

ANZCCJ SPONSOR CONSULTATION



Australian and New Zealand Chamber of Commerce in Japan
March 2017

Final Report

INTRODUCTION

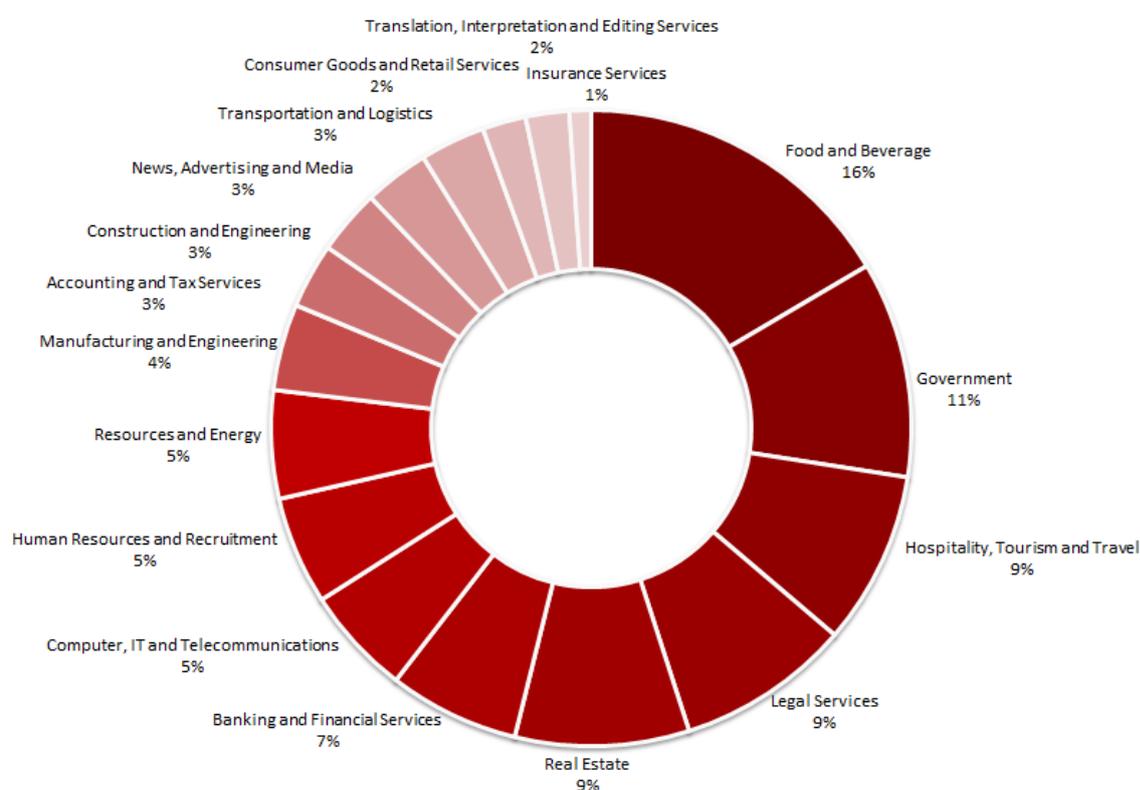
17 INDUSTRIES

91 COMPANIES

592 INDIVIDUALS

The Australian and New Zealand Chamber of Commerce in Japan (ANZCCJ) is an independent, non-profit organisation that facilitates the development of Australia / New Zealand-Japan business through effective information, representation and commercial connections.

Our membership is diverse, comprising approximately 600 individuals from 17 different industries and 91 companies ranging from small - medium corporations to large multinationals. While this diversity presents obvious reciprocal and cross-fertilisation opportunities for members, it also presents challenges as the Chamber explores ways to cater to the needs of all its members.



Under its new leadership team, in February 2017 ANZCCJ convened a Sponsor Consultation working group to discuss and exchange views with our membership on how the Chamber could deliver more value, and to update our understanding of member businesses' needs and expectations.

As a result ANZCCJ consulted with 33 member companies through three roundtables, one-on-one interviews and an online survey. While the data provided in this report does not attempt to establish the collective opinion of the entire ANZCCJ membership, it does provide an overview of the broad themes and perspectives on the challenges faced by businesses operating in Japan and offers recommendations for improving the Australia-Japan and New Zealand-Japan bilateral relationship.

Below is a summary of the key findings from the sponsor consultations.

CHALLENGES AND OPPORTUNITIES

Under-representation and outdated perceptions of Australia and New Zealand businesses in Japan

Respondents noted that the under-representation of corporate Australia and New Zealand in Japan places limitations on the development of commercial partnerships between Australian /New Zealand and Japanese companies who could pursue mutually beneficial growth in the region. [Out of over 700 Australian exporters to Japan, only approximately 50 have an on-ground presence.](#) This compares to over 200 Australian companies with an office in Singapore, or many hundreds in China. As a result, not only are opportunities to grow business in Japan reduced, but also opportunities to develop deeper relationships with Japanese companies – who are increasingly active in Asia-Pacific – limited.

Respondents identified their main challenges in Japan as being associated with outdated perceptions or lack of understanding of Australia and New Zealand by Japanese companies and consumers. For service sectors in particular, Australian companies are not perceived as having the same profile as companies from other countries in the Japanese market. This is an issue of concern even for companies that are well-known names in Australia / New Zealand. Some respondents added that the Australian and New Zealand markets are not seen by Japanese companies as offering high growth potential when compared to opportunities available in other parts of Asia.

Results from focus groups conducted with Japanese consumers show that they perceive the Australian (and New Zealand) product offerings as unsophisticated. Furthermore the Australian and New Zealand markets are viewed as suppliers of raw materials and ingredients, rather than manufacturers of a high quality finished product. The challenge is to create an association of Australian and New Zealand goods and services with high quality through the utilisation of cutting edge technology.

Uncertainty surrounding global free trade agreements and the role of government

ANZCCJ members, including wine exporters, beef producers and exporters, hotel operators, lawyers, financial service providers and other SMEs have benefited from the Japan-Australia Economic Partnership Agreement (JAPEPA), in both Australia and Japan.

Members of the Food, Agriculture and Hospitality Committee (FAHC) have expressed concerns relating to possible free trade agreements between Japan and the EU and Japan and the US. More favourable tariff rates being granted by Japan to products from those markets would make them more competitively priced and therefore more attractive to Japanese consumers.

As part of the Sponsor Consultation process, FAHC Committee members met with Australian and New Zealand Embassy representatives to discuss the status of various trade agreements, including the TPP, EU-Japan EPA, and a possible US-Japan FTA from an Australian/New Zealand perspective. Members from the beef and dairy industries reiterated concerns regarding the possible conclusion of free trade agreements between Japan, the EU, and the US and emphasised the important role of strong engagement with government to ensure timely updates and preventive action in this area.

SMEs present opportunities for growth and exchange

Many respondents expressed a clear interest in increased member-to-member engagement, especially at the SME level. Respondents acknowledged that for many of the Australian and New Zealand companies based in Japan the focus is on providing information to their Japanese clients about the Australian and New Zealand business environment. This means there is little private-sector focus on assisting Australian and New Zealand companies enter and succeed in the market. Respondents agreed that ANZCCJ could play a stronger facilitative role in building networks between Japanese and Australian/New Zealand SMEs.

THE CHAMBER'S ROLE IN ADDRESSING THESE CHALLENGES AND SEIZING OPPORTUNITIES

Sponsor consultations were followed by a half-day strategy planning session of the ANZCCJ Executive Council with the aim of identifying the key focus areas for 2017. The session included three breakout sessions that provided a more focused opportunity to reflect on various aspects on ANZCCJ's benefits, members' needs and expectations; and to discuss proposals for strengthening collaboration with key stakeholders.

The themes of the break-out sessions were:

1. How can (and how does) the Chamber add value to Australia and New Zealand businesses active in Japan?
2. How can (and how does) the Chamber add value to Japanese businesses active in Australia and/or New Zealand?
3. How can (and how does) the Chamber help Australian and New Zealand businesses leverage the current trend of Japanese overseas expansion?

The ANZCCJ Executive Council concluded that in order to deliver on our mission statement in 2017, ANZCCJ should undertake the following initiatives:

INFORMATION

ANZCCJ will revamp and expand its communication channels, by:

- Adding features and content to the ANZCCJ website such as: Australia /New Zealand news feeds, FAQ, useful information and little known facts about business and trends in Australia – New Zealand – Japan. Content will also be uploaded in Japanese.
- Expanding current information distribution channels by including corporate member newsletters and publications and Affiliate Organisation (see below) media centres.
- Introducing member-only pages such as an online business discussion forum, directory, and resources to facilitate the development of member-to-member business and exchange.

- Creating an ANZCCJ welcome pack for Australia/New Zealand newcomers and Japanese returnees that includes useful information to stay connected to Australia/New Zealand in Japan.

REPRESENTATION

Japan is an important economic partner for Australia and an extremely influential economic player in the Indo-Pacific. Whilst the Australian/New Zealand Embassies, Austrade / New Zealand Trade and Enterprise, State Governments, and the ANZCCJ have mutually benefited from high levels of cooperation and communication in recent years, there is more that we can do together. As noted by ANZCCJ members, this is evidenced by a relatively narrow understanding in Japan of the commercial opportunities in the Australian economy and the under-representation of Australian companies in the Japanese market, coupled with uncertainties around the direction of global trade agreements.

In order to maximise our trade and investment and expand commercial opportunities for Australian and New Zealand business, ANZCCJ will engage further with Government to increase communication and collaboration to:

1. Shift outdated perceptions of Australia / New Zealand and highlight our cutting-edge innovation, high quality products, services and safety standards to the Japanese market;
2. Raise Japanese business awareness of key growth areas along with investment opportunities in Australia and New Zealand;
3. Raise Australian and New Zealand business awareness of key growth areas along with investment opportunities in Japan; and
4. Increase awareness in Australia and New Zealand of the Japanese business environment and culture practices and how these might be navigated to maximise benefits.

CONNECTIONS

Establishing an international Chamber of Commerce network to foster member-to-member engagement and leveraging the current trend of Japanese overseas expansion

The shrinking domestic market in Japan, the increase in the number of tourists, and the potential conclusion of new international trade agreements, have contributed to an increased focus on international business among Japanese corporates.

The current ANZCCJ SME Support program is an event series that aims to connect Japanese businesses with ANZCCJ members (Advisors) for experience sharing, lessons learned and good practice on business with Australia/New Zealand. Since the launch of this program in November 2015, ANZCCJ – in partnership with JETRO and the Tokyo

Chamber of Commerce and Industry (TCCI) – has hosted five events and built a select network of over 250 small and medium sized businesses interested in doing business with Australia/New Zealand.

However, in order to increase the scope of this program, in 2017 ANZCCJ will establish an 'Affiliate Organisation' agreement with Chambers of Commerce in Australia and New Zealand.

Through this agreement, Affiliate Organisations will be granted ANZCCJ membership for the purposes of:

- a) Facilitating and enhancing business-to-business exchange and information flows between Australia/New Zealand and Japan;
- b) Strengthening inter-Chamber member engagement through identification of potential areas of collaboration and business opportunities.

Online member-to-member discussion forum

ANZCCJ will provide and maintain an online forum for exclusive use by ANZCCJ members, including Affiliate Organisations.

The online forum will serve as a platform where ANZCCJ members can post business enquiries directed at other ANZCCJ members, including the Affiliate Organisations.

Member only directory

ANZCCJ will maintain an online directory for exclusive use by ANZCCJ members, including Affiliate Organisations.

The directory will contain relevant details for all ANZCCJ members, such as descriptive profiles and contact details and will expedite the business matching process by allowing business related inquiries to be sent directly to the pertinent individuals.

Japanese returnee and youth network

ANZCCJ will build a Japanese returnee and youth network to identify potential opinion leaders and Australia/New Zealand Japan enthusiasts in Japan. Many Japanese returnees are senior level executives in Japan who through their work or study in Australia/New Zealand have not only developed an affinity and enthusiasm for their host countries but also have become well versed in the business culture of these markets. Returnees can therefore play an important role in helping Australian and New Zealand businesses enter and thrive in the Japanese market.