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## **NEW ZEALAND AND JAPAN: QUALITIES OF A LONG STANDING RELATIONSHIP**

By Stephen Jacobi<sup>1</sup>

*As New Zealand and Japan reach a milestone of 55 years of diplomatic relations, there is much to celebrate in this long standing relationship, but also a chance to look at re-invigorating the relationship.*

The old saying “a rolling stone gathers no moss” does not translate well into Japanese.

In Japan moss is a highly prized attribute: if something has moss, it has borne the test of time and is of value. In Western culture stones without moss are to be preferred.

New Zealand’s relationship with Japan has something of both qualities. This year’s 55<sup>th</sup> anniversary of diplomatic relations serves to remind us that links have been built up both steadily and over a long period of time: a network of people to people contacts, tourism, language learning and sister-cities underpin a relationship which is today one of New Zealand’s most enduring in Asia and most rewarding – for both partners.

For Japan New Zealand is a reliable, secure and sustainable supplier of safe food and important natural resources. For New Zealand Japan is a major market for dairy products, fruit and vegetables, beef, wood products and fish. There are opportunities in Japan also to expand sales of non-traditional products from New Zealand’s expanding information technology, biotech and creative industries.

Japan is not only New Zealand’s third largest trading partner, after Australia and the United States, but over 9,000 New Zealanders depend for their livelihoods on Japanese investment in fishing, forestry and wood processing, aluminium and other sectors. The figure is significantly higher if indirect employment is counted.

The traffic here is not all one way. Japanese partnership with the Maori people through joint ownership of Sealord, the country’s largest fishing company, has enabled the development of a global business to the benefit of both shareholders. In my home town of Napier Japanese ownership of Pan Pac Forest Products has seen a dividend returned to the local community through the refurbishment of the stunning Municipal Theatre, an art deco jewel. Toyota’s long standing sponsorship of Team

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New Zealand in the America's Cup epitomises how the two countries can come together and compete successfully at a global level.

In New Zealand considerable business attention is focused – quite rightly - on opportunities in China. Even so, the sheer size of the Japanese economy – growing again, after a long period of hibernation – and our present level of economic engagement through trade, investment and tourism mean that Japan will continue to be strategically important for New Zealand for some time to come.

New Zealand and Japan are also partners in the Asia Pacific region. As this week's visit by Japanese naval vessels illustrated, both of us have significant resources devoted to maintaining regional security and stability. As Japan focuses on what Foreign Minister Aso calls "value oriented diplomacy" there are growing opportunities for us to co-operate on shared interests in promoting the rule of law, human rights, sustainable development and addressing climate change.

We do not agree on everything of course, any more than we do with Australians, Americans, Europeans or Chinese. Whaling is a case in point as are our differing views on agricultural protection. As with our other key relationships, the challenge is not to let these differences overshadow the substantial co-operation that does exist or the potential rewards from doing even more together.

When Prime Minister Clark and then Prime Minister Koizumi met in June 2005 they agreed on the need to re-invigorate the relationship. New Zealand's investment in the Aichi Expo was part of that effort and an officials' working group is to report later this year.

The newly established International Business Forum which brings together senior leaders from the country's leading companies and business organisations believes that there is more that can be done both to recognise the importance of Japan for the New Zealand economy and to move the relationship to a new level.

New Zealand's interest in a free trade agreement is well known but this initiative is focused on the much bigger picture.

Working closely with the Japan-NZ Business Council and with government agencies, the International Business Forum aims to put in place the sort of high level relationship-building structures that already exist for Australia and the United States. In these cases the Leadership Forum and the Partnership Forum provide opportunities for government and business leaders to focus on identifying common approaches to global and regional challenges and strengthening relationships in the broadest sense.

The first step is for us New Zealanders to recognise that there is more to the relationship with Japan than whales, uridashi bonds or a decades-long debate about agriculture. Those things are important but the relationship needs to be seen in terms of its contribution to New Zealand's national goals – to security and

sustainable development around the world and to economic transformation and strong local communities here at home. In Japan New Zealand needs to do more to tell the story of a relationship which delivers value for Japanese interests too.

With Japan there is a good news story waiting to break out: this relationship, 55 years young, has been built with persistence and dedication and has the capacity to grow even further in the years ahead.

It's a relationship in which patience is rewarded. It's like a rolling stone that gathers moss and keeps on rolling.