat	0.3	1.0	20.0 3

Source: Based on Japan Customs Data (January – December 2011)

LNG Imports Surging



for Australia, especially in coal and iron-ore.

LNG: These days, Liquefied Natural Gas sits as the no.3 Australian export to Japan. Current developments and project collaborations are engendering a big future for the LNG and related markets in Japan. As we all know by now, the March 11th, 2011 earthquake and tsunami disasters of North-East Japan resulted in the Fukushima nuclear plant meltdown, and the Japanese government is now following a policy change in the energy-mix, in order to lessen the dependence on nuclear energy. Something needs to fill the electricity-generation energy gap created by this, and LNG is set to surge ahead to do so. Currently, there are three major Australian LNG projects in which Japanese corporations hold working interests, and that are destined to supply the Japanese LNG market, including the *Pluto* project, which began producing in May of this year. Seven more major projects have also already started digging, of which five have active Japanese working interest participation. The first of these Japanese-related projects are set to be producing exportable LNG from 2014. By 2017, all projects will be fully

productive (especially *INPEX's* Ichthys Project, which will be worth AU\$32billion), and as a direct result, Australia's share of Japanese imports will undoubtedly expand well beyond the current 20% threshold. Australia will hence become the no.1 supplier of LNG to Japan.

From the Australian point of view, the overwhelming majority of its production will be being purchased by Japan (now the figure is 70%, by 2017 it will be *even* more!). For Japan, LNG will form a crucial part of the energy mix. All this means that in the near future, LNG, coal and iron-ore deals will cement Japan as an extremely important business partner for Australia.

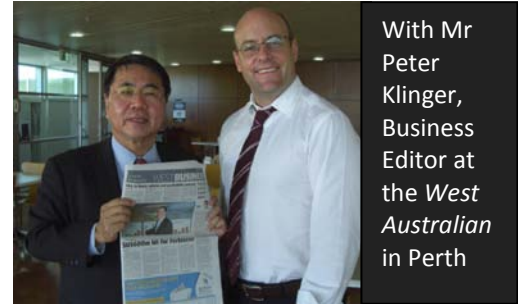
Australia is a country rich and fortunate in iron-ore, coal and LNG production; Japan is a trading partner with which Australia has a strong long-term relationship, and this relationship will only grow more important and significant for both nations.



With Mr Peter Cai (centre) Asian Affairs Reporter for *The Age*, at our office in Sydney



With Mr Liam Walsh, from the *Courier Mail* in Brisbane



With Mr Peter Klinger, Business Editor at the *West Australian* in Perth



With students of Japanese-studies, at the University of Queensland, Brisbane



With Dr Tomoko Aoyama, at the University of Queensland, Brisbane

Invitation to the Wakayama business matching event in Sydney

JETRO Sydney is hosting **business-matching event** in Sydney, to help Wakayama SMEs' expand their market in Australia.

Five Wakayama companies will participate in the event, introducing patented original, unique, and high quality products:

- ❖ Nakano BC Co's sake, umeshu and shochu



- ❖ Clean Sawa Co's patented dry-cleaning methods.



- ❖ Marushosu's Vinegar range



- ❖ Maruki Co's *Okiwashitsu* fold-out Japanese room



- ❖ Yasui Co's specialist rices



Details for the Event:

Date: October 18 (Thu)
Time: 11:00 - 15:00
Venue: Conference Room,
 JETRO Sydney
 Level 19, 39 Martin Place,
 Sydney NSW 2000

Contact: JETRO Sydney
 Business Development
 Division (Ms. Aida)
E-mail:
svd-bd@jetro.go.jp
 TEL: 02-9002-6200
 (ex. 6205)



祭り Matsuri in Sydney 2012

The Matsuri Festival has been organised every year for more than 10 years. This year, the Matsuri Festival will be held at Tumbalong Park, right next to the Darling Quarter, and walking distance from Darling Harbour.



There will be many stalls for Japanese festive food, books, knickknacks, and *omiyage*! There will also be Japanese-cultural stage performances, demonstrations and much more. Details will be released closer to the event date, which is in December this year.

The **Matsuri Festival** is a Japanese cultural event promoting Australian and Japanese community cultural exchange.

The **Matsuri Festival Executive Committee** was established through the collaboration of Consulate-General of Japan, Japanese government organisations and business entities to coordinate the event. There is no other event, which acquires such effective exposure to the general public audience in Sydney. Every year not only Japanese but also many Australians enjoy this Japanese festival together.

Details for the Matsuri:

Date: 15 December (Sat)
Time: 10:00-19:30
Venue: Tumbalong Park,
 Darling Harbour

MATSURI in Sydney 2012 with Japan Expo

Japan in the Asian Century – Editor’s Note



Thomas O'Keefe is a Trade & Investment Development Program Co-ordinator at JETRO Sydney, as well as Editor of this Newsletter.

We find ourselves in a time where focus and attention is being lavished upon Asia, and the dawn of the ‘Asian Century’ is upon us. Placing aside one’s reservations about naming an entire century while only at the 12-year mark, the impulsion behind this christening stems, as all things do, from history itself. The European and British centuries ended with two rather disastrous wars, followed by an economic alliance that is almost too ironic to believe. The American century has come to a close still at the top, but also mired in issues that are cancerous on the country’s economy. Now Asia, long ago the ancient source of science and everything else in the world, appears to rise like a Lazarus from the shadows of history!

Asia, both core and periphery, played some very significant roles towards the latter end of the 20th Century. Economically, let us not forget that both number 2 and number 3 positions on the world’s economic charts are occupied by Asian mega-giants, and have been (in one order or another) for many years prior. Much of this was due to two strong factors: 1) high quality manufacturing, or 2) cheap labour. What the rest of us need to remember, though, is that these two factors have generally been *mutually exclusive* of one another. In other words, you will always get what you paid for. (This is, after all, is one of the cornerstones of human business.) So, how best to capitalise on the Asian Century?

Businesses of the world will, eventually, recover from the psychological shocks of the last few years; the stars in their eyes will go out and Reality will set in. Attention will again be paid to matters of cost-versus-quality, convenience-versus-security. In the “Asian Century”, where, oh, where can one find an Asian base-country that is *overall stable, politically free, economically sound, technologically advanced*, and suffers *no more issues with piracy and intellectual property theft* than one’s mother country does? The options are scarce, to be sure. But I can let you in on one good one.

If you have not guessed it yet, the secret is **Japan**. Indeed, not really a secret – in an age of risk mitigation, it is really just a matter of remembering a few critical historical facts and inferences. **Japan is possessed of an industriousness** that has proven itself through war and through peace. An extreme example would be the rise from nuclear ashes to Olympic Games host in a matter of twenty

years! Engineering prowess has been the chief drive behind the ascension to the top three of the world’s GDP indices. Perhaps even more telling than that, the World Bank’s *GDP per capita* index for 2007-2011 places Japan at a sweet 18th spot (where all 17 before it are countries of grossly disproportionate wealth-to-population ratios – except of course for No.7 (Australia) and No.14 (USA)).

Today, Japan sits as a chief source of management productivity advice, and remains on the cutting edge of research and development into the coolest and most amazing fields of modern technology – robotics, biomedicine, information and communications, transport technologies, clean energy alternatives, et cetera and you-name-it. More than that, the effort put in by Japanese companies and engineers has galvanised them into adopting some of the strongest IP protection laws in the world. Even more than *that*, Japan still boasts a large human population, with a high standard of living and hence a strong motivation to keep it that way. Japanese banks and financial services institutions are not new and opaque, but are well-established, experienced and proven over many decades as being very, very good at what they do.

On a human level, Japan has been active in the global community for decades, for better or for worse, and the populace is rather welcoming to visitors when at home, and adventurous when abroad. The culture of Japan is a constant source of inspiration and wonderment for foreigners, and remains a staple of identity for the Japanese.

In the Asian Century, when the world looks to a new direction for economic prosperity, it is good to know someone who is already there, and has already tried, failed, and succeeded.

Jetro IBSC – Your Bridgehead into Japan

In the June edition of the JETRO Sydney Newsletter, we expounded on the role of **JETRO as the “Sydney Harbour Hashi” of international business**. “Hashi” is a Japanese word, meaning “bridge”. Once you’ve come in or called us (or visited the website at www.jetro.go.jp/australia), you will have begun planning to make the great leap across the Pacific Ocean. **But what to do and who to speak to once you get there??**

You will need a **bridgehead** to make the most effective push! How does **free office space and access to all necessary experts** sound to you?

Introducing the **JETRO Invest Japan Business Support Centre**, or IBSC:

- 1) You sort your affairs out in Australia, with assistance from the JETRO Sydney staff (we’ll go into more detail on that once you come in)
- 2) Buy your plane ticket and jet off to your chosen area of Japan
- 3) Walk in to the JETRO IBSC at your chosen major city, use the facilities and the assistance of the local JETRO staff and external professionals sort out all the necessary paperwork, procedures, and sign on the dotted lines
- 4) Hunt down your permanent office space, pack up and go!

JETRO IBSC allows FREE use of office space and essential services for a maximum of 50 days (conditions do apply) – this will be more than enough time to sort all your affairs, and set up your Japanese-base business efficiently, quickly, officially, and legally.

JETRO IBSC is located in the heart of business and financial districts in these major Japanese cities:

- *Tokyo*
- *Yokohama*
- *Nagoya*
- *Osaka*
- *Kobe*
- *Fukuoka*

JETRO Australia’s office contains a library of information on doing business in Japan. The **Attractive Sectors** information brochures



spotlight sectors of industry and economy with special focus from the Japanese government. These include **Biotechnology, ICT and Clean Technology, and more**.

Find us online at www.jetro.go.jp/australia

JETRO Buyers Program Update – TOKYO GAME SHOW 2012 with AFA Interactive and JETRO Sydney
 - Thomas O'Keefe, JETRO Sydney

The Tokyo Game Show was held this year from Thursday September 20th – Sunday 23rd, at Makuhari Messe in Chiba Prefecture. This year was in fact the 22nd Anniversary of the Show, and attendance numbers hit upwards of 220,000. The TGS people have been working on enhancement of their capability to disseminate valuable information to the rest of the world as a major show that acts as a dynamo for the rapidly growing computer entertainment market in Asia. Furthermore, as a means to build new markets and development centres to expand business in Asia, they have implemented a wide range of business-to-business and business-to-consumer measures such as holding the *Asia Game Business Summit*.

As a result of these measures, in 2011, the show attracted 222,668 visitors, and in 2012 saw 223,753, which is the largest



Mr Robert Allford (left), from AFA Interactive in Adelaide, with JETRO Sydney's Thomas O'Keefe.

number in the show's history. One of these hundreds of thousands was a games distributor from Adelaide, South Australia – one Mr Robert Allford (pictured), whom JETRO Sydney sent on a Culture & Media: Video Games

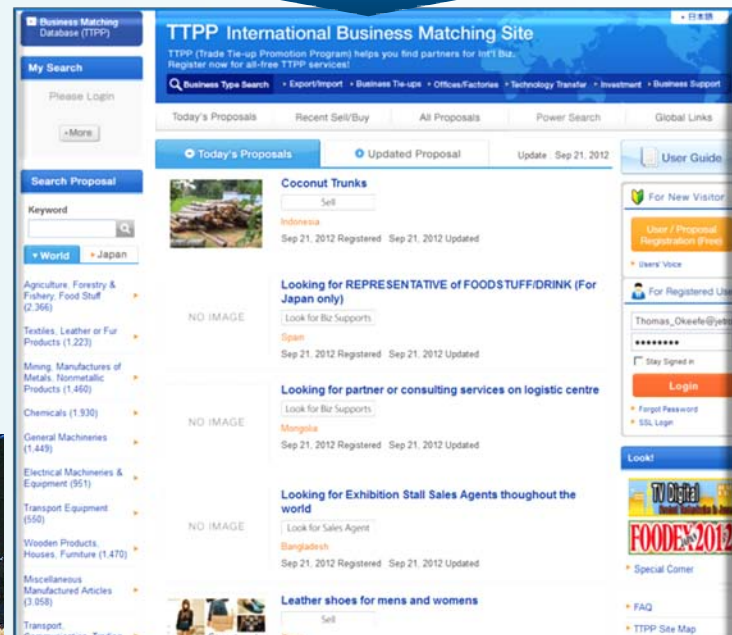
Buyers Program to the TGS this year. Mr Allford represents AFA Interactive, which is an interactive games distribution company based in Adelaide. AFA and Mr Allford have over 10 years experience in bringing many types of video games and related accessories into Australia, and it was this experience as well as his passion for the job that made him an ideal candidate for JETRO Sydney to send to the TGS this year.

At the time of this writing, Mr Allford has just returned to Australia, and has commented with great enthusiasm that he has had a very productive time while at the show, meeting potential new business partners, as well as finding some new products to start looking at bringing into the Australian market from Japan.



**JETRO Business Matching Database –
 “Trade Tie-up Promotion Program”**

>> **TTPP** <<



JETRO's TTPP is a business partnering database that anyone can use, "Free, Anywhere, Anytime." Companies and individuals in more than 170 countries search and browse through literally tens of thousands of business proposals. Through TTPP, reach out to potential business partners in Japan and internationally by registering your company information and posting your own proposals.

Find TTPP on the JETRO website at www.jetro.go.jp/tppoas/index.html

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