

Japan New Zealand Business Council 49th Annual Joint Conference

Joint Statement

November 21, 2023

The 49th Japan New Zealand Business Council Annual Joint Conference was held in Ōtautahi Christchurch, New Zealand, on 19-21 November 2023. The conference attracted strong participation from New Zealand and Japan, with 185 delegates attending overall.

Following opening presentations by Ngāi Tahu, the Macmillan Brown Centre for Pacific Studies and MUFG Bank on the bedrock importance of the Japan - New Zealand relationship, geo-political developments in the Pacific and macro-economic developments in the global economy, delegates addressed the theme for the conference – "Intergenerational Action" – under three broad headings: Forestry and Land use Policy; Fisheries; Renewable Energy – reducing carbon emissions; Tourism; and Innovation & Design.

The conference took place against a backdrop of global disruption resulting from Russia's invasion of Ukraine, and more recently war between Israel and Hamas. Delegates noted also that past assumptions about the benefits of globalisation, respect for the rule of law and the primacy of multilateralism were increasingly being questioned, contributing also to increasing complexity with the rise of China in an increasingly contested Indo-Pacific region.

Delegates reaffirmed the ongoing importance of continued close coordination between New Zealand and Japan on economic rule-making, in particular to ensure that maximum benefit is derived from the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), and that the UK's accession to CPTPP sets a good precedent for future aspirants.

A distinguishing feature of the conference was the high quality substance of all the sessions. The key conclusions of the conference were as follows:

Forestry and Land Use Policy

- Forestry is a mainstay of the New Zealand economy, generating around NZD6.6 billion of export revenue and creating employment for more than 35,000 people. Māori particularly have important interests in forestry, native diversity and

New Zealand's transition to a low emissions economy. Japanese companies have invested heavily in value-added wood processing and have a significant presence in New Zealand's regions.

- Forestry and wood processing have important multi-functional benefits to the community in providing a sustainable source of biomass to make biofuels, and wood products to replace emissions-intensive products in building and construction; in absorbing carbon; in creating an environment conducive to biodiversity, and in providing walking spaces for the public.
- Significant new planting will be needed to meet New Zealand's domestic and international climate change targets, and help New Zealand maintain net zero emissions after 2050. New Zealand is one of the few countries in the world to include forestry within its Emissions Trading Scheme.
- The severe weather events of early 2023 in New Zealand underscored the importance of an integrated approach to effective climate mitigation and adaptation, resource management, and infrastructure planning. With the change of Government, there will be ongoing decisions for Ministers to make.

Fisheries - impact of global warming

- Fisheries is a priority sector for both countries. Global warming is having effect two-to-three times faster at the poles than the rest of the planet. The changing mass of the Antarctic ice sheet is being felt in ocean circulation and sea level rise – presenting a threat also to the current positive management and conservation of tuna stocks in the West and Central Pacific.
- With the upturn in ocean temperatures, fisheries are predicted to migrate out of Pacific Island EEZs to the high seas of the Eastern Pacific, severely impacting Pacific economies. There is an urgent need for coastal states and distant water fishing nations to find innovative and practical solutions to reduce global emissions.

Renewable Energy - reducing carbon emissions

- Research and development efforts underway in New Zealand and Japan – including a number of joint projects to produce green hydrogen as a next generation, low-emissions fuel and energy carrier, coupled with investment in supporting infrastructure – have exciting potential to reduce carbon emissions in some hard-to-abate applications, especially aviation, shipping, and long haul road transportation in both countries.
- Development of a hydrogen economy in New Zealand and Japan presents an opportunity to help both countries achieve their commitments to reduce greenhouse gas emissions to net zero by 2050, support the production of derivatives and development of new materials, create highly-skilled jobs, and underpin energy security and resilience by reducing dependence on imported fuels and providing back-up power options.
- Long-standing relationships of confidence and trust between New Zealand and Japan provide the basis for business-to-business value chains to lower the carbon footprint and enhance the international competitiveness of exports of goods and services in global markets.
- The relatively small size of the New Zealand market, and geographical distance from other markets, traditionally seen as challenges to the achievement of economies of scale, make New Zealand an attractive test bed for the development of a hydrogen society, big enough to test innovation and small enough to be forgiving of failure, coupled with abundant renewable green energy.

Tourism

- Tourism is a priority sector for New Zealand and Japan. The COVID-19 travel restrictions – coupled with climate change resulting in recent extreme weather events – have contributed to heightened awareness in both countries of the need to build resilience, reduce the impact on the environment, protect and retain what makes both countries special, and deliver a better and more sustainable visitor experience.

- Adventure tourism has an important role to play in avoiding over-concentration of tourism in the major cities by offering a wide variety of outdoor experiences and engagement with local communities that is appealing, especially to younger active travellers, contributing also to job creation and revitalisation and resilience of local communities.
- New Zealand and Japan stand to benefit by sharing information on best practice enforceable regulatory systems in adventure tourism to ensure the safety of the sector, opening up export opportunities globally. Youth exchanges also have an important role to play in building cultural awareness and friendship among the next generation – key to further strengthening the links between New Zealand and Japan.

Innovation & Design

- Design – defined as the interface between the private sector, communities and the broader environment – is essential for innovation.
- The Game Development Industry in New Zealand is a small but increasingly important and rapidly expanding new sector with revenue growth of 47 percent in 2022.
- In addition to the entertainment side of the business, technology and innovation offers an alternative pathway to traditional training modules with multiple added value advantages in other areas of business, especially by engaging the interest, creativity and cultural diversity of young people, and in reducing carbon emissions relative to conventional approaches in sectors such as aviation, forestry, defence, education and medicine. Delegates noted the potential use of virtual reality (VR) in training first responders and preparing communities for natural disasters.
- In the area of innovation and design, the introduction of new technology has – against expectations – sometimes led to an increased sense of isolation rather than closer connection at a human level.
- Consistent with the UN Sustainable Development Goals (SDGs), for a "solution" to be regarded as truly innovative it must have regard for intergenerational action in contributing to the well-being and improvement of human lives and habitats now

and for future generations by adding value to the quality of life in response to human needs rather than being primarily market driven.

Notwithstanding the high degree of uncertainty accompanying these developments, delegates were united on the need for action in the above priority areas to address the existential challenge of climate change already being felt in extreme weather patterns affecting both countries and globally.


The Committees resolved to engage with their respective governments on specific steps to advance the relationship in the above priority areas by the time of the 50th Annual Joint Conference to be held on 17-19 November 2024 in Kurashiki, Japan.



Ian Kennedy

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Akira Ichikawa

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