



**Media Report for
The Tasmanian Department of Economic Development
and Tourism
19 March 2009**

Politics/Economy/Social

Thursday, March 19, 2009

METI To Have Power Companies Show Costs For New Energy Sources

The Ministry of Economy, Trade and Industry has begun work on requiring electric companies to clearly state their costs for generating and procuring power from such sources as solar energy and wind.

With the future expected to see a wide range of power sources that emit less global warming gases, the government believes that the relevant portions of electric bills should be disclosed.

If this is realised, then customers would have to be told how much they are being charged for costs related to power generated by alternative sources of energy.

METI has already decided to implement a program under which households and offices will be able to sell their excess solar power to electric companies for around 50 yen per kilowatt-hour, or about double the current 24 yen.

(The Nikkei March 19 morning edition)

Thursday, March 19, 2009

G-20 Aims To Shore Up Global Trade Insurance

Leaders at next month's financial summit of the Group of 20 nations are expected to reach an agreement on strengthening the insurance framework for international trade, The Nikkei learned Wednesday.

With international trading activity slowing and potential pitfalls on the rise as the fallout from the financial crisis spreads, these countries seek to reduce the risks faced by companies and financial institutions. Individual nations have already moved to raise the coverage provided by their respective trade insurance entities, and one proposal calls for setting up a joint fund to broaden protections further.

Weakened financial institutions have curbed lending to export firms out of concern over the risk of bankruptcies by importers. In November, the World Trade Organization estimated the shortfall in trade financing at 25 billion dollars, or about 2.5 trillion yen. It now sees a gap in excess of 100 billion dollars. The World Bank projects that global trade this year will decline for the first time since 1982.

Corporations and lenders have clamored for increasing trade insurance covering importers' payments. Trade finance representatives from the G-20 nations will meet in Washington next Wednesday to discuss ways to bolster the framework. Plans are to be confirmed at the financial summit.

The World Bank has been among the proponents of a joint trade insurance fund. The G-20 countries would contribute a total of several hundred billion dollars into a World Bank fund to assist the trade insurance bodies of financially weak nations.

Another proposal envisions a multilateral reinsurance plan designed to defray the risks taken on by a given country's trade insurer. Nine Asian economies, including Japan and South Korea, have agreed to such a tack.

(The Nikkei March 19 morning edition)

Industry/Market – Australia

Thursday, 19 March, 2009

Jetstar to Resume Kansai-Cairns Service

Australia's Jester Airways said it will resume services between Kansai International Airport and Cairns from December, offering four flights a week.

The low-cost carrier launched the route in September 2007 but suspended flights in December last year due to a shortage of planes. The company decided to reopen the route because it sees the strong yen as a chance to tap Japanese demand.

The move will give the airline two Japan routes, with its existing service connecting Japan's western hub and the Gold Coast.

Jetstar charges 40,000 yen per adult for a round-trip flight to Australia, excluding fuel and other surcharges, compared with the average fare of around 300,000 yen.

Jetstar became the first Australian discount airline to fly to Japan in March 2007, with routes linking the Kansai airport with Brisbane and Sydney.

(The Nikkei Business Daily March 19 edition)

Wednesday, 18 March, 2009

Hakubaku to manage own wheat crop in NSW

Hakubaku bought 1,090 ha of land for wheat crop in Liverpool in NSW with their Australian partner and will jointly produce organic wheat for Hakubaku Australia's stable supply and quality control.

(The Japan Food Journal)

Industry/Market – Japan

Thursday, March 19, 2009

Aeon To Shrink Offerings By 40%, Lower Prices On 3,400 Items

Aeon Co. said Wednesday it will revamp its merchandising and pricing strategies in an effort to revive its earnings, slashing its product numbers by 40% and lowering the price on 3,400 offerings.

The retailer may have incurred its first net loss in seven years in the year ended 28 Feb. The Aeon group currently offers about 300,000 items. This will be reduced to 180,000 as soon as possible in order to focus on its Topvalu brand, as well as some national brands. It intends to boost sales volume per item, which will help to lower purchasing costs and make it easier to display products.

Starting Friday, Aeon will cut the price of 3,400 products made by major manufacturers by 10-47% at about 1,250 stores nationwide.

The retailer on Wednesday reduced the price of roughly 1,700 Topvalu offerings and intends to start expanding its low-priced lineup -- Bestprice by Topvalu -- from 14 April.

At nearly all of its Jusco supermarkets, the number of greens sold has been cut by about 30% and the lineup of refrigerated products, such as milk and tofu, has been roughly halved.

"We weren't sufficiently meeting consumers' needs in terms of price and service," President Motoya Okada said at a news conference Wednesday.

(The Nikkei March 19 morning edition)

Tuesday, March 17, 2009

Ricoh, Toyota Groups To Stop Using Temps At Factories

Major group firms of Ricoh Co. and Toyota Motor Corp. will stop using temporary workers at their plants on the grounds that relying on them would hurt quality and productivity in the long run, The Nikkei learned Monday.

To address labour shortages, manufacturers have in recent years turned to those sent from temp agencies. But these workers can stay for only up to three years; after that, employers must make them full-time employees or terminate their contracts.

The Ricoh and Toyota groups do need non-full-timers, but are tapping those who can work longer than temps.

Starting in October, the Ricoh group plans to change the status of the roughly 4,000 temps at its plants to contract workers who are employed directly or sent from subcontracting firms.

Similarly, Toyota Auto Body Co. and Toyota Motor Kyushu Inc. will change the status of all temporary staffers. This means that there will be no temps working at the Toyota group's major assembly plants. Toyota itself does not use temps at factories.

Autoparts maker Denso Corp. has already done away with temps at its plants. Such workers at the eight main Toyota group firms will decline from 6,300 as of last March to less than 400 at the end of this month.

Deregulation in 2004 allowed manufacturers to use personnel dispatched from temp agencies, and in 2007 the maximum contract terms were extended to three years. Manufacturers embraced the idea of using temps, and the market for such workers at one point grew to more than 1 million.

But the market has contracted rapidly since last autumn as automakers and electronics firms have sharply cut back production amid the economic downturn. Some 400,000 temps are expected to have lost their jobs by the end of March, according to estimates from sources including the Japan Manufacturing Outsourcing Association.

When manufacturers hire contract workers directly, they need to cover some social security expenses, including employment insurance. Despite the higher costs, these firms are increasingly of the opinion that stable employment is necessary to improve competitiveness over the long term.

(The Nikkei March 17 morning edition)

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