

Japan and New Zealand in the Pacific Era

By Fumio Tanaka

The countries of the Pacific, be they advanced or developing, have tremendous economic growth potential compared with most other nations of the world. Their culture is full of variety, they are brimming with economic vitality and dynamism, and their promise is unbounded.

The Pacific region includes countries in every stage of development, from advanced industrial states to newly industrializing countries (NICs) and less developed countries (LDCs). It has resource-rich countries and resource-importing countries, both linked closely in economic interdependence. Given these many factors, it should be fully possible to expand international trade through multi-phased cooperation among countries with different economic backgrounds and achieve high economic growth. Mutual cooperation among the countries of the Pacific will bring with it not only mutual economic rewards but also great benefits for other regions of the world through expansion of trade and investment opportunities and other ripple effects.

Economic relations between Japan and New Zealand have progressed smoothly since the two nations signed a trade and commerce pact in 1958, mutually complementing each other's industrial structure.

Bilateral trade between Japan and New Zealand reached approximately US\$2,100 million in 1984, 2.8 times bigger than the US\$760 million recorded in 1975. Japan's exports to New Zealand totaled US\$1,160 million, 62.2% of which were automobiles, machinery, electric machinery and equipment, 18.1% steel and metal products, with the remainder chemicals and textiles. Japan's imports from New Zealand totaled US\$940 million, led by foodstuffs such as mutton, beef and other meats, dairy products, fish and shellfish at 36.6%. Aluminum ingots and other nonferrous metals accounted for 21.1%, and raw materials,



New Zealand's spacious beauty

such as wool, lumber, and pulp for making paper, for 13.0%. In particular, Japan depends on New Zealand for more than 50% of its powdered milk, while in 1981 New Zealand overtook Australia to become Japan's foremost supplier of cheese and curd. Moreover, 85% of all kiwi fruit sold on the Japanese market come from New Zealand, according to Customs Clearance Statistics of December 1984.

New Zealand's four major trading partners are the United States, Britain, Australia and Japan, claiming more than 50% of New Zealand's exports and supplying more than 60% of its imports. The share of Japanese imports and exports in New Zealand's total trade has been expanding year by year. Japan became New Zealand's No.1 trading partner both in exports and imports during New Zealand's 1983/1984 fiscal year (July 1983-June 1984), according to New Zealand's Department of Statistics. Since Britain joined the EC in 1973, New Zealand has been trying to reduce its traditional dependence on Britain, while placing great importance on Pacific region countries, especially Japan. Not only does New Zealand have great expectations of Japan as

a long-term, stable export market for agricultural produce, one of its major export items, but it is also looking to Japan as a supplier of the technical know-how needed to strengthen its export competitiveness in industrial products.

Tourism revenue constitutes a major source of foreign exchange for New Zealand. Both the national and city governments are aggressive about attracting tourists from abroad. A direct Auckland-Narita flight via Fiji was inaugurated in July 1980, and in 1983 Japanese tourists visiting New Zealand increased 18.8% over the preceding year to 32,481, and rose another 29.0% to 41,888 in 1984. These increases are by far greater than 1984's average 10.1% rise in the total number of Japanese traveling abroad. New Zealand abounds in attractive sight-seeing resources, such as 3,764-meter-high Mt. Cook, grand mountain ranges, glaciers, and beautiful scenery dotted with meadows and lakes. It offers as well a chance to enjoy the Polynesian culture of the Maoris and the European culture of Britain simultaneously.

The Japan-New Zealand Businessmen's Conference provides a forum for

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The Japan-New Zealand Businessmen's Conference provides a forum for private-level interchange.

private-level economic interchange between the two countries. The first meeting was held in Tokyo in October 1974 through the good offices of the late Shigeo Nagano, president of the Japan Chamber of Commerce and Industry. Since then, meetings have been held each year, alternately in each other's country. In October of this year, the twelfth meeting is to be held in Christchurch. Norishige Hasegawa, chairman of Sumitomo Chemical Co., Ltd. served as the Japanese chairman of this conference from the first meeting through the eighth. The author succeeded Hasegawa as the Japanese chairman from the ninth meeting on.

The Japanese side is represented by 73 companies with Toshiwo Doko, honorary chairman of the Federation of Economic Organizations (Keidanren), and Noboru Gotoh, president of the Japan Chamber of Commerce and Industry, as advisers. The Japanese Committee covers a wide range of industries, from manufacturers to sogo-shosha (general trading firms), and the financial and service industries. We wish to expand the range of the Committee as trade relations between the two countries develop and diversify. The aim of the Committee is to deepen mutual understanding and friendship between the business communities of the two countries with a view to promoting economic tie-ups and cultural exchange, and to this end the Committee has decided to engage in the following activities in coordination with the New Zealand Committee:

- (1) Holding of meetings of the Japan-New Zealand Businessmen's Conference
- (2) Exchange of information and data on the economy, trade and industries of the two countries

- (3) Presentation of proposals to the governments of the two countries regarding measures necessary for promoting economic relations between the two countries

- (4) Promoting exchange of missions as well as of engineers and students

- (5) Other activities necessary for the accomplishment of the aims of the Committee

Of the five activities listed above, the holding of the Japan-New Zealand Businessmen's Conference is the principal activity of the Japan Committee.

The Conference is usually convened in October, and consists of a plenary session and three concurrent sessions of group discussion. The eleventh meeting of the Conference, for example, was held on October 22 and 23 in Kyoto, with 98 Japanese delegates and 59 New Zealand delegates participating. At the first plenary session, reports were presented on the economic situation in Japan and New Zealand. Following the plenary session, the Conference split into three groups. Group A discussed wool, forestry products, minerals, manufactured goods, telecommunications/computers and professional services, while Group B discussed meat and meat by-products, and dairy products. Group C took up for discussion air and sea transport and tourism.

A second plenary session was then held to discuss special topics. These topics change from year to year, but are always issues with a profound bearing on the economies of the two countries.

At the Kyoto meeting, the topics "Preserving and Strengthening the Free Trade System" and "New Zealand Government Policies" were taken up for discussion. The special topics at the eighth to tenth meetings were "Japan's Present

Energy Strategy and Future Cooperation with New Zealand," "Closer Economic Relations between New Zealand and Australia," and "Japanese Management Techniques." At the final plenary session of the Kyoto meeting, a joint communiqué was adopted before the Conference was brought to a close.

There is another businessmen's meeting concerned with Japan and New Zealand. This is the Pacific Basin Economic Council (PBEC), whose eighteenth meeting was held in Auckland in May 1985. The Japan-New Zealand Businessmen's Conference is an offspring of the PBEC created as a result of talks between Japanese and New Zealand businessmen at the seventh PBEC general meeting in Washington in 1974. In this sense, the Japan-New Zealand Businessmen's Conference and the PBEC are closely related.

The PBEC is a multi-national organization consisting of standing committees not only from Japan and New Zealand but also from Canada, the United States, Australia, Taiwan and the Republic of Korea. There are also regional member committees for Latin America, ASEAN (Association of Southeast Asian Nations), Hong Kong and the Pacific island nations. As the growth potential of the Pacific Basin has become more widely recognized, the PBEC has advanced the concept of a Pacific Economic Community. Japan and New Zealand in particular are cooperating in a wide range of areas to enhance this proposal.

When Japanese Prime Minister Yasuhiro Nakasone visited New Zealand in January 1985, he reached agreement with Prime Minister David Lange on various cooperative projects. The two prime ministers further agreed that cooperation in the Pacific Basin would enter an important new stage in the future. Nakasone disclosed his view that cooperation in the region should be pursued in the fields of the economy, culture and technology. Such cooperation should be made in an open manner and should be led by the private sector, Nakasone said, and support should be given to the initiatives of ASEAN countries. Prime Minister Lange agreed with Nakasone on all four points.

It is often said that we will soon enter the Pacific Era. In this new era, Japan and New Zealand must go beyond their current mutually supplementary relationship and promote cooperation in conducting economic activities in third countries. It is essential for the two countries to actively engage in economic as well as cultural interchange, thus deepening their mutual understanding. ●