

Growing Japanese presence in world golf

Investment by Japanese companies in foreign golf courses has been increasing rapidly over the last few years. As those in Britain have seen, Japanese interest in top golf courses has been considerable and there has been several attempts to purchase Wentworth, a well known and recognisable asset in international golf.

According to Japan Golf Report, there are currently some 76 golf courses worldwide that have been purchased by Japanese corporations with at least half of these in North America. It is this growing presence of Japanese investments that has caused some controversy in certain countries.

It would seem there are two main reasons for this Japanese investment in overseas golf courses. First there is the growing value of the Yen and second the cost of land is extremely high in Japan. Apart from the cost, it is becoming more difficult to obtain planning permission to build golf courses in Japan. Because of the investment in the region of 10,000 million Yen (\$77 million), which is much more expensive than the price of buying an overseas property and it doesn't have the same international prestige value. As the Japanese have more free time and a greater spending power, they are becoming increasingly interested in international travel. In many countries however, it is difficult for visiting Japanese to become members of top golf clubs. They therefore appreciate and welcome the opportunity of having a Japanese-owned facility that they can easily join.

There is also the international image that the investment brings to the company involved.

Investment in foreign projects also brings jobs. In America for instance Japan Golf Report estimates that 250,000 people have been employed by Japanese-owned golf clubs, Japanese managers tend to have a long-range perspective and are prepared to invest a great amount of time, effort and money to maintain a golf course in tip-top condition. They provide a place where Japanese golfers can play and relax in their own manner and where everyone speaks their language. Those courses are usually of high quality, with great scenic beauty and first class service. By attracting more Japanese tourists to visit the country they also

contribute to an important source of foreign currency revenues. For these reasons there is often support for the Japanese investment at local and state level. Some Japanese companies offer considerable financial aid to local communities and provide opportunities for business and cultural exchange.

On the negative side Japanese investment can lead to soaring land prices and high fees at the golf course, which can cause resentment. In Hawaii, the mayor of Honolulu, Frank Fasi, has urged Japanese speculators to "stop investing vast sums of money in a way that threatens the livelihood of islanders," citing the dramatic increase in the price of homes and higher taxes that accompany increased property values as major problems.

Another source of conflict is the relative slow pace at which the Japanese play their golf which is an inconvenience to other golfers. Finally, there is

the problem of communication since not all staff at Japanese-owned courses are fluent English speakers.

Foreign investment is nothing new but Japan Golf Report feels it has become a controversial issue recently, because it is occurring more frequently and increasing more rapidly than ever before. Japanese investors, with their penchant for the famous and prestigious, tend to make dramatic purchases, which sometimes gives rise to fears that traditions will be lost. At the same time, foreign investment is often welcomed, for the reason given. Therefore it would seem wise for Japanese corporations to seek the "middle way" in their overseas investments, by keeping them non-speculative, carefully considering their effect on local economy and culture, and in the cases of golf courses, preserving the game's traditions and the rights and privileges of club members.

North America

Course	Area	Managing Corporation
Calabases Park CC	California	Nitto Kogyo
Desert Falls CC	California	Aichi
El Rancho Verde CC	California	Nitto Kogyo
Grenclefe Resort	Florida	Sports Promotion
Green River GC	California	Amada
Harrison GC	Vancouver, Canada	Itoman
Hilldale CC	Illinois	Kosaido
Kanoa Hill CC	Arizona	Aichi
La Costa Hotel and Spa	California	Sports Promotion
Malibu Fields CC	California	Tokyo Leisure Development
Mesquito CC	California	Aichi
Metropolitan Club	Georgia	Hyakumata
Mill Creek CC	Washington	Tokyo Express Railways
Monte Seat CC	California	Tsukamoto Sogyo
Palm Valley CC	California	Mitsubishi Jisho
Peacock Gap GCC	California	Nitto Kogyo
Richmond CC	North Carolina	Toko
Riverside C	California	Nitto Kogyo
Riviera CC	California	Marugin Shoji
Snapfinger Woods CC	Georgia	Nitto Kogyo
Sonoma National	California	Fuji Bread

Europe

Course	Area	Managing Corporation
Caesar Park GC	Lisbon, Portugal	Aoki Construction
Golf Int'l Le Bordeaux	Loire, France	Kasaido
Hatfield London CC	London UK	Tokyo Leisure Development
Letham Grange G & CC	Arbroath, Scotland,	Shinko Developments
Lochefole Chisan CC	Ibrine, France	Chisen
Old Thorns GC	Hants, UK	Kosaido
Slancours CC	Vigny, France	Nisshin Shoki
Turnberry Hotel and GC	Ayshire, Scotland	Nitto Kogyo