



Media Report for The Tasmanian Department of Economic Development and Tourism 31 January to 6 February 2009

Politics/Economy/Social

Saturday, 31 January, 2009

Japan To Propose Tariff Cuts For Green Products

The government plans to submit a list of environmentally friendly products designated for lower tariffs as part of ongoing multilateral trade negotiations.

The Ministry of Economy, Trade and Industry is considering a dozen or so product categories, including fuel cells for residential use, green vehicles, LED lighting, and solar cells and power generation equipment. The details will be hammered out by mid-February in consultation with the Foreign Affairs, Finance, Environment and other ministries.

In the Doha round of the WTO talks, negotiations have progressed separately for each trade segment. Preliminary guidelines for addressing environmental products were issued in October, but a timetable has not been set.

Hybrid and electric cars are assessed the same import duties as conventional vehicles. The top rate in the U.S. and China comes to 25%, while Brazil levies as much as 35%. In contrast, Japan's tariffs on environmental products are nearly zero.

The U.S. and European countries have generally been open to negotiations on green goods. But in light of Japanese manufacturers' strength in hybrid vehicles and energy-efficient appliances, the American and European stances do not necessarily align with Japan's. Emerging countries have been more guarded out of concern that imports would flood their home markets.

(Summarised from the Nikkei Saturday morning edition)

Industry/Market – Australia

Wednesday, 4 February, 2009

Japan To Take Part In Push Toward Universal Patents

The patent offices of Japan, the U.S., Germany and seven other countries will start sharing information from the application review process as early as the end of next month, taking the first step toward establishing universal patents, The Nikkei learned Tuesday.

Such exchanges will not only reduce the paperwork filed by applicants, but also enable these firms to obtain patents outside their home countries faster. And patent holders will have an easier time obtaining approval in other countries.

The U.K., Canada, Australia, South Korea, Singapore, Denmark and Finland are the other participants in the initiative. These 10 countries accounted for 66% of the 1.76 million patent applications filed worldwide in 2006.

Japan now has bilateral arrangements with the U.S., the U.K., Germany, South Korea and Denmark. In the agreement with the U.S., for example, information used by the Japan Patent Office in reviewing a patent application is shared with its American counterpart, easing that applicant's efforts to secure protection in the U.S.

Japanese firms that submit applications to the U.S. Patent and Trademark Office end up waiting an average of 25 months for the review process to begin. The bilateral information-sharing pact reduces this to two or three months.

The 10-country framework will serve to align the review standards among participants. And with the bulk of patent applications to be screened under the multilateral regime, this will effectively result in a common patent.

(The Nikkei Wednesday morning edition)

Wednesday, 4 February, 2009

Australia Announces Additional Economic Stimulus Measures Worth 2.3 Trillion Yen

Australian Prime Minister Kevin Rudd announced an additional economic stimulus plan worth AUD 42 billion on Tuesday. Under the plan, the Australian Government will increase spending on public works over a period of two years, including renovation work for 9,540 schools, and will provide one-off payments for middle- and low-income households. The plan follows the previous economic stimulus package announced in October 2008. Mr Rudd said that the latest plan was the largest ever. The plan aims to create approximately 90,000 jobs over the next two years. The Government expects that the plan will boost economic growth by 0.5 percent in FY 2008 and by 0.75 to one percent in FY 2009. Australia is expected to record a fiscal deficit of AUD 22.5 billion in FY 2008, marking the first deficit in 13 years.

(The Nikkei Wednesday morning edition)

Industry/Market/Trends – Japan

Wednesday, 4 February, 2009

Aeon, FamilyMart To Team On E-Money, Explore Further Ties

Second-ranked retailer Aeon Co. and No. 3 convenience store operator FamilyMart Co. have agreed to strike a partnership that will initially focus on electronic money, The Nikkei learned Tuesday, with a broader alliance involving store chains likely to follow.

Starting as early as this year, Aeon's proprietary Waon e-money will be usable at all 7,000 or so of FamilyMart's stores nationwide, marking the first integration of e-money systems among major Japanese retailers. Customers will be able to redeem bonus points accrued through purchases at both FamilyMart stores and Aeon supermarkets.

The two firms will discuss extending the partnership to other areas, including product development and Internet sales, and involving Aeon affiliate Ministop Co. Because Aeon plans to form a capital tie-up with trading house Mitsubishi Corp., the alliance is likely to eventually include convenience store operator Lawson Inc., in which Mitsubishi holds a roughly 30% stake.

The partnership is seen as a means of taking on Seven & i Holdings Co. unit Seven-Eleven Japan Co., whose 12,000 or so stores make it the nation's leading convenience store chain. Sales at Aeon's mainstay supermarkets are languishing, and its Ministop chain, with just 1,900 stores, is still trying to win customers in urban areas. FamilyMart has gotten a boost from the introduction of age verification devices on cigarette vending machines, which has led many smokers to buy cigarettes in stores instead. But it sees the effect as temporary and the tie-up with Aeon as a way to reach out to more customers.

(The Nikkei Wednesday morning edition)

Wednesday, 4 February, 2009

J.Front To Pay Y30bn For Millennium Retailing's Osaka Store

J.Front Retailing Co. is nearing agreement with Seven & i Holdings Co. to buy Millennium Retailing Inc.'s flagship department store in Osaka for nearly 30 billion yen, The Nikkei learned Tuesday.

The store has a total floor space of roughly 40,000 sq. meters. Sogo Co., a firm under the control of Seven & i department store unit Millennium Retailing, posted fiscal 2007 sales of 44 billion yen for its main store.

A basic agreement is expected this month. J.Front is believed to be hoping to complete the acquisition as early as this summer and to combine the purchase with its Daimaru Shinsaibashi department store, which is right next to the Sogo Shinsaibashi store.

The deal comes as Seven & i, Japan's No. 1 retailer, works toward restructuring its wide array of retail businesses to keep up with changes in the consumer market.

As department stores continue to struggle amid the economic slowdown, Seven & i is carrying out an intensive review of its department store business model. As part of this effort, Millennium Retailing is considering closing two Seibu brand department stores in Hokkaido Prefecture. The remaining Sogo and Seibu department stores will also face changes, selling a

wider selection of low-priced products developed with Seven & i group supermarkets, such as Ito-Yokado Co.

Ito-Yokado, a major nationwide general supermarket operator, has also been suffering, in part because of sluggish clothing sales. As a trial, the company last year converted two money-losing supermarkets into discount stores. After seeing these two stores double customers, Ito-Yokado has decided to increase openings of The Price brand discount stores to more than 10 in fiscal 2009, twice what it originally planned.

Meanwhile, Seven-Eleven Japan Co., the Seven & i group's main breadwinner, plans to open a record 1,000 new Seven-Eleven convenience stores in fiscal 2009 to bring the total nationwide to more than 12,000.

(Summarised from the Nikkei Wednesday morning edition)

Wednesday, 4 February, 2009

Suntory's Brewery Turns 1st-Ever Profit, Fuelling Record '08

Suntory Ltd.'s group sales and net profit both soared to record highs in the year ended 31 Dec. as its brewery business turned profitable for the first time since entering the segment in 1963.

The beverage company reported Tuesday that sales rose 1.2% to 1.51 trillion yen and net profit jumped 33.2% to 32 billion yen. Suntory replaced Sapporo Breweries Ltd. as the third-largest brewer in Japan with a 12.4% market share.

"Our share is still just 12.4% and we'll try to boost it to 25%," says President Nobutada Saji. The company is striving for an operating profit of at least 3 billion yen in the beer business this fiscal year.

Operating profit at the brewery division hit about 3 billion yen, compared with a loss in the previous year. While rival companies raised canned beer prices last spring, Suntory held off on price hikes until September, boosting beer shipments by 10%.

Operating profit from its overall alcoholic beverage business came to 12 billion yen. Despite the barely growing market, soft drink sales edged up 1% in volume terms thanks to robust demand for mineral water and canned coffee.

(The Nikkei Wednesday morning edition)

Tuesday, 3 February, 2009

NTT Back On Top in Operating Profit Among Japan's Listed Firms

Nippon Telegraph and Telephone Corp. is expected to replace Toyota Motor Corp. as the nation's top listed company in terms of operating profit in the year ending 31 March, The Nikkei learned Monday.

Although NTT's group operating profit will likely fall 11% to 1.16 trillion yen, this figure will put the telecommunications giant back in the No. 1 spot for the first time in six years. Meanwhile, Toyota is bracing for an operating loss of roughly 400 billion yen.

For the nine months ended 31 Dec., NTT's operating profit likely rose 14% on the year to about 1 trillion yen thanks to subsidiary NTT DoCoMo Inc., whose operating profit jumped 19%.

(Summarised from the Nikkei Tuesday morning edition)

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