



## **Media Report for The Tasmanian Department of Economic Development and Tourism 4-10 July 2009**

### *Politics/Economy/Social*

Wednesday, 8 July, 2009

## **Frontline Business Confidence Rises, Econ Conditions Seen Stabilising**

Business confidence among those with a bird's-eye view of the economy, including shop owners and taxi drivers, improved for the sixth straight month in June, a Cabinet Office survey shows.

The index for current economic conditions rose 5.5 points from May to 42.2 in the latest Economy Watchers Survey released Wednesday. The June reading was close to the recent high of 42.9 logged in September 2007.

The government upgraded its overall assessment for the fifth straight month, saying that, "Although economic conditions remain harsh, they have levelled out." In May, it described the state of the economy by saying, "Economic conditions are harsh, but the decline is coming to a halt."

The government attributed the improvement to a series of its stimulus measures including the "eco-point" system introduced to stimulate purchases of energy-efficient home appliances, and tax breaks and subsidies for upgrades to eco-friendly cars.

The employment subindex rose 7.6 points. "Concerns over a surge in the number of job losses and plunging job offers have abated," the government said.

The corporate subindex rose 5.8 points, while the household subindex also improved by 5.2 points.

The survey was conducted from June 25 through 30, with all of the 11 regions polled showing improvement.

(Summarised from the Nikkei.com, 8 July edition)

Wednesday, 8 July, 2009

## **Japan's Public Schools To Go Solar By '20**

The government and ruling parties decided Tuesday to convert all 32,000 or so public elementary and middle schools in Japan to solar power by 2020 as part of its effort to slash greenhouse gas emissions, The Nikkei has learned.

For starters, the government aims to raise the number of solar-powered schools to 12,000 by 2012, up from the current 1,200.

An estimated 600-900 billion yen will be required for solar energy to be adopted at all public elementary and middle schools. In the fiscal 2009 supplementary budget, the government set aside subsidies that will effectively keep local governments' burdens for installing such systems at area schools at 2.5% of the costs. In budgets for fiscal 2010 and beyond, the government could earmark the use of subsidies or grants.

Schools are likely to use conventional 20kw solar panels. According to the Education Ministry, this is enough to power fluorescent lighting for one day in eight to 10 classrooms.

If all public elementary and middle schools are solar powered, the amount of electricity generated will be on par with that consumed by roughly 200,000 ordinary homes a year. And the amount of carbon dioxide eliminated per school would be equivalent to that absorbed by a forest the size of the Tokyo Dome.

The government plans to have excess energy bought and sold through a private-sector trading scheme.

Last month, Prime Minister Taro Aso unveiled a target to reduce greenhouse gas emissions 15% from 2005 levels by 2020. To reach this goal, solar power generation, which does not emit carbon dioxide, must be ramped up 20-fold from current levels.

(Summarised from the Nikkei 8 July morning edition)

Saturday, 4 July, 2009

## **Prime Minister Aso and the POW issue**

During World War II, the former Japanese Imperial Army reportedly captured well over ten thousand prisoners of war (POWs) from Allied countries including the United States, Britain, Australia and the Netherlands.

After the war ended, some former members of the Japanese Imperial Army met with former POWs in an effort to achieve reconciliation. Since the 1990s, Japanese diplomats posted in the UK and the Netherlands and community groups such as the POW Research Network in Japan have begun to listen to the stories of former POWs who still suffer mental anguish many decades after the end of the war.

Efforts toward reconciliation are still continuing. At the end of May, the Japanese Ambassador to the United States, Ichiro Fujisaki, apologised to American former POWs who had been captured in the Philippines. At a meeting for former POWs and their families in Texas, Mr Fujisaki gave a heartfelt apology, saying that Japan had caused "tremendous damage and suffering" during the war.

In June, Australian former POW Joe Coombs (88) visited Japan but he was only able to achieve partial reconciliation.

In February 1942, Mr Coombs was captured by the former Japanese Imperial Army in Singapore. He was then transported by ship to Japan where he was forced to work in a coal mine run by Aso Mining, a now-defunct company run by Prime Minister Taro Aso's father.

Mr Coombs visited Fukuoka (the site of the former mine) and spoke to the local people. He also met with the leader of the Democratic Party of Japan (DPJ), Yukio Hatoyama. Mr

Coombs had hoped to meet with Mr Aso during his visit to Japan but the meeting did not occur. Mr Coombs told a press conference that he was “disappointed” by the outcome.

It is possible that the meeting did not take place because Mr Coombs had requested an apology and compensation. It is extremely disappointing that Mr Aso was too narrow-minded to meet with the former POW.

(Full translation from the Asahi Shimbun, 4 July, evening edition)

## *Industry/Market – Japan*

Friday, 10 July, 2009

### **Tohoku Elec To Diversify LNG Supply, Begin Imports From Russia**

To secure stable supplies and cut costs, Tohoku Electric Power Co. will seek more diverse sources for liquefied natural gas (LNG), which is used in its thermal power plants, starting in fiscal 2010.

The company will begin buying LNG from Russia for the first time and will triple purchases from Australia. At the same time, it will reduce supplies from Qatar and Indonesia.

Tohoku Electric currently buys some 3 million tons of LNG a year, with Malaysia, Qatar and Indonesia together accounting for 78% of its total procurement in fiscal 2008.

Its contract with Indonesia expires this fiscal year, and given how Indonesia has decided to reduce exports and keep more LNG for domestic use, Tohoku Electric expects the country to account for just 4% of its overall procurement in fiscal 2010.

The intake from Qatar will be reduced to 16%, compared with 25% in fiscal 2008.

Tohoku Electric plans to triple purchases from the Karratha LNG plant in Western Australia to 1 million tons a year. Since Japanese concerns are involved in that project, the firm sees this as a stable supply source. The move will increase the ratio of LNG procured from Australia to 33% from 11%.

Tohoku Electric has also inked a 20-year contract to buy LNG from the Sakhalin-2 project in Russia, from which transportation costs will be less than a third that of Indonesia and Qatar. Russian LNG will account for 14% of the company's total LNG procurement.

(The Nikkei Business Daily 10 July edition)

## *Industry/Market – Australia*

Friday, 10 July, 2009

### **Australian fisheries association promotes southern bluefin tuna as ‘Minami Sodachi’**

On 9 July, an Australian fisheries industry group announced the launch of a new brand for Australian southern bluefin tuna called ‘Minami Sodachi’. Minami Sodachi tuna will be sold as sashimi at selected supermarkets on the main island of Honshu and the smaller island of Shikoku from 10 July. The group intends to supply the brand to the restaurant industry in the future. The tuna brand will be developed in a similar way to the well-known Aussie Beef brand.

Southern bluefin tuna are caught in the southern hemisphere and have the same premium ‘toro’ cuts as other bluefin tuna. Tuna sold under the new brand are young fish that have been caught in the wild and then raised and fattened in farming enclosures. The fish are raised in accordance with high quality standards and eat the same diet as tuna in the wild, including sardines and mackerel.

On 9 July, the Australian Southern Bluefin Tuna Industry Association held a press conference in Tokyo. Chief Executive Officer Brian Jeffries said that although premium tuna prices were falling due to the economic downturn, he would like [Japanese consumers] to learn more about the merits of southern bluefin tuna.

According to the Association, 9,500 tons of southern bluefin tuna were harvested in Australia in 2008. Almost all of that volume was for the Japanese market.

Premium tuna, including bluefin tuna and southern bluefin tuna, had a 15 percent share of the Japanese tuna market in 2008.

This story also appeared in *the Tokyo Shimbun* (10 July 2009, morning, p. 9) and *the Nihon Keizai Shimbun* (10 July 2009, morning, p. 24).

(Full translation from *the Sankei Shimbun*, 10 July 2009, morning edition)

Monday, 6 July, 2009

### **Kirin hopes to pop open huge beer markets**

Now that Kirin Holdings Co. has wrapped up a flurry of M&A deals in the Asia-Oceania region, its focus has turned to profitably managing an expansive beverage empire. President Kazuyasu Kato recently said the firm will start concentrating on bolstering its operations, rather than on growing them.

In 2006, the entity that a year later would become Kirin Holdings made Kirin Beverage Co. its wholly owned subsidiary. Kirin Holdings then spent 294 billion yen in 2007 to take 100% of National Foods Ltd., Australia's leading dairy. This year, the company upped its San Miguel Brewery Inc. stake to 48.3%. San Miguel is the Philippines leading brewer.

Starting with the Kirin Beverage acquisition, Kirin Holdings will have invested some 1 trillion yen once the Lion Nathan deal is completed.

Kirin's acquisition spree was spurred by the ongoing contraction in the Japanese market for beer and beer-like beverages. Sales have fallen 16% from their 1994 peak, and given the declining population as well as a tendency among the younger generations to consume less alcohol, the trend is likely to continue.

In contrast, the Asia-Oceania markets for beer and other beverages, which Kirin aims to dominate, are expected to rapidly expand. In the past five years or so, China's beverage industry has grown 80%; beer sales are up 50%. The beer and beverage markets in Thailand and other countries have also been booming.

### **Antitrust worries**

Kirin is also determined to create synergies in the Australian market. Kirin Holdings' share in the Australian dairy products market has sharply expanded since its acquisitions of National Foods and the second-ranking Australian Co-operative Foods Ltd. (Dairy Farmers) during the past two years. But Kirin Holdings may be pressured to sell off some of its Australian businesses to avoid breaching that country's antitrust law.

(Summarised from the Nikkei Weekly, 6 July edition)

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