



## **Media Report for The Tasmanian Department of Economic Development and Tourism 8 - 14 November 2008**

### *Politics/Economy/Social*

Monday 10 November, 2008

#### **Australian Government to Provide 420 billion JPY to Assist the Auto Industry**

On 10 November, the Australian Government unveiled a plan to inject a total of A\$6.2 billion to bolster the domestic automotive industry. The plan is also intended to encourage the industry to develop environmentally friendly vehicles. By implementing the plan, the Government intends to maintain employment at automotive manufacturers operating in Australia, such as Toyota and Ford Motor Company, amid the economic slowdown triggered by the global financial crisis.

(Summary translation from Nihon Keizai Shimbun evening edition, Page 2)

### *Industry/Market – Australia*

Thursday 13 November, 2008

#### **Strong Yen Makes Kirin's Australian Takeover 30% Cheaper**

Kirin Holdings is scheduled to take over Dairy Farmers by the end of this month, and thanks to the yen's recent surge against the Australian dollar, the purchase will cost 30% less than initially thought.

While the price to acquire all the shares of Australia's second-leading milk producer remains 884 million Australian dollars, in yen terms this is now the equivalent of only 57 billion yen, compared with 84 billion yen when the deal was struck in late August.

(Summary from Nihon Keizai Shimbun evening edition, Page 3)

## *Industry/Market/Trends – Japan*

Monday 10 November, 2008

### **2nd H&M Japan Store Opens in Harajuku**

When H&M Hennes & Mauritz AB of Sweden opened the doors to its second Japan store Saturday in Tokyo's fashion hotspot of Harajuku, young shoppers formed long lines outside to get a peek at the latest offerings by the world's third-largest casual clothing chain.

The store offers the Divided line of clothing, which is aimed at customers in their late-teens and 20s and is not available at the company's flagship Ginza outlet, which opened in September. The new shop also carries apparel and accessories created by world-famous fashion designer Rei Kawakubo, best known for her work for Comme des Garçons. Kawakubo's designs will always be introduced at the Harajuku store before being offered overseas.

The company plans to set up two more Japan stores next autumn, one in Tokyo's Shibuya district and another in the capital's busy Shinjuku area. The Shibuya outlet will have 2,800 square metres of floor space and will become H&M's new flagship store in Japan, offering a broad range of items for adults and children. The 2,600-square-metre Shinjuku store will open across from the main outlet of major department store operator Isetan.

H&M will also consider opening stores in shopping centres and outside Tokyo once it has raised its name recognition, said sources close to the firm.

(Summary from Nikkei Ryutsu Shimbun MJ)

Tuesday 11 November, 2008

### **Acquisitions by Japanese Firms Buoyed by Weak Stocks, Strong Yen**

Japanese corporations are stepping up their acquisitions of foreign companies, a development attributed to the global decline in stock prices and the yen's appreciation.

Japanese firms are flush with money, holding more than 60 trillion yen in cash after having racked up higher profits for six straight years through last fiscal year. With the domestic market maturing, more Japanese corporations are looking for growth opportunities abroad.

The Nikkei reported Tuesday that Mitsubishi Rayon is in talks to buy Lucite International of the U.K. Also, TDK Corporation has spent about 160 billion yen to acquire German electronic parts manufacturer Epcos AG, and Shionogi & Co. bought U.S. drugmaker Sciele Pharma for roughly 150 billion yen.

Even after the financial crisis came to a head with the collapse of Lehman Brothers Holdings, several large deals were made, including Mitsubishi UFJ Financial Group taking a stake in Morgan Stanley for 900 billion yen.

Meanwhile, acquisitions by foreign firms have been declining because of the financial crisis, which led to an economic slowdown and made it more difficult to procure the necessary funding.

In addition, more acquisition funds are scrambling to sell off shareholdings to recover investments, and cash-rich Japanese companies are expected to step in as buyers.

(Summary from Nikkei Net Interactive)

Monday 10 November, 2008

## **Isetan Mitsukoshi's Capital Spending to Hit 160 Billion Yen Over 3 Years**

Department store major, Isetan Mitsukoshi Holdings' three-year business plan unveiled on 6 November centres on a 160 billion yen capital investment for facility remodelling.

The company plans to spend 49 billion yen for refurbishing three flagship stores -- Mitsukoshi Nihonbashi Main Store, Mitsukoshi Ginza Store and Isetan Shinjuku Main Store -- that account for 40% of overall sales.

The Ginza store will expand its floor space by 80% for a September 2010 reopening. Also, to protect against driving away customers, the firm will postpone completing improvements by one to two years at the Nihonbashi and Shinjuku stores.

As much as 30 billion yen will be spent to improve other stores. Including outlays for card and information systems, its capital investments are expected to total 160 billion yen over the three years through fiscal 2011.

(Summary translation from Nihon Keizai Shimbun morning edition)

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