



Australian Government
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Business news, commentaries, tips and opportunities from Japan

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1. Commentary: Taking advantage of regional Japan: what's new in Tohoku?

“We organised a networking event for Japanese business people in Sendai last week and turned up an interesting connection between the Winter Olympics, diamond earrings and quirky Japanese consumer demand. If you can guess the connection then you are well-tuned into Japanese news and consumer trends”, was what Catherine Taylor, our Trade Commissioner based in Sendai, and covering the Tohoku region, teased me with last week. And despite my many years in the country, I couldn't figure out what the connection could be, can you? Well if not, this is Catherine's story in her own words:

The recent Winter Olympics produced only one gold medal for Japan, which was the lowest tally since the Calgary Winter Olympics in 1988. Apart from causing consternation amongst the media, it intensified the focus on the few medal hopefuls and produced dizzying coverage of the ice skating that won the gold medal for Ms Shizuka Arakawa.

There were some breathtaking moments along the way to the gold for Shizuka's fans, not just a result of her triple jumps. The incident where Shizuka realised she had lost her diamond earring, a precious gift from her mother, was a heart stopper. In a show of consideration by the organisers, she was allowed to re-trace her routine to look for the earring, causing a delay to the performance schedule which is normally unheard of. How she could have found a pea sized diamond on the ice is intriguing, but she did. The crowd, and the media, loved her all the more for it.

Shizuka hails from Sendai so there has been enormous interest in her win in her home town. In fact, the lost diamond earring incident ignited a mini boom in diamond earrings throughout Tohoku, which has been a welcome serendipity for the local suppliers. The jewellery shop owner who sold the diamond earrings to Mrs Arakawa, happens to be a buyer of Australian jewels, and has been run ragged with sales - it must have been exhausting getting the proceeds to the bank. “If only she had dropped a pink diamond earring or an opal broche from Australia”, I commented hopefully to him... Interestingly in an interview in 2003 with Barry Mitten, on one of the many related Shizuka Arakawa web pages, Shizuka says that she also enjoys travel; “My favourite trip was to Brisbane, Australia,” she said. “The people were very warm and I liked the environment of the city,” she was quoted as saying in August 30, 2003. Now that looks hopeful and you can be sure we will be pressing the jeweller on the Shizuka-jewellery-Australia connection.

On a slightly smaller scale, there was also excitement in Sendai over Austrade's annual Professional Tasting event, showcasing Australian food and wine on 1 March. Visitors travelled from as far as 400 kilometres away to attend. We piloted the event last year with MLA, with good results, attracting 200 trade visitors. This year despite the snow, we counted 250 chefs, sommeliers and trade visitors. (Given that Sendai has a population of 1 million, and Tokyo is 12 million, 250 visitors in Sendai would be the numeric equivalent of 2000 visitors in Tokyo!).

We have clearly struck a chord with the local food and beverage trade with this event. We knew the need was there - there are no food and wine fairs for imported food in Tohoku, which means limited chances for the trade to taste new product and update their knowledge. Some of the local buyers attend exhibitions in Tokyo, but the cost, in time and yen, limits the appeal.

The flow on effect and repeat custom from the Professional Tasting event is what we are really interested in. A yakiniku (barbequed meat) customer, who was initially only interested in beef tongue, is now an avid buyer of a variety of cuts of meat. We helped supply Australian wine to his chain of 20 restaurants and he is now looking for Australian made desserts and soup stocks.

It is always useful when our long term customers come to the event and simply say, "You tell me what I should be looking at this time" which is exactly what the President of one bakery goods company said to me at the event. Knowing his business and his keen interest in health related products; I pointed him in the direction of a couple of items to start with and sped over to brief the exhibitor before he got there. When I caught up with the exhibitor afterwards a sale was being hatched. It sounds simple but without the hours of work by Business Development Manager Yuzumi Tanaka to put the exhibition together, let alone cultivate the customers, it wouldn't have happened. The exhibitor in this case had come up from Gifu, near Nagoya, to attend the event. The point of the event is to help established importers of Australian products to expand into other regions – leading to increased export sales for Australian exporters.

And so concludes Catherine's report from Sendai and the case of the Olympian beauty and her diamond earrings. The message for Australian exporters is: make sure your importer/distributors are picking up the opportunities in the regional areas of Japan. Regions like Tohoku, which has a population of 12 million, are significant markets in their own right, so make sure your products reach them.

Phil Ingram
STC Tokyo & Country Manager Japan



2. Tip for doing business with Japan

When visiting Japan make a point of spending time walking around the streets, travelling in the trains, and going into different kinds of retail outlets. This will give you a better idea of what is trendy, and what features, packaging, colours and shapes are being focussed on. You don't know what new and interesting things you might see that will inspire you to improve your service or product offering. Make a special point of seeking out the product or service you specialise in to see what your Japanese competitors are up to in the marketplace – don't just rely on what your distributor, and contacts to tell you.



3. Changes to Japan's food import regulations – how to respond to enquiries from Japanese importers

Japan's Ministry of Health Labour and Welfare (MHLW) will change the way it regulates residues of agricultural chemicals and veterinary medicines from 29 May 2006. The current Japanese law only enables the ministry to act against residues found to be above prescribed levels for approximately 360 chemicals. This approach will change to one where residues of all agricultural chemicals and veterinary medicines are regulated. From this date, additional legislation will come into effect for residues of agricultural and veterinary chemicals - with the combination of old and new forming the "Positive List". To obtain the full listing of maximum residue limits (MRLs) that will apply after 29 May in English, you will need to look at both the current MRLs and the provisional MRLs concurrently. MHLW has recently updated their website so that both the current and provisional MRLs can be accessed together on the one page:

<http://www.mhlw.go.jp/english/topics/foodsafety/positivelist060228/index.html>

For example, the grain protectant dichlorvos has listings under the "MRL List" for plant products and also has some listings under the "Provisional MRL List" for animal products, so both lists need to be viewed concurrently to get the full listing of dichlorvos MRLs. This should explain some anomalies that have been reported.

If you are responding to Japanese importer enquiries on agvet chemical regulations in Australia, the Department of Agriculture, Fisheries and Forestry recommends that the initial response should be to provide general information on the use of agricultural and veterinary chemicals within Australia. The Department has prepared in Japanese and English an overview of Australia's national system for managing agricultural and veterinary chemicals which can be provided to Japanese importers in response to any enquiries. In addition, they have also prepared a document which details how Australian exports will meet Japan's positive list requirements. See:

<http://www.daff.gov.au/content/output.cfm?ObjectID=0DD995F2-B17C-405D-ABDD2A4B4E8A28A5>
under the heading "Information on Australia's system for managing chemicals"



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