



## **Media Report for The Tasmanian Department of Economic Development and Tourism 25 - 31 October 2008**

*Politics/Economy/Social*

Thursday 30 October, 2008

### **Aso Announces 2nd Emergency Stimulus Package**

Prime Minister Taro Aso announced on Thursday evening an additional package of emergency economy-boosting measures, including a total of 2 trillion yen in special benefits to be distributed to all households.

The package, which also expands government lending programs, is worth 26.9 trillion yen. Of that amount, government expenditures will total 5 trillion yen, much more than the amount specified in the package created in late August.

The 5 trillion yen will be financed not by issuing deficit-covering bonds but by tapping such resources as reserves set aside in the fiscal loan special account to prepare for interest rate fluctuations.

The core portion of the package entails distributing roughly 2 trillion yen to all households to stimulate consumption.

The package also includes reducing expressway tolls and extending the scope of tax breaks for people with home mortgage loans.

Aso said he hopes to increase the consumption tax rate in three years.

(Summary from Nikkei Net Interactive)

Friday 31 October, 2008

### **Aso's Decision to Delay Lower House Dissolution May Narrow Options**

Prime Minister Taro Aso has taken a gamble by choosing to postpone the general election in the face of a looming economic crisis. However, with the September 2009 term-end for lower house lawmakers fast approaching, Aso's political options are likely to become limited.

"I will consider various factors to make a decision," said Aso at a news conference Thursday, declining to comment on the timing for dissolving the lower chamber.

But the political landscape remains unfavourable to the ruling coalition, and Aso must call an election before the lower house's current term ends in September.

Some ruling coalition lawmakers believe that lower house will not be dissolved at least until after the passage of the fiscal 2009 budget next spring. This is because the compilation of the fiscal 2009 budget and relevant Diet deliberations are set to take centre stage between year-end and early next year.

For Aso, who is trying to project the image of a leader who puts economic policy first, a dissolution of the lower house prior to the budget's passage cannot be an option.

Aso could call for a general election in April if he dissolves the lower chamber in late March after the budget's passage. However, if he waits until budget-related legislative bills pass, this could push back the dissolution even further. This would then create a scheduling conflict with junior coalition partner New Komeito, which seeks to avoid a lower house election that is too close to the Tokyo metropolitan assembly election next summer.

New Komeito had expressed early on its wishes to hold the general election sooner rather than later, so the party is not happy with Aso's latest decision.

The opposition parties also have a vested interest in the timing of the lower house dissolution, as shown by the Democratic Party of Japan's (DJP) move to start preparations with a November election in mind. The main opposition party will seek an early dissolution by pressing the government and ruling parties during Diet deliberations. But some worry that the DPJ stands to lose some of its momentum if it scales back its election preparations and drops out of the spotlight.

DPJ President Ichiro Ozawa criticized Aso's decision to delay the election, saying that the country needs a cabinet that can execute powerful policies with a full public mandate at a time of economic uncertainty.

(Summary from Nikkei Net Interactive)

## *Industry/Market – Australia*

Monday 27 October, 2008

### **Sapporo Beer Promotes Yellow Tail**

Sapporo Beer will open the "Yellow Tail Café" at Roppongi Hills, Tokyo during the limited period of 28 October – 3 November. Sapporo Beer, which has been importing Australian wine brand Yellow Tail since 2004 will service 4 varieties of glass wine at 300 JPY per glass and 2 varieties of sparkling wine at 500 JPY per glass.

(Summary translation from Mainichi Shimbun morning edition, Page 7)

Tuesday 28 October, 2008

## **Australian Beef Price Dropping Thanks to Stronger Yen, Weaker A\$**

The wholesale price for Australian beef has dropped even further. "Cowmeat" (frozen), which is used for processed beef products such as hamburger patties was 500 JPY per kilogram (centre value), 25 JPY (5%) lower than the previous week. There are no major changes to the demand-supply situation, but the stronger yen/weaker Australian dollar has impacted on the price directly.

The price of chilled beef full-set mainly sold at general merchandising stores/supermarkets was also 6% lower at 765 JPY.

(Summary translation from Nihon Keizai Shimbun morning edition, Page 27)

Tuesday 28 October, 2008

## **Australia Welcomes Japanese Rice Exports to Australia**

Australia welcomes headline news reported in the Japan Agriculture Newspaper on 21 October that JA Akita Obako will trial exports of "Akitakomachi" rice to Australia in 2008. This is a very positive example of the potential mutual benefit to be realised from a tariff-free food-trade relationship between Australia and Japan.

<http://www.australia.or.jp/english/seifu/pressreleases/?pid=TK18/2008>

(Summary from Australian Embassy Tokyo Press Release)

Wednesday 29 October, 2008

## **Kanagawa Prefecture Attracts Australian Logistics Company to Yokohama**

Under the 'Invest Kanagawa' program which provides comprehensive support to foreign companies entering Kanagawa, Kanagawa Prefecture has succeeded in attracting Australia's Skelton Tomkinson to set-up in Yokohama. This is the 25<sup>th</sup> case for a foreign company to set-up in Kanagawa under the program, and the first for an Australian company. Skelton Tomkinson is aiming to find new customers in Japan for their oversized & heavy equipment logistics service as well as service their existing customers in Japan.

(Summary translation from Nikkan Kogyo Shimbun, Page 38)

## *Industry/Market/Trends – Japan*

Tuesday 28 October, 2008

### **Aeon, Ito-Yokado Cut Prices To Spur Spending Amid Robust Yen**

Supermarket operators Aeon and Ito-Yokado are both lowering prices on certain imported goods to reflect the strengthening yen.

The majority of imported goods are ordered two to three months before they appear on shelves, so it normally takes several months before a swing in foreign exchange rates shows up in prices. However, with sluggish consumer spending, both companies have decided to cut prices to spark purchases.

Aeon will reduce prices by 10-30% for 300 products at its 310 Jusco stores nationwide in November, including imported beef, clothing, bedding and French wines. The lower prices will remain in effect until the end of February. During that time, more group stores will drop the prices of these goods, and if the yen remains strong, the range of discounted items may be broadened.

Ito-Yokado will slash prices by as much as a third on some 50 products by 3 November, including imported foods and household goods. The price for 1-litre cartons of 100% fruit juice from the US will be cut by 33%, and 250-gram packages of cream cheese from Australia will drop 32%.

(Summary translation from Nihon Keizai Shimbun morning edition)

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