

Minutes of Cross-Party Group on Japan Meeting

Meeting 1: Wednesday 27 February 2019, at Scottish Parliament, Committee Room 5 at 18:00

Attendees:

MSP Attendees

Dean Lockhart MSP (Convenor)
Bill Bowman MSP
Tom Mason MSP
Colin Smyth MSP
Alexander Stewart MSP
Maureen Watt MSP

Speakers

Mr Nozomu Takaoka (Consul General of Japan)
Colin Loveday (Scottish Chambers of Commerce)
Kerry Bryson (University of Stirling)

Non-MSP Member Attendees

Scottish Chambers of Commerce
David Birrell
Asia Scotland Institute
Scottish Life Sciences Association
Thomas Heald (Office of Dean Lockhart MSP)

Non-Member Attendees

Ms Masami Fujimoto (Deputy Consul General of Japan)
Liz Cameron (Scottish Chambers of Commerce)
Yuko Kawai (Bank of Japan)
Takako Masai (Bank of Japan)
Jun Mifune (Bank of Japan)
James Withers (Scotland Food and Drink)
David Johnston (Scottish Government)
Dr Louise Boyd (National Museums Scotland)
Mr Benneth Esiana (University of Stirling)
David Watt (Institute of Directors)
Ian Smith (Diageo)
Takashi Taji (Walter Scott and Partners)
Tom Redford (Consulate General)
Govinda Finn (Aberdeen Standard)
Stuart Hamilton (Scottish Chambers of Commerce)
Scott Johnstone (Scottish Life Sciences Association)
Cameron Kuwahara (Nikko Asset Management)
Alan Johnston (University of Edinburgh)
Gavin Hugh (Office of Shona Robison MSP)
Julia McIntyre (Office of Dean Lockhart MSP)
Daniel Coleman (Office of Liam McArthur MSP)

Ian Hughes (British-Japanese Parliamentary Group)
Sue Beatt (Whisky Ambassador)
Caroline Alabi (Entrepreneurial Scotland)
Katie Berry (Saltire Scholar)
Alice Drake (Saltire Scholar)
Pyy Paulasaari (Asia Scotland Institute)
Scott Dalgleish (Scottish Business Network)
Michael Graham (Individual)

1. Welcome and Apologies

Dean Lockhart MSP (DL) welcomed everyone to the meeting of the Cross Party Group on Japan, and emphasised the group's objective of enhancing the economic, cultural, educational and business links between Scotland and Japan.

DL also noted there were three apologies for absence: Liam McArthur MSP, Jamie Halcro Johnston MSP and Gary Gibson from Rangers Football Club.

2. Minute of previous meeting

Minute of previous meeting on Tuesday 23rd October 2018 were agreed.

3. Introductory remarks from the Convenor

DL explained to the group that this was the first meeting of the Cross Party of Japan since it was reconvened following formal approval by the Scottish Parliament's Standards, Procedures and Public Accounts Committee. The CPG now has its own page on the Scottish Parliament website where the minutes of meetings will be posted. Copies of the minutes will additionally be emailed to all attendees.

DL thanked all attendees for their attendance at the meeting, in particular the Consul General of Japan, Mr Nozomu Takaoka, his team, representatives from the Bank of Japan, Kerry Bryson from the University of Stirling, Colin Loveday from the Scottish Chambers of Commerce and the Saltire Scholars.

DL briefly outlined the rationale for forming a Cross Party Group on Japan, including the economic and cultural contribution which Japan already makes to Scottish life and the opportunities which exist for businesses, stakeholders and government to further engage with Japan in the future.

Attendees were then given the opportunity to briefly introduce themselves.

4. Guest Speakers

4.1 Mr Nozomu Takaoka, Consul General of Japan

The Consul General of Japan, Mr Nozomu Takaoka (CG) expressed his gratitude for the invitation to address the group, and put on record his thanks to the Convenor (DL) for being given the opportunity to participate in an encouraging initiative for the Scottish Parliament in terms of

relations with Japan.

CG outlined his previous diplomatic experience in Europe, the Middle East and also in the United States.

CG suggested that it was appropriate timing for a greater focus on Japanese-Scottish relations, for four reasons:

1. Similarities which exist between the Japanese people and Scots.

- Scots and Japanese share the common personality traits of determination, honesty and thrift.
- CG suggested that in today's climate these shared values are needed more than ever on the world stage.

2. Economic reality

- Over recent decades Japan has experienced great success and prosperity with Japanese GDP consistently larger than that of other major economic powers such as Germany for over 50 years.
- Yet despite this success, Foreign Direct Investment into Japanese local economies is critically needed for local economic developments.
- Japanese Foreign Direct Investment into the UK is at an all-time high and there are currently over 1,000 Japanese companies operating in the UK, supporting over 50,000 jobs. This represents almost 61% of Asian stocks in the UK.
- In Scotland, it is estimated that there are around 50 companies operating in the country which support around 10,000 jobs.
- Sectors in which these companies operate include renewable energy, finance, tech and life sciences.
- CG listed major Japanese companies in various sectors across the UK and Scotland.

3. Japanese diplomacy

- CG noted the recent entry into force of the Trans Pacific Partnership and the EU-Japan Free Trade agreement.
- Opportunities for future engagement with the United Kingdom on possible trade treaties once the trading future of the United Kingdom becomes clearer post-Brexit.
- CG expressed Japan's wish that regardless of the shape of the UK's future trading relationships, economic ties between the two countries must remain strong.

4. Upcoming sporting events

- CG outlined major sporting events which are due to take place in Japan which will draw public attention to the country. These include the Rugby World Cup in 2019 and the Olympic/Paralympic Games to be held in Tokyo in 2020

The Consul General then explained how Scotland has led the way in trade links between the United Kingdom and Japan, and used the example of James VI of Scotland who made the first diplomatic contact between the British Isles and Japan in the early 17th century, and the later role played by the 8th Earl of Elgin.

Scottish pioneers also played a key role in the industrialisation of Japan in the second half of the nineteenth century, the most famous of which was the “Scottish Samurai”, Thomas Blake Glover who founded the shipbuilding company which became the Mitsubishi Corporation and introduced the first railways to Japan.

Following the speech, attendees were given the chance to question CG.

James Withers of Scotland Food and Drink (JW) asked the CG how Scotland could build on trade links which exist with Japan and build up a greater presence on the ground.

CG explained that Japanese consumers are sensitive about the quality of products. For example, CG noted that beef products are becoming increasingly popular with Japanese women due to the perceived health benefits and thus marketing around these products should focus on quality and geographical indicators

Scott Johnson from the Scottish Life Sciences Association asked the CG about regulatory standards post EU withdrawal and how any changes to these standards in the UK could impact on Life Sciences trade.

CG stated the critical importance of Life Sciences products for the Japanese market and the focus of the Japanese Government on later life care and dementia in particular. Alongside the United States, Japan is one of the top markets for Scottish pharmaceutical products. High regulatory standards will need to be maintained in the coming years to ensure that this trade continues to benefit both countries.

DL also noted the importance of asset and fund management sector.

There was a discussion on asset management sector led by representatives from Aberdeen Standard Life and other investment companies along with representatives from the Bank of Japan.

It was stressed that there are cultural and language barriers to be overcome in this sector, and it was stated that these personal relationships over important for asset management.

4.2 Colin Loveday (Scottish Chambers of Commerce)

Colin Loveday of the Scottish Chambers of Commerce (CL) spoke of his love affair with Japan which stemmed from cultural creations of the past.

CL expressed the importance of travel and the exportation of ideas in order to build relationships, whether these be personal, business, educational or cultural.

CL outlined the work of the Scottish Chambers of Commerce across the world in building peer to peer and business relationships. The strength of these networks kindle exploration back in Scotland. It is hoped that business will follow

Japan has been relatively new on the radar in respect of this network building exercise.

Following the speech, attendees were given the chance to question CL and CG on themes from the contribution.

DL asked CG about the importance of trade missions and the best format for future business to business contact.

CG stated the importance of trade missions for businesses and explained the importance of local economies in Japan and stressed that missions should not just focus on Tokyo but should move into the regions for engagement.

CG also stated that there was also a role for local and regional governments here in Scotland to reach out to counterparts across Japan.

4.3 Kerry Bryson (University of Stirling)

Kerry Bryson from the University of Stirling (KB) gave the group an update on the work the University of Stirling is doing to enhance its engagement with Japanese students and institutions.

KB stated that the university has very strong links with Japan including over 1,000 alumni from the Japanese Centre and the Japanese Global 30 initiative which has led to 25 partnerships with universities in Japan.

KB noted that there has been a noticeable increase in students studying the Japanese language in their own time.

Japan Week takes place at the University of Stirling every year and consists of 15 cultural events.

In terms of research, KB noted the importance of aquaculture and the work of the Dementia Centre.

Japan has an increasingly ageing population, and the Scottish examples of Dementia Friendly Design and products generate a great amount of interest from Japan.

DL asked about collaboration among universities to discuss best practice.

There was then a discussion on the mixed nature of these collaborations.

Katie Berry and Alice Drake (Saltire Scholars) outlined their experiences of Japan and praised the work of universities in promoting these opportunities to prospective students.

4. Open discussion on priorities and opportunities for the group for the coming year

David Birrell (DB) asked the group how to define outcomes to ensure that the cross party group is more than a talking shop and a networking opportunity.

Alexander Stewart MSP (AS) stated that Cross Party Groups have an opportunity to set foundations, facilitate discussions and bring interested parties together. The diversification of topics important moving forward.

Colin Smyth MSP (CS) explained the importance of clear outcomes and recommendations for the success of Cross Party Groups.

Bill Bowman MSP (BB) expressed importance of networking opportunities.

Tom Mason MSP (TM)- normalisation of dialogue with Japan and Japanese culture.

Maureen Watt MSP (MW) highlighted that a focus on quality and learning more about provenance to be an interesting topic moving forward.

DL suggested that future meetings could include contributions from government ministers and wanted the group to have a very focused agenda at future meetings.

Ian Hughes (British-Japan Parliamentary Group) highlighted the parallels which could be drawn between the CPG and the Westminster APPG. He noted the importance of communication with embassies and consulates, lunches and receptions as key to the success of the group at Westminster.

5. AOB

6. Date of next meeting

The group will be informed of the next meeting of the CPG Japan in due course.