



Media Report for The Tasmanian Department of Economic Development and Tourism 1 – 7 November 2008

Politics/Economy/Social

Saturday 1 November, 2008

Japan and Australia Divided Over Sugar

The Japanese and Australian governments completed the seventh round of negotiations on the economic partnership agreement (EPA) in Canberra on 31 October. On the sensitive area of agricultural products, the two countries discussed sugar for the first time. The talks ended with the two sides confirming their differences and Japan stressing the need for tariffs on sugar imports from Australia.

(Summary translation from Nihon Keizai Shimbun morning edition, Page 4)

Industry/Market – Australia

Tuesday 4 November, 2008

Japanese Companies' Efforts to Source Non-GM Items

Japan imports canola, soybeans and corn but in North America which is a major supplying region, the percentage of genetically modified (GM) crops acreage has surpassed 80 percent. As non-GM crops generally require extra care in growing and securing a special transportation route, they are becoming 'niche' high-end products. Non-GM crops are being grown on islands off the coast of Canada and Australia in an attempt to fill demand.

GM-free canola is currently being grown on Kangaroo Island, located south of Adelaide in South Australia. In 2006, a Japanese company, Hirata Sangyo (based in Asakura City, Fukuoka), signed a contract with farmers on Kangaroo Island to grow GM-free canola. This year, the company plans to import 6000 tons of canola to provide 80 percent of its requirements. The remainder will be sourced from Tasmania.

The company previously imported canola from Canada but switched to Australian canola after Canadian farmers began growing GM crops. The company declared itself a "GM-free manufacturer" in 1997. This spring, cultivation of GM canola will begin in south-eastern Australia and Hirata Sangyo is looking to Kangaroo Island and Tasmania for GM-free canola.

Canola oil is processed by Hirata Sangyo and is sold at co-ops and premium supermarkets in the greater Tokyo area. The price of their canola oil is higher compared to oil from larger manufacturers that use a blend of GM and non-GM canola. Even so, the president of Hirata Sangyo is confident that although the sales volumes for his products are lower, there is a definite demand for GM-free canola oil and non-GM foods will continue to be accepted by consumers as a niche product.

(Summary translation from the Asahi Shimbun morning edition, Page 9)

Wednesday 5 November, 2008

Bluelink – Importer of Fresh Seafood

There is a trading company in Hamamatsu which focuses on the wealthy aquatic resources of Tasmania. The company is Bluelink, which imports items ranging from farmed salmon to fresh eel from Tasmania. As consumers' interest in food safety heightens, Bluelink is trying to increase the awareness of the Japanese people by promoting Tasmania's beautiful waters and clean air.

The company also plans to start importing the world first farmed sablefish from the south-west of Canada soon.

(Summary translation from Nihon Keizai Shimbun Regional Economy-Shizuoka, Page 6)

Friday 7 November, 2008

Embassies in Japan Promote Musicians from Their Own Countries

English-speaking countries with strong music industries are stepping up efforts in promoting artists in Japan. Canada will bring together upcoming musicians in Japan to hold a live performance and a business session. The UK Embassy have partnered with Daiichi Kosho, a major karaoke equipment and service company, to create a special feature on UK artists which will be distributed through the online karaoke system.

As for Australia, Austrade organised a video conference between the local and Japanese music industry players at the end of October. It was the first time such linkage was made between the two countries. Mr McClure, ex-Billboard magazine's Asia Bureau Chief commented "the world is interested in the market trends of Japan, which is the second biggest music market in the world".

(Summary translation from Nikkei Ryutsu Shimbun MJ, Page 9)

Industry/Market/Trends – Japan

Monday 4 November, 2008

Panasonic Lands Deal To Buy Sanyo

Panasonic has agreed in principle to acquire Sanyo Electric in a deal that would create Japan's largest electronics company.

Panasonic intends to purchase a majority stake in Sanyo and convert it into a subsidiary by next April under a basic agreement reached by Panasonic President Fumio Ohtsubo and his Sanyo counterpart, Seiichiro Sano.

The two firms are to hold board meetings as early as Friday, with the presidents staging a news conference that day to announce the first merger and acquisition deal between major Japanese electronics manufacturers.

Panasonic intends to keep the Sanyo brand after the acquisition and will try to retain the smaller rival's employees. However, Sanyo will be asked to beef up restructuring efforts to improve its earnings structure.

(Summary from Nikkei Net Interactive)

Friday 7 November, 2008

Beaujolais Nouveau Orders Sour as Consumers Turn to Bubbly

Japan's taste for Beaujolais Nouveau wines from France is fading, and what was once a boom market is shrinking as consumers turn their wintertime drinking fancy to sparkling wines. With this year's Beaujolais Nouveau season officially kicking off on 20 November, the five leading wine distributors report that orders are down 14-30% from last year. Retailers, stuck with unsold inventory last year, are ordering more cautiously this time around. Some retailers are also buying directly rather than going through wine distributors.

At the peak time of 2004, Japan's Beaujolais Nouveau market supported sales of 1.04 million cases. By 2007, the figure had dropped to 680,000 cases.

Another factor is that Japanese consumers are growing fonder of sparkling wines, especially for drinking in December. With the Beaujolais Nouveau season starting five days later than last year, the young wine has a shorter season before it must compete head-on with bubbly for shoppers.

(Summary translation from Nihon Keizai Shimbun morning edition)

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