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driven to perfection

AUSTRALIA



50 years of friendship and prosperity

The importance of the Japan-Australia relationship is very difficult to overstate. Japan is Australia's No. 1 trading partner and export market. In turn, Japan relies heavily on Australia for its energy, material, food, and increasingly, its geostrategic security.

It is the most fundamentally significant partnership in Asia. A wealth of economic complementarities, shared cultural and ideological values, and mutual strategic dependence form the core of this broad and

deep bilateral relationship. It is a relationship that goes all the way back to 1857, when Japan opened up to the West, through the days of the legendary Japanese pearl divers Broome and the historic sign-

ing of the Agreement on Commerce 100 years later.

This year marks the 50th anniversary of that agreement, signed by Australian Trade Minister Sir John McEwen and Japanese Prime Minister Nobusuke Kishi, the grandfather of current Prime Minister Shinzo Abe.

Today, the two countries stand on the cusp of a new era of cooperation.

"The relationship is strong in every regard. We prize that relationship and want to see it grow," comments Australian Trade Minister Warren Truss. Truss is one of the chief architects of the free-trade agreement negotiations. He hopes for a "comprehensive and high-quality FTA that deals with key industries such as agriculture."

The new era of Japan-Australian relations will be characterized by its maturity and sophistication — no longer is it just about the exchange of resources and manufactured goods. Ties will cover grassroots connections, growing exchanges in a booming service sector, and the explosion of R&D and educational collabo-



A dragline operates at night at Macarthur Coal's Coppabella Mine. Several Australian mining companies have had strong links with Japan, where coal is not as abundant.

ration and partnerships.

Still looking up down under Australia's economic fundamentals could not be better.

The nation has enjoyed 17 continuous years of economic growth, and has been ranked the most resilient economy in the world for the last five years. Forecasted growth in 2007 and 2008 is 3.0 percent and 3.4 percent, respectively. Among countries with a population of

20 million or above, it ranks second in competitiveness.

Australia is Japan's most important democratic partner in the region. Both share a commitment to the multilateral trading system, and in fostering democratic institutions and regional economic prosperity, and Australia enjoys the lowest risk of political instability in the world.

Clean, green

One of the key strengths of Australia is its unique and untouched environment — a boon for tourism, agriculture and quality of life alike.

The country's legendarily vast and beautiful natural landscape, exotic flora and fauna attract millions of visitors each year, feeding a thriving tourism industry second only to the massive mining and resource industries in terms of export dollars earned per year.

The clean and green natural habitat is ideal for the growth of not only "omiyage (souvenir)" shops but also a plethora of food products, the quality of which has turned heads the world over.

The best examples are nearly endless: Italians look to the country for the world's finest pasta wheat and Arab countries look to Australia for some of the world's best lamb.

Japanese interest in high-quality and disease-free beef is well known. In terms of foreign-raised "wagyu" and normal stock beef, Australia is Japan's No. 1 source. The fastest area of growth in this regard is Australian seafood, grown in pris-

tine, unpolluted waters and subject to some of the world's tightest environmental controls.

Indeed, Australian food products are easily some of the world's cleanest and most chemical-free — facts that are increasingly important to today's consumers in Australia and Japan. This level of quality, coupled with its Southern Hemisphere counterseasonal advantage, gives Australia a unique ability to meet the high-quality standards of Japanese consumers.

Australians share with Japanese a growing concern for the environment, an area where the bulk of the business community seems to be a bit ahead of government. Major Japanese investments such as Brother, Panasonic, Hino, Komatsu and Fujitsu have found that their efforts in waste reduction and clean operations have found a very receptive local audience.

Australia's clean, cost-competitive, extremely livable major cities provide attractive bases for international corporations.

The local natural beauty combined with the easy-going and lifestyle-oriented culture that pervades even busy world-class international hubs like Sydney, ensure excellent quality of life and are attracting more and more multinational corporations.

Sydney is rated the top city in the Asia-Pacific where expatriates want to work, according to an Economist Intelligence

CONTINUED ON PAGE B4

The 'Lucky Country' is not a hard sell

It is said that the easiest thing in the world to do is to sell a product that one believes in. If this is true, then Barry Jones, CEO of Australia's inward investment agency, may indeed have the easiest job in the world.

Jones and his staff certainly make it look easy. They were responsible for more than 94 investment success stories worth more than \$13 billion in the year to July 2006 alone, not to mention a massive \$33 billion during the previous four years.

Invest Australia helps foreign companies build their business in Australia, and take advantage of its many capabilities and strengths. The first point of contact for all investment inquiries, Invest Australia provides free, confidential, end-to-end service that continues long after a business has first been established.

"It is not enough just to get a company to come here. We want to keep them here, keep them as happy and as profitable as possible, and to help them use Australia as a base for expanding into other parts of the world," says Jones.

Jones has a specialized staff that is focused on strengthening Japanese investment in the country, which has attracted many of Japan's industrial giants, including Toyota, Komatsu, Sumitomo and Canon.

Ideal platform for 'safe,' clean and green agribusiness

Australia's unspoiled and clean natural environment is internationally acclaimed, and produces some of the finest ingredients in the world from blueberries to value-added meats and aquaculture.

"Japanese can be confident that the food produced in Australia is of the very highest standards and quality levels, and that is demonstrated by the fact that companies like Sakata and Haku-baku are not only sourcing ingredients from Australia but also setting up manufacturing here," Jones says.

'No excuses' innovation

Jones sees under-recognized opportunities for Japanese in sectors that use Australia's world-class research and development skills, particularly in biotechnology, nanotechnology and ICT.

"Australians are very good at being flexible and adaptable in terms of the kinds of engineering and design solutions that they can provide. We are really good at never letting go of a problem until we solve it. It's almost part of the Australian cultural identity," he says.

This "no-excuses, make it happen" attitude has produced innovations that European and North American investors have recognized as first class, from Merck and CSL's breakthrough Human Papillomavirus Vaccine (HPV) now deployed globally, to Cochlear's bionic ear.

This environment is being supported by a \$6.9 billion innovation

CONTINUED ON PAGE B4



Japanese Prime Minister Shinzo Abe and his Australian counterpart John Howard have continued efforts to bolster trade relations, which include the negotiation of a free-trade agreement.

PM'S PRESS OFFICE

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Barry Jones, CEO of Invest Australia

CONTINUED ON PAGE B4

TAKING THE PLUNGE INTO OVERSEAS INVESTMENT?

In Australia, you know everything's above board.



Doing business offshore can offer great rewards, but only if you can be assured of strong economic prospects and a friendly business environment that's highly stable, well-regulated and characterised by exemplary corporate governance. In 2006, Australia's corporate boards were ranked first in the world for the effective supervision of the management of companies.* Australia also ranked number one in the world for efficiently managing shareholder value.†

It's no surprise, then, that Australia is becoming the country of choice for organisations looking for a stable base with access to the fast growing Asia-Pacific region, forecast to account for 43% of world GDP (PPP) by 2015.‡

Rated the most politically stable country in the world, Australia has also been judged to have the world's most resilient economy for the fifth consecutive year.† The OECD reports Australia's approach to regulation as a best practice benchmark for other OECD countries. Of the 30 OECD countries, Australia is identified as having the fewest restrictions on product markets, the least public ownership of business and the least restrictive impact of business regulation on economic behaviour.† Our intellectual property regime is also highly rated, providing a high level of assurance for investors.

Get your investment questions answered. As the Australian Government's inward investment agency, Invest Australia has a strong track record in providing quality professional assistance to international investors. Our services are free of charge and include finding the right contacts, setting up site visits, clarifying regulatory procedures, preparing industry reports and much more. Visit us now at www.investaustralia.com or contact one of our investment managers today at tokyo@investaustralia.gov.au and get the facts before you dive in.

Australia at a glance

- World's most politically stable country in 2006 and world's most resilient economy for five successive years.*
- First in the world for effective supervision of the management of companies by corporate boards.†
- Ranked in the top seven in the world for absence of bribery and corruption.†
- Fastest place in the world to start a business, with regulatory procedures taking just two days.†



Australian Government
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YAMAHA

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Invest Australia, the Australian government's inward investment agency, is the starting point for queries on investment opportunities in the country. It offers free and confidential assistance with investment advisory specialists in 15 locations around the world. www.investaustralia.gov.au

Hino Motor Sales Australia is driven to perfection. It offers quality and reliable precision engineering that has been tested and perfected for tough Australian road conditions. From its trucks and buses engineered to make work safe, reliable and comfortable to dealership experience and after-sales care, Hino reaches its clients through a comprehensive Web site featuring all truck and bus models, dealers, support and virtual test drives. www.hino.com.au

JETRO Sydney, one of two Australian branches of the Japan External Trade Organization, has been promoting trade and investment between Australia and Japan since 1960. JETRO Australia assists businesses and interested parties with services related to, and information about investment, trade and business opportunities in Japan. www.jetro.go.jp/australia

The **Australian Chamber of Commerce and Industry** is regarded as the most important Australian business association by virtue of its size. It has more than 350,000 members represented through chambers of commerce in each state and territory, and a nationwide network of industry associations. www.acci.asn.au

The **Australia Japan Business Association** promotes exchange between the Australian and Japanese business communities, and offers information on business developments in the two countries. www.ajba.com.au

Yamaha capitalizes on racing culture

Australia's rugged terrain provides perfect conditions for Yamaha Motor to sustain its business in this country. Because there are off-road motorcycles, there is racing, a key area of business for Yamaha. The Japanese company has a 24 percent share in the domestic motorcycle and all-terrain vehicle (ATV) markets, largely due to its competitive off-road range.

"Yamaha follows a philosophy of innovation through racing. The spirit of challenge offered by motor sports forms a key part of Yamaha's brand image. And this is especially relevant in our market," says Steven Cotterell, managing director and general manager of Yamaha Motor Australia. The company does not just supply customers with high-quality products but provides a framework for its customers to enjoy these products. "Our Web-based owners' club called TRIBE offers customers the opportunity to get involved in motorcycle-related activities. It's not all about selling our products but giving our customers the opportunity to use them. Enthusiasts often dream about being on the race track or meeting star riders,



Yamaha Australia Managing Director and General Manager Steven Cotterell

and the TRIBE club exists to turn those dreams into reality," he explains. YMA is also educating the

youth market about the world of motorcycles through its Blue Zone events. "We set up the Blue Zone as both a Web-based club and a series of riding opportunities to teach children about motorcycling. Blue Zone offers youngsters the chance to ride bikes with the proper safety gear and instruction. Sometimes a child's first two-wheeled experience is at our Blue Zone events around the country," Cotterell says. Due to a number of environmental factors, scooters have started to catch the interest of local consumers. During the last three years, sales of scooters have grown 240 percent and the forecast remains bright. "Due to heavy traffic, rising fuel prices and emission con-

cerns, scooters have finally come of age in this country after many years. People are finding them to be practical personal transport solutions," he says. To promote scootering, YMA is enlisting the government's support in reviewing current guidelines on scooter licensing laws. "We are lobbying the government for a change in the licensing regime to expand the scooter industry, with the aim to ease traffic congestion and reduce pollution," says Cotterell. "Changes in society are constant. Identifying these changes while keeping in touch with our customers is Yamaha's goal," he adds. www.yamaha-motor.com.au

Hino Australia increases its horsepower

In Australia — vast in area and without an extensive rail system — the road freight system has remained a vital component of the economy.

Toyota-owned Hino Australia, the largest importer and wholesaler of light and medium-duty completely built-up (CPU) trucks, is gearing up to become the top supplier of the trucks that literally carry the health and wealth of the nation. Currently a strong second in the market, Hino sold in Australia last year 5,200 of its trucks, or about 18 percent of the market. With a sharp focus on service that characterizes Toyota group operations, a wide range of custom products and a calculated expansion of its dealership network, Hino is seizing an opportunity that would boost market share to 25 percent, or about 7,400 units. The company is in an excellent position to



IHI Engineering Australia Managing Director Hironobu Shikama (left) with Director and Chief General Manager Barry Wain- ing



achieve that. It dominates the ultracompetitive Japanese market and was the first to market a diesel hybrid, which has caught the attention of some of Australia's bigger fleets. "I believe that the Japanese product has the ability to dominate this market. It does in light duty and medium duty, and Hino intends to grow with those segments. The real challenge will come in the heavy-duty end of the market, which is largely dominated by American and European brands. This is really where we will be putting a lot of focus," says Director and COO Steve Lotter. "While we have taken a very conservative view on the market within our five-year business plan, if you go out further than that, the market should grow quite rapidly," adds Lotter, a 30-year veteran of Toyota. It is indeed an opportunity as the national road freight task is likely to double by 2015. Hino's expansion efforts are moving quickly to prepare for this need. This year, Hino opened its largest dealership in the world, a \$20 million facility in Victoria, with Hino President Shoji Konda and Victoria's Minister of Industry T. H. Theo Theophanous attending the event. "The relationship between the countries is just outstanding," says Lotter. "I have had the privilege to work with the Japanese for a long time." www.hino.com.au

'It's not all about selling our products but giving our customers the opportunity to use them. Enthusiasts often dream about being on the race track or meeting star riders, and the TRIBE club exists to turn those dreams into reality'

Reconstructing a global Japanese company

The typical headquarters of a construction equipment company is an office as Spartan and utilitarian as the equipment that it produces. Komatsu's headquarters in Australia, its largest distributorship outside of Japan, with its sophisticated and cosmopolitan design, is an altogether different experience and for good reason.

The central nervous system of a web of offices that service Australia's booming mining, construction and utilities industries, it is at the head of a companywide culture shift from a company of independent distributors to a truly global one. Under President William Pike and with the support of

we have to have a common set of values. We cannot accept a dilution of our brand," remarks Pike. This effort is one of the first steps that the brand has taken anywhere in the world, and Pike hopes it will serve as an example for Komatsu operations elsewhere. Pike's strategy is two-pronged and balanced. He hopes to increase global uniformity while also adapting stronger local management. "The real strength for the Japanese company is to be able to assimilate into the local culture but not, by any stretch of the imagination, lose its roots and its core values," adds Pike. Organizational cohesiveness has become even more impor-

tant in Australia as robust and unprecedented growth in the mining industry as well as rapid industrywide recapitalization created massive challenges and opportunities. Pike expects this trend to continue for at least another four years. To meet these needs, Komatsu Australia has become the first to form a supply chain division. Working with partners Mitsui and K-limited, it is analyzing its systems to improve global procurement and eliminate waste in this often overlooked organizational aspect. "We are a Japanese company, but local management is essential for a successful global company. Local management is what will drive success in Australia," he says. www.komatsu.com.au



Komatsu Australia President William S. Pike

Komatsu International President Kunio Noji, an "Australianized" version of the company's philosophical doctrine, "The Komatsu Way," has been introduced to all 1,600 employees in an effort to universalize the company's core values, and bring employees in touch with the Japanese and manufacturing-based origin of their organization. "We are not an independent company. If we want to have a strong brand internationally,



The PC600-8 excavator is part of the new Dash 8 excavator series, which offers lower emissions, increased fuel efficiency and improved operator comfort.

Suzuki finds creative ground

On the surface, Japanese and Australian attitudes and lifestyles could not be more different. Asia's capital of high technology is just not readily associated with the relaxed lifestyle that this beachcomber's paradise has been known for.

Underlying the contrast is a deep sense of creativity that manifests itself in different fields, be it in design, cuisine or fashion. Suzuki has achieved success by offering a product line that satisfies the Australian way of life. Since it first entered the Australian market 38 years ago, the Japanese carmaker has gained significant ground with the popularity of its four-wheel-drive mini SUV Jimmy — also the company's first launched product. "We understood that the Australian market was unique and that we had to establish our position sooner than later. We could provide vehicles that were more suitable for the Australians. The freedom to choose an automobile that fits every customer's mode of life is what Suzuki offers," explains Takeshi Hayasaki, managing director of Suzuki Australia. Over the last few years, the automobile sector has grown increasingly competitive, prompting Suzuki to take a bolder approach in its markets around the world. "We recognize that Suzuki is still a young company compared to some of our competitors. Though we are still in the growing stages, we acknowledge the need for a more aggressive approach," says Hayasaki. So in Australia, the company is actively promoting its "Way of Life" concept that reminds its potential customers about the wide range of its vehicles — from SUVs, compact sedans and all-purpose vehicles. Doubling its sales in the last two years, Suzuki aims to capitalize on the Australian market's reception of their new image. "Suzuki's 'Way of Life' concept provides customers with the option to enjoy their vehicle's more creative character. Suzuki is not only the people's car but rather the people's car of choice," says Hayasaki. Suzuki Australia has also applied the "Way of Life" concept on its motorcycle series. "Despite being a lifestyle on their own, motorcycles can also cater to people's personalities," he says. www.suzuki.com.au



Suzuki Australia Managing Director Takeshi Hayasaki

Connecting more than markets

For companies involved in shipping and logistics, Australia is a uniquely challenging environment. It is one of the busiest parts of the world for those who operate container vessels, car carriers, bulk carriers, tankers and so on like Mitsui O.S.K. Lines (MOL).

Mitsui O.S.K. Lines Australia Managing Director Hirokazu Hatta is confident of his company's ability to offer a wide range of quality and stable ocean transportation services. "Our mission is to offer the most reliable and efficient service to our customers," he says. MOL's presence in Australia goes back to the start of the Australian-Japanese relationship. "We started Australia-Japan service in 1916 and have had a representative office here since 1917, at that time, trading as OSK (Osaka Shosen Kaisha). However, Mitsui O.S.K. Lines Australia was established in 1994 and we still have much to accomplish," he says. MOL is focusing on the transportation of natural resources and energy-related products, including coal, iron ore and LNG, as well as its container and car carrier business.

ing partner directly relates to the growth of their industry, tasked with the movement of these goods and commodities. "By offering excellent service to our customers here, we hope to make our contribution to furthering the development of the relationship between the two countries, and in that sense we hope and expect that the FTA will be successful." Hatta, previously assigned to Sao Paulo, Brazil, has become something of a Southern Hemisphere specialist. Like many of the Japanese who work in Australia, he is quite positive about the future. "I hope that the relationship between Australia and Japan, not only economically but on a cultural basis, continues to flourish." www.mol.co.jp



Hirokazu Hatta, managing director of Mitsui O.S.K. Lines Australia (above left). Completed in 2003 by Mitsubishi Heavy Industries in Japan, the Efficiency (above) has a capacity of approximately 4,600 TEU (Twenty-foot equivalent) with a gross tonnage of approximately 53,000. It is 294 meters long and 32 meters wide.

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Asia-Pacific's tech-savvy companies

Nikon's way to the top

Having established a strong presence since first entering the country 48 years ago, Nikon's head office in Tokyo recently established a fully owned subsidiary in Australia, with plans to market its products aggressively amid stiff competition.



Nikon Australia Managing Director Kyoichi Hagimori and Nikon's D40X digital single-lens reflex camera (right)

"Since the shift from film to digital, the camera industry has changed completely. Speed is now one of the most important business tools," says Kyoichi Hagimori, managing director of Nikon Australia, who wants to first establish closer relationships with customers.

The subsidiary is primarily handling its im-

aging products within Australia, which will allow Nikon to build brand awareness in the local market.

"Our first goal is to break into the Australian market and make the customers aware of the wide range of products Nikon has to offer. We must be more aggressive in attracting new customers by giving them a better understanding of our products," he says.

In highly competitive markets, customers tend to become price conscious. But, Hagimori sees that Australian consumers have changed his mind.

"Australians have a good understanding of today's camera technology. They are keen on new technologies and see the value in the quality of today's products," he says.

Nikon's products range from its top-of-the-line digital single-lens reflex cameras (DSLR) to its "everyday consumer products," such as the Coolpix. The D40X line is one of the most popular DSLRs on the market today.

"The D40X is a very compact, easy-to-use, high-quality product. By sticking to Nikon's image of quality, attracting professional, amateur and family-oriented customers is the product's ultimate goal," he says.

"We need constant and consistent action. Step by step, we will be able to attract the Australian market and in the near future we will be accepted as a top brand in the country," he adds. ◆

www.nikon.com.au



NIKON

'Australians have a good understanding of today's camera technology. They are keen on new technologies and see the value in the quality of today's products'

Unrivaled innovation from Japan

As electronic and computer technologies in the home and business markets rapidly evolve on the back of stronger research and development, the Australian subsidiary of Japan-based NEC has emerged as the country's largest private ICT R&D facility, guided by its slogan "Empowered by Innovation."

Since its establishment in 1969, NEC Australia has been at the forefront of R&D into emerging technologies and remains a leader in the sector, achieving its success by implementing new technologies in the domestic and export markets.

"We provide not only consumer electronics, but business enterprise solutions across broadband, IP telephony and wireless communications as well. Our research and development teams have been working on the next generation of broadband equipment," says Managing Director Toshiharu Iwasa.

The company's R&D activities in broadband and mobile technologies are critical to NEC's global business, employing more than 400 people, or just under 25 percent of the workforce.

A recent merger between NEC Australia Pty. Ltd. and NEC Business Solutions further complemented the objective of both companies to provide customers with "leading-edge technology through innovation." So, NEC Australia now provides what Iwasa calls "one-stop shopping for all business needs."

"The integration puts NEC Australia in a market-leading position in providing total communications solutions through its broadband network, display solutions, broadband access products, and IP telephony and wireless capability. We always deliver leading-edge, innovative products to make communication more effective and productive for the customer," says Iwasa.

"Through this merger, we will leverage and provide end-to-end solutions for the very diverse range of product portfolios of both companies," adds General Manager Tony Maddaluno of NEC Australia's Corporate Planning Division.

NEC Australia exports products and services that have been developed in Australia to Asia, Europe and the Middle East, with overseas business accounting for between 15 and 20 percent of overall operations.

Meanwhile, its strengthened focus on high-tech development has raised NEC Australia's profile in NEC's global network. ◆

www.nec.com.au



NEC Australia Managing Director Toshiharu Iwasa

Known by the friends you keep

When Australians want access to many of the good things in life, one of the companies that they turn to is Hagemeyer Brands. The name is a familiar one to leading retailers and many Australians, one associated with the many high-quality international brands for which the company is a distributor.

The power of the company's distribution system has been a boon to companies like JVC and Casio, as well as numerous other prestigious international brands

such as Smeg, Blanco, Polaroid, Dimplex and many more — all of which have enjoyed strong representation and success in the highly competitive Australian market. These partnerships and the value of the relationships that define them are what Hagemeyer's business is based on.

"At the end of the day, if we have a good partnership, success follows," says CEO Michael Touma.

The company adopts a highly focused approach for each of its partners. Its business model is structured so that each of its major brands is given a fully dedicated sales, marketing and management team. At the same time, it runs a shared services infrastructure covering support services, allowing Hagemeyer to fully utilize logical synergies without impacting brand sales and marketing specialization.

That setup ensures that partners enjoy a fully developed and personalized entrance to the Australian market, where

Hagemeyer's expertise in accessing selected market segments, channels and retailers enables fast and cost-effective market penetration for its partners.

"What we bring to the table is deep market knowledge and a single-minded focus on our partners' brands. We provide an end to end total solution, taking responsibility from the factory door," comments Touma.

The model is certainly working. Hagemeyer brands has grown four-fold over the last decade with a current turnover of about \$282 million, a significant portion of which came from Japanese brands like JVC and Casio, partners that Touma has enjoyed working with.

"Our experience with our Japanese partners is that though it takes a little while to earn their trust, once you get there, you have a supportive and understanding ally, key to success," says Touma. ◆

www.hagemeyer.com.au



Hagemeyer Brands Australia CEO Michael Touma

Capturing images and market in the lifestyle-based culture of Australia

The success of Japanese camera maker Olympus in meeting the unique needs of consumers in Australia through focused advertising proves yet again the mantra of admen around the world: A thoughtfully designed media campaign can do wonders for business.



Olympus Imaging Australia General Manager Peter Harley and the best-selling "Tough" 770SW

Wonders indeed. Olympus has moved from a company that has raised its market share in the compact digital camera market from between 12 percent and 13 percent to between 17 percent and 20 percent in just 12 months. Next year, General Manager Peter Harley projects a 20-plus percent market share.

Images of its durable, waterproof and shock-proof camera — affec-



OLYMPUS

tionately known as "Tough" — in the jaws of a stubborn (or perhaps just brand-savvy) but lovable drooling dog have saturated the country in television and print campaigns, explaining the extensive functionality of the camera in simple and direct ways such as icons and humorous situational examples.

"It is a great example of a hero product that reinforces that Olympus is a lifestyle brand. If you look at all of our point-of-sale and imagery, we think about how all of the features in a product can be applied to consumers and their everyday lifestyle," Harley says.

The beer- and baby-proof "Tough" has won great favor among active and sociable Australians who prefer products that complement their lifestyles. Its sales in the country represented 10 percent of the worldwide volume — a huge figure considering the relatively small size of this market.

Olympus has recently released the world's smallest digital SLR, the E410, into the Australian market.

The keys to Harley's branding strategy?

"It is important to think as an overall brand what territory you own. Once you establish that, be true to it and be consistent, so consumers consistently have that message reinforced. The experiences here appealing to consumers and their lifestyles, and talking to them on a level they can relate to is applicable in any market. If you keep contact with your consumers, you have a greater chance of being successful," he says. ◆

www.olympus.com.au

Ideas for Australian life

Matsushita Group company Panasonic Australia is pushing ahead in what is by all accounts a unique market for consumer electronics.

First, there is the multicultural composition of the market.

"Australia is very culturally diverse, and it is therefore very difficult to identify what the Australian consumer looks like," says Managing Director Toshiro Kisaka.

Then, there is the speed. Market share can shift blisteringly fast here.

In a market of around 20 million people in 7.5 million households (about one-sixth the size of Japan), and stiff competition from South Korea, China and back home, Panasonic has had to be vigilant about keeping in touch with consumers and staying nimble strategically.

The challenge of this low-market depth and fierce competition is one that Panasonic Australia is well aware of. "Everyone in the market is our competitor and our teacher. It is not the same as Europe — here, agile management is a requirement for success," says Kisaka, who has been posted to this market for the last three years.

This adaptability and speed has been a boon to Panasonic, which has recently adjusted its supply chain from a monthly-based to a weekly-based purchasing system, reducing lead time by almost 50 per-

cent. Increased communication from product design to marketing to retail feedback has given the company the edge that it enjoys.

Indeed, while current turnover is approximately \$800 million, Kisaka expects that number to reach \$1 billion in the next two years.

Panasonic's brand presence is strong in sports-mad Australia, where it sponsors the Australian Rugby Union, the Sydney Olympics, the eco-minded World Solar Challenge and supports the FORMULA 1 (tm) ING Australian Grand Prix.

Its sponsorships of the ARU and the Australian Football League's Sydney Swans fit well into Kisaka's plan to promote the VIERA line of high-definition plasma televisions, which are ideal for viewing high-speed sports.

The company's hands-on video education program — Kids Witness News — is extremely visible in the country as well and is part of daily life wherein Australians encounter the iconic brand.

On the 50th anniversary of Japan and Australia's Agreement on Commerce, Kisaka hopes the relationship between the two countries continues to grow.



Panasonic's new 50-inch VIERA Plasma TV

PANASONIC



Panasonic's new 50-inch VIERA Plasma TV

PANASONIC

At your side.™
brother®

Tapping Japan's knowledge base

Technology exchange between Australia and Japan has enhanced economic growth in both countries during the last 50 years. In another approach to complement this growth, Monash University has looked to Japan as an important partner in education and research.

"Given its geographical nature and small population, Australia should reach out to the world in a positive sense, instead of waiting for the world to come to us," explains Vice Chancellor and President professor Richard Larkins.

Expanding its international network, the university has established campuses for higher research in South Africa and Malaysia, a joint research academy in India, and centers

in Italy and London. Currently, it is ranked among the top 20 biotech research and medical science universities in the world.

"We have many Japanese exchange and language students at Monash, and extensive research collaborations with leading Japanese universities, but we would like to increase these by having a physical presence in Japan, which will enable us to build a stron-

ger relationship," he says.

The increased number of research facilities around the world and the promotion of technology transfer between them gives Monash's students a more globalized exposure, and creates what Larkins calls "Monash's international footprint."

"By being strategic, innovative, highly collaborative and by actually reaching out, we can build opportunities that are unique. We have the potential to be at the forefront of education and research," he says.

The high number of international students in Australia makes the university a fertile breeding ground for world-class ideas.

"While 24 percent of Australian students come from other countries, making it the most visited country for foreign education, 30 percent of Monash's students are also international," Larkins says.

"We aim to be one of the leading research-intensive universities in the world and what makes us different is our international focus," he adds.

As Australia's fourth-largest export, education has emerged as another vital pillar to the country's economic growth. ◆

www.monash.edu.au



Monash University Vice Chancellor and President Prof. Richard Larkins

KPMG's special focus on Japan

Amid growing trade between Australia and Japan, KPMG in Australia has acquired a clear understanding of business practices in these two markets — a situation that can only benefit Japanese companies in Australia and local companies entering the Japanese market.

KPMG's practice in Australia, with revenue of around \$740 million, provides audit, tax and advisory services to a wide spectrum of Australian and foreign-owned corporate clients operating in Australia.

"We have been facilitating business opportunities for Japanese businesses since the 1960s. Our Japanese practice in Australia is part of KPMG's global network of some 84 Japanese practices in more than 47 countries," says KPMG Australia CEO Lindsay Maxsted.

Also focused on specific sectors such as financial services, and energy and natural resources, KPMG's knowledge of local commerce and regulations provides considerable value to Japanese companies looking to invest in Australia.



KPMG Australia CEO Lindsay Maxsted (left) and Douglas Bartley, partner for audit & risk advisory services

"KPMG's total focus is around our people and our clients. We spend considerable time and resources in developing our people by providing them with a broad range of opportunities, a challenging and friendly working environment, and extensive learning and development opportunities. In turn, that drives a culture in our people of turning their knowledge into delivery of exceptional value to our clients," says Maxsted.

"KPMG in Australia has a group of professionals specifically focused on Japanese companies," he adds.

The firm has highly trained Japanese expatriates to ensure quality service to Japanese clients who prefer to do business in Japanese, an option that promotes trust and respect. These expatriates draw on global contacts and KPMG's collective skills around the world to draw up solutions for their Japanese clients.

"Our focus on the Asia-Pacific will also further develop these relationships," adds Partner Douglas Bartley, the leader of KPMG's Japanese practice in Australia.

KPMG Australia has specific bilateral relationships with member firms in China, South Korea and Singapore, each of which strengthens the overall firm's relationship with Japan and capabilities in the region. Its member firm in Japan is KPMG AZSA.

"With so many of KPMG AZSA's clients operating in so many overseas jurisdictions, whether they be audit or nonaudit clients, it is immensely important that practices such as KPMG Australia are well equipped to provide a seamless service and deliver that exceptional value to which I referred earlier," Maxsted says. ◆

www.kpmg.com.au

An international partnership leads to cleaner coal energy

Among the many areas that Japanese and Australians agree on is the environment. Both cultures have an innate respect for their surroundings, and a strong inclination toward so-called "greener" processes and techniques in business and industry.

Such is the case at Japanese engineering firm IHI Corp., a 150-year-old hotbed of innovation, where cutting-edge technology is providing greener solutions to Australia's unique energy needs.

In a project partially funded by the Australian government, IHI and a core team of Australian and Japanese engineers, along with a consortium of like-minded Australian, European and other Japanese firms, are developing new technology capable of achieving near zero emissions from coal-based electricity generation.

Called Oxy-firing, the process involves the combustion of pulverized coal in a mixture of oxygen and re-circulated flue gas to reduce the net volume of flue gases from the process. It results in a more concentrated stream of carbon dioxide than regular combustion, making it possible to capture and compress these greenhouse gases in a cost-effective manner.

Rather than being released into the atmosphere, the carbon dioxide is converted into liquid form and literally carried away for other applications or sequestered deep underground. IHI has com-

pleted designs to retrofit current standard technology to make the innovation easily accessible and universally applicable.

For Australia, the world's largest exporter of coal and highly dependent on coal energy, the technology is very important. Oxy-firing not only reduces harmful emissions, it

can also be more cost-effective in the medium and long term.

"Australia, I believe, is one of the most important friends of Japan. We are very close in trade and business. But also our cultures are coming together to work for common goals," says Managing Director Hironobu Shikama. ◆



IHI Engineering Australia Managing Director Hironobu Shikama (left) with Director and Chief General Manager Barry Waining

A big player in nanotechnology

Brian Power is a busy man.

As chairman of the Australian Nanotechnology Business Forum (ANBF), a recently formed organization that promotes nanotechnology development in the country, he has been overseeing the important task of educating Australians about this emerging field.

"In Australia, like around the world, it is hard for people to grasp nanotech. It is not something you can see or feel. We are working to change that," he says.

Power and the ANBF also act as front-liners in ensuring two-way technology transfer between Japan and Australia.

The ANBF aims to keep Australian industry globally competitive by introducing new manufacturing solutions into the rapidly changing manufacturing landscape, as cost pressures move ba-

sic high-volume production offshore.

"We are seeing 100 years of change come about in 10. In five years, we will see greener and cleaner solutions coming from these technologies — solutions that will be important to Australians and Japanese alike," says Power.

As founder and director of Realtek Technologies, he has been at the leading edge of technology transfer from Japan, and the longtime friend and partner of many leading Japanese outfits such as Miyano, Star Micronics, Toshiba Machine, among others. His many years of experience, coupled with a fondness for his colleagues and Japanese culture, make him an ideal bridge between the two communities.

Realtek is a founding sponsor of the international Conference on the Commercialization of Micro and Nano Systems, and will host this year's event in Melbourne from Sept. 2 to 6. It will mark the first time the conference will be held in the Asia-Pacific region. ◆

www.anbf.com.au;
www.realtekaustralia.com;
www.mancef-coms2007.org



Realtek Technologies Director Brian Power (left) and the Miyano BNE-64SY, the largest of the BNE Series, which is designed for complex and precision machining on large diameter bar and chuck work.

Country File

Area: 7,686,850 sq. km	Industrial and transportation equipment, food processing, chemicals, steel
Population: 20.26 million (2006 estimate)	Total exports: \$117 billion
Currency: Australian dollar (AUD)	Total imports: \$127.7 billion
Ave. exchange rate: \$1 = A\$1.13	Main export markets (% share): Japan (20.3%), China (11.5%), South Korea (7.9%), U.S. (6.7%), New Zealand (6.5%), India (5%)
GDP: \$666.3 billion	Main import markets (% share): U.S. (13.9%), China (13.7%), Japan (11%), Singapore (5.6%), Germany (5.6%)
GDP growth: 2.8%	
GDP per capita: \$32,900	
Inflation: 3.8%	
Unemployment: 4.9%	
Major industries: Mining, in-	



Source: CIA Factbook

50 years of friendship and prosperity

CONTINUED FROM PAGE B1
Unit survey.

Much closer than you think

Cities like Sydney and Melbourne offer multiple unique operational advantages as bases due to their strategic locations.

Time-zone compatibility (Australia is merely 1 to 2 hours different than Tokyo time) offers operational ease while culturally Australia is a bridge from Asia to the West.

With a multilingual workforce (3 million Australians speak a language other than English at home, 9 percent of all Australians are Chinese in origin) and communications technology evermore advanced, the country's role as an East-West interface is



Hideaki Ueda, ambassador of Japan to Australia

becoming more and more apparent.

Indeed, Australia, once seen as distant, is actually quite close.

"The 'tyranny of distance' is now replaced by 'the power of proximity,'" comments Australian Trade Commission Executive Officer Peter O'Byrne.

The country is in the right place at the right time. Asia has been the most dynamic region in the world while Australia has experienced the single largest period of economic expansion that the planet has ever seen.

"The lucky country is back, and thanks to economic reform, Australia has made its own luck," says Tim Harcourt, chief economist at Austrade. ◆



Australian Minister of Trade Warren Truss

The 'Lucky Country' is not a hard sell

CONTINUED FROM PAGE B1

strategy program called "Backing Australia's Ability," which includes large R&D tax concessions of up to 175 percent.

Australia ranks first in the Asia-Pacific for e-readiness (EIU 2006) and in the top three countries in the region for providing a supportive legal environment for scientific research. It has also been ranked first as a location to conduct clinical trials while local business expenditure on R&D has doubled during the past five years and continues to grow.

Two Japanese case studies in success: Canon's CiSRA and Hakubaku

The strength of Australia's R&D skills is an advantage not lost on Canon Inc., which has set up its largest R&D operations outside of Japan in Sydney.

With an investment of \$333 million, CiSRA (Canon Information Systems Research Australia) employs over 300 staff, accounting for more than 30 percent of its overseas development operations, a clear testament of Canon's faith in Australia.

Canon came to Australia because of its highly skilled local workforce, its cost-effective location and a multilingual population that would serve as an excellent test market. Here, CiSRA can locally develop products that are globally applicable.

Hakubaku, the famous organic dried noodle manufacturer, is another example of successful investment in Australia. Hakubaku Chairman Toshihisa Nagasawa saw Australia as an ideal source for its ultrapremium-quality ingredients, and an excellent production base given its business transparency, political stability and local capacity for innovation.

Having captured 100 percent of the Japanese market with this product, Australia serves as an ideal testing ground for other major markets with similar food cultures such as the U.S. and the U.K.

In his busy Canberra headquarters, Jones has the look of a happy, confident gentleman. "Australia sells itself, really," he says. ◆

www.investaustralia.gov.au

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OSAKA 530-0002
Tel : +81 6 4803 0251
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Stewards of the nation's resources

Staying ahead in the industry

Robust Australian-Japanese economic relations can be attributed to long-standing efforts to nurture symbiotic ties that have consequently strengthened several industries in Australia due to growing demand in land-scarce Japan.

Australia has grown into one of the world's largest iron ore exporters partly be-



Developed at a cost of about \$844 million, the Hismelt plant in Kwinana, Western Australia, is the world's first commercial direct smelting process for making iron straight from ore without any intermediate processes. It is owned by Rio Tinto, Mitsubishi Corp., Nucor Corp. and Shougang Corp.

cause of trade with Japan that goes back to the 1960s, when the country discovered an abundance of the resource.

"It was only in the early 1960s, when the ban on exporting iron ore was lifted. It was also around that time we discovered our first mine in Pilbara," explains Ian Bauert, managing director for sales and marketing of Rio Tinto Iron Ore, owned by Anglo-Australian mining giant Rio Tinto.

"During the '60s, '70s and '80s, as Japan and Japanese steel mills grew, we grew with them. Last year, we sold 53 million tons to Japan. That is out of a total consumption in Japan of about 130 million tons," Bauert explains.

From owning just one mine in the 1960s, with an output of 5 million tons a year, the company now is one of the largest producers in the world, with 11 mines in the Pilbara region of Western Australia alone, operations in Canada and Brazil, as well as development projects in Guinea and India.

"Our production capacity is moving toward 220 million tons a year by 2009, and we are looking to go beyond 300 million

tons a year," states Bauert, whose company since 2003 has increased its production four-fold and invested almost all of its \$5 billion earnings back into Pilbara expansions.

Rio Tinto Iron Ore also has a 53 percent stake in Robe River Iron Associates, the fourth-largest seaborne iron trader, which is owned jointly by Mitsui, Nippon Steel and Sumitomo Metal.

With the shift toward greener production, Rio Tinto Iron Ore, with joint-venture partners that include Mitsubishi Corp., leads the way with "Hismelt," a revolutionary technology that produces high-quality pig iron with reduced greenhouse gas emissions, with investment to date close to \$1 billion.

Meanwhile, Bauert plans to keep the company's relationship with Japan strong amid the entry of new players in the industry.

"I think it is important that both of us keep in our minds where we came from and how it was a relationship of mutual dependence that built both our industries," he says. ♦ www.riotinto.com

Old-fashioned dependability with modern efficiency and innovation

The discovery of high-quality coal in Queensland in 1843 dramatically changed Australia and the fate of the huge economies near it.

That coal was discovered in Ipswich, a town just outside of the state capital Brisbane. For years, numerous companies mined the rich local seams. Japan's rise to manufacturing might in the late 20th century was literally fueled by that rich payload.

Today, Ipswich is the home to just one coal mine, operated

by award-winning independent operator New Hope Corp.

The last of the Ipswich mines is set to close in 2009. It will be the end of the era of coal mining in this part of Australia, but not the end of its stewardship as the New Hope Corp. expands its New Acland operations.

The multiple trade award-winning corporation is one of

the oldest and most emblematic of the independent mining companies in Australia, and one of the few remaining owner-operators — a testament to the capability of a vertically integrated, hands-on management style.

"We are a truly independent company, and as such we have a very strong, unique form of strategic leadership," says CEO Robert Neale.

This leadership has won the company recognition for its steady delivery reliability and efficiency at a time when many larger companies face challenges in these areas.

"We always deliver what we say. No ifs and buts or maybes. We just do it," says Neale.

That reliability has fostered a long and deep relationship with New Hope's many Japanese clients and partners for more than 25 years.

"We have been fortunate to have very good working relationships built on high levels of mutual trust and respect," Neale says.

The quality of the product al-



New Hope Corp. CEO Robert Neale

so speaks for itself. New Hope Corp.'s coal is extremely clean burning, and emits lower amounts of greenhouse gases per unit of electricity produced than the majority of all other coals in the world, according to Neale. ♦ www.newhopecoal.com.au



From its loading dock in Brisbane, New Hope ships its clean coal to several countries, including Japan.

'We have a very strong, unique form of strategic leadership . . . We always deliver what we say. No ifs and buts or maybes. We just do it.'

From adversity flows a stream of ingenuity

The Australian approach to water distribution and management is one reason many international visitors come to Ken Matthews, chairman and CEO of Australia's National Water Commission.

As water supply in Queensland grows strained due to a huge agricultural industry in the northeastern state, prudent management of this resource is vital to food security in Australia and in many Asian countries, which depend on it for its foodstuffs.

2006 was the driest in 110 years by far and this year is expected to be even drier. The drought is thought to be caused by natural cyclical forces, but the additional factor of climate change has amplified the problem.

Australia's solutions to the problem may pave the way for globally applied solutions in a future where climate change effects many other countries.

"Water is so scarce here that we have to think of the full range of options — recycled water, rural-urban water trading, storing water in natural aquifers and desalination are all on the table," says Matthews, who is open to private-sector involvement in the issue.

"What flows from good water management is good investment. There are



National Water Commission Chairman and CEO Ken Matthews

some excellent opportunities for Japanese investment and Japanese technologies here," he says.

The scarcity of water in Australia is soon expected to drive up the price of water, which will naturally entail productivity efficiency gains. Matthews sees promise in the possibility of adapting Japanese-style management systems to help boost overall efficiency as well.

All options are being considered, including use of so-called "gray water" or "recycled water" technologies for agricultural water irrigation, which accounts for 65 percent of the nation's water use.

"Recycling will be part of Australia's water future, but it will be an extremely carefully managed process wherein all health and environmental risks are scrutinized," he says.

"We are learning to manage our water in a way that not only produces economic benefits, but also does not destroy our unique environmental and ecological advantages," he adds. ♦ www.nwc.gov.au

Sustainability ensures success

Minerals have countless applications, many of which consumers may not even know about. And a leader in the industry has been playing a huge role to ensure the steady supply of those vital components of products used in daily life.

Rio Tinto Minerals is part of the Anglo-Australian giant Rio Tinto, which has 2,500 direct customers around the world and mines, and processes salt, gypsum, talc and borates — ingredients that go into paint, magazine paper, glass, wood, ceramics, agriculture and even toothpaste, to name but a few.

Owned by Rio Tinto Minerals (64.9 percent) together with Japanese partners Marubeni, Sojitz and Itochu, Dampier Salt is the world's largest exporter of reliable, high-quality

solar salt. It has shipped tons of the mineral to Japan since 1972, surpassing 100 million tons of exports in 2003.

"We want to align ourselves with stable long-term customers and we want to develop a strategic relationship with them. We need to understand their needs; if they have changing technologies that impact on what the salt's specifications are going to be, we need to know about these changes in technology," says Managing Director Denise Goldsworthy.

Amid tight competition, the company has found that reliability and sustainability remain the keys to maintaining long-term contracts with Japanese customers.

"During the last three years since I've been here, we have changed a lot of our systems and strategies for the sustainability of our operations. Our three sites work as one to produce almost identical products so in cases of bad weather affecting one of our sites, we ensure that the other two are operating and our stocks remain sufficient to go on," says Goldsworthy.

Dampier Salt is also a top exporter of gypsum to the wall-board and cement industries in Japan, Southeast Asia and the rest of the world.

Goldsworthy is also the representative director of Nihon Mistrion, a Rio Tinto Minerals joint venture with Toyota Tsusho and Sobuwa Clay to produce mill talc. Rio Tinto Minerals supplies 25 percent of global talc demand and markets its engineered talc products under the Luzenac brand. Crude talc feed for the Nihon Mistrion mills comes from Rio Tinto Mineral's Three Springs mine, also located in Australia.

"We are all about long-term



Dampier Salt Managing Director Denise Goldsworthy

strategic relationships with our customers. We are about working with them for mutual benefit. Each of our businesses has its different challenges and we also know that our customers have their own challenges. Our underlying aim is to address them and to work with them for mutual benefit. We have products that can add value to the customer, which can save costs, improve performance and that are environmentally friendly," Goldsworthy says. ♦ www.riotintominerals.com



Dampier Salt's operations in Lake McLeod, Australia

Fueling economic growth outside Australia

The world has seen increased applications of advanced materials the past few decades — from titanium in aircraft to carbon fiber in cars and self-cleaning glass in buildings. But, steel has remained an irreplaceable component of most building projects, especially in China and India, where economic growth proceeds at a rapid pace.

Steel production requires coal, a resource that is abundant in Australia. In fact, among the different minerals and ores found in the country, coal is its largest export commodity, accounting for around 64 percent of global steel production.

Established in 1998, Queensland-based Macarthur Coal has

led the way in the production of low-volatile PCI (Pulverized Coal Injection) coal, which is used in steel production, and provides superior performance in the blast furnace due to its higher carbon and energy content. The company also produces some thermal and coking coal.

"We are the largest low-volatile PCI coal producer in the world. Between 40 percent and 50 percent of our coal is exported to Asia, with about 30 percent going to Japan," says CEO Nicole Hollows.

The company's major assets are the Coppabella Mine and the Moorvale Mine, which together provide about 47 percent of the low-volatile PCI coal exported from Australia.

Macarthur Coal has had strong ties with Sumitomo, Kobe, Nippon Steel Trading, JFE Shoji Trading, Marubeni and Sojitz, which have joint-venture stakes in the Coppabella and Moorvale mines. Macarthur also has relationships with its Japanese customers, including Nippon Steel, JFE, Sumitomo, Kobe, Marubeni and Sojitz Coal.

Continuity of supply has been a major reason behind Japan's significant interest, as a partner and customer, in Macarthur Coal.

"Our goal is to expand.



Macarthur Coal CEO Nicole Hollows

We've got port allocations that we intend to double by 2011. And we look to grow through Japan as well as other countries as well," she continues. Brazil and India remain two growing markets that the company is watching. ♦ www.macarthurcoal.com.au



Macarthur Coal's Coppabella and Moorvale mines supply about half of the low-volatile PCI coal originating from Australia.

'Our goal is to expand. We've got port allocations that we intend to double by 2011. And we look to grow through Japan as well as other countries'

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Big numbers
This year QR's freight operator, QRNational, will deliver more than 180 million tons of coal from Australian mines to ports, with approximately 65% destined for Japan.
Every day 280 locomotives and 6,800 wagons move 495,000 tons, in trains 2km long loaded with up to 10,000 tons of coal.
www.qr.com.au

RIO TINTO
IRON ORE
Rio Tinto Iron Ore's 40th Anniversary Celebration in Tokyo
November 2006
On 22 August 1966 a unique relationship began, when the first iron ore from Pilbara was shipped to Japan. Old friendships are the best friendships, and that relationship continues to this day.
— Rio Tinto Iron Ore CEO Sam Walsh

Queensland Rail rises to the challenges of record growth

The massive demand for Australian coal across Asia has increased dramatically since 2000, creating boom-time profits for many involved in the industry and challenging all of its key players to operate at full capacity.

Queensland Rail, mainly responsible for the nation's heavy haul coal operations and infrastructure, has recently seen tremendous pressure on its operations, pressure that Australia's largest rail operator is meeting with tremendous countermeasures.

At a time when design and equipment engineering lagged behind the surge in mine output, QR is racing to augment its huge infrastructure operations.

Expansion plans include a \$625 million rolling stock program and the building of new high-capacity wagons.

"We are entirely re-engineering an existing fleet. But that is not enough. We also have a batch of 26,000-horsepower Siemens locomotives under manufacture in Munich and 40 4,000-horsepower diesel electric under manufacture," says COO Stephen Cantwell.

QR's coal hauling operations started in 1968 after the development of a Theiss Peabody Mitsui joint venture in Queensland and, during the next 32 years, demand rose gradually to 100 million tons per year.

From 2000 to 2005, demand bolted at 10 percent per year to 150 million tons. This year, the amount has shot up to a record-breaking 183 million tons, causing tremendous strain on the coal supply chain.

"It's tough right now, tough keeping the system

running. We are operating our assets up inside the 90th percentile of their absolute capability. When assets are operated up in that band, it's really as much an art as it is a science. We are really leveraging our many years of heavy-haul experience to deliver the outcomes that are needed for the industry," says Cantwell.

The challenges, one can be sure, will not subside. QR has made arrangements with miners to reach 210 million tons by 2010, reflecting growth forecasts that reach three times faster than that of the pre-2000 period.

About 65 percent of the coal that QR hauls is bound for Japan, and naturally this is a relationship that Cantwell takes very seriously.

"We see ourselves as a very critical component in the provision of the energy that is needed to fuel industry in Japan, providing the coal that is necessary to manufacture the steel that is driving the development of economies like China and India. We see that as a very privileged position to be in, and are thankful for it," Cantwell says.

Major governmental market reforms in Australia have opened up the railway infrastructure industry to outside competition, creating new choices for customers.

"Our customers will make their choice based on how safe the services are, how focused we are on listening to and understanding our customers, and obviously how competitive our services are and how efficiently we can use the assets that we have," he says. ♦

www.qr.com.au



Queensland Rail COO Stephen Cantwell



Queensland Rail's Rolleston 16 forms a vital part of the company's coal-hauling operations.

Supply chain dedication puts customers first

Expanding to Japan not only benefits dairy ingredients specialist Burra Foods Australia, the move also means considerable flow-on gains for its Japanese customers.

One of its Japanese clients recently leveraged its technology and developed a market in China by relying on the quality and reliability of Burra products.

"The Japanese client is unable to meet their high-quality standards using local fresh milk. So, they have got their Chinese manufacturing division to use our products to penetrate the Chinese market. The decision underlines Burra's sophisticated food chain, excellent traceability, and technology and export culture," explains Chief Executive Grant Crothers.

Since 2000, the family-owned company has operated a branch office in Tokyo dedicated to sales and technical support. It remains the only privately owned Australian dairy company that has that level of commitment to the Japanese market.

From that office, Burra Foods services food manufacturers all across Japan.

"As an SME in a dairy ingredient market dominated by giants, establishing the Japanese office was a major step. But we are very happy with that decision as it has given us an increased ability to understand our customer needs and connect with the market," Crothers says.

"Japan becomes an added value because it's a market that appreciates quality, reliability of supply and that builds on relationships. While the consumer market is extremely dynamic, we've enjoyed building a very sta-

ble client base over 13 years now and look forward to continuing those relationships for many years to come," he adds.

The Crothers family connection with the dairy industry in Japan goes back to the 1960s when Grant's father was exporting Gouda cheese. Since then Crothers and co-owner and brother William have shifted their company's focus to dairy ingredients and continue the relationship.

"Australian dairy products play a vital part in the food chain in Japan, and it's rewarding to know that we are able to participate in that and continue something of a tradition," says Crothers.

Burra Foods remains at the forefront of the food ingredient market by staying flexible to customer needs.

"We are constantly investing in new technology and readily adjusting to customer demands. We are good at one-on-one customer intimacy and product leadership. And we're good at understanding Japan," he says. ♦

www.burrafoods.com.au



Burra Foods Australia Chief Executive Grant Crothers and an aerial shot of the company's factory in Korumburra (right).



Hitachi's presence grows in New South Wales

Strong branding efforts and sustained focus on comprehensive after-sales service have allowed Hitachi Australia to expand its wide-ranging local operations in consumer electronics, as well as automotive, air conditioning and high-powered industrial equipment.

Competition from less expensive Asian manufacturers has presented obstacles in the small and challenging Australian market. To meet these challenges, Hitachi had traditionally banked on what it has always been known for — rigid adherence to high internal quality standards, and a commitment to its customers and the local community as a whole.

Managing Director Yutaka Sugihara has recently adapted a strategy of brand awareness as well.

"Two years ago, the Hitachi brand had a very low profile here. These days, people are much more aware of our brand," he says.

Indeed, Hitachi's logo has joined others atop the Sydney cityscape in the presence of a glowing sign near the famous Sydney Harbor Bridge.

Soon, Sydneysiders will find Hitachi in another aspect of their daily life — in the city's iconic double-decker trains. In Australia's largest ever rolling stock acquisition, Hitachi and local Downer-EDI Rail will form a joint venture to manufacture 78 eight-car sets for the public company Rail Corporation New South Wales.

"Hitachi has always had a good relationship with Downer EDI. We know its customs, its style of thinking. We have had good experiences with the company and are confident that we can manage our many activities with it," Sugihara says of his Australian partner.

The result of these exercises has been very strong growth for the company. If the trend holds, by 2010 Hitachi Australia could more than double its revenues to nearly \$300 million.

Despite all of the work, Hitachi Australia employees have found time to relax.

"Though Japanese can sometimes be workaholics, Australians are not. They are very balanced in terms of work versus life. We have learned a lot from our local friends," says Sugihara. ♦

www.hitachi.com.au



The Hitachi 42PD960DTA is the world's first 42-inch High-Definition Integrated Digital Tuner plasma TV with full 1080 line resolution (top left) and a digital rendition of the planned Reliance Rail PPP double-decker train (above).



At NEC Australia, we view the intellect and imagination of our people as our greatest asset. These qualities enable us to develop the solutions our customers seek. We run Australia's largest information and communications technology R&D facility, and we are committed to discovery and invention. Our ability to innovate underpins our success, and to innovate we must first imagine.

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The redefinition of the pearl

The rich lore of the Australian South Sea pearling industry is replete with stories of boldness and ingenuity, and populated by characters as big as the seas from which they draw their livelihood.

One of today's keystone figures is Rosario Autore, founder of The AUTORE Group — a producer and wholesale distributor of South Sea pearls and designer of top-class pearl jewelry worn at Hollywood red-carpet events, seen in elite Tokyo boutiques, and spotted on the stylish streets of Barcelona, London and beyond.

The AUTORE Group is a fully vertically integrated operation (from pearl farming to jewelry making), and has become an internationally recognized name as a result of the expansive success of the company's vision and partnerships worldwide. The pearl innovator has even created "The Autore Magazine," a high-end luxury lifestyle magazine to complement his very popular product.

AUTORE's jewelry designs and bold innovations have sparked worldwide trends. Always pushing the boundaries within design, his company now looks to attract nontraditional customers, such as younger adults and even men.

The company created a line of men's pearl necklaces — an industry first — famously worn by swimming legend Ian Thorpe that opened up new possibilities in the traditional jewelry market.

The designs from AUTORE, inspired by motifs as varied as ancient Sheherazade fairy tales to modern Australian, are competing with those of established luxury brands centuries in the making.

A major player in the South Sea pearl industry, production has reached 600,000 pearls per year and accounts for 18 percent of world production in terms of overall value — a huge feat considering that the company was founded in 1991.

It has also revolutionized the wholesale pearl industry in Australia and worldwide with the release of The AUTORE South Sea Cultured Pearl Classification Guide.

A comprehensive guide to South Sea pearls,



The Autore Group CEO and founder Rosario Autore, and a South Sea pearl necklace with a white gold, South Sea pearl and diamond enhancer (below left).

this system has been developed to provide the consumer with quality-assured products and an internationally recognized value. The guide has resulted from Rosario Autore's many years of rigorous craftsmanship and a deep passion for his trade.

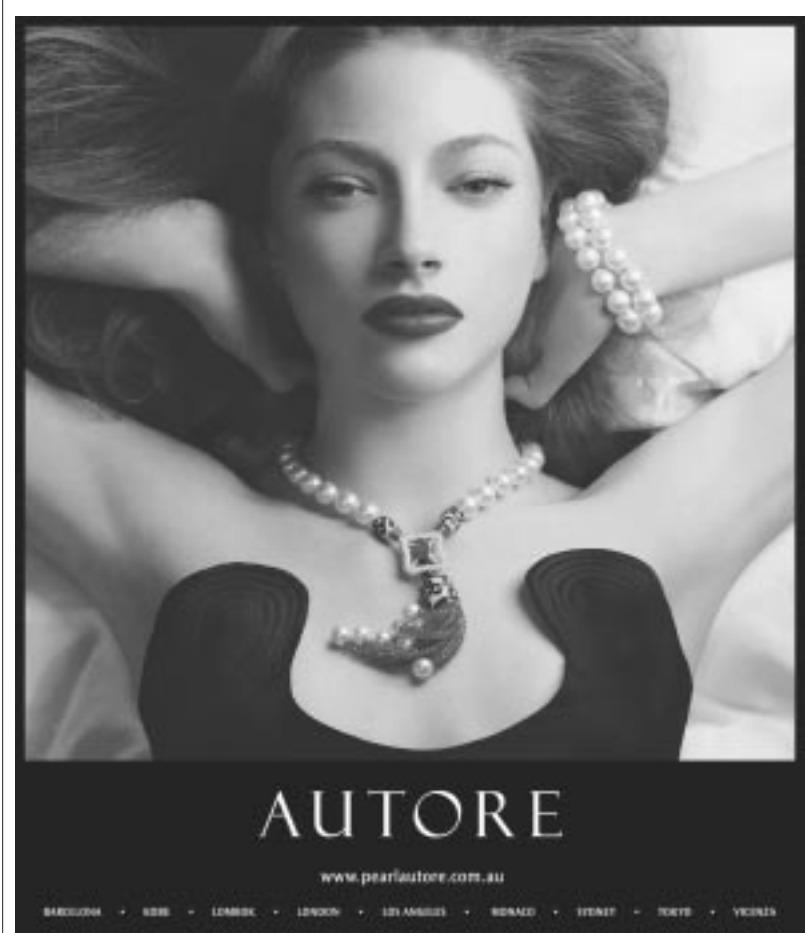
In AUTORE's bright and airy downtown Sydney headquarters, some 23 languages, including Japanese, can be heard mingling with the sound of near constant clicking as thousands of radiant pearls are sorted by the company's highly trained international staff.

"I have a great love for South Sea pearls. They are a product of the environment, the beauty of the sea. The more people I can share this with, the more satisfied I ultimately am," he says. ♦

www.pearlautore.com



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