

# Media Report for The Tasmanian Department of Economic Development 26 January – 1 Feb 2008

## *Politics/Economy/Social*

Tuesday 29 January, 2008

### **Unemployment Rate Hits 10-year Low of 3.9% in '07**

Japan's seasonally adjusted unemployment rate averaged 3.9 percent in 2007, down from 4.1 percent in 2006 to hit a 10-year low on the back of the country's longest post-war economic boom, which has improved employment conditions for new graduates among others, the government said on 29 January.

The unemployment rate was down for the fifth straight year and fell below 4 percent for the first time since 1997, when the average rate stood at 3.4 percent. The figure peaked at 5.4 percent in 2002.

Separate data showed the average ratio of job offers to job seekers in 2007 lost 0.02 point from the previous year to 1.04. It means there were 104 job offers for every 100 job seekers. In December, the nation's jobless rate stood at 3.8 percent, unchanged from November, the Ministry of Internal Affairs and Communications said in a preliminary report.

(Summary from Nikkei Net Interactive)

## *Industry/Market – Australia*

Thursday 24 January, 2008

### **Rokko Butter Ceases Production of Cheese Cakes**

With the rising price of cheese resulting from the drought in Australia and the increased demand from Russia and China, Rokko Butter has decided to cease the production of cheese cakes. According to Rokko Butter, the wholesale price for cheese has risen 60% during the last year to December.

(Summary translation from Jiji Press)

Friday 25 January, 2008

## **Australia-Born Cosmetics Brand, MOR, to Make a Debut in Japan**

A natural cosmetics brand from Melbourne, MOR, will make a debut in Japan on 1 February. The brand was established by industrial designer Deon St.Mor and visual merchandiser Dianna Burmas in 2001. The products have rich fragrance and are popular amongst the celebrities including Nicole Kidman. The first line of products will be released by its importer, Global Products Planning on 1 February.

(Summary translation from Women.Excite)

### *Industry/Market/Trend – Japan*

Saturday 26 January, 2008

## **Maruha to Acquire Malaysia Shrimp Farm for 3 billion yen**

Seafood supplier Maruha will spend more than 3 billion yen to buy all shares in shrimp farm operator Agrobest (Malaysia) Sdn Bhd as early as this month. Through the acquisition, the Maruha Nichiro unit aims to boost its cultivation and supply of shrimp as global competition in seafood intensifies. It will buy the shares from Agrobest parent S.H. Corp.

Maruha already operates its own shrimp farms overseas, but this will be its first takeover of such a facility. Agrobest cultivates large black tiger shrimps. Nearly all 2,600 tons of the shrimp it farmed in 2006 were exported to Japan.

After the acquisition, Agrobest will begin farming vannamei shrimps as well. Maruha will shell out a few hundred million yen to add processing and other infrastructure. Roughly half the size of black tigers, vannamei shrimps are resilient to disease and changes in water temperature and quality.

Agrobest plans to farm 7,500 tons of shrimp in 2009, with more than half to be vannamei. Sales are seen rising to 4 billion yen. While the bulk will be exported to Japan, plans call for supplying around 500 to 1,000 tons to Europe, the U.S., and other parts of Asia in two to three years.

According to Maruha, Japan imported some 300,000 tons of shrimp in 2005. Maruha Nichiro Holdings is expected to import a total of 50,000 tons this fiscal year, making it the No. 1 shrimp importer by virtue of a nearly 20% market share.

(Summary translation from Nihon Keizai Shimbun morning edition)

Wednesday 30 January, 2008

## **Top Foreign Employment Agencies Boost Their Presence in Japan**

Netherlands-based Randstad Holding and US firm Kelly Services are among leading foreign employment agencies expanding operations in Japan.

By using a wealth of experience gained in the US and European markets, the foreign firms are targeting untapped segments of corporate Japan, such as the manufacturing sector, to lift global earnings. The firms see an opening because Japanese employment firms tend to concentrate on office positions.

By April, Randstad will start dispatching staff to logistics firms as well as to plants run by automakers, electronics manufacturers and other companies. This area of the market, which involves compliance risk, is crowded with smaller companies.

Kelly Services' Japanese subsidiary is boosting its lineup to include highly qualified specialists, including scientists. Kelly Services Japan is signing up unemployed researchers with doctorates and introducing them to positions at private-sector firms. It will also begin approaching pharmaceutical makers and other companies, focusing on the Japanese units of multinationals that are clients of its parent.

Also tapping highly qualified workers is Adecco, the Japanese unit of global leader Adecco SA. Since 7 January, it has been dispatching and recommending specialists and has also established special divisions in eight big-city locations, including Tokyo, Kanagawa and Osaka.

Leading U.S. and European manufacturers are increasingly attempting to place lump orders for temp staff for multiple countries and regions as part of cost-cutting efforts. To respond to such demand, employment agencies are strengthening their Japanese operations. If this trend spreads to Japanese multinationals in the future, the business opportunities for the employment firms will be enormous.

(Summary translation from Nihon Keizai Shimbun morning edition)

Thursday 31 January, 2008

## **Safeguards Scrutinized Anew in Wake of Dumpling Debacle**

Companies importing foods made in China are likely to face pressure to reassess their screening regimens in light of Japan Tobacco's recall of pesticide-contaminated frozen dumplings.

Two dumpling products imported by JT Foods were found to be tainted with a phosphorus-based insecticide, causing at least 10 cases of illness as of 30 January. JT pulled off the market all 23 products made by Chinese firm Tianyang Food, with other frozen-food suppliers following suit.

Major supermarkets also removed these products from their store shelves.

Tianyang Food supplies numerous Japanese companies, and transactions with JT are projected at 900 million yen for fiscal 2007. Once or twice a year, the Chinese food-

processing firm tests for pesticide residues on vegetables and other ingredients. Products are visually inspected and also tested for bacterial contamination. However, JT has not been conducting its own pesticide screening on the imported products.

JT has dispatched quality control personnel to the facility that produced the contaminated dumplings, with the goal of determining when and how the insecticide was introduced. Among other Japanese companies supplied by Tianyang Food, JT group member Katokichi has begun recalling 18 product categories. Nippon Meat Packers and Ajinomoto have decided to recall products as well, with Itoham Foods scrapping plans to do business with the firm.

Supermarket operator Ito-Yokado Co. had been selling one of the tainted dumpling products at 111 of its 179 stores. After receiving notice from JT on 30 January, these items were cleared off the shelves by 5 p.m. A warning not to eat the dumplings was placed in the frozen-foods section as well.

Aeon instructed its supermarkets to withdraw the two dumpling products, while Seiyu and Summit removed all JT brand frozen foods.

Imports of frozen foods made in China totalled roughly 81.2 billion yen in 2006, more than doubling from 2001, according to the Japan Frozen Food Association. Although supermarkets frequently feature these items at 30-40% discounts, the importers may need to redouble their safeguards amid growing consumer concerns about the safety of foods from China.

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