



Private CEO Luncheon Panel Briefing

“Opportunities for Cooperation between the Australian and
Japanese Financial Sectors “

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Moderator’s Notes:

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On 6 February 2008, the Asia Society Australasia Centre in conjunction with Blake Dawson hosted a Private CEO Luncheon Briefing entitled "Opportunities for Cooperation between the Australian and Japanese Financial Sectors". We were fortunate to have a panel of speakers each of whom had a wealth of experience in the financial services sector involving Australia and Japan.

The panel comprised:

Kohei Tsushima	Regional Head for Australia & New Zealand	Bank of Tokyo Mitsubishi
Mike Tilley	CEO	Challenger Financial Group
Clem Salwin	Managing Director- Real Estate Investment Banking	UBS AG
Dene Yeaman	Executive Director, Japan FTA Task Force	Department of Foreign Affairs & Trade

The briefing took place in the context of a changing environment in the relationship between Australia and Japan.

Last year marked the 50th anniversary of the Australia Japan Treaty of Friendship and Commerce. Since the signing of the Treaty, trade between Australia and Japan has increased significantly based on the complimentary relationship of Japan importing Australian raw materials and agricultural products and Australia importing Japanese manufactured goods. Raw Materials and agricultural products dominated the relationship including the investment behaviour of Japanese corporations.

However the relationship is changing significantly. Although raw materials and agriculture are still an important component in trade between the two countries, they represent a small component of Australia's GDP which is dominated by the services sector.

Australia has a world class services sector in which certain areas such as funds management, private sector funding of public infrastructure and property are world class.

The Japanese economy has also changed dramatically over the past 50 years. Life time employment is no longer the norm. The Keiretsu system and safety of cross shareholdings have disappeared. Corporate Law has been changed to facilitate mergers and acquisitions. The Japanese economy is now the most open to foreigners than it has been since the Second World War.

As the economy is becoming more open, the free flow of capital and its efficient allocation is becoming more important. This has led to a growing and more sophisticated financial services sector in Japan.

The Australia Japan economic relationship is now moving to a new phase where services (and particularly financial services) will become an increasing component of the two way trade.

This new phase is best demonstrated by the recent strategic alliance between The Mitsubishi Financial Group and Challenger Financial Group.

In this context the Private CEO Briefing provided a timely opportunity to hear about opportunities for co-operation in the financial services sector between the two countries and to better understand the significant changes that have occurred in the Japanese financial markets.

It was also fortunate that Dene Yeaman could attend and provide an update on the EPA discussions with Japan and the importance of making progress on the market access issues surrounding the financial services sector.

Bob Seidler