



Media Report for The Tasmanian Department of Economic Development and Tourism 13 March 2009

Politics/Economy/Social

Friday, 13 March, 2009

Overseas Package Tour Bookings Up Sharply For Golden Week

Sales of package tours are rebounding, with bookings for the Golden Week holidays, which stretch from the last week of April to the first week of May, up considerably from a year earlier.

At industry leader JTB Corp., bookings for its Look JTB brand package tours have surged, thanks to 15-20% price cuts following slashing of fuel surcharges by airlines. Bookings for Look JTB European tours departing in April from the Kanto region are up 40% from a year earlier, while those for May departures have jumped 50%. Bookings had been lower than a year earlier for months until March.

The combination of the deep cuts in fuel surcharges and the yen's strength against the euro have also worked wonders for sales of European tours at Kinki Nippon Tourist Co. and Nippon Travel Agency Co.

At Kinki Nippon Tourist, bookings have climbed 20% for tours departing in April and 30% for May departures. Nippon Travel Agency saw a slight increase for April tours and a 20% rise for May. Both companies had also suffered from year-on-year declines for bookings for January, February and March.

Bookings for Australian tours departing in May are up 40% at JTB and 20% at both firms. Those for the U.S. are slightly more than 10% higher at JTB and up more than 60% at Nippon Travel Agency.

Passing on plunging fuel prices, All Nippon Airways Co. decided to slash surcharges. For example, surcharges for a round trip between Japan and Europe will fall to 7,000 yen per person starting in April -- 10% what the airline charged in the October-December quarter, when they peaked.

(The Nikkei 13 March morning edition)

Wednesday, 11 March, 2009

Nikkei's Consumption Outlook Up 1st Time In 6 Months

Nikkei Inc.'s projection for consumption grew stronger for the first time in six months in February, thanks to consumers willing to spend more on travel and leisure activities.

The Consumption Forecasting Indicator rose 5.4 points from the previous month to 72.1. Even so, it was at its second-lowest level since tracking of comparable data began in 1980, indicating that consumer confidence is still relatively weak.

The indicator is calculated by polling men and women in the greater Tokyo area in six categories. The travel and leisure category jumped 7.9 points in February because of the strong yen and the decline in fuel surcharges and gasoline prices.

In addition, willingness to spend rose 6.3 points for durable goods and climbed 3.5 points for classes and lessons, buoyed by growing expectations that inflation will weaken and cash handouts will be provided by the government.

But the category for household income continued to worsen, slipping 0.1 point.

Prices for food, daily goods and other products have been cut because of such factors as slumping consumption, the strong yen, and the settling down of international commodities prices. Lower prices help to boost consumer confidence.

(The Nikkei 11 March morning edition)

Industry/Market – Australia

Thursday, 12 March, 2009

Mitsui/Sims Metal Tie Up to Recycle Electrical/Electronic Equipment

Mitsui & Co. plans to collaborate with Australia's Sims Metal Management to set up an Asian network for the recycling of used electrical appliances, personal computers and mobile phones, which it has identified as "urban mines" for the recovery of raw materials like gold, copper and rare metals.

Growing economies like China, whose recycling needs are expected to escalate, will be targeted in particular.

The Tokyo-based trading house owns a 20% share of Sims, which is the world largest recycling company, primarily dealing in the collection, processing and trading of metal scrap. The two companies began their relationship in the business of scrapped IT equipment in Japan and South Korea in the spring of 2008, and plan to expand their transaction volumes in these countries. In Japan, Sims commissions recycling of discarded products to Mitsui, which outsources the business to domestic recyclers.

They have their sights set on extended business cooperation in countries like China, which approved in the summer of 2008 its Recycling Economy Promotion Law, and intend to monitor regulatory advancement across the region.

Mitsui plans to use its longstanding business experience in Asian countries to introduce to Sims recycling businesses in these countries. They also will engage in information exchange regarding each country's recycling scenarios and relevant policies.

Sims, which posted sales of A\$7.7 bn, or ¥460 bn (\$471 mn), in the July 2007-June 2008 period, now has a network centered on Europe, the US and Australia, and considers Asia as its next frontier.

(Japan Chemical Week 12 March edition)

Thursday, 12 March, 2009

Asahi Breweries Inks Final Accord To Acquire Schweppes Australia

Asahi Breweries Ltd. said Thursday it has concluded a final agreement to acquire all stakes in Schweppes Australia Pty by the end of April from Britain's Cadbury PLC for A\$1,185 million, or about 73.5 billion yen.

The acquisition is now set to take place as Coca-Cola of the United States has relinquished its negotiation right regarding the takeover of the second-largest Australian beverage company, which has a 16 percent domestic market share.

The deal will become the largest corporate acquisition by the Japanese brewer.

Major Japanese brewers are stepping up efforts to acquire foreign beverage businesses as overseas markets are expected to grow, compared with the domestic market which is certain to shrink due to the declining birth rate and unpopularity of beer among Japanese youth, observers say.

Asahi Breweries and Cadbury reached a basic agreement on the acquisition of Schweppes Australia last December. With some 1,500 employees, the Australian beverage maker chalked up A\$749 million in sales in 2007.

(Kyodo News 12 March)

Industry/Market – Japan

Tuesday, March 10, 2009

Private-Brand Market Seen Hitting Y2tn Within 2 Years

The market for private-brand products is expected to reach 2 trillion yen within two years, accounting for more than 5% of all food and household goods sold in Japan.

The economic downturn is making consumers more inclined to choose such products, which are 10-50% cheaper than those sold under the names of major brands.

Aeon Co. is a leader in this field, carrying some 5,000 private-brand products, mainly at its Jusco supermarkets. By supplying such group supermarket chains as Maruetsu Inc. and Inageya Co., it hopes to boost sales of its private-brand products from about 260 billion yen in fiscal 2007 to 750 billion yen by the fiscal year ending February 2011. This would be equivalent to about 18% of overall revenue from its retail operations in fiscal 2007.

Seven & i Holdings Co. made a full-scale entry into private-brand products two years ago and now sells about 600 such items at roughly 12,000 general merchandise stores of Ito-Yokado Co. and convenience stores of Seven-Eleven Japan Co. It intends to more than double the lineup to 1,300 items, mainly frozen foods and condiments, this fiscal year. It is targeting 320 billion yen in sales of such products, up about 60% from last fiscal year.

Uny Co. and subsidiary Circle K Sunkus Co. plan to develop 70 common private-brand products and to sell them from April at all 6,400 or so group supermarkets and convenience stores. The group intends to use high-quality materials to make snacks, hand soaps and other items while pricing them below the big brands.

Uny aims to boost groupwide sales of private-brand products by about 40% to 56 billion yen in the current fiscal year through February 2010, also by expanding its own line of products.

The market for food and household goods is estimated at more than 30 trillion yen, of which private-brand products are believed to account for slightly more than 1 trillion yen.

According to the Dai-ichi Life Research Institute, the inflation-adjusted average consumer spending of Japanese households fell nearly 70,000 yen in 2008. The expense seeing the biggest cut was food, which decreased nearly 17,000 yen. With wages on the decline, consumers are tightening spending on food and other necessities.

(The Nikkei 10 March morning edition)

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