

43rd Joint Meeting of the Japan New Zealand Business Council
“Connectivity and Partnership”
Te Papa, Wellington, New Zealand
Draft Chairmen’s Summary

The **43rd Joint Meeting** of the Japan New Zealand Business Council was held over three days from the 23rd to the 25th of November 2016 at Te Papa Tongarewa, Museum of New Zealand. Wellington New Zealand with 140 participants.

At the start of the conference, the Japanese delegates had **industry tours** to Weta Workshop and the Hurricanes training ground. Weta Workshop demonstrated their work developing the sets for the Thunderbirds television show and props for films including Lord of the Rings, District 9, and King Kong. The Hurricanes showed their training facility and international strategy for collaborating and promoting rugby with Japan prior to the Rugby World Cup. The New Zealand side also had a presentation from NEC in the Smart Cities Initiative with Wellington.

At the **Opening Ceremony**, followed by the opening addresses by both chairs, Mr Ian Kennedy and Mr Kiyotaka Shindo, HE Mr Stephen Payton and HE Mr Toshihisa Takata delivered congratulatory addresses. Mr Ian Kennedy thanked the sponsors and announced the theme of this year’s conference ***‘Partnership and Connectivity’***.

The **keynote address** on ***‘Partnership and Connectivity’*** was made by Chris Whelan, CEO of the Wellington Regional Economic Development Agency (WREDA). In light of the recent earthquakes, in both New Zealand and Japan, Chris spoke about coming together in times of adversity, and shared an African proverb to explain the importance of partnership:

If you want to go fast, go alone. If you want to go far, go together.'

Chris used the analogy of a rugby team to explain how individuals/specialists investing time in working together can amplify the impact that can be made in both Wellington city (i.e. World of WearableArt) and in the NZ-Japan relationship.

At the **First Plenary Session**, on the theme of “Economic Overview and Prospects’, speakers Dr Arthur Grimes and Mr Muneo Kurauchi gave overviews of the New Zealand and Japan economies, touching on future prospects and key constraints. Dr Grimes painted a positive picture of the New Zealand economy entering its 8th year of uninterrupted growth. Dr Grimes explained the economy was stimulated by high population growth, increasing numbers of tourists, and relatively low interest rates. Mr Kurauchi analysed global developments from the Japanese perspective, noting that many companies feel cautious in light of the current United States political situation. He considered Japan needed a new business model and new markets, suggesting that a possible solution could be the creative use of artificial intelligence, big data, and robot technologies.

In the **Second Plenary Session** Minister Bridges emphasised the many commonalities and complementary strengths of New Zealand and Japan and the similarities in the challenges, and responses to, natural disasters and climate change. He also spoke to the opportunities for NZ and Japan to form strategic partnerships in energy and transport.

Mayor Noguchi of Goto City outlined the revitalisation projects the city was pursuing, including its declaration as a UNESCO World Heritage Site, a burgeoning tuna industry, promotion of the Camellia flower and Marine Renewable Energy. There were also discussions on the cost effectiveness of renewable energy, the possibility of electric transport infrastructure in New Zealand, and location of the Sakiyama turbine.

Dinner was held in Te Papa where Sir Richard Taylor spoke to the success of Weta. He attributed the success of his company and the New Zealand creative sector to the inherent creativity of New Zealanders. He also said there were many more opportunities for NZ and Japan to collaborate in the creative sector.

In the **Third plenary session** on Major Events and Tourism, Kereyn Smith, CEO of the NZ Olympic Committee (NZOC) emphasised the scope of global sports events such as the 2016 Rio Olympics which was watched by over 50% of the world's population. She stressed that sport is not just about sport. Sport filters through to many different areas of society such as education, culture, tourism, entertainment, investment, infrastructure, F&B, the environment, technology and fashion. Kereyn also highlighted that sports events provide a "big canvas" to create a lasting legacy- the follow-on economic and social benefits generated for the host nation as a result of holding a major event.

JTB's Toru Furusawa followed up with an overview of Japan's inbound tourism, highlighting that Japan has hosted 20m visitors in 2016 to date, 85% of whom are from the other Asian markets of China, Taiwan, South Korea and Hong Kong. However, tourism is still largely centred in Japan's main cities and as such diversification of two-way tourism to and from the regions is one of JTB's key focus areas. Mr Furusawa explained that to achieve this goal, collaboration with Destination Marketing Organisations (DMO's) combined with targeted marketing approaches based on country and purpose of travel are critical to success.

In the **Fourth Plenary Session**, under the theme "Trans-Pacific Partnership", speakers discussed the uncertain future of international trade given the unlikelihood of the US ratifying TPP domestically. There was strong agreement on both sides about the importance of progressing TPP together with other member countries, strongly also appealing the significance of TPP to the United States. The meeting agreed also that any future trade deals should focus on more deliberate distribution of benefits to Small and Medium enterprises. The ultimate objective is to achieve wider market liberalisation delivering economic growth to all countries in the Asia Pacific. Discussion following the presentations focused mainly on a post TPP global trade landscape.

In the **Fifth Plenary Session**, under the theme "Manufacturing", Phil Gibson from Mercury Energy provided an overview of New Zealand's electricity industry and the increasing importance of renewable energy to New Zealand consumers. New Zealand's electricity market is relatively small, but with its competitive advantage of innovation and collaboration with Maori, there may be potential for Japanese companies to enter to increase competition. New Zealand also has a huge green growth opportunity to remove fossil fuels from use in transportation. Mr Masahiro Yamazaki of Daiken New Zealand provided an example of a Japanese best practice manufacturing company combining with New Zealand innovation and customising its business practices for the New Zealand culture.

In the **Sixth Plenary Session**, under the theme "Agriculture, Forestry & Fisheries", Mr Bruce Baillie from PwC discussed the opportunities and risks resulting from the Global Megatrends. Many trends centred around food and beverage, including global population increase, will result in higher demand for food production particularly in protein, underlining a need to reduce current high levels of global food wastage. Japan's food self-sufficiency is 39% while New Zealand is 185%, demonstrating an opportunity for Japan and New Zealand to collaborate in the F&B space on this issue.

The second presentation was made on the expansion of plantations in New Zealand by Akira Sekimoto of Sumitomo Forestry Co., Ltd. As Sumitomo Forestry has expanded its business domestically and internationally to own approximately 276,443 hectares of forest land globally, New Zealand plantation forest has also grown in three major plantation booms in the 1930s, the late 1960s and early 1980. While Dairy and Meat are the two main export products from New Zealand, forestry sits in the third place with the main export destinations being China, Australia, Korea, Japan and India. It was noted that Japanese investment has led to significant value added production in New Zealand.

In the **Seventh Plenary Session**, under "Technology, Innovation & Creative Industries", Peter McCully spoke about his work produce Missu Peace, a story about New Zealand and Japan, the strength of the human spirit, and the plight of the refugees of war. Mr Takashi Tada, Managing Director of NEC NZ spoke about the common problems faced by cities that could be addressed through the introduction of modern technology making cities smarter and improving quality of life and wellbeing.

In the **Eighth Plenary Session**, under the theme of "Education and Sports", Dr Masayoshi Ogino from the University of Canterbury spoke about the decline in tertiary second language learning across all languages (not just Japanese). He believes that the reasons for this are: a perceived decrease in career value of languages and a trend towards STEM subjects. The benefits of studying languages are the "three Cs" - connections community and collaboration. In order to increase the number of Japanese learners it's important for educators to look at opportunities to connect study opportunities with opportunities in business. Mr Naoyuki Shimizu from Baseball New Zealand described the efforts underway to promote baseball in New Zealand. Baseball is another way to create more connections between our two countries by bringing world-leading Japanese baseball players to New Zealand. The environment is slowly improving with baseball becoming more popular as a sport.

In his **closing remarks** Chairman Kennedy noted the excellent conversations that had taken place between the Japanese and New Zealand sides during the conference, thanking the Japanese side for travelling to Wellington to attend. A number of important messages had come out of the conference, including that New Zealand and Japan must continue with their TPP efforts. Chairman Kennedy said he was looking forward to the opportunities for NZ-Japan engagement that would come from the next Rugby World Cup, Olympics & Paralympics and World Masters Games to be held in Japan. As Kereyn Smith had noted, such events could inspire connectivity and strengthen and deepen relationships.

Chairman Shindo congratulated the New Zealand side on a very successful conference. In closing, he emphasised the broad based nature of the Japan-NZ relationship, which had evolved to encompass not only trade and investment but security, the environment, and culture. Later, at the farewell reception, Mr Shindo announced that next year's meeting would be held in Osaka on 20-22 November 2017.