

35th Joint Meeting of the Japan New Zealand Business Council

Chairmen's Summary

The 35th Joint Conference of the Japan New Zealand Business Council was held in Nelson, New Zealand 5th to 8th October 2008.

The conference theme was “Advancing the Frontiers of our Relationship” with the programme providing delegates with a mix of presentations on established business relationships between the countries, and discussion on future opportunities for enhanced cooperation and how to encourage moves towards a closer economic partnership between Japan and New Zealand.

The New Zealand side Chairman Mr Denham Shale and his Japan counterpart Mr Ryu Yano, welcomed 95 delegates to the meeting, with 50 from the Japan side, and 45 from the New Zealand side.

The conference commenced with a Welcoming Reception at which delegates were welcomed to the Nelson region by Mayor Mr Kerry Marshall, who acknowledged the importance of the relationship between the two countries, and particularly noted the contribution of Japanese investment in Nelson Pine Industries Ltd, and of tourism to the economy of the region. New Zealand’s roving trade ambassador, the Hon Jim Sutton, addressed delegates and stressed the clear complementary nature of the two economies, saying that it seemed absolutely logical to actively pursue some kind of formal economic partnership arrangement or free trade agreement. He encouraged delegates to debate these issues and find ways to advance closer economic ties.

The conference industry tour visited New Zealand King Salmon Ltd and Nelson Pine Industries - both businesses with strong Japan connections. Both companies export much of their production to Japan. Nelson Pine Industries is an example of a major successful Japanese investment in New Zealand, being a wholly owned subsidiary of Sumitomo Forestry of Japan. Nelson Pine has invested heavily in wood processing and forest ownership in the Nelson region. It has the largest medium density fibre board manufacturing plant in the world, and also produces laminated veneer lumber, allowing lower value logs to be processed for high value applications. The company processes 1 million cubic metres of wood per annum, and is a major exporter with approximately 50% of its output produced for specific markets in Japan.

The industry tour visits provided a good background for the formal discussions of the conference and reinforced the theme of “Advancing the Frontiers of Our Relationship”. Over its 35 year history, the Japan New Zealand Business Council has developed strong people to people and commercial relationships between businesses in both countries involving trade, investment and personal contacts. These relationships provide a platform for seeking stronger formal economic ties. This topic has been prominent in conference discussions over the last five years. In addition to these Business Council efforts, the recently established New Zealand based International Business Forum has been promoting closer economic partnership with Japan.

In their opening remarks, both Chairmen Shale and Yano recognized the celebration of 50 years since the establishment of the first commercial alliance between the two countries. Mr Yano said the relationship has subsequently developed based on common values, democracy, the rule of law and our complementary economies. Both Japan's ambassador to New Zealand, Mr Toshihiro Takahashi, and New Zealand ambassador to Japan, Mr Ian Kennedy, also addressed the meeting, with Mr Kennedy noting the need to ensure New Zealand/Japan dialogue occurred in the rapidly expanding free trade discussions between countries in the Asia Pacific region. Mr Takahashi noted that the International Business Forum had convened a Partnership Forum in Tokyo in May 2008, facilitating high level business discussions on free trade. This included an announcement by New Zealand Prime Minister Helen Clark and then Japan Prime Minister Mr Fukuda that a comprehensive study should be undertaken on the subject.

Economic overview addresses were presented by New Zealand Reserve Bank Governor Dr Alan Bolland and Mr Takao Kusakari, Chairman of Nippon Yusen Kaisha Line.

Further plenary sessions in the conference dealt with "Progress in our Relationship", "Food Issues", Cooperation in Both Countries" and "Global Economic Integration and Japan – NZ Relationship".

Both Mr Graeme Harrison, who chairs the International Business Forum, and Dr Sachio Semmoto, Chairman of E-Mobile, reported on the Japan-New Zealand partnership forum held in Tokyo in May. Mr Harrison outlined the benefits a closer trading relationship can offer, and Dr Semmoto cautioned the meeting about the obstacles in front of any free trade agreement and the hard negotiating work required to achieve such an agreement.

Mr Matsuo Shimojima, the Director General of the Business Council in Tokyo, outlined the Future Business Counterpart programme in which fifty young New Zealand business people were hosted in Japan this year. The programme was designed to introduce the participants to the Japan market as a means of building future business and enhancing the country to country relationship. Mr Andrew Hamilton, CEO of the Icehouse, reported on his involvement with the programme. Japan intends to host this programme again in 2009.

Trends in the tourism industry and market initiatives to revitalize it were discussed by Mr George Hickton, CEO of Tourism New Zealand, and by Mr Tadashi Echikawa, Managing Director of JTB New Zealand.

Discussion of food issues included a presentation on research and market opportunities in aquaculture, food security and food safety issues, and the opportunity for New Zealand and Japan to work together cooperatively to capture these opportunities.

Practical examples of business cooperation in both countries were provided by Mr David Ferguson, International Marketing Manager of Solid Energy; Mr Kuniaki Motohashi CEO marketing and research, Mitsui OSK; Mr Chris Freer of Tonkin and Taylor, and Mr Susumu Naito of Rinnai Corporation.

A wide ranging discussion about global economic integration for Japan-New Zealand included presentations from Mr Maarten Wevers, a former ambassador to Japan(paper presented by Chairman Denham Shale); Mr Charles Finny, CEO of Wellington Chamber of Commerce; Mr Michitaka Nakatomi, President of JETRO and Mr Tatsuhiko Yoshizaki, Chief

Economist of Sojitz Research Institute. These addresses were stimulating and supported the conference theme of advancing the frontiers of our relationship. The speakers outlined numerous opportunities for business growth and cooperation in the future based on a wider global view.

Mr Shale urged all delegates to use every persuasion possible in their business and Government official contacts to foster the urgent commencement of the joint study towards the implementation of a closer economic partnership between Japan and New Zealand.

In summing up the conference, both Chairmen Shale and Yano thanked the delegates for attending and participating in the discussions. They agreed that the meeting had been a very positive and productive one and that it had built on the discussions in Tokyo last year. They thanked the speakers for the quality of their presentations and said that the Council delegates had been presented with information that should assist in their business between the countries.