

sustainable japan

ESG promotional content produced by The Japan Times Cube

For Tourism Australia's Japanophile Baines, Ruby the 'roo is just the start

Putting Down Under on top of travel destinations

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Leaders & Readers

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Save for greetings and perhaps a few random expressions, many people end up forgetting a language they study in school. Derek Baines, however, can draw a direct line between taking Japanese (as a "fluke") and his current role as Japan country manager for Tourism Australia. Even though he only volunteered to move to the Japanese class because of an appeal for more students, he found it the most interesting of his subjects, and has not stopped studying since.

Throughout Baines' 40-year career



"*Omotenashi*, as a concept, it's something that we can all learn from," said Derek Baines.
 HARUO MOTOHASHI

spanning aviation, marketing and travel, Japan has been a thread. In university he majored in Asian studies, and he has spent 10 years in total living in the country. Doors have been opened simply because of this connection, which has brought invaluable insight into Japanese business culture.

Aiming for normal travel again

Baines assumed his current role in 2020, and for five months managed the office from Sydney due to COVID-19 border closures. Now, on site in Tokyo, he and his team are working to at least return the number of Japanese visitors to Australia to the pre-pandemic count of 499,000 within the next year. The local version of Tourism Australia's "Come and Say G'day" campaign, featuring actor and model Maryjūn Takahashi, has been a significant step in that direction.

"Essentially what it is, is our (kangaroo) brand ambassador Ruby introducing a whole lot of experiences and places in Australia. The Japanese market is quite attuned to and open to characters. So we were really pleased to be able to do this here, and we've had a lot of 'cut-through' (success in getting people's attention). We're working with some of the travel agents, who have embraced the character at events. So, more and more, we're trying to integrate Ruby into our messaging. We'll be working with Ruby for several years at least."

In the long term, Baines says, the goal is to surpass pre-pandemic numbers as well as increase spending by Japanese tourists. In 2019, leisure travelers to Australia overall spent just over 234 Australian dollars

(\$154) on hotels per night.

Longer planning timeline

A measured speaker who sprinkles his English with Japanese terms, Baines is comfortable in Japan. This might have been aided by the three months of high school he spent on exchange in Kanagawa, and the homestay with a family he still sees today. There was also the working holiday after university, when, while living with friends, he worked several jobs in Tokyo, even appearing on TV sometimes. A lot of his knowledge of the country would have come, too, from his four years as Japan marketing manager for Qantas Airways from 1990. One crucial lesson he has learned is the difference in Western and Japanese business planning, and managing the head office's expectations in that regard.

"The planning timeline is probably more detailed and more lengthy in many ways, and the execution therefore is normally perfect. In the West, it depends where you are and what the situation is, of course, but it's probably a more agile type of approach. For the overseas managers coming to Japan, it's probably the most important lesson to understand and respect the decision-making process here. It's a process of being patient and working through with a goal."

Travel agencies are key

While many travelers elsewhere opt to buy tickets and travel packages online, in Japan, travel agencies still occupy significant space. For that reason, Tourism Australia is serious about maintaining strong ties with travel



HARUO MOTOHASHI

agencies, arming sales staff members in its Aussie Specialist Program with the skills and knowledge to effectively sell Australia.

"For the big travel agents, the majority of their sales is still through bricks and mortar, and that's therefore so important for us to be able to help them with their training. It's changing, of course, and they're all developing better and better digital capability. But still, in Japan, the stores are the big revenue drivers, which is maybe a little bit unique to Japan."

Sustainability in travel

Not unique to Japan, however, is a push for sustainability in travel. While Baines surmises that the number of tourists demanding only sustainable holidays is still low, he says Tourism Australia's research shows that 70% of Japanese tourists view sustainability as important.

Air travel's high energy consumption is one of the biggest challenges to achieving sustainability in tourism. A veteran of the airline industry, Baines says newer aircraft

A country manager who writes poetry

Derek Baines grew up in Brisbane, where he studied Japanese and later Mandarin in high school before going to university to major in Asian studies, followed by a creative writing major in Sydney. After graduating, he joined Qantas Airways in 1988 and worked in several positions, including commercial manager Pacific and Japan and senior manager for Qantas Business Rewards.

He became Japan country manager at Tourism Australia in 2020. Baines is also a writer, whose work includes the poetry collections "Flying Through Cloud" and "A Most Urgent Task" and the novel "The Unlikely Prospect of a Wave."

In his spare time, Baines likes to read, including some Japanese authors like Natsume Soseki, Haruki Murakami and Yukio Mishima.

models are more fuel-efficient and emit lower levels of carbon. Other sustainability steps include offering carbon-offset programs to consumers and using sustainable fuel.

On the ground in Australia, preserving natural attractions, including those that are frequented by tourists, is a top priority. An increase in eco-lodges and accommodation facilities using renewable energy is also taking place in the country, where a third of all energy is from renewable sources.

"Everybody knows it has to be done, so we do it, we get on with it. And Japanese people, like other travelers, see it as really important to respect the environments they travel to, and the cultures and the wildlife, of course ... to feel and to know that the things they're consuming and the products and services that they're buying are created in a sustainable way wherever possible."



Ajinomoto helps people, planet by incorporating amino acids

Mission: Sustainability

OSAMU INOUE
 RENEWS

The World Benchmarking Alliance is an agency established to assess key companies' degrees of achievement toward the U.N.'s sustainable development goals. This October, it announced the rankings of 350 major companies involved in food and agriculture and said, "The data shows that the vast majority of companies fail to recognize their responsibility to protect the planet and feed the world in an equitable way." Notably, though, Ajinomoto Co., Inc. ranked in 16th place, the highest among Japanese companies.

In 2021, Ajinomoto established a sustainability advisory council, which includes outside experts, subordinate to its board of directors. At the same time, it set up a sustainability committee, an internal body tasked to powerfully drive strategies based on the council's recommendations. It was these reforms, placing sustainability at the center of management policy, that are believed to have led the WBA to rate Ajinomoto highly.

A century of shared value

Ajinomoto began business in 1909 with its namesake seasoning — the world's first umami seasoning using monosodium glutamate (MSG). Since then, the company has worked to improve people's nutrition and enrich their diets. The underlying principle of the company is encapsulated in the term "ASV," meaning Ajinomoto shared value.

In 2020, it set two key targets for 2030 — "extending the healthy life expectancy of 1 billion people" and "reducing our environmental impact by 50%" — and in February 2023, about 10 months into the tenure of President Taro Fujie, it updated the group's official purpose to "Contributing to the well-being of all human beings, our society and our planet with 'AminoScience,' a scientific approach that links materials, functions and technologies gained through research and development on amino acids with solutions for social issues and well-being."

Healthy life expectancy

Ajinomoto has been working on activities to promote salt-reducing initiatives using umami. Certain amino acids combine

to form proteins, which are essential for health. Protein intake promotion can be regarded as one of Ajinomoto's strengths.

The third pillar for life expectancy is improvement in nutritional balance, according to Chika Morishima, Ajinomoto's executive officer and vice president in charge of sustainability and communications. "A nutritionally balanced diet is an essential factor for extending healthy life expectancy," Morishima said. "Japan has success stories of nutritional improvement using the dietitian system and school meals. I strongly believe the know-how [of Ajinomoto] of thinking about nutrition in menu units can contribute to any place around the world."

Her belief is exemplified by a nutritional improvement project in Vietnam. In order to improve school meal operations and food safety management, Ajinomoto launched a collaborative project in 2012. The project first set up a model kitchen in an elementary school in Ho Chi Minh City and Ajinomoto provided menu books as well as education materials on food and nutrition. Furthermore, it developed a software program that enables even cooking staff who have little knowledge about nutrition to provide nutritionally balanced foods to children. Ajinomoto has also supported activities to produce dietitians in Vietnam.

Resource recycling

To manufacture its umami seasoning, whose main ingredient is MSG, Ajinomoto uses a fermentation method in which microbes extract glutamic acid from saccharides derived from sugar cane, corn, and other ingredients. It then combines the glutamic acid with sodium to create the final product.

Ajinomoto has always been aware of its impact on the environment, according to Morishima, because it uses large amounts of grains. More than four decades ago, this awareness led Ajinomoto to start recycling nearly 100% of a byproduct of umami production — Ajinomoto calls it a "co-product" — into fertilizer and animal feed. This has also led to a reduction in the amount of conventional chemical fertilizers reducing the generation of carbon dioxide and other greenhouse gases.

By also reducing the amount of greenhouse gases discharged from production processes and reducing the amount of plastic used in packaging, Ajinomoto has also



Ajinomoto supports better meals at elementary schools in Vietnam. AJINOMOTO

pledged to become carbon neutral by 2050. Morishima said: "We're going to maintain efforts to reduce negative factors that have impacts on the environment. But we aim to make positive contributions so that we will go beyond just achieving net-zero emissions." She added, "To do that, we need to reform the food system."

Supporting farmers

Recent research found that nitrous oxide from agricultural production represents 82% of the global total of the emissions of this gas. Reforming the food system is an urgent issue.

In 2011, Ajinomoto developed Ajipro-L, a lysine formulation that is effective for reducing nitrous oxide in dairy cows' excrement and urine by about 25%. At the same time, such feed allows lysine, a nutrient whose intake is often insufficient in cows, to reach the small intestine efficiently to help digestion, thereby improving the animals' health. In order to promote the product, the company developed a program, in collaboration with Meiji, in which dairy farmers can increase revenues by using Ajipro-L to reduce greenhouse gas emissions.

Costs have been a major issue for farmers trying to reduce greenhouse gas emissions. The new program has the potential to lead to a significant breakthrough. What Ajinomoto sees farther ahead is a restructuring of the food system. How are we going to feed the global population of 10 billion people expected by 2050? Can we do that and still reduce our environmental impacts? No one has the answers to these questions. But Ajinomoto is struggling to find answers — using the power of amino acids.



ESG/SDGs

HIROKO NAKATA
 CONTRIBUTING WRITER

Creating a startup ecosystem is easier said than done, especially in rural areas.

In big cities like Tokyo, Osaka and Fukuoka, there are already a number of programs and business contests for supporting entrepreneurs. "But in local cities, I wanted to launch something different," said Yoshiaki Saito, general manager at the Nomura Research Institute's Center for Strategic Management & Innovation.

The entrepreneurial environment in local areas is totally different from that in metropolises, where startups cluster together. "The support system in local cities is like a 'doughnut,'" Saito said, with regional banks, foundations and other institutions surrounding only a few businesses they can invest in — so someone needs to help companies get started and grow.

"I thought we just can't wait until entrepreneurs start to appear. We have to take a step further and create a program by ourselves in which we struggle together with those who want to start something innovative in smaller cities," he said.

Saito kicked off an innovation program in 2014, starting with Hokkaido's Tokachi area. Since then, the number of areas has increased to five, adding the prefectures of Okinawa, Niigata and Yamagata and the southwestern Sun-in region. The program has incubated a total of 750 entrepreneurs.



A workshop to transform teams' ideas into business models. NRI

more than 160 new business ideas and 25 startups.

NRI's evangelistic innovation program was triggered by Saito's experience of meeting 100 revolutionaries across the country. Before the project started, he got support from a U.S. foundation and met 100 entrepreneurs and experts in the United States, witnessing the front lines of innovation. This experience led to the domestic version of such meetings, where he could acknowledge the uniqueness of entrepreneurs' business models and their lives. "I deeply felt I wanted to increase people like them all over the country," he said. "In rural areas, populations are declining and people are exhausted. If that kind of human resource increases in those areas, they can revive the regions."

Running such a program is not easy. Local supporters — municipal governments, regional banks and other organizations — need commitment and budgets big enough to back the programs. About 40 to 50 people participate in 15 sessions over four to five months, eventually forming seven to 10 groups to lay out business plans and demonstrate them at the end.

The most important thing, Saito insisted, is that new businesses should be created by teams. "In the end, we want to create a community. It is not OK to find only one good startup," he said.

The reason, he said, is that local areas lack human resources and, in some cases, have a conservative culture that hampers entrepreneurship. Also, innovation simply requires collaboration with other people. "Innovation is not always about discovering what the world has never seen, but connecting things people already knew. That means it is very important how many people they know and can collaborate with in a region," he said.

The innovation program has started to bear fruit, especially in the Tokachi region, which will celebrate the program's 10th anniversary next year. The region is known for its frontier spirit, where local people tamed the wilderness a century and a half ago because the government had stopped sending farmers from the mainland. Over time,



Yoshiaki Saito NRI

their efforts and a good climate made it a rich farming region, giving people the latitude to take risks as entrepreneurs.

One good example is the Basha Bar in a retro-style horse-drawn carriage that is pulled around the city of Obihiro by a native breed of strong horses, serving craft beer and local food to visitors. The owner started the business using horses that had been retired from a traditional local horse race where they pulled heavy iron sleds. Such horses were used to open the wilderness a century ago, but their number dwindled as they were replaced by tractors.

Another example is the Koyalab mobile house service in the town of Honbetsu. Guests reserve a tiny trailer house towed by a car that takes them to one of four splendid scenic spots, including a hilltop with a panoramic view and an undimmed view of the stars shining at night.

In Niigata Prefecture, the whisky-loving owner of a hanko seal store launched the Kameda Distillery, wanting to start new business since name stamps are disappearing due to digitalization. Its Newpod Peated won the World's Best New Make & Young Spirit award at the World Whiskey Awards 2023, an annual competition with more than 1,500 brands from 40 countries.

Saito wants to increase the number of the innovation program's host regions from the current five. "If the value of such business innovation is more broadly acknowledged and 10 to 20 regions host similar programs, it would have a stronger social impact and greater power to influence surrounding areas," he said.

Sustainable Japan Network

