The Food and Beverage Market Entry Handbook: Japan:

a Practical Guide to the Market in Japan for European Agri-food Products

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Contents

1 The Food and Beverage Market Entry Handbook: Japan

This Handbook is intended to be a reference for those agri-food producers who are planning to enter, or are in the process of entering, the Japanese market. This Handbook provides **step-by-step guides** on entering the agri-food market in Japan including relevant information such as **analysis of the Japanese market** for different product categories, **market access** and **market entry procedures**, **IP protection**, **referrals to professional buyers** and a signposting and referral system providing useful contacts and ways to penetrate the Japanese market.

1.1 How to use this handbook

Depending on your stage of market entry, company profile, and product range, different sections within this handbook will be helpful to a different extent for your business strategies.

For those wishing to learn more about the Japanese food and beverage market in general, section 2 provides a general country overview, and section 3 provides an overview of the business climate for agri-food products in general. Section 4 contains information on: the food and beverage market, market access procedures, customs procedures, SPS and labelling requirements, and the status of Geographical Indications and other relevant Intellectual Property Rights protection. The information contained in this section is of a general nature and so may not be relevant for those in the more advanced stages of market entry.

If you want to find out more information relevant for your product, then check out the **Market Snapshots for Selected Products (section 5).** This content illustrates the market situation, market access procedures, SPS requirements etc. specific for a given product or product category. This section will provide more industry specific information to consider as part of any market entry or market expansion strategies.

If you already have decided that the Japanese market is where you want to be, but you need some support, then the **Support Services Directory (section 8)** can point you in the right direction. Contact information for a service provider, business facilitation support organisation, or from a business contact, could help put you in touch with the right parties who can help you to build your brand in the Japanese market.

2 Country introduction and overview

2.1 Country overview: Japan at a glance

Capital:	Tokyo
Population:	127 million (2018) – 11th largest in the world
Area:	364 560 sq. km (140 757sq miles) – 63rd largest in the world
Political structure:	• Parliamentary Constitutional Monarchy • National Diet as bicameral legislature (House of Representatives, House of Councillors)
Major language:	Japanese
Major religions:	Shinto, Buddhism
Life expectancy:	80 years (men), 86 years (women)
Currency:	Japanese yen (JPY); EUR 1 = JPY 131.04
GDP growth:	1.0 % (2018)
Exports:	16.1% of GDP (2016)
Imports:	15.2% of GDP (2016)
Main exports:	Transportation machinery (24%); Chemical, iron, non-ferrous metals and textile products (22.5%); General machinery excl. electronic (19.1%)
Main imports:	Raw material and mineral fuels (29.4%); Chemical, iron, non-ferrous metals and textile products (18.9%); electronic machinery (15.3%)
Unemployment rate:	3.0% (2017)
Labour force:	77.5% (2017)
Main industries:	• **Agriculture**: employs 3.4% of the workforce • **Industry**: accounts for 29.5% of GDP; employs 25.6% of the workforce. • **Services**: account for 69.3% of GDP.; employs 70.9% of the workforce
Household income:	EUR 65 690 (2016)
Household expenditure on food and beverages:	EUR 7 623 (2016)
Food and beverage market:	EUR 411 billion (2017)

Sources: Japan Statistical Handbook 2017; Euromonitor International: Economies and Consumers, 2018; IMF; UN, World Bank; WHO, ECB

2.1.1 Past economic and political trends

- ***After the post-war era of high growth; stability in 1980s; and low growth followed by false recovery signs in the 1990s/2000s, Japan's economy showed recession symptoms in 2008 and has been struggling since.***
- ***A comprehensive strategy, aimed at mitigating the effects of sluggish economy by structural reforms, flexible fiscal policy and aggressive monetary policy, was introduced in 2012 (Abenomics)***
- ***Abenomics brought more resilient growth, however consumer spending and wage growth remained at low level***

The process of growth and change in the Japanese economy started roughly after the Korean War in the early 1950s. The rationalisation (*gorika),* which was based on investments in new technology and machinery and by extension leads to improving productivity became a national economic goal in 1950s. Due to variety of measures undertaken by the Japanese government, such as foreign exchange budget, capital control of technology imports, preferential tax treatments, creation of Japan Development Bank and more, the Japanese economy's average real growth from the mid-1950s to the early 1970s was roughly 10%[1].

Two oils shocks in the 1970s brought slowdown in the growth, while 1980s stable growth of 4%. The Japanese economy faced hard times again in the 1990s, when real growth remained very low, sometimes noting negative values. Late 1990s and early 2000s brought some sign of recovery, however, the economy failed to materialize it in the end[2].

Despite being the world's third largest economy, Japan has been struggling since 2008, when first recession symptoms were noticeable. As well as low economic growth, Japan has been facing many challenges due to, inter alia, dependence on exports and natural disasters. In 2012, in order to mitigate effects of Japan's sluggish economy, the prime minister – Shinzo Abe introduced comprehensive strategy, which was based on structural reforms, flexible fiscal stimulus and more aggressive monetary policy (*'three arrows"; Abenomics).* The goal of this policy package had four dimensions[3]:

1. Boost productivity
    - Supply System Innovation
    - Human Resources Development Revolution

[1] The Japanese Economy during the Era of High Economic Growth – Retrospect and Evaluation; Akira Sadahiro; 1991 http://www.esri.go.jp/jp/archive/wor/wor004/wor004.pdf

[2] The Economic Development of Japan – The Path Travelled by Japan as a Developing Country; Kenichi Ohno; 2006 http://www.grips.ac.jp/forum/pdf06/EDJ.pdf

[3] https://www.japan.go.jp/abenomics/

2. Pursue regulatory reforms
3. Build on international opportunities
4. Improve business environment to drive inward FDI (foreign direct investment)

As a result of Abenomics, growth has become more resilient as marked by seven consecutive quarters of growth for the first time in 16 years, with the rate of 0.5% in the fourth quarter of 2017[4]. Nonetheless, the result is seen by some policymakers to have fallen short of target[5].

Therefore, in spite of the progress, Japanese consumer spending and wage growth remained on a low level, with household income and real wages decreases (0.1%, 0.2% accordingly) in 2017. Historically, low consumer spending has been further spurred by long periods of negative inflation; with failing prices creating incentives for consumers to put off spending money in the expectation of further future price falls; in turn impacting the Japanese economy[6]. As of June 2018, inflation stood at 0.7% (continuing the trend of being in positive territory after long periods of deflation over the previous decade); but still substantially below the 2% inflation target adopted by the Bank of Japan.

Lastly, many policymakers notice that during the period of Abenomics, the government debt has risen to 219% of GDP in 2016 and wages have dropped by 9% in real terms in comparison to 1997[7][8].

2.1.2 Current economic situation and mid-term outlook

- ***Japan has faced consecutive low growth; however, government debt is on rise and wage growth is sluggish.***

Despite the progress achieved by Abenomics three arrow strategy and consecutive quarters of low growth, the Japanese economy still faces several challenges such as rising government debt and deflation, sluggish wage growth resulting, inter alia, from low labour mobility and decline in working age population. To address the issue of slow growth of wages, the Prime Minister S. Abe has recently pushed for companies to raise pay by 3% in 2018, however there is a lot of reluctance among corporations to do so,

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[4] What five years of Abenomics has and has not achieved; The Economist; 2017 https://www.economist.com/finance-and-economics/2017/11/16/what-five-years-of-abenomics-has-and-has-not-achieved

[5] Abenomics, five years in; Bruegelabe; 2018 http://bruegel.org/2018/01/abenomics-five-years-in/

[6] How does deflation impact consumers? https://www.investopedia.com/ask/answers/040815/how-does-deflation-impact-consumers.asp

[7] Abenomics and the Japanese Economy; Council on Foreign Relations, J.McBride, B.Xu; 2018 https://www.cfr.org/backgrounder/abenomics-and-japanese-economy

[8] OECD Economic Surveys – Japan; 2017 https://www.oecd.org/eco/surveys/Japan-2017-OECD-economic-survey-overview.pdf

as they fear it would affect competitiveness and bring potential losses[9]. On the other hand, raised wages could positively affect private consumption. In view of the above, the pace of wage growth constitutes one of the main short-term uncertainties for the economy.

With few exceptions, domestic and import transactions are subject to consumption tax in japan. For many years, the rate of this tax was 5%; however, in 2014 it was raised to 8% and it was scheduled to be further raised to 10% the following year, effectively doubling the tax. The second raise to 10% however has been delayed and is currently scheduled for October 2019. The 2014 increase had a negative impact on the economy, and subsequently the government is looking into options for easing the impact of the second further raise.

Japan's monetary policy, largely based on quantitative and qualitative monetary easing (QQE) launched in 2013, has significantly increased Japan's monetary base. The additional tools, introduced by the Bank of Japan, including negative interest rates[10], affected the yield curve and lower government bond yields, boosting residential investments. However, in view of some economists, there are potential costs for Japan involved when it comes to this unconventional monetary easing, such as asset price booms, central bank dominance of asset markets, impact of negative interest rates on the banking sector, pensions funds and life insurance companies.

Finally, the OECD in its predictions identify Japanese key vulnerabilities in the near future, which include:

- A loss of confidence in Japan's fiscal sustainability
- An increase in trade protectionisms in major trading partners
- Natural disasters, such as earthquakes, tsunamis and typhoons

As can be seen in Figure 2-1, GDP per capita in Japan has been rather stable since 2012. Real GDP growth of 1.0% is predicted for 2018. As noted in the previous section, consumer spending and wage growth have consequently remained on a low level in recent years and there is no indication that this will change substantially going forwards.

[9] Abenomics and the Japanese Economy; Council on Foreign Relations, J.McBride, B.Xu; 2018 https://www.cfr.org/backgrounder/abenomics-and-japanese-economy

[10] -0.1% on banks' excess reserves

Figure 2-1: Real GDP Growth and Per Capita GDP in Japan: 2012-2018

Note: Data for 2018 is forecast. GDP per capita are in constant 2017 prices

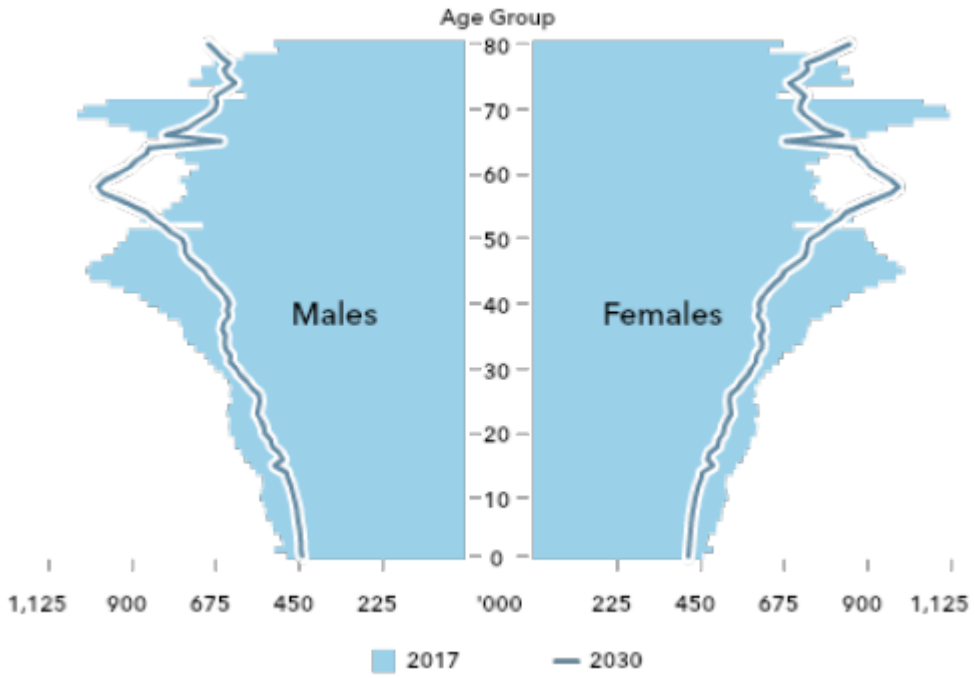
Source: Euromonitor International: Economies and Consumers, 2018

2.1.3 Populations trends

- ***Population has been in decline since 2009; ongoing steady ageing of Japanese society.***

The Japanese population has been falling since approx. 2009. As of 2018 there are 127 million people in the country, which is almost 900 000 less in comparison to 2000. Over 65s constitute almost 28% of the total population and this share is expected to grow to 31.5% by 2030 (Figure 2-3). The fertility rate in 2017 was 1.6 per Japanese female and is forecast to remain at that the same level through to 2030.

Figure 2-2: Age Pyramid in 2017 and 2030 in Japan



Source: Euromonitor International: Economies and Consumers, 2018

2.2 Geography and key markets

Japan is officially divided into 8 regions[11], which can be further sub-divided into 47 prefectures. These enjoy considerable levels of autonomy in the area of administration and budgetary matters and are represented by prefectures Governor, elected every four years. The division is traditional, and it is numbered on their locations from north to south (presented in Table 2-2 and Figure 2-3).

Natural disasters in Japan

It must be remembered that Japan is often hit by natural disasters, such as earthquakes, volcanic eruptions, tsunamis and typhoons. In effect, it may lead to serious supply chain disruption and decline in output, depending on the scale of the cataclysm. Table 2-1 highlights major recent natural disasters in Japan. It is important to note that this is not a complete list of all natural disasters, but rather a list of the most major ones; for example an estimated 1 500 earthquakes hit Japan every year, albeit of varying magnitudes.

[11] However, for the purposes of this handbook, the eighth region – Kyushu incl. Okinawa has been divided to fully outline the regions' features in relation to business environment.

Table 2-1: List of major recent natural disaster in Japan

Year	Nature	Location	Details
2018	Earthquake/landslides	Hokkaido	Death tool of 7, more than 150 injuries[12]
2018	Typhoon	Hyōgo, Osaka	Wind of 160 k/h with gusts to 215. Death toll of 8 people, many injured[13].
2018	Volcanic eruption	Mount Shinmoedake	No deaths or injuries, but falling ash caused disruption in the nearby city of Kirishima and to flights.
2014	Volcanic eruption	Mount Ontake	Death toll of 63.
2011	Earthquake / tsunami	Tōhoku	Magnitude 9.0. Considered the worst natural disaster in Japanese history; over 15 000 deaths; estimated economic cost of USD 235bn.
2011	Typhoon / mudslide	Wakayama	
2010	Mudslide	Hiroshima	
2005	Earthquake	Miyagi	Magnitude 7.2. Shocks felt in Tokyo.
2005	Earthquake / tsunami	Nankaidō	Magnitude 8.4. Shocks felt across whole of centre and west of country

Source: Japan Meteorological Agency, Earth Watching International, CBS News[14], Live Science[15]

2.2.1 Overview of urban markets

Japanese regions are internally diverse, as particular type of manufactures might cluster around certain prefectures, and given each region consists of a number of prefectures a wide range of industries might be present in specific region. Table 2-2 summarizes key information, indicating the major industry operating in the region and Figure 2-3 depicts Japan by prefectures.

[12] As for 6 September 2018.
[13] As for 5 September 2018.
[14] https://www.cbsnews.com/news/shinmoedake-japanese-volcano-erupts-dozens-flights-grounded/ and Wikipedia
[15] https://www.livescience.com/30312-japan-earthquakes-top-10-110408.html

Table 2-2: Summary of the regions & prefectures in Japan and related data (2017)

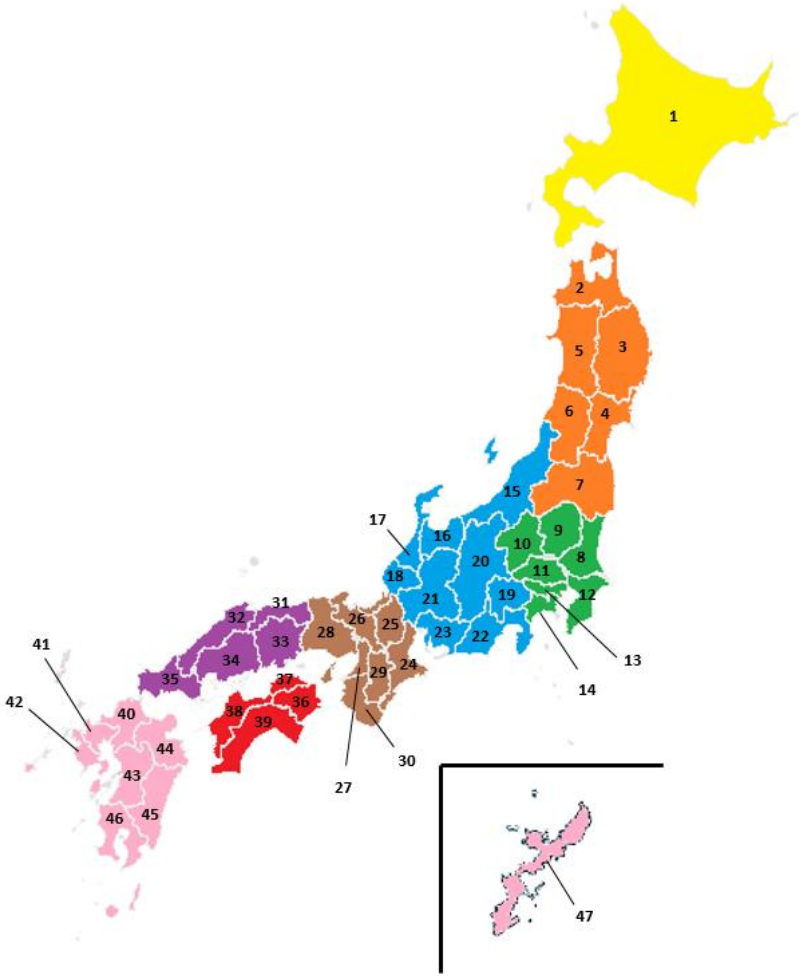
	Hokkaido	Tohoku	Kanto	Chubu	Kansai	Chugoku	Shikoku	Kyushu[16]	Okinawa
Prefectures (numbers indicate position on map below)	1 Hokkaido	2 Aomori, 3 Iwate, 4 Miyagi, 5 Akita, 6 Yamagata, 7 Fukushima	8 Ibaraki, 9 Tochigi, 10 Gunma, 11 Saitama, 12 Chiba, 13 Tokyo Metropolis, 14 Kanagawa	15 Niigata, 16 Toyama, 17 Ishikawa, 18 Fukui, 19 Yamanashi, 20 Nagano, 21 Gifu, 22 Shizuoka, 23 Aichi	24 Mie, 25 Shiga, 26 Kyoto, 27 Osaka, 28 Hyogo, 29 Nara, 30 Wakayama	31 Tottori, 32 Shimane, 33 Okayama, 34 Hiroshima, 35 Yamaguchi	36 Tokushima, 37 Kagawa, 38 Ehime, 39 Kochi,	40 Fukuoka, 41 Saga, 42 Nagasaki, 43 Kumamoto, 44 Oita, 45 Miyazaki, 46 Kagoshima	47 Okinawa
Notable cities	Sapporo	Sendai	Tokyo Yokohama	Nagoya	Osaka Kobe Kyoto	Hiroshima		Fukuoka	
Basic information	GDP: 3.6%[17] Population: 5.38 million	GDP: 6.3% Population: 8.98 million	GDP: 39.8% Population: 42.9 million	GDP: 15.3% Population: 21.4 million	GDP: 15.6% Population: 22.5 million	GDP: 5.5% Population: 7.44 million	GDP: 2.7% Population: 3.84 million	GDP: 9.4% Population: 13 million	GDP: 0.8% Population: 1.4 million
Major industries	Agriculture and fisheries, paper, petro-chemicals, coal chemicals, iron and steel, transport	Agriculture, forestry, fisheries, retail trade, automotive industries, high-tech electronics, transportation machinery, communication devices,	Scientific technology, advanced manufacturing (food, chemical, aircraft, medical, pharmaceuticals, high-tech, IT, electronic, petroleum products & industries),	Electronics, food processing, biotechnology, agriculture, forestry, machinery, metal related, textile, aerospace, automotive, ceramics,	Steel, metal products, electronic components, automotive-related, textile, chemical, agriculture, forestry, fisheries	Agriculture, food processing, forestry, electronic components, transportation machinery, automotive industries, marine	Shipbuilding, aquaculture, agriculture, livestock breeding, food processing, wood processing, petroleum and coal	ICT, automotive, general machinery, shipbuilding, foodstuffs, marine products, electronic, chemical, metal products	Tourism, agriculture, fisheries, wholesale, retail

[16] See footnote 11
[17] Percentage of Japan's total GDP.

	Hokkaido	Tohoku	Kanto	Chubu	Kansai	Chugoku	Shikoku	Kyushu[16]	Okinawa
	equipment instruments	traditional art craft	research functions	pharmaceutical, plastics, paper		products, chemical.	products, chemicals		
Other features	Natural environment	High percentage of exports to Asia and North America	Almost 40% of Japan's GDP; main engine of economy with Tokyo Metropolis located in the region	Almost 20% of national shipments of manufactured goods	Three major cities of Kyoto, Osaka and Kobe	Research & Development in the field of electronics, biotechnology and new materials	Long-established agriculture and food processing industries	Strategic region to connect with East Asia	Strategic region to connect with East Asia, touristic destination

Sources: Japan Statistical Yearbook 2017; JETRO (Japan External Trade Organization) 2017; EU-Japan Centre 2017.

Figure 2-3: Japan by regions and prefectures[18][19]

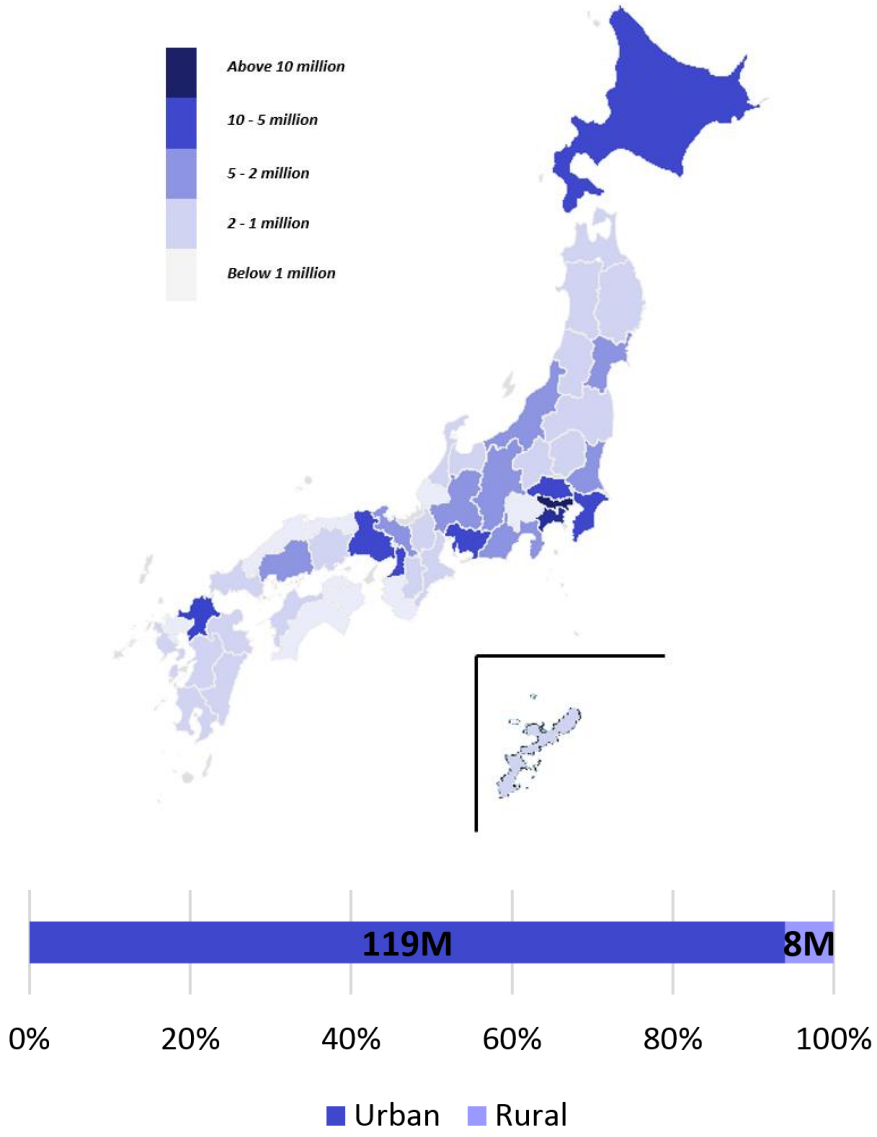


Source: Agra CEAS

Japanese prefectures differ in terms of number of inhabitants. The largest prefecture with the capital city – Tokyo Metropolis, is inhabited by 13.5 million people and it is the only one exceeding the 10 million. That said, there are several largely populated prefectures around the capital, such as: Kanagawa, Chiba and Saitama. In Japan, there are only 9 prefectures out of 47 with populations lower than 1 million (Figure 2-4).

[18] Okinawa prefecture (47) is roughly 650 kilometers south of the rest of Japan.
[19] Names of prefectures with respective number can be found in Table 2-2.

Figure 2-4: Japan's population by prefecture



Source: Agra CEAS based on Japan Statistical Yearbook (2017), World Bank (2017)

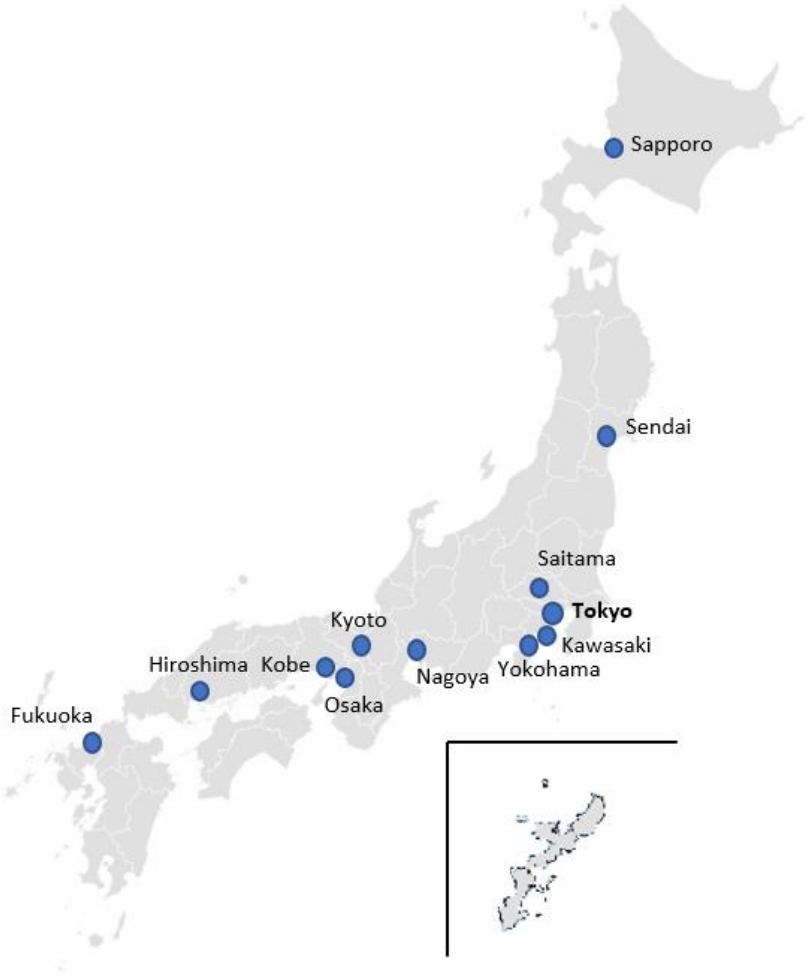
Japan's population in 94% occupies urban areas of the country, whereas only 8 million people, live in the rural parts of Japan. Since 2000 there has been gradual drop in the rate of rural population, which decreased by 15 percentage points in the last 17 years (from 21% in 2000; to almost 6% in 2017)[20]. Conversely, urban population has been expanding simultaneously.

[20] World bank 2017

2.2.2 Snapshots of important markets

Japan, due to its urbanization level, has significant urban markets located throughout the country (Figure 2-5.)

Figure 2-5: Location of major Japanese cities[21]



Source: Agra CEAS based on Japan Statistical Yearbook 2017

Details on key markets in Japan are presented below. In, addition to the markets presented below, Fukuoka on the island of Kyushu may be considered as an additional market of interest; while the city itself is smaller, the island itself has a sizeable population of almost 13m.

[21] Depicted centres are all Japanese cities populated at least by 1 million of inhabitants.

Tokyo and Yokohama

These two cities are often considered to be one market; combined and with the surrounding metro area they form a huge market of 38m people and the most populous metropolitan area in the world. Further details on these two individual cities are presented below.

Tokyo

Key facts (2016):

Total GDP *(current prices):*	*EUR 1 439 871 million*
Real GDP growth*:*	*1.4%*
Population*:*	*8.3 million*

Tokyo as the national capital is country's economic, political and cultural centre. There are almost 700 000 business establishments in the city[22], operating in the variety of industries. Tokyo, as one of the busiest cities in the world, is also the residence of about 75% of foreign companies in Japan. The city has various incentives to attract foreign investors by tax systems, applying zones systems (Asia Headquarters Special Zone, National Strategic Special Zone). In Tokyo's business environment map, there are many small and medium-sized enterprises, which are significant contributors to Tokyo's growth.

Most economic activities in the city relate to the service sector, which covers almost 80% of the city's employment. Additionally, nearby Kehin industrial area, located outside Tokyo has become Japan's industry centre, concentrating variety of heavy industry. Tokyo is the thriving centre of country's Research

[22] Roughly 10% of total number in the country

and Innovation institutions with its "Tama" support centre, focused on developing new R&D ideas. The city has also agriculture and natural resources qualities, with its farmlands located in the Western Tokyo.

Inhabitants of Tokyo are aged in 63% between 15 and 64 years old. The number of people aged above 65 years in Tokyo is lower by almost 4% than in Japan (excl. Tokyo).

The average consumer disposable expenditure in Tokyo is much higher than elsewhere in the country (14% higher than in the rest of Japan), with income rather equally divided in Tokyo's households, which may indicate existence of strong middle class.

Yokohama

Key facts (2017):

Total GDP *(current prices):*	*EUR 332 billion (3.3% of Japan total)*
Real GDP growth*:*	*6.8%*
Population*:*	*3.6 million*

Yokohama is considered to have a very convenient transport network due to one of the busiest international trade ports located in the area and easy access to one of the largest airports in Japan – Haneda Airport. These conditions bring a wide range of shipments possibilities, hence making the city a transportation hub. The majority of shipments are accounted for by transport machinery, petroleum and coal and chemicals. Additionally, in Yokohama, there are several types of industry, with majority of

manufacturing and R&D institutions, such as Yokohama Bio Business Network, focused on collaboration activities in the biotechnology sector.

Sources: Statistical Handbook of Japan (2017); Euromonitor International: Cities, 2018: JETRO 2017; EU-Japan Centre 2017
http://www.stat.go.jp/english/data/handbook/pdf/2017all.pdf

Osaka

Key facts (2016):

Total GDP *(current prices):*	*EUR 606 093 million*
Real GDP growth*:*	*0.7%*
Population*:*	*2.6 million*

Osaka, due to its historic background, has been perceived as a city of commerce, which effectively had an impact on becoming a major hub in distribution, trade and industry in Japan, with 25% share of total wholesale and retailing industry in Japan. The bay area brought many companies operating in environmental and new-energy industries. Northern Osaka, on the other hand, is a focal point of the biotechnology and pharmaceutical industries. Like Tokyo, Osaka has also developed variety of tools attracting foreign companies, such as Osaka Business and Investment Centre and Osaka Investment Promotion Centre, which in effect brought around 460 foreign-affiliated companies to the city between 2001 and 2015.

Industry in Osaka is highly concentrated around services representing more than 40% of Osaka's GDP. Additionally, manufacturing companies in the city are specialized in electronics, general machinery and chemicals, which constitute roughly 12% of industry's shipment value of the city (2013).

Population by age in Osaka is almost as divided in group ages as the rest of Japan. The majority (60%) is accounted for by people between 15-64 years old, 27% by inhabitants over 65 years old and the rest by children up to 14 years old. In terms of household income, the distribution of it in Osaka is relatively equal.

Osaka is geographically close to the cities of Kyoto and Kobe; and together the three cities form a large metropolitan area – and hence market - of over 19m people which is commonly known as Keihanshin.

Sources: Statistical Handbook of Japan (2017); Euromonitor International: Cities, 2018; JETRO 2017; EU-Japan Centre 2017
http://www.stat.go.jp/english/data/handbook/pdf/2017all.pdf

Nagoya

Key facts (2016):

Total GDP *(current prices):*	*EUR 365.811 million*
Real GDP growth*:*	*1.9%*
Population*:*	*2.2 million*

The Nagoya area, often referred as one of the three major economic areas in Japan, is highly concentrated with three major industries present: automobile (e.g. Toyota motor Corporation), aircraft (spurred by Nagoya Flight Research Centre making it one of the world's top hubs for aerospace industry) and machinery. The city, having well developed and balanced industrial structure, does not only rely on the manufacturing industry but also has significant commerce and service businesses.

The city demographics in Nagoya City are very similar to the demographics observed in Japan as a whole. In 2016, majority of the population were aged between 15 and 64 (61%). The only slight difference concerns the percentage of people aged above 65 years old, which in Japan (excl. Nagoya) is 27.5% and in Nagoya 25.4%.

Growing incomes in Nagoya positively impacted consumer expenditure, which rose by 1.8% in years 2011-2016. Inhabitants spent roughly 36% on necessities, i.e. food and housing.

Sources: Statistical Handbook of Japan (2017); Euromonitor International: Cities, 2018; JETRO 2017; EU-Japan Centre 2017
http://www.stat.go.jp/english/data/handbook/pdf/2017all.pdf

Sapporo

Key facts (2017):

Total GDP *(current prices):*	*EUR 332 billion (3.3% of Japan total)*
Real GDP growth*:*	*6.8%*
Population*:*	*1.9 million*

The city is known for its safe environment with fewer natural disasters such as earthquakes, typhoons and tsunamis. Such a feature has served as an important incentive to locate companies in the area and along with rich natural resources available, nowadays there is variety of industries concentrated in Sapporo, such as IT companies, call and BPO centres and biotechnology facilities, with several world's top companies (such as Amazon Japan and IBM Global Services Japan) having offices there.

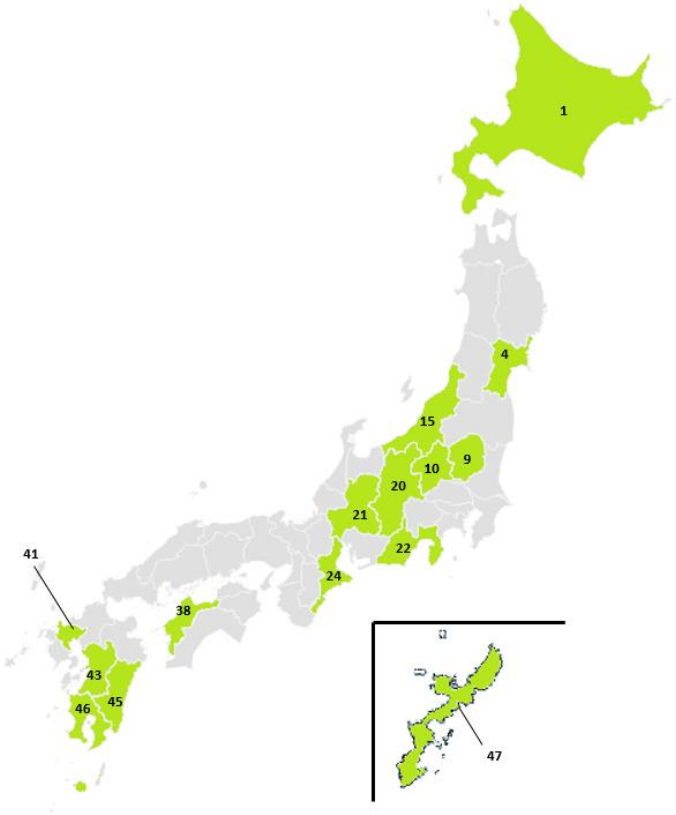
Sources: Statistical Handbook of Japan (2017); JETRO 2017; EU-Japan Centre 2017
http://www.stat.go.jp/english/data/handbook/pdf/2017all.pdf ;

Domestic production

The agricultural sector in Japan is relatively small, employing only 3.4% of workforce. The main obstacles, hampering the efficient development, are high input costs as well as small sizes of nature farmlands[23].

However, prefectures which are significant from the food & beverage manufacturing point of view are depicted in Figure 2-6. The selection is based on variety of factors such as: long-established facilities producing foodstuffs, advantageous resources of the prefecture or abundance of projects aiming at promotion of agricultural advantages of the prefecture.

Figure 2-6: Prefectures with established food & beverage manufacturing facilities and advantageous resources



Source: Agra CEAS based on JETRO (Japan External Trade Organization) 2017

[23] Euromonitor International: Economies and Consumers, 2018

The most prominent prefectures and further details on their domestic production relevance, as identified by the Japan External Trade Organization, are summarized below (though it should be noted that some other prefectures also have notable agricultural production)[24]:

- Hokkaido (1): the food industry accounts for approx. 30-40% of all industry based in this prefecture. Recent years have showed that the industry has been developing rapidly in Hokkaido, with major emphasis on high-quality processing materials as well as on fresh-keeping innovative technologies. Additionally, there have been several initiatives launched aimed at the improvement and promotion of activities from processing to distribution/sales channels. Lastly, in Hokkaido, there is a considerable number of agriculture science universities, public testing and research institutions.
- Miyagi (4): this prefecture is known for its quality rice and abundance of seafood products. Food manufacturing facilities are well established here, especially those for seafood processing.
- Tochigi (9): known for its "Food Valley Tochigi" project, aimed at creating the prefecture as a vibrant place for food industries based on the local economy. The development is focused on cooperation between many actors in the chain from agriculture, industry and retail.
- Gunma (10): this prefecture serves as a hub for food industries with a number of corporations producing "national brand" products
- Niigata (15): due to rich high-quality water sources, the prefecture leads in domestic market with regards to rice confectionary, packaged rice and fisheries' products.
- Nagano (20): many food companies in the prefecture are focused on products such as: juices, canned vegetables, agar and products based on fermentation such as pickles and miso. Due to Nagano's climate, there is also rich dietary culture with abundance of traditional food processing companies.
- Gifu (21): rich clean water resources bring many food-related industries to Gifu, which produce many types of food products, including primary agricultural and farm products.
- Shizuoka (22): food industries in the prefecture are focused mostly on farm and seafood products. High value is achieved thanks to Shizuoka's natural resources and effective cooperation with local research institutions, helping to develop new functional food technologies.
- Mie (24): although the prefecture is not equipped with many food manufacturing facilities, Mie is considered as an attractive and slowly growing area of food industries.
- Ehime (38): the prefecture's Saijyo city is mostly known for its rich water resource (spring water Uchinuki) and high-quality agricultural production ability. In addition, in Saijyo city, there is vibrant project "City of Agricultural Innovation for Saijyo" ongoing.
- Saga (41): "Industrial Technology Center of Saga" serves as known centre for research, guidance and testing facility for agro-microbiology and food processing.

[24] JETRO (Japan External Trade Organization) 2017

- Kumamoto (43): the food industry is heavily present in prefecture's Kumamoto city. 30% of city's manufacturing is related to food processing, agricultural and seafood products.
- Miyazaki (45): as one of the leading agricultural prefectures, meat-processing industries, beverage and shochu plants are clustered round Miyazaki. Along with high agglomeration of food manufacturers, there is abundance of relevant distribution and sales-related facilities in the prefecture.
- Kagoshima (46): the value of manufactured various food product shipments in Kagoshima amounts to 55% of total shipments from the prefecture; and it has become a major industry in the prefecture with many food-related companies having its offices there.
- Okinawa (47): there is a cluster of manufacturing businesses which includes food-related industries; taking advantage of the location of prefecture and its connection to other major cities in Asia.

3 Introduction to the food and beverage market and consumers

3.1 Overview of the food and beverage market and demand for imported products

Japan's food and beverage market situation is closely linked to the condition of agricultural sector, which is relatively small and suffers from sluggish development, high input costs as well as small sizes of nature farmlands. As a result, Japan tries to mitigate the potential effects of the weak agricultural sector by strengthening food import volumes and ensuring the stability of Japan's food supply through subsidizing domestic production as well as revitalising rural areas and promoting urban agriculture.

3.1.1 F&B market summary

The food and beverage market is significantly import based, with major imports of pork, beef, soybeans, wheat, cigarettes, veal, chicken and coffee[25]. That said, although the Japanese market relies on imported products, domestic food producers also try to keep their market share by offering traditional products and attracting consumers, by e.g. suitable marketing strategies.

As previously mentioned, there is limited domestic agriculture. However, a notable domestic sector is the rice sector; many of the country's domestic agricultural policies are focused around traditional rice production[26]. Japan manages to export products such as: food preparations, pastry, sauces and rice fermented beverages; albeit in relatively small quantities when considered on a global scale.

[25] Analysis of Japanese International Agricultural Trade Practices; K.Vourazeris; 2017; http://trace.tennessee.edu/cgi/viewcontent.cgi?article=3170&context=utk_chanhonoproj
[26] Analysis of Japanese International Agricultural Trade Practices; K.Vourazeris; 2017; http://trace.tennessee.edu/cgi/viewcontent.cgi?article=3170&context=utk_chanhonoproj

3.1.2 International trade in F&B

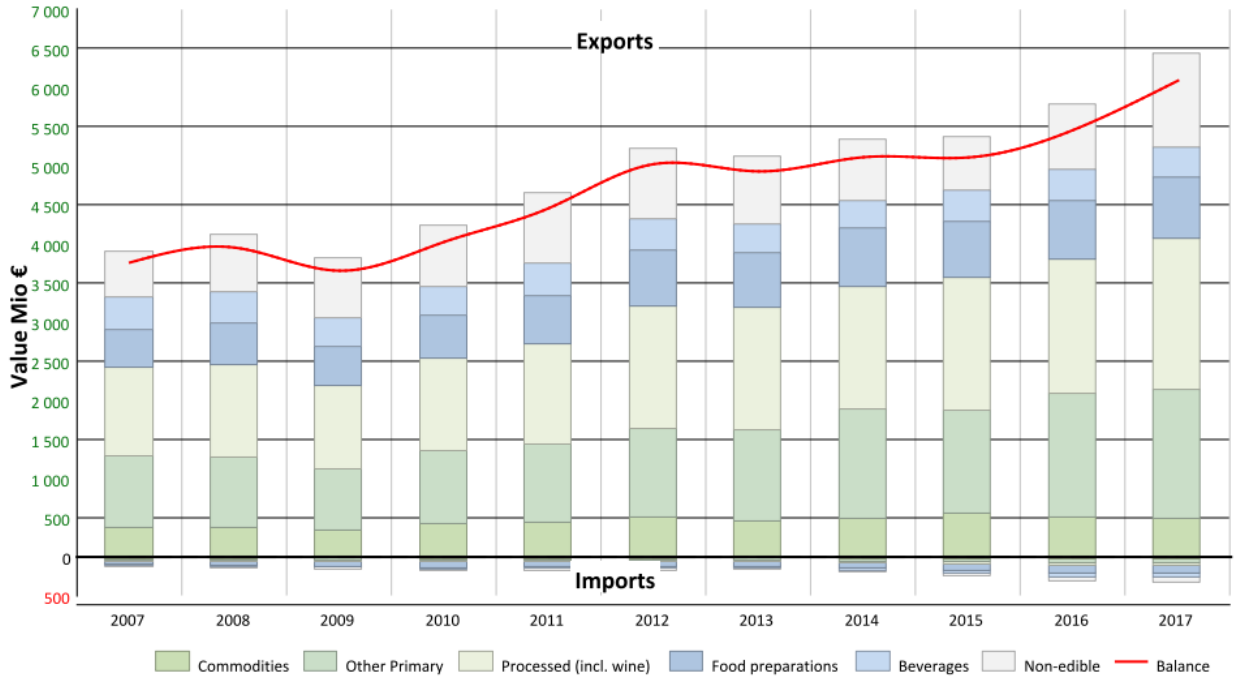
As Japan is not able to fully cover demand for agricultural products with domestic production, it relies on imports, which saw an 4.2% increase in 2017, reaching EUR 50.5 billion[27] and constituted 12.2% of all Japan's imports in 2017[28]. With exports at the level of EUR 4.1 billion, Japan's agri-food trade balance reveals a significant deficit of EUR 46.4 billion. In terms of trade partners, Japan imports almost quarter of agri-food products from the USA (23%), followed by the EU (17.5%) and China (11.2%)[29].

Meat and meat products constitute more than 20% of total Japan's agri-food imports in terms of value, with pork imports reaching 7.7%. Pig meat is mostly imported from the EU (35.9%), US (28.7%) and Canada (23.2%), whereas beef imports are dominated by the USA (50%) and Australia (45.5%). Cereals account for 10% of imports (USA, Canada and Australia main trade partners). Lastly, 73% of Japan's wine imports come from the EU, followed by Chile (13.3%) and the USA (7.6%).

Japan has been a long-term EU agri-food trade partner, constantly increasing its agri-food imports from the European countries. Between 2012 and 2015 there was a noticeable, yet steady, slowdown in imports. These picked up in 2016 and, in 2017, reached EUR 6.4 billion, noting a significant year-on-year increase (Figure 3-1).

[27] Agri-food trade in 2017; European Commission; 2018; https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/news/documents/agricultural-trade-report_map2018-1_en.pdf
[28] WTO: Japan Trade Profile, https://www.wto.org/english/res_e/statis_e/daily_update_e/trade_profiles/JP_e.pdf

Figure 3-1: Structure of EU agri-food trade with Japan, 2007 to 2017

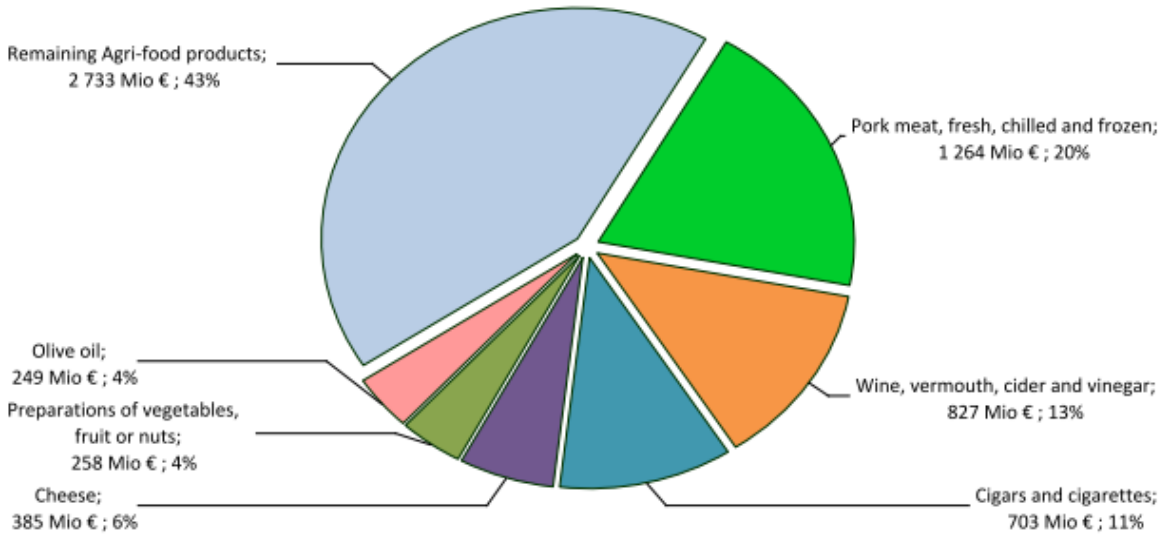


Source: European Commission: agri-food trade statistical factsheet, European Union – Japan. Based on Eurostat-COMEXT data

Processed agricultural food, including wine is the greatest overarching category within Japan's agri-food imports from the EU; wine in particular has a 13% share of agri-food imports. However, as presented in Figure 3-2, pork is the top product, exported from the EU to Japan, accounting for 20% of EU agri-food exports. Other important products exported by the EU to Japan include: cheese (6% of agri-food exports); preparations of vegetables fruits and nuts (4%); and olive oil (4%). However, as the graph shows, there are other products imported by Japan, accounting for 43% of EU agri-food exports to Japan. These include, spirits and liqueurs, chocolate and confectionery, pasta and pastry, offal and other food preparations.

Last but not least, as indicated further in section 4.3.3, the EU-Japan Economic Partnership Agreement (EPA) is expected to increase market opportunities for EU and Japanese products and hence will positively impact the import/export share between both parties.

Figure 3-2: Top EU agri-food exports to Japan in 2017



Source: European Commission: agri-food trade statistical factsheet, European Union – Japan. Based on Eurostat-COMEXT data

3.1.3 The market for imported F&B

As section 3.1.2 outlined, Japan's food and beverage market is largely import based, having significant agri-food trade balance deficit. In effect, European operators may see many opportunities in successful entering the Japanese market with their products, also having in mind the long-term trade relationship between the EU and Japan as well as recently signed Economic Partnership Agreement, which additionally brings necessary facilitations and benefits, which are described in detail in section 4.3.3.

There are several sectors which appear to be particularly attractive and stable at the same time. Due to the fact that almost 20% of total Japan's agri-food imports, in terms of value, are **meat and meat products,** this sector seems to remain stable, as it is of key importance for the stability of Japan's food supply. Other sectors would include cereals, with particular emphasis on maize and wheat as well as **wine and cheese** due to long-established trade relations and the EU's share in Japanese imports.

3.2 Growth Drivers and Trends

The development of the food and beverage market in general and the market for imported products have been impacted by a few key factors. The main driver is connected to the low importance of domestic agricultural production, which impacts stability of Japan's food supply. The second driver concerns the Japanese consumption habits, which have been evolving and shaped by the ageing population and

changes in Japanese family structure and continued increase in the pace of life as well as influence of western lifestyle. A brief overview of the drivers and trends is provided below.

Limited domestic agriculture production

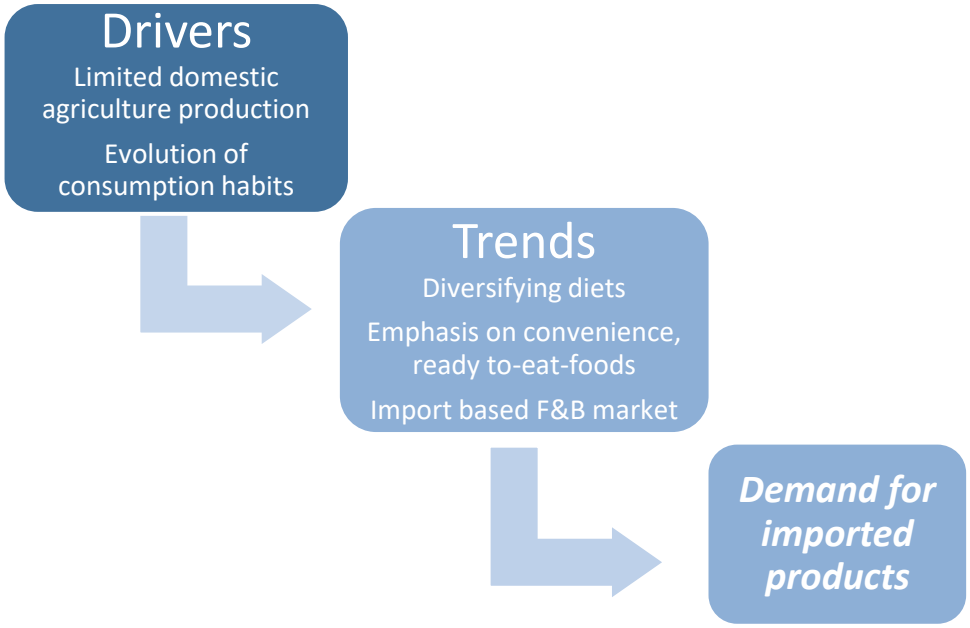
The Japanese agricultural sector suffers from slow development, driven by high input costs, small sizes of nature farmlands and susceptibility to natural disasters. In effect, in order to ensure the stability of food supply, food imports constitute a crucial element of the economic equilibrium. As data shows (section 3.1.2), several products are a vital part of Japanese agri-food imports, e.g. meat, cereals, wine. In the aftermath, the Japanese food & beverage is highly import based, which significantly impacts the demand for imported products in the country.

Evolution of consumption habits

Dietary habits in Japan have been evolving due to combination of several factors including: economic factors; urbanization; health awareness and increase in food availability. The typical Japanese diet have been shifting from traditional rice-based dishes to more western-style meals with larger quantities of meat, eggs, milk, milk products and fats. Another major change is linked to convenience – more and more Japanese have started to value their time and have started to purchase more ready-to-eat packaged food or dine out, which often includes foreign products, recipes or restaurants. Additionally, consumers have started to pay attention to healthy added value of their meals, which often impacts their dietary patterns. Recent changes in Japanese dietary habits have led to higher demand for imported products due to composition of new ingredients, unavailable on the Japanese market as well as increasing prioritization of convenience when dining.

Lastly, as will be further explained in section 3.3.1, the Japanese consumer often base its purchasing approach on novelty-seeking, which additionally increases the demand for new, imported products. Figure 3-3 presents the summary of the process.

Figure 3-3:Growth drivers and trends - Japan's food and beverage market



Source: Agra CEAS based on European Commission agri-food factsheet; USDA GAIN reports; EU Business in Japan

Further details on consumers trends and profiles are presented in section 3.3.

3.3 Consumer profiles and preferences

3.3.1 Consumer profiles

Japanese consumers in general tend to be highly demanding, putting great emphasis on quality and branding and willing to spend more resources on value-added products. However, **the recent approach of Japanese consumers to expenditure has been largely influenced by lower household disposable income**, which dropped by 4.5% comparing 2011 to 2016[30]. This in turn brought **growing number of consumers paying more attention to pricing** than previously.

Secondly, it should be noted that **recent dietary trends in Japan have been progressively shifting towards western-style meals.** Traditional rice-based diet is more and more replaced by larger quantities of meat, eggs, milk, milk products and fats[31]. Additionally, **increasing preference for buying ready meals and eating out** has been the latest consumption trend in Japan. Lastly, consumers have started to pay more attention to **health concept.** Not only are they concerned about **certain diseases** (cancer, diabetes), as

[30] Euromonitor International: Economies and Consumers, 2018.
[31] About Food % Beverage; EU Business in Japan; 2018; https://www.eubusinessinjapan.eu/sectors/food-beverage/about-food-beverage

well as consider food additives as risky, but also about **calories intake**. The latest trend in Japanese foodservice includes listing calories on the restaurants' menu. Connected to this overall trend, strong attention has been paid to sugar content of late, and products with lower sugar content are considered healthier.

Consumer trends may vary at regional or city to city basis[32], however Japanese consumers base their approach on several factors such as: high quality expectations, relative price sensitivity and convenience-seeking.

In general terms, due to demographic and lifestyle changes - notably the increasing number of single households, ageing population and families in which both parents work - consumers in Japan are shifting to convenient and time-saving options. This is increasing the demand for *sozai* (ready-made dishes) and packaged meals, thus limiting the growth of fresh food. In addition, the quality of food products is set high on Japanese consumers' scale. For premium products, they are willing to spend more resources provided that products meet their expectations. There is also a trend in the purchase of vegetables online, including notably pre-washed and pre-cut vegetables in packages with meat and sauce/seasoning for meal preparation in suitable portions (whether for couples or families).

However, as mentioned earlier, the economic factors have brought more resourceful and value-conscious consumer approach to purchasing food products. According to the Euromonitor 2017 Global Consumer Trends (GCT) Survey, 47% of respondents said they intend to increase their savings rather than spend and 61% said they intend to spend less overall[33] That said, it should be also pointed out that consumer trends are strictly linked to socioeconomic status, which often determines motivation for purchasing European produce as well as the modes of consumption.

High net worth individuals

Number of millionaires in Japan is one of the highest in the world, reaching 2.8. million citizens[34]. This upper class of consumers is characterized by high expenditure on luxurious and quality products, often purchased in boutiques, specialist stores or famous restaurants. Marketing campaigns for products targeting these consumers often emphasise the exclusivity of the product, underlining social status by segment of well-known and famous foreign products.

[32] The Complete Guide to Japanese Regional Cuisine; https://www.fluentu.com/blog/japanese/japanese-food-vocabulary-regional-cuisine/

[33] Euromonitor International: Economies and Consumers, 2018

[34] The 18 countries with the most millionaires; A. Morrell, Business Insider UK; 2017; http://uk.businessinsider.com/countries-with-most-millionaires-2017-4?r=UK&IR=T/#17-denmark-2

Affluent consumers

For affluent consumers, consumer spending on high quality products is still high. This group is willing to pay a higher price for quality and convenience. This type of consumer also base purchasing approach on novelty-seeking, i.e. new and unknown to Japan's market products. Due to travel experiences, affluent consumers are also keen on getting to know other food and drinks culture and are more likely to have adopted new eating and drinking practices as well as a preference for high quality imported products.

Middle class consumers

Constituting the largest part of Japanese society, middle class consumers are also relatively the most price-sensitive, when making food purchases. As mentioned in the beginning of this section, lower disposable income has impacted the overall expenditure as well as savings ratio, which largely applies to the middle-class society. Resourceful approach to expenditure is also driven by exposure to different ways of buying food products, i.e. access to retail channels as well as e-commerce, offering an overview of pricing, which affects purchasing decisions. The middle-class households are expected to decline in the following years, as the result of shrinking population, leading to falling household number overall[35].

Young consumers

The young generation of Japanese is highly influenced by the current abundance of retail channels, especially e-commerce, enabling them to base their purchasing approach on prices. Young consumers are also seeking for novelty, being curious for different food and drink culture, which results in trying new products on the market, however they seem to prioritize other technology goods. In spite of the fact that they do not have high disposable income to spend, their brand awareness is well shaped, which very often may result in recommendations to their family, friends or neighbours[36].

Senior consumers

In the light of ageing population in Japan, senior consumers have become an important group, which even has been a subject to separate marketing strategies. They have been often targeted with a line of low calorie, low-sodium balanced frozen meals (so called *Happy Aging* series). These kinds of dishes are easily accessible and can be heated in microwaves/oven etc. That said, older consumers pay attention not only to convenience, but also to food safety and healthy lifestyle in general. In spite of the fact that senior

[35] Top 5 Developed Markets with the Best Middle Class Potential, A.Hodgson; Euromonitor International MRX Blog; 2016; https://blog.euromonitor.com/2016/04/top-5-developed-markets-with-the-best-middle-class-potential.html

[36] The Japanese Consumer Mindset; EU Business in Japan; 2017; https://www.eubusinessinjapan.eu/library/publication/article-the-japanese-consumer-mindset

consumers tend to do their shopping in more traditional Japanese groceries, they are still interested in organic and natural regional products[37].

Female consumers

Women have become an important consumer groups due to changes in workforce structure and rise in female employment. Female consumers tend to be more price-conscious when shopping[38]. Female consumers can be also characterized by preferences and different tastes for certain products, such as a preference for wine over spirits and more fruit and vegetables comparted to meat-based products.

3.3.2 Cultural Sensitivities and Other Considerations

Cultural sensibilities can play as important a role as other considerations when it comes to purchasing trends in Japan. Understanding other social factors within Japan that shape consumer behaviour and trends can be the key to successfully marketing products. With this in mind, there are other characteristics of Japanese shoppers, that should be taken into account when mapping the consumer target group[39]:

- They tend to agree with the opinion of people in their network and are easily influenced by what their colleagues, friends, neighbours and relatives think; as well as by a salesman's recommendation in some cases.
- Consumer purchases are either for their own practical use or for showing their social status. The latter is especially true in the case of imported goods. That said there is also the tendency to buy so-called "petit luxuries" - small luxuries which may include imported products such as luxury chocolates in order to reward oneself.
- The Japanese often tend to be modest, preferring humble design.
- Consumers in Japan pay more attention to the finishing touches than to the overall performance.
- Serving sizes are typically smaller than in Europe. The trend to convenience (section 3.2) relies on a suitable serving size for the market.

3.3.2.1 Colour associations

In Japan colours are often used for their emotional and symbolic meaning[40]. There are two ways of regarding colour: *shibui*, which avoids contrasting colours through the use of soft colours, and *kabuki*, which uses contrasting and bright colours. The most meaningful colour in Japan is the colour red, which

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[37] Elderly Consumers in Japan: the most mature " Silver market " worldwide; E. Chéron; 2011; https://www.researchgate.net/publication/282122404_Elderly_Consumers_in_Japan_the_most_mature_Silver_market_worldwide

[38] Economics and daily life in Japan; Facts and Details; http://factsanddetails.com/japan/cat24/sub155/item898.html

[39] The Japanese Consumer Mindset; EU Business in Japan; 2017; https://www.eubusinessinjapan.eu/library/publication/article-the-japanese-consumer-mindset

[40] The Traditional Colors of Japan; https://www.tofugu.com/japan/color-in-japan/

is a lucky colour that represents life, authority and vitality. Red is used at special occasions such as births and weddings. Another auspicious colour used at weddings is white, the colour of the gods, purity and rebirth. However, white is also associated with death and funerals[41]. Purple, on the other hand, is associated with wealth. The colours pink, orange and green are all positive colours. The colours black and blue can sometimes be unlucky colours and are associated with supernatural creatures, villains and the unknown.

3.3.2.2 Cultural sensitivities

Japan is considered to be an ethnically homogenous country, with 98.5% of ethnic Japanese living in the country. However, there are several other ethnic groups such as the Ainu and the Ryukyuan people, located on the Japanese archipelago. There are also Korean, Chinese and the Nikkeijin (returned members of the Japanese diaspora) communities.

3.3.2.3 Foods and drinks pairing

Food and beverages are often paired to complement each other's flavours and, in some cases, to maximise perceived health benefits. In Japanese cuisine, there are several food and drinks parings, often including *sake* – Japanese traditional drink, made from fermenting rice. Depending on *sake's* profile and characteristics it is matched to the type of served food (i.e. oily food with crisp, acidic sake etc)[42]. That said, *wine* is also paired with certain types of Japanese food[43]; however, *sake* remains as one of the main choices as an accompaniment to Japanese food[44].

3.3.2.4 Cuisine

Although in Japan there are several regional and city to city cuisine differences, the main one applies to Japanese food (*washoku)* and Western food (*yoshoku).* Yoshoku applies to dishes which are adapted or reinvented from Western cuisine, such as *Kare-raisu* (curry rice), *Hambagu* (beef hamburger) or *Napolitan (*Alike Italian spaghetti dish). As traditional Japanese diet is mostly based on fish and seafood, *Yoshoku* recipes tend to oscillate around other kinds of meat, however not exclusively[45].

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[41] International color symbolism; https://www.six-degrees.com/pdf/International-Color-Symbolism-Chart.pdf
[42] How to pair Japanese sake with food; https://steamykitchen.com/6126-00-japanese-artisan-sake-tasting.html
[43] Japanese Food and Wine; http://www.japanese-food-and-wine.com/
[44] Why Restaurants Are Choosing Sake Over Wine For Food Pairing; https://hk.asiatatler.com/dining/why-restaurants-are-choosing-sake-over-wine-for-food-pairing
[45] The art of yoshoku: Six popular western dishes reinvented in Japan; https://www.jnto.org.au/experience/cuisine/the-art-of-yoshoku-six-popular-western-dishes-reinvented-in-japan/

3.3.2.5 Dining out

Dining out is an important part of the Japanese culture. The Japanese base their choice of restaurants on high quality and convenience when they dine out. There is abundance of restaurants available when dining out that can be chosen depending on the occasion, time of the day or location[46]. Additionally, it has become a trend, as a result of busier and a fast-pace lifestyle, to buy ready-made meals at the convenience store.

3.3.2.6 Gifting

In Japan, gifting is seen as an essential tool to build and maintain personal and professional relationships. Gift-giving therefore extends beyond holidays and special occasions. The range of gifts is wide, from money to towels, with special food and beverages being a popular gift. The appearance of gifts is particularly important (with, and gifts are often sold in pre-packaged sets), and wrapping is important in the case that gifts are for special occasions rather than seasonal.

While the most important gift-giving occasions are wedding and funerals, food is not as common a gift for these occasions – even though in case of a funeral, it is common for a gift to be consumed, so that the misfortune associated with death does not linger on. Notable other occasions for companies and individuals to give gifts are mid-year (*Ochugen*) and the end of the year (*Oseibo*)[47], during which beer, coffee, noodles, meat, fish, fruit, juices, seaweed, candies, pastries and cooking oil are gifted. Other occasions to gift food, candies, pastries, chocolate and alcoholic beverages are Mother's Day, Father's Day, Valentine's Day, White Day, Christmas and Halloween.

Japanese New Year Purchases

As mentioned in the previous section, Oseibo is a period in the end of the year, when Japanese are giving gifts to relatives, friends or co-workers as a sign of appreciation. There is no specific type of the gift, however the popular gifts include variety of foods (salmon, herring roe, ham, expensive fruits, meat preparations, boxes of beer etc). The Oseibo winter gift giving was considered obligatory in the past, nevertheless recent years have brought sign of fading away of this tradition. It is often perceived by younger generation as a gesture typical for their parents and older generation in general.

[46] Eating out in Japanese: a guide to Japan's restaurants; https://www.lonelyplanet.com/japan/travel-tips-and-articles/eating-out-in-japanese-a-guide-to-japans-restaurants/40625c8c-8a11-5710-a052-1479d277d1ad
[47] Giving Gifts in Japan; https://www.japan-guide.com/e/e2004.html

4 Market access and entry

This section provides details on the necessary requirements for entry in to the Japanese market, outlining existing market access restrictions/measures and explaining procedures. The summary, containing the SWOT analysis, of market access and entry is presented in section 4.1.

4.1 Summary SWOT analysis

Strengths	Weaknesses
• Large market • Increasing demand for imported products • Long-standing trade ties with the EU • Westernized dietary habits • Well-developed logistical services and transportation infrastructure	• Complex regulatory framework related to many areas • Strong business relationship preferred prior to market entry • Multi-layered distribution system • Aging and shrinking population
Opportunities	**Threats**
• EU-Japan Economic Partnership Agreement to facilitate trade relations and provide an advantage over most other importers • Increasing level of awareness and appreciation of EU GI products • EU food safety standards mean that EU products are often well regarded • Novelty-seeking among consumers	• Possible implications from other FTAs impacting the competitiveness • Consumer loyalty for some domestic brands

4.2 Food and beverage legislation and regulations

4.2.1 Import requirements/restrictions, customs procedures and documentation

Import requirements/restrictions

The starting point for importers is to submit a notification to the Ministry of Health, Labour and Welfare (MHLW), as required by the Food Sanitation Act[48]. However, before the import notification is submitted, it is appropriate to carry out a consultation exercise with the MHLW Quarantine Station, which may facilitate the process by indicating the necessary documents to be prepared and ensure the fully informed and transparent import-related activities. The list of eligible stations is provided by the MHLW[49]. It is also

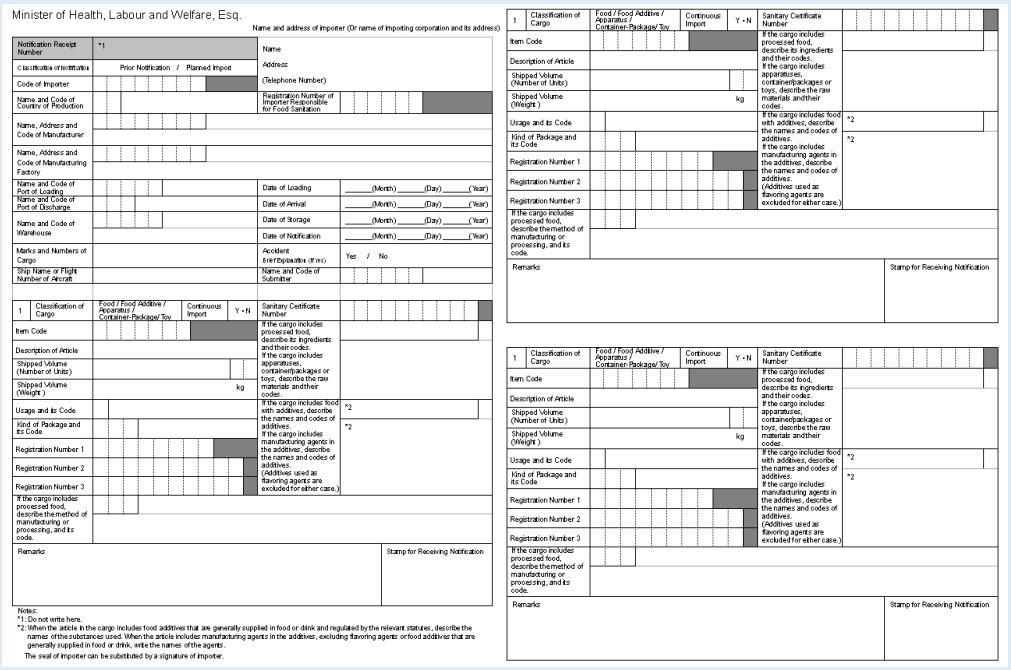
[48] Import Procedure under Food Sanitation Law; MHLW https://www.mhlw.go.jp/english/topics/importedfoods/1.html

[49] MHLW Quarantine Stations; MHLW https://www.mhlw.go.jp/english/topics/importedfoods/1-2.html

worth checking the food additives and product specifications at this point with the MHLW station; and HS codes of the products to be imported with the customs stations of the Ministry of Finance, as these are different from CN codes, and

The Import Notification (in English or Japanese) can be submitted in paper form or electronically, after registration and providing necessary information to the MHLW. It is important to submit the document to a chosen Quarantine Station. It should be noted that import of some food items, e.g. meat, meat products, swellfish (pufferfish), bivulves, dairy products, plant products requires an additional set of documents, issued by the governmental organisations of the exporting country (plant health/ animal health certificate and it is best to check with MAFF animal quarantine / plant quarantine stations at this stage as well.).

The Import Notification for Foods Standardised Form[50]



Minister of Health, Labour and Welfare, Esq.

Name and address of importer (Or name of importing corporation and its address)

Notification Receipt Number	*1	Name	
Classification of Notification	Prior Notification / Planned Import	Address	
Code of Importer		(Telephone Number)	
Name and Code of Country of Production		Registration Number of Importer Responsible for Food Sanitation	
Name, Address and Code of Manufacturer			
Name, Address and Code of Manufacturing Factory			
Name and Code of Port of Loading		Date of Loading	(Month) (Day) (Year)
Name and Code of Port of Discharge		Date of Arrival	(Month) (Day) (Year)
Name and Code of Warehouse		Date of Storage	(Month) (Day) (Year)
		Date of Notification	(Month) (Day) (Year)
Marks and Numbers of Cargo		Accident Interfposition (If any)	Yes / No
Ship Name or Flight Number of Aircraft		Name and Code of Submitter	

1	Classification of Cargo	Food / Food Additive / Apparatus / Container-Package/ Toy	Continuous Import	Y・N	Sanitary Certificate Number
Item Code					If the cargo includes processed food, describe its ingredients and their codes. If the cargo includes apparatuses, container/packages or toys, describe the raw materials and their codes.
Description of Article					
Shipped Volume (Number of Units)					
Shipped Volume (Weight)		kg			
Usage and its Code					If the cargo includes food with additives, describe the names and codes of additives. *2
Kind of Package and its Code					If the cargo includes manufacturing agents in the additives, describe the names and codes of additives. (Additives used as flavoring agents are excluded for either case.) *2
Registration Number 1					
Registration Number 2					
Registration Number 3					
If the cargo includes processed food, describe the method of manufacturing or processing, and its code.					
Remarks					Stamp for Receiving Notification

Notes:
*1 : Do not write here.
*2 : When the article in the cargo includes food additives that are generally supplied in food or drink and regulated by the relevant statutes, describe the names of the substances used. When the article includes manufacturing agents in the additives, excluding flavoring agents or food additives that are generally supplied in food or drink, write the names of the agents.
The seal of importer can be substituted by a signature of importer.

Source: MHLW

Documents must be submitted to Quarantine Station before the customs clearance procedure, however no more than a week before approximate arrival of the cargo.

[50] Example of Notification Form for Importation of Foods; MHLW
https://www.mhlw.go.jp/english/topics/importedfoods/dl/1-3.pdf

After submission of the Import Notification, the MHLW Quarantine section examines the documentation and check whether the product meets the provisions of the Food Sanitation Act. There are several aspects of the examination, which are considered[51]:

- Compliance with the manufacturing standards regulated under the Food Sanitation Law
- Compliance with the standards of the use of food additives
- Absence of poisonous or hazardous substances
- Occurrence of the sanitation problems in the place of manufacturing in the past

In case the examination reveals further issues to be resolved and/or there is need to collect more information, two types of inspection will be considered, depending on the outcome of the documentary examination[52]:

- **Inspection Order system** – in case of high suspicion of violation with the Food Sanitation Act, the inspection is issued by the MHLW and carried out at the designated inspection laboratory, which costs are to be bared by the importer. The import procedure is suspended until the compliance of concerned food items is confirmed.
- **Other Inspection system** – mostly applies to food items which are imported for the first time to Japan and to items that have experienced an accident during transportation. Sometimes, the cargo inspection is carried out due to importer's obligations to secure food sanitation.

In addition, in random cases monitoring inspection can apply, which serves the purpose of collecting data on sanitation statuses of food items imported to Japan. Inspections are carried out based on the annual report and past incompliance of food items, however the import procedures can be forwarded without inspection results.

New or unknown products in Japan

In case of shipping new or unknown products to Japan, the MHLW recommends prior contact and delivery a small sample in order to guarantee the compliance with existing law.

The importer may also test the product in one of the accredited foreign official laboratories and attach the result – in this case the inspection of the sample at the Japanese port might be waived.

[51]Import Procedure under Food Sanitation Law; MHLW
https://www.mhlw.go.jp/english/topics/importedfoods/1.html
[52] Imported Food Inspection Services; MHLW https://www.mhlw.go.jp/english/topics/importedfoods/1-4.html

Furthermore, for the sake of simplification, there are also simplified systems applied in case of the following situations. It must be remembered that the MHLW can provide detailed information and clarify which case may be applicable[53]:

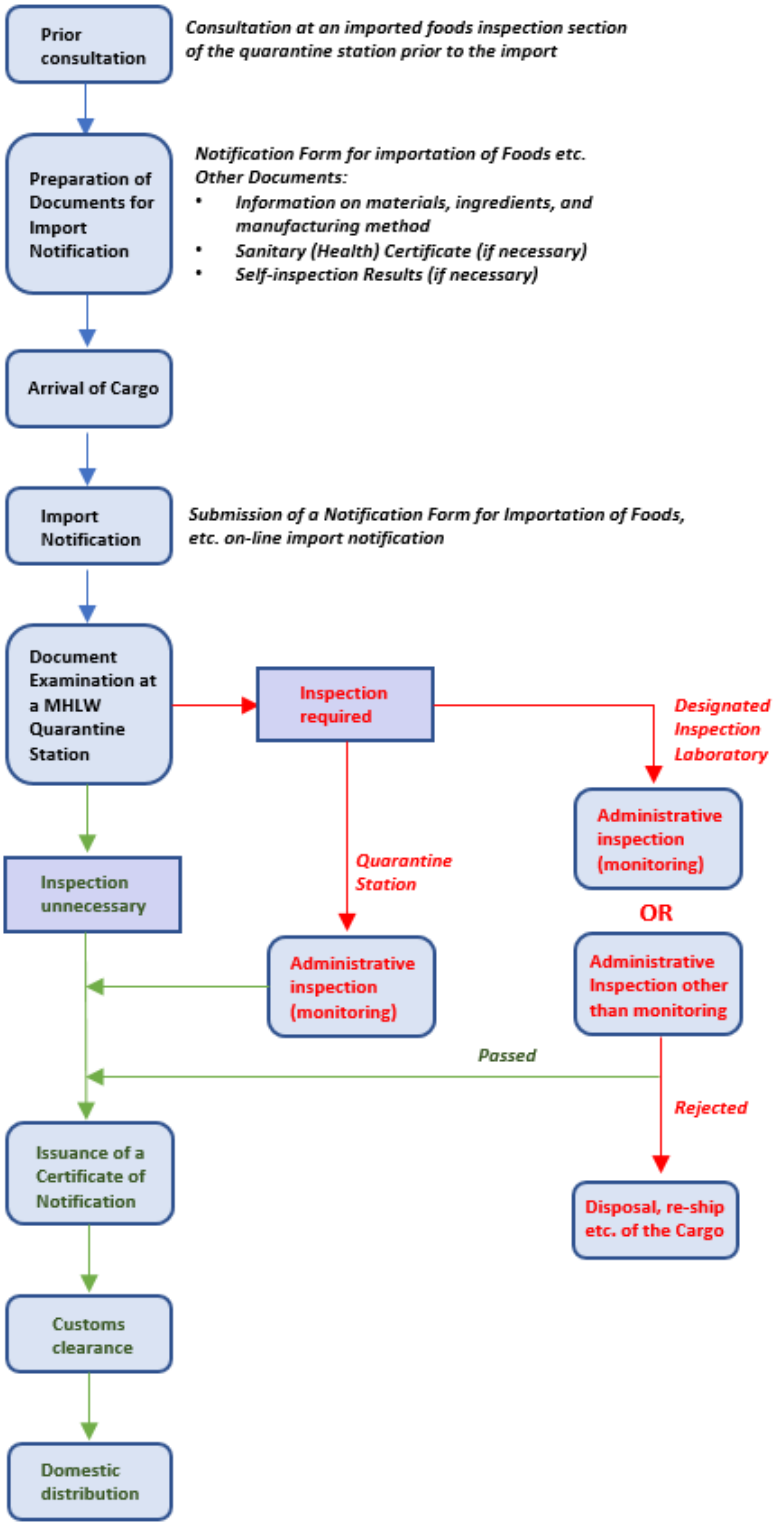
- **Advance Notification system** – no further inspection needed, certificate of notification issued immediately, either before the arrival or after the cargo is unloaded.
- **Planned Import system** – if a food item is planned to be imported repeatedly, a plan can be submitted prior to the first import. If accepted, the further import of the item is exempted from the requirement of import notification.
- **Inspection results by official inspection organisations in other countries** - in case of prior inspection carried out by approved body[54], the inspection at the Quarantine Section might be exempted.
- **Continuous import of same items** – similar to the planned import system, however scheduled for a certain period, with requirement of import notification with previous inspection results.
- **Advance approval of imported foods and related products** – after food items are found to be compliant with the Food Sanitation Law, they may be registered, which effectively exempt further imports from the requirement of inspection for a certain period of time.

After the examination activities are finished, if the product is in compliance with the law, the MHLW Quarantine Section issues a Certificate of Notification, which leads to further step in the procedure. In case of non-compliance, the importer receives detailed explanation of violation the Food Sanitation Law and follow MHLW instruction on disposal/re-shipment of the cargo.

An overview of the import procedure in Japan is presented in Figure 4-1[55].

[53] Systems for Simplified and Expedited Systems of Import Procedures of Food and Related Items ; MHLW https://www.mhlw.go.jp/english/topics/importedfoods/1-5.html
[54] Up to date list can be consulted on MHLW website: https://www.mhlw.go.jp/english/topics/importedfoods/
[55] Without considering the simplification systems.

Figure 4-1: Overview of the import procedure in Japan



Source: Ministry of Health, Labour and Welfare (MHLW)

Customs procedures and documentation

The customs procedure is launched after the product for import has received its Certificate of Notification at the Quarantine Station. Japanese customs legislation distinguishes between the following customs procedures for imports[56]:

- Release for free circulation
- Customs warehousing
- Temporary admission
- Transit

In case of release for free circulation, documentation, including all necessary import declarations, is prepared after the imported goods have passed through food import procedure at the Quarantine Station and have been taken into a bonded area for customs clearance[57]. The Japanese authorities allow electronic submission of necessary documentation via Nippon Automated Cargo and Port Consolidated System (NACCS)[58].The product is stored in a customs area until the clearance procedure is finalised. An overview of Japan's Customs Bonded system is set out in Table 4-1[59]

Table 4-1: Japan's Customs Bonded System

Type	Features	Maximum length of storage
Designated customs area	Loading/unloading, transport and temporary storage of foreign goods	1 month
Bonded storage location	Loading/unloading, transport and long-term storage of foreign goods	2 years (may be extended)
Bonded factory	Processing and manufacturing using foreign goods as material	2 years (may be extended)
Bonded exhibition	Display and use of foreign goods	Designated by the head of customs office
Integrated customs area	Loading/unloading, transport, long-term storage, processing & manufacturing and exhibition of foreign goods	2 years (maybe be extended)

Source : Japan Customs, EU-Japan Centre

[56] Overview of Import Procedures – Japan; European Commission 2018 http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscode=&countryid=JP#h8

[57] However, documents and data required may also be submitted prior to arrival. In this case, the Customs Import Declaration is to be submitted along with the Commercial Invoice and the Declaration of Dutiable Value, if applicable, to the intended port of arrival.

[58] Nippon Automated Cargo and Port Consolidated System; http://www.naccs.jp/e/

[59] Outline of the Customs Bonded System; Japan Customs http://www.customs.go.jp/english/c-answer_e/sonota/9203_e.htm

It is important to note that the customs procedure is under supervision of separate body to MHLW, namely the Customs and Tariff Bureau of the Ministry of Finance, which operates under the Customs Law[60]. Apart from the customs import declaration (presented in the box below), which is a starting point for customs procedure, there are several other documents to consider during the customs clearance procedure:

- Commercial Invoice
- Bill of Lading or Air Waybill
- Packing List (if deemed necessary[61]
- Freight accounts (if deemed necessary)
- Insurance Certificate (if deemed necessary)
- Relevant licences, certificates, etc. (if the goods to be imported are restricted under laws and regulations other than the Customs Law)
- Detailed statement on reductions of or exemption from customs duty and excise tax, including claims for preferential tariff treatment (if applicable)
- Proof of payment of customs duties (in case of dutiable goods)
- A non-preferential proof of origin (only in specific cases; please see the document Certificate of Non-Preferential Origin).

Documentation related to customs procedure can be found here:
http://www.customs.go.jp/kaisei/youshiki/form_C/C5360-B.pdf

The responsibility for submitting the Customs Import Declaration relies on the importer or appointed customs broker, who must be duly registered and reside in Japan.

Authorised Economic Operator (AEO)

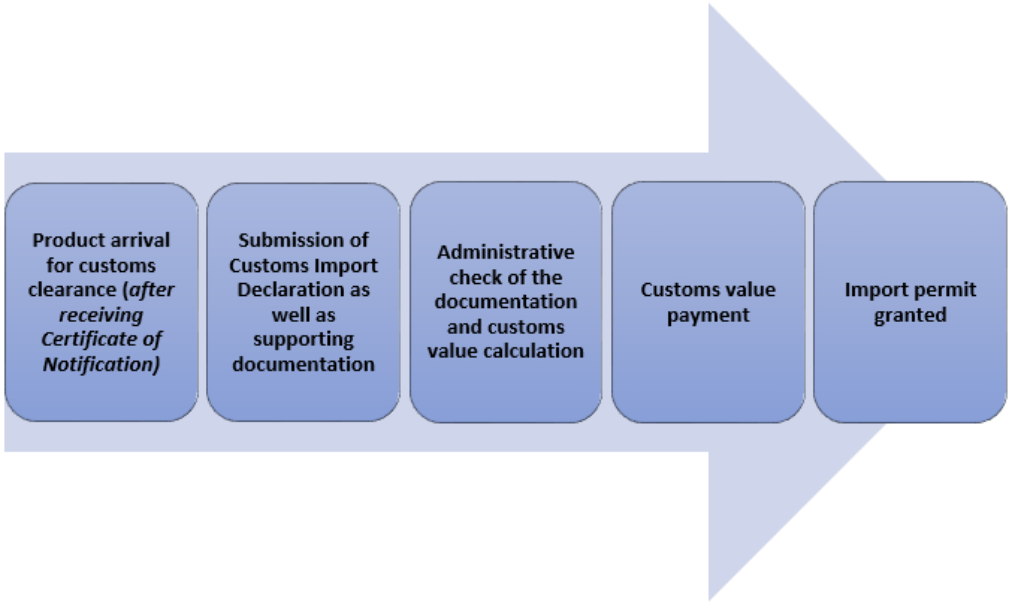
[60] Outline of other relevant laws and ordinances referred to by Customs; Japan Customs http://www.customs.go.jp/english/c-answer_e/imtsukan/1801_e.htm

[61] Japan Customs uses the expression "*if deemed necessary*", however mentioned documents are usually needed to pass through the customs clearance procedure.

In case of regular imports to Japan, there is a significant facilitation of the customs procedure applied by the Authorised Economic Operator programme (AEO), in which importer are allowed to release cargoes before duty payment, may have reduced inspection activities or pay duty and taxes periodically.

The overview of general customs procedure in Japan is presented in Figure 4-2.

Figure 4-2: The overview of Japan Customs procedure[62]



Source: Agra CEAS based on Customs and Tariff Bureau of the Ministry of Finance of Japan

Sanitary and Phytosanitary (SPS) measures

In addition to above described administrative requirements, there are other to be considered, which relate to specific products. These are covered in relevant sector snapshots, section 5.

The SPS Agreement oblige WTO members to follow the measures concerning food and feed safety, animal health and plant health. That said, every WTO member has the right to take appropriate measures, which in the end will secure the mentioned goals. When exporting food products to Japan, SPS may apply and concern:

- Diseases carried by animals
- Plant pests (e.g. insects, bacteria, viruses)
- Toxins or disease-causing organisms in foods, beverages or feedstuffs
- Additives
- Contaminants (heavy metals, residues of pesticides or veterinary drugs, extraneous matter)

[62] Presented procedure does not cover exceptional cases as well as AEO members.

4.2.2 Food safety and other food certification requirements

Food safety in Japan is regulated by the Food Safety Basic Law, which is overseen by the Department of Food Safety in the Pharmaceutical and Food Safety Bureau, within the Ministry of Health, Labour and Welfare (MHLW).

In addition to the Food Safety Basic law, there are several regulations in place which are relevant for the import of food into Japan. These relate to various aspects of the placing of food on the market, such as human and animal health, packaging and labelling, etc. In more specific terms, Japanese food-related laws can be divided into three main pieces of legislation[63]:

- The Food Sanitation Act
- 'The Law Concerning Standardization, etc. of Agricultural and Forestry Products' (the JAS Law)
- The Health Promotion Act
- Food Labelling Act

The Food Sanitation Act

This act is focused on food safety matters and covers variety of areas, most notably:

- setting out the standards for food, additives, food containers/packages;
- managing the hygiene of the manufacture specifications; and,
- establishing business licenses.

The Food Sanitation Act falls under the responsibility of Ministry of Health, Labour and Welfare (MHLW). The Food Sanitation Act amendment, announced in March 2018, intends to introduce a positive list system for utensils, containers and packaging used for foodstuffs. Unlike the prior negative list, after the amendment comes into force[64], only substances found to have been manufactured in compliance with the standards of good manufacturing practice will be granted with access to the Japanese market[65].

The JAS Law[66]

The law aimed at improving quality of foods and drinks and ensuring they are produced by specific method, which is managed by the Ministry of Agriculture, Forestry and Fisheries (MAFF)[67]. Unlike the Food Sanitation Act, the JAS (Japanese Agricultural Standard) system is not a standard on food safety, but rather on assessing the quality of the product, based on its production methods etc., ultimately in order to assist

[63] EU Business in Japan ; https://www.eubusinessinjapan.eu/issues/legal-regulatory-issues/food-regulation ; 2018
[64] This is foreseen to have occurred by 2020.
[65] http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=overview&hscode=&countryid=JP#h4
[66] The Law Concerning Standardization, etc. of Agricultural and Forestry Products; MAFF http://www.maff.go.jp/e/jas/pdf/jaslaw01.pdf
[67] The MAFF is also responsible for organic foods, (except for wines and spirits), setting mandatory standards – see page 55.

consumers / users to make choices. **The JAS system is voluntary** and can be used by selected products only, as listed by MAFF[68]. Last but not least, the JAS law imposes also two-fold labelling system, applying to different categories of organic products, which is explained in detail in section 4.2.3.

The Health Promotion Act[69]

Overseen by MHLW, the Health Promotion Act regulates the manufacture, import and sale of foods, food containers/packages and additives. In general, it aims to promote people's health, underlining the importance of appropriate knowledge on dietary habits and lifestyle habits.

Finally, in addition to the legislation listed above, there is abundance of sector-related laws under Food Sanitation Act, regulating specific issues on imported products, e.g. food additives, prohibited substances, specification of food, MRLs of veterinary drugs and pesticides etc. Relevant laws for specific sectors are covered in the market snapshots. With regards specifically to food additives, under the EPA a process has been put in place to facilitate and accelerate the approval of key additives used by European producers by Japan; with additives and processing aids used in wines targeted in particular.

4.2.3 Labelling Requirements

The food labelling system in Japan was updated in 2015[70] and currently is regulated by the Japanese Food Labelling Act. The new law consolidated the previous multi-regulatory control system[71], and foresaw a transition period of 5 years maximum for all labelling of processed products as well as food additives; and 1.5 years maximum for fresh products.

The labelling framework in Japan is governed by the Consumer Affairs Agency (CAA), which, as a part of the Cabinet Office of Japan, oversees developing plans for consumer policies in the country.

The Food Labelling Standard covers all food and drinks which are on the market in Japan; however, the part on the nutritional requirement has several exceptions and do not apply to:

- Fresh foods
- Alcoholic beverages[72]

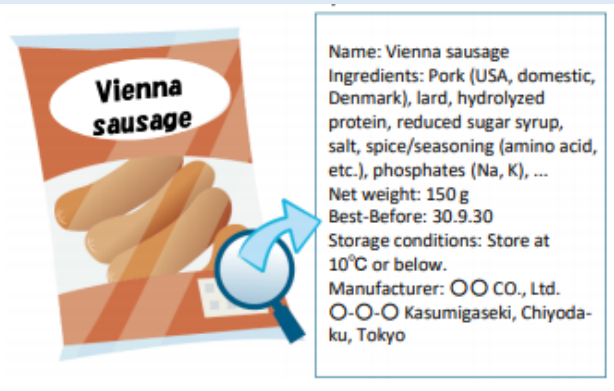
[68] List of JAS products; MAFF 2014 http://www.maff.go.jp/e/jas/jas/pdf/jas_list.pdf
[69] Overview of the Health Promotion Act; MHLW https://www.mhlw.go.jp/english/wp/wp-hw3/dl/2-063.pdf
[70] First roundtable discussions on *Unification of food Labelling Provisions* were held in 2011/2012, with effect of promulgation of New Food Labelling Act in 2013, which effectively became the Food Labelling Standard in April 2015.
[71] Based on Japanese Agricultural Standard (JAS), Food Sanitation Act, Health Promotion Act.
[72] In principle, alcoholic beverages are covered under the National Tax Agency capacity and regulated by the Act Concerning Liquor Business Associations and Measures for Securing Revenue from Liquor Tax.

- Products manufactured by companies with less than twenty employees[73]
- Products imported by companies with less than five employees

The new provisions did not include, at that time, the labelling requirements for genetically modified organisms or the country of origin labelling issue. However, the latter requirements have been reviewed by the Japanese authorities in 2017 and as from September 2017 countries of origin of ingredients must be listed for all processed food.

Country of origin

In the case of fresh food, the system imposes the requirement to list ingredient's country of origin, and in case of processed food, its country of manufacture as well. If there is more than one country involved in the production of the final product, the CAA gives detailed guidelines[74] - by a way of example - in case of meat products, in general, the first country displayed is the longest place of rearing. The basic example of such label is presented below:



In case of country of origin of ingredients, when more countries are involved – and all of them are foreign – CAA advices to use "import" as an indication of using solely imported ingredients.

The labelling for the vast majority of products is required at the stage of point of sale, not necessarily at the customs clearance stage; and must be presented in Japanese. This therefore effectively places the burden on the importer. The new labelling framework brought several significant changes, *inter alia,*

[73] This business exception for nutrition labelling is aimed at family owned businesses. For imports, importers need to take care of labelling, so whether or not nutrition info for labelling is requested from small businesses exporting to Japan will depend on the importer.

[74] Country of origin labelling summary: CAA 2017 http://www.caa.go.jp/en/policy/food_labeling/pdf/syokuhin_en_010.pdf

mandatory nutrition labelling, classification of products, and revised allergen labelling practices. The key elements of the new Food Labelling Standard are set out in Table 4-2[7576].

[75] An Overview of the Food Labeling Standard; USDA 2017 https://gain.fas.usda.gov/Recent%20GAIN%20Publications/An%20Overview%20of%20the%20Food%20Labeling%20Standard_Tokyo_Japan_5-26-2017.pdf

[76] Food Labelling Guide; CAA http://www.caa.go.jp/en/policy/food_labeling/

Table 4-2: The key changes of the Food Labelling Standard in Japan

Change	Features
Classifications for Processed and Fresh Foods	Previously binding different classification of the same product, set out by JAS, has been harmonized by the new framework, dividing products into three categories: ***fresh food, processed food and food additive***. Any processing action of the product (incl. pre-cutting) leads to identification as processed food and need for appropriate label.
Manufacturer Identification Codes and Contact Information	Special ID codes are only allowed in case of manufacturing the product at more than two facilities. In effect, the smaller companies must provide the name and address of the manufacturing facility on all product labels. The manufacturer ID code must include customer service information, company website address or names, addresses, and ID codes for all production facilities. In addition, the Food Labelling Standard requires to place name and address of both the manufacturer and the distributor of the product.
Allergen Labelling	Unlike the previous labelling framework, the Food Labelling Standard imposes the requirement for appropriate labelling of allergic ingredients of the product. The list of mandatory allergens to be placed includes: • *Egg, milk, buckwheat, wheat, peanuts, crab, shrimp/prawn* The recommended list of allergens includes also: • Abalone, Mackerel, Squid, Salmon, Salmon Roe, Cashew Nut, Walnut, Matsutake Mushroom, Sesame, Soybean, Yam, Apple, Banana, Kiwifruit, Orange, Peach, Beef, Chicken, Gelatine, Pork
Nutritional Labelling	The new labelling framework requires the placing of nutritional labelling on **all processed foods**, with a five-year transition period from the 2015. However, an exemption applies in case when the product is manufactured with less than twenty employees or imported by small companies (less than five employees). The manufacturers are allowed to choose the appropriate serving size and are obligated to place mandatory nutritional components are allowed to choose other from the other groups, as below: • Mandatory: *energy, protein, fat, carbohydrate, sodium (indicate as salt equivalent)* • Voluntary but recommended: *saturated fat, dietary fibre* • Voluntary: *n-3 Fatty Acid, n-6 Fatty Acid, Carbohydrate, Sugars, Cholesterol, Vitamins and Minerals*
Content Claims	Claim regulations are harmonised with the CODEX standards, with an exception applying to *reduced sodium* for soy sauce/miso products (25% reduced sodium codex – 20% in Japan).
Compound Ingredient Labelling	The Food Labelling Standard allows manufacturers or importers to identify each ingredient of a compound ingredient provided that the description of a compound is not comprehensible for consumers or the compound ingredient is a mixture of primary ingredients.

Change	Features
Labelling of Food Additives for sale	The food additive for commercial sale is a subject for stringer details on the label, unlike the food additive used as an ingredient in a processed food. Additional information includes the net content, name and address of the additive manufacturer and nutrition information.
Incorporation of CAA Notices	CAA notices, based on an earlier publication, may be included in the label to e.g. prevent unintentional poisoning by toxin.
Food Labelling Layout Enhancement	Unlike under the previous framework, regardless of the size of the package, the Food Labelling Standard requires all necessary information to be placed on the label, i.e. name of a product, proper storage instructions, best before date, manufacturer/seller contact information etc.

Source: Gain Report JA7078

The system of "Foods with Function Claims"[77]

The Food Labelling System revised the system of making function claims on food labels. Previously introduced systems – Foods for Specified Health Uses (FOSHU) and Foods with Nutrient Function Claims (FNFC) remained in place, however the new system called *Food with Function Claims* was introduced. Currently, the systems cover three different areas:

Foods for Specified Health Uses

Scientifically recognised as helpful for maintaining and promoting health (e.g. slows cholesterol absorption), evaluated by the government.

Foods with Nutrient Function Claims

Treated as supplementation of the daily requirement of nutrients, which in general tends to be insufficient in everyday diet.

Foods with Functions Claims

Function claims, based on scientific evidence, are under food business operator's responsibility placed on the market, with a prior submission to the Secretary-General of the CAA.

The other main difference between the systems relates to governmental evaluation of the safety and effectiveness of the claim, which under the new scheme for food with function claims, must be based on clinical trials or literature review.

Organic JAS system – labelling

The JAS standards for organic plants and organic processed foods of plants were established in 2000, with further developments and addition of organic livestock products, organic processed foods of animal origin and organic feeds in 2018. It is mandatory for imported foods of plant origin which want to be sold as organic; and will be for those of livestock origin from 2020.

Operators are allowed to place a product on the market using the JAS organic seal after fulfilling necessary requirements laid down by the Ministry of Agriculture, Forestry and Fisheries (MAFF). The JAS system

[77] Guidance for industry on the system of Foods with Function claims; CAA 2015 http://www.caa.go.jp/policies/policy/food_labeling/information/pamphlets/pdf/151224_2.pdf

differentiates between four categories of organic products, with separate standards and classifications, which are set out below.

- Japanese Agricultural Standard for Organic Plants[78]
- Japanese Agricultural Standard for Organic Processed Foods[79]
- Japanese Agricultural Standard for Organic Feeds[80]
- Japanese Agricultural Standard for Organic Livestock etc.[81]

After meeting all the requirements, Article 5 of MAFF specifications – relating to the particular group of the organic product, lays down the possible presentation of the JAS organic seal, with the appropriate and permitted explanatory notes. It should be noted that the JAS organic standard does not apply wine.

4.2.4 Protection of intellectual property rights and Geographical Indications

IPR protection framework

The protection of intellectual property rights (IPR) in Japan is regulated by various provisions, depending on the intellectual property right in question[82]:

- Geographical Indications (GI) Act: for agricultural products including foodstuffs other than alcoholic beverages (see below for more information),
- Liquor Act: for alcoholic beverages
- Patent Law: patent is an exclusive right granted for an invention of high technological creativity, valid for 20 years (subject to renewal),
- Copyright Law: rights that creators have over their literary and artistic works,
- Trademark Law: trademark is a sign capable of distinguishing the goods or services of one enterprise from those of other enterprises, valid for 10 years (further renewal possible every 10 years),

[78] Japanese Agricultural Standard for Organic Plants (Notification No. 1605 of the Ministry of Agriculture, Forestry and Fisheries of October 27, 2005); MAFF 2017
http://www.maff.go.jp/e/policies/standard/jas/specific/attach/pdf/criteria_o-1.pdf

[79] Japanese Agricultural Standard for Organic Processed Foods
(Notification No. 1606 of the Ministry of Agriculture, Forestry and Fisheries of October 27, 2005); MAFF 2018
http://www.maff.go.jp/e/policies/standard/jas/specific/attach/pdf/criteria_o-7.pdf

[80] Japanese Agricultural Standard for Organic Feeds
(Notification No. 1607 of the Ministry of Agriculture, Forestry and Fisheries of October 27, 2005); MAFF 2018 http://www.maff.go.jp/e/policies/standard/jas/specific/attach/pdf/criteria_o-8.pdf

[81] Japanese Agricultural Standard for Organic Livestock etc. (Notification No. 1608 of the Ministry of Agriculture, Forestry and Fisheries of October 27, 2005) (Provisional Translation):
http://www.maff.go.jp/e/policies/standard/jas/specific/attach/pdf/criteria_o-9.pdf

[82] System of Industrial Property Rights; Japan Patent Office
https://www.jpo.go.jp/cgi/linke.cgi?url=/seido_e/s_gaiyou_e/4houe.htm

- Design Law: design protects external appearance of a product (patterns, colour and design characteristics), valid for up to 20 years (subject to renewal),
- Utility Model Law: utility model is an exclusive right granted for an invention with less stringent requirements than a patent.

Patents, trademarks, designs and utility models are registered with the Japan Patent Office (JPO), which operates under the mandate of the Ministry of Economy, Trade and Industry (METI). GIs are under the authority of the Ministry of Agriculture, Forestry and Fisheries (MAFF). Copyright protection is obtained automatically without the need for registration or other formalities.

Japan, as a member of the World Trade Organization, is party to the Agreement on Trade-Related Aspects of Intellectual Property Rights and the majority of other international treaties concerning intellectual property rights, including Paris and Berne Conventions.[83] On some aspects, the Japanese legislation on IPR goes beyond the standards set in those international treaties. In addition, specific measures seeking to ensure the enforcement of IPRs at the border have also been implemented by the Customs Law, including penal provisions[84]. The METI provides some guidelines on the available remedies in case of the IPR infringement in Japan[85].

Japan's Geographical Indication protection system for agricultural products including foodstuffs other than alcoholic beverages

The Japanese GI protection system is designed to protect the name of products whose quality, characteristics or reputation is directly linked to a demarcated geographical area.

The GI protection system is regulated by the Act on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs ("the GI Act")[86], which entered into force in June 2015 and is under the authority of the Ministry of Agriculture, Forestry and Fisheries (MAFF).

The MAFF outlines four specific aims for the GI protection system:

- Regional brand protection and use leading to revitalization of rural areas and communities;
- Preservation of traditional food culture;
- Protection of consumer's benefits, and

[83] https://www.wipo.int/wipolex/en/profile.jsp?code=JP
[84] IPR Border Enforcement by Japan Customs; Japan Customs http://www.customs.go.jp/mizugiwa/chiteki/pages/a_003_e.htm
[85] Actions and remedies for damages due to counterfeits or pirated goods; METI http://www.meti.go.jp/policy/ipr/eng/infringe/remedy/index.html
[86] Geographical Indication (GI) Protection System in Japan; MAFF http://www.maff.go.jp/e/japan_food/gi_act/pdf/gi_pamph.pdf

- Supporting the export of agricultural, forestry and fishery products and foodstuffs.

The GI Act sets out the scope of the protection system applicable to 42 classes of products, which covers[87]:

- Agricultural products, etc. falling under the classification to which the registered product belongs,
- Products manufactured or processed using products specified as raw materials or ingredients.

Products, which are registered under the GI protection system, are labelled with specific *GI Mark*, as presented in Figure 4-3.

Figure 4-3: Official logo of GI products in Japan – "GI Mark"

Source: MAFF

The GI Mark allows consumers to easily recognize the GI protected product and it proves the authenticity of GI products. The Mark's design characteristics are subject of stringent controls, as set out in Article 4 (1) of the GI Act as well as in the guidelines provided by the MAFF.

The Mark can be used only after fulfilling all the necessary requirements, which are described in Article 3(1) of the GI Act and include[88]:

- Objects to which GIs may be affixed: agricultural products, etc. or their package, etc. that satisfy the following conditions:
  - produced by a producer who is a member of the registered group of producers;
  - meet the registration standards (the production process has been properly managed by the registered group of producers).
- Persons who may use GIs
  - Producers as described above

[87] Act on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs (Act No. 84 of June 25, 2014, as amended up to Act No. 108 of December 26, 2016) http://www.wipo.int/wipolex/en/text.jsp?file_id=431683

[88] Act on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs (Act No. 84 of June 25, 2014, as amended up to Act No. 108 of December 26, 2016) http://www.maff.go.jp/e/policies/intel/gi_act/ (overview) and http://www.wipo.int/wipolex/en/text.jsp?file_id=431683 (act in English).

- Persons who received the products directly or indirectly from a producer described above (distributors, retailers, etc.)

Guidelines for the use of Geographical Indications in Japan are provided at the MAFF website (last update March 2018), outlining details on improper use of GI Mark as well as measures against violation of regulation**:** **http://www.maff.go.jp/e/policies/intel/gi_act/attach/pdf/index-3.pdf**

The registration process for GIs, in principle, comprises one application for each class of products for which the name is applied for.

GI products are subject of quality control after registration. Groups of producers provide guidance to comply with previously stipulated methods, which are based on rules concerning production process management (these rules are one of the attachments required during the registration process). In addition, the Minister of Agriculture, Forestry and Fisheries regularly monitors whether the production process is carried out in an appropriate manner.

The GI Act foresees also several measures against illicit use, which are triggered by the MAFF once the GI standard is not met by the members of the registered group of producers selling GI products.

Further details on the application process and retrieving documents:
http://www.maff.go.jp/e/policies/intel/gi_act/attach/pdf/index-1.pdf

In addition, if a GI product is registered, Japan's protection system regulates the use of the following indications:

- *Indications identical to the registered GI* – deemed identical with registered GIs from a social perspective
- *Indications similar to the registered GI* – an indication that makes it difficult to distinguish a registered GI product from another product, meaning that their appearance and pronunciation are confusing for consumers, leading to assumption that said indication has the same characteristics as the registered GI products.

It should be pointed out that it is possible, though rare to register foreign goods in Japanese GI system.

The EPA

The recently signed EU-Japan EPA provides for the recognition and protection of 211 EU GIs (wines, spirits and agri-food products), with the possibility for more to be recognised after its entry into force. More details on this can be found in section 4.3.3.

4.2.5 Relevant authorities for IPR and GI protection-and further contacts

Competent Authorities for GI protection

Japan Geographical Indication Protection System
Intellectual Property Division, Food Industry Affairs Bureau,
Ministry of Agriculture, Forestry and Fisheries
Tel: +81-3-3502-8111 (Ext. 4284)
URL: http://www.maff.go.jp/j/shokusan/gi_act/index.html

Japanese Industrial Property System
International Affairs Division,
General Affairs Department
Japan Patent Office
Address: 3-4-3 Kasumigaseki, Chiyoda-ku Tokyo
100-8915, Japan
Fax: +81-3-3581-0762
http://www.jpo.go.jp/index.htm

Ministry of Finance / National Tax Agency
[FOR ALC. BEVERAGES]

Relevant Japanese Agencies and Organisations in the area of IPR and GI

Ministry of Agriculture, Forestry and Fisheries

Ministry of Finance

National Tax Agency

Ministry of Economy, Trade and Industry

Ministry of Education, Culture, Sports, Science and Technology

Japan Patent Office

National Centre for Industrial Property Information and Training

Intellectual Property Association of Japan

Association of Intellectual Property Education

Institute of Intellectual Property

Japan Intellectual Property Association

Japan Patent Attorneys Association

Further contacts in charge of protection of GIs and GI Mark are set out in

Table 4-3.

Table 4-3: Offices responsible for GI protection system in Japan

Office in charge	Telephone No.
Business Support Division, Production and Management Business Department, Hokkaido Regional Agricultural Administration Office **(Hokkaido)**	+81-11-330-8810
Regional Food Division, Management and Business Support Department, Tohoku Regional Agricultural Administration Office **(Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima)**	+81-22-263-1111 (Ext. 4374)
Regional Food Division, Management and Business Support Department, Kanto Regional Agricultural Administration Office **(Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi, Nagano, Shizuoka)**	+81-48-740-0152
Regional Food Division, Management and Business Support Department, Hokuriku Regional Agricultural Administration Office **(Niigata, Toyama, Ishikawa, Fukui)**	+81-76-232-4890
Regional Food Division, Management and Business Support Department, Tokai Regional Agricultural Administration Office **(Gifu, Aichi, Mie)**	+81-52-223-4602
Regional Food Division, Management and Business Support Department, Kinki Regional Agricultural Administration Office **(Shiga, Kyoto, Osaka, Hyogo, Nara, Wakayama)**	+81-75-414-9025
Regional Food Division, Management and Business Support Department, Chugoku-Shikoku Regional Agricultural Administration Office **(Tottori, Shimane, Okayama, Hiroshima, Yamaguchi, Tokushima, Kagawa, Ehime, Kochi)**	+81-86-224-4511 (Ext. 2413, 2157)
Regional Food Division, Management and Business Support Department, Kyushu Regional Agricultural Administration Office **(Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima)**	+81-96-211-9111 (Ext. 4396)
Food and Environment Division, Agriculture, Forestry and Fisheries Department, Okinawa General Bureau **(Okinawa)**	+81-98-866-1673

Other relevant links

Information Website on Japan's Geographical Indications

https://gi-act.maff.go.jp/en/

Office of Intellectual Property Protection of the Ministry, Trade and Industry
http://www.meti.go.jp/policy/ipr/eng/index.html
IPR System – EU Business in Japan
https://www.eubusinessinjapan.eu/issues/legal-regulatory-issues/ipr-system-japan
J-STORE - patent information database
https://jstore.jst.go.jp/index.html?lang=en

Legislation, Regulations and Administrative Measures

Act on Protection of the Names of Specific Agricultural, Forestry and Fishery Products and Foodstuffs (Act No. 84 of June 25, 2014, as amended up to Act No. 108 of December 26, 2016**)**
Available in English at: http://www.wipo.int/wipolex/en/text.jsp?file_id=431683

Japan IP Laws, Implementing Rules, Regulations, Treaty Membership
http://www.wipo.int/wipolex/en/profile.jsp?code=JP

4.3 International trade

4.3.1 Japan and foreign trade

The Ministry of Economy, Trade and Industry (METI), is in charge of a wide range of economic, industry and trade policies, aimed at fostering conducive business environment and promotion Japan's international trade. The country has been a member of the World Trade Organisation (WTO) and the General Agreement on Tariffs and Trade (GATT) since 1955.

Foreign trade constitutes an essential boost for Japan' economy and authorities have introduced several facilitation systems in the area of trade policy, such as Authorized Economic Operator programme (see section 4.2.1) or mutual recognition arrangements (MRAs). Furthermore, bodies such as the Japan Bank for International Cooperation (JBIC) and the Nippon Export and Investment Insurance (NEXI) enhance international cooperation by remaining the official export credit agencies of Japan, which provide trade and investment insurance[89]. Lastly, Japan's objectives in general trade policymaking have included continuous improvements to competitiveness by pursuing domestic reforms and harmonizing the institutional framework, as foreseen in the Revitalization Strategy[90]

[89] Trade Policy Review: Japan; WTO 2017; https://www.wto.org/english/tratop_e/tpr_e/s351_sum_e.pdf
[90] Japan Revitalization Strategy; Ministry of Foreign Affairs of Japan 2014; http://www.kantei.go.jp/jp/singi/keizaisaisei/pdf/honbunEN.pdf

In Japan, agricultural products account for 1.6% of total exports, and 12.2% of total imports. [91] As indicated in section 3.1.2, the United States and the EU are one of the leading importers of agri-food products to Japan. Japan's agri-food exports are mainly to Hong Kong and the United States.

4.3.2 Key trade agreements, present and future

Japan, putting great emphasis on its economic diplomacy, has signed several Economic Partnership Agreements (EPAs):

- **Asia**: Singapore, Malaysia, Thailand, Indonesia, Brunei, the Association of Southeast Asian Nations (ASEAN)[92], Philippines, Vietnam, India, Mongolia.
- **America**: Mexico, Chile, Peru.
- **Oceania**: Australia.
- **Europe**: EU, Switzerland.

The Comprehensive and Progressive Agreement for Trans-Pacific Partnership, which includes 10 other pacific rim countries including Australia, New Zealand and Chile and Mexico, has also entered into force from the end of 2018.

The nature of each trade agreement differs, with various priorities, scope and standards; however, in the light of the Revitalization Strategy's goal to strengthen Japan's international competitiveness, the reinforcement of macroeconomic and institutional approaches in Japan have largely impacted the negotiations /re-negotiations of agreements. Further EPAs are currently being negotiated with Canada, Colombia, the Gulf Cooperation Council (GCC) [93], Regional Comprehensive Economic Partnership group (RCEP)[94] as well as with Republic of Korea. [95]. Finally, there are also discussion with the US at present regarding a trade agreement.

4.3.3 EU-Japan Economic Partnership Agreement (EPA)

The recently signed EPA agreement between the EU and Japan (the EU's fourth biggest trading partner for agricultural exports) has been regarded as a major challenge and opportunity simultaneously. Figure 4-4 summarizes trade relationship between the EU and Japan.

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[91] WTO: Japan Trade Profile, https://www.wto.org/english/res_e/statis_e/daily_update_e/trade_profiles/JP_e.pdf

[92] The ASEAN is a regional intergovernmental organisation comprising ten Southeast Asian countries, i.e. Singapore, Brunei, Malaysia, Thailand, Indonesia, Vietnam, Philippines, Laos, Cambodia, and Myanmar.

[93] The GCC is a regional intergovernmental political and economic union consisting of all Arab states of the Persian Gulf except Iraq.

[94] The RCEP includes ASEAN countries, Japan, China, the Republic of Korea, Australia, New Zealand and India. https://www.mofa.go.jp/announce/announce/2012/11/1120_03.html

[95] Ministry of Foreign Affairs of Japan: Free Trade Agreement (FTA) and Economic Partnership Agreement (EPA), https://www.mofa.go.jp/policy/economy/fta/index.html

Figure 4-4: The EU-Japan trade relationship in figures

Source: AGRA CEAS based on European Commission factsheet - http://trade.ec.europa.eu/doclib/docs/2017/july/tradoc_155723.pdf /
Designed with Piktochart

Both parties reaffirmed the importance of building a comprehensive and balanced agreement, by issuing a statement in March 2013. Ultimately, the EPA agreement was concluded after eighteen main rounds of negotiations in late 2017; presented by the European Commission in April 2018; and signed in Tokyo in July 2018. Entry into force is expected early 2019 (see below).

The EU-Japan EPA is set to create new opportunities for the European food and beverage exporters and is said to create one of the largest economic zones in the world, constituting approx. 30% of the world GDP[96]. At the time of writing Agreement is expected to come into force early in 2019, after the ratification process in EU and in Japan.

In the area of agriculture and F&B market, the agreement, when fully implemented is set to remove 97% of the tariffs barriers on goods imported to Japan from the EU, with almost 85% of them applying to agri and processed food. Furthermore, under the Agreement, Japan will fully recognise 211 European Geographical Indications, e.g. Chablis, Chianti, Tiroler Speck, or Jambon de Bayonne; and this means that these will be protected on the Japanese market meaning that holders of these GIs are provided with the legal means to prevent the various forms of misuse of these GIs. The full list of protected EU GIs can be found in Annex I. It should be noted that upon approval from both parties, this list may be extended.

At this point, it should be pointed out that there have been and will still be many campaigns promoting EU GI products in Japan, such as presence of EU in past Foodex business fairs, social media campaigns, seminars, agreements with retailers among many others. Efforts will continue in 2019, including at the important Foodex 2019 fair.

[96] Japan-EU EPA: Benefits and Backgrounds; MOFA 2018; https://www.mofa.go.jp/files/000013835.pdf

This document will give some general information on the opportunities taken from the EPA. More details per agricultural sector, on GIs, on rules of origin, etc. stemming from the EPA are or will be available at:

- https://www.eu-japan.eu/epa-helpdesk; this website also publishes factsheets on sectors and runs sector-focused webinars from time to time.
- on the Commission website: http://ec.europa.eu/trade/policy/in-focus/eu-japan-economic-partnership-agreement/

Along with reducing tariffs (see section 4.3.4), the EPA addressed also non-tariff measures that constitute a barrier for EU companies' exports. The Agreement will therefore facilitate the access of EU enterprises to the highly regulated Japanese market. One such example applies to beer, which will be exported as 'beer', rather than as 'alcoholic soft drinks', also leading to similar taxation for different types of beer. [97] [98]

4.3.4 Import tariffs

Current tariffs on products exported to Japan the export of food to Japan are considered high, particularly in several sectors, e.g. pork, which is the EU's most important agricultural export to Japan by value, or beef. However, the EU-Japan Economic Partnership is set to remove or sharply reduce duties on food and beverages in which the EU has a major export interest. More specifically, following the enter into force of the agreement:

- Tariffs on wine will be immediately removed;
- Japanese tariffs on EU exports of pork and beef will be significantly reduced over time;
- The Japanese market will open up for European cheeses (tariff elimination over time for hard quality cheeses and significant TRQ for other cheeses including fresh ones and soft quality ones);
- Specific quotas for EU exports of malt, potato starch, skimmed milk powder, butter and whey will be created.
- Several processed agricultural products such as pasta, chocolates, bread, confectionary, etc. will become duty free over time.

EU-Japan centre for industrial cooperation has prepared a series of fiches detailing the outcome of the EPA per agri-food sector. They can be consulted here: https://www.eu-japan.eu/epa-helpdesk

[97] An introduction to the EU-Japan Economic Partnership Agreement: Agriculture, http://trade.ec.europa.eu/doclib/docs/2017/july/tradoc_155715.pdf

[98] European Commission Fact Sheet: Key elements of the EU-Japan Economic Partnership Agreement, http://europa.eu/rapid/press-release_MEMO-18-3326_en.htm

Current import duties and taxes for the export of food to Japan can be consulted here:
http://madb.europa.eu/madb/datasetPreviewFormATpubli.htm?datacat_id=AT&from=publi ,
and here:
http://www.customs.go.jp/english/tariff/2018_4/index.htm

4.3.5 WTO disputes and other trade barriers

It was noted that Japan is involved as respondent in 15 disputes, many of which concern other sectors than the agricultural one. The six ongoing WTO disputes involving Japan that relate to agricultural products are identified in the table below. (Table 4-4)

Table 4-4: Key WTO disputes in involving Japan

Role	Counterparty	Issue	Reference
Respondent	EU	Taxes on Alcoholic Beverages	DS8
Respondent	Canada	Taxes on Alcoholic Beverages	DS10
Respondent	US	Taxes on Alcoholic Beverages	DS11
Respondent	EU	Measures Affecting Imports of Pork	DS66
Respondent	US	Measures Affecting Agricultural Products	DS76
Respondent	US	Measures Affecting the Importation of Apples	DS245

Source: AGRA CEAS based on WTO data

An up to date list of trade barriers can be consulted here:
http://madb.europa.eu/madb/barriers_result.htm?isSps=false&countries=JP

4.3.6 Summary of key trade barriers

The Japanese market is currently highly regulated, which poses a challenge for European companies' exports. The main barriers are a combination of both tariff and non-tariff measures (NTMs). The NTMs include: divergent technical standards and regulations; and complex and long procedures and overall regulatory environment; with the latter resulting in the dominant position of some operators, weak competition and high costs of compliance.

However, the newly signed EU-Japan trade agreement, which is set to enter into force on 1st February 2019, is set to significantly simplify enterprises' access to the Japanese market. By removing or sharply reducing tariffs, as well as addressing non-tariff issues, the EPA is therefore expected to significantly boost EU exports to Japan, also for key agricultural products, e.g. pork, beef, wine, processed agricultural products and cheese (see section 4.3.3).

4.4 Operating in the Japanese food and beverage market

4.4.1 Logistical services and transportation infrastructure

Although the country's geography poses serious obstacles in building effective logistics network, Japanese authorities managed to cover all parts of the country with transportation means; and subsequently Japan offers an abundance of logistical services, having well-developed transportation infrastructure [99]. Arranging logistics and transporting products throughout the country can therefore be carried out using many transportations means.

Shipping

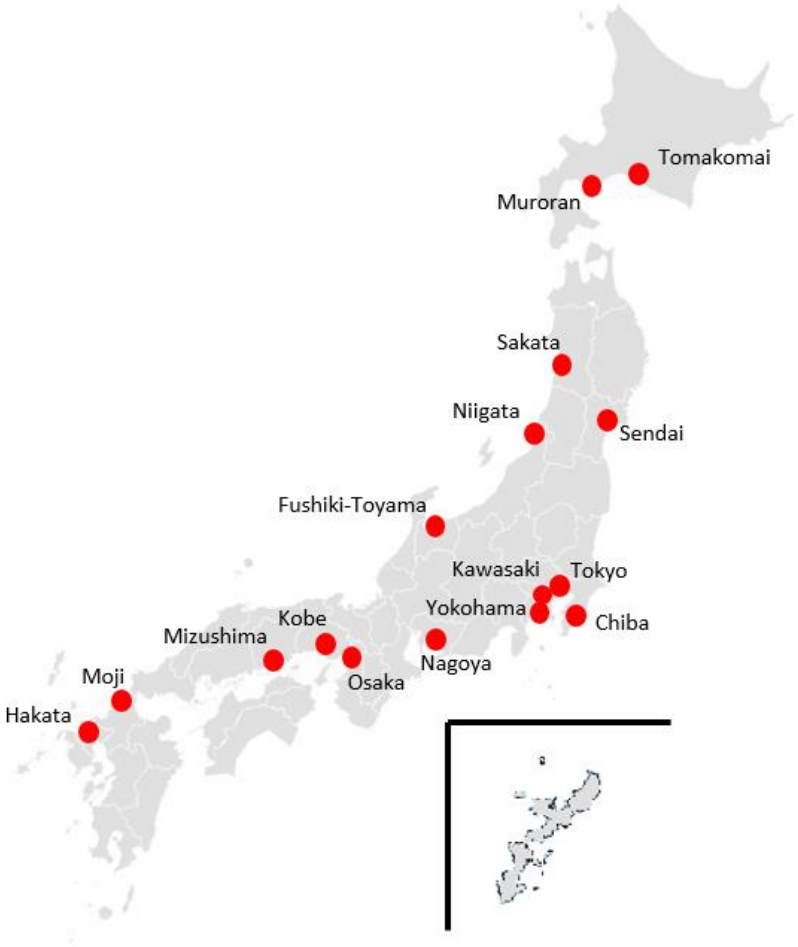
Japan, due to its long thin shape and geographical make up of thousands of islands, has an extensive network of ferry routes, dedicated for both commercial and passenger purposes. Long distances passenger overnight services are very often chosen as less-costly alternative to high-speed rail travel. Container ships are the standard method chosen when transporting goods to Japan.

Figure 4-5 presents major ports and shipping terminals in Japan, however, the overall number of other major ports is much higher[100].

[99] About Transport & Logistics, EU Business in Japan; 2018; https://www.eubusinessinjapan.eu/sectors/transport-logistics/about-transport-logistics

[100] The full list of ports, along as their features is provided here: http://www.worldportsource.com/ports/index/JPN.php ;

Figure 4-5: Major ports and terminals in Japan



Source: Agra CEAS based on MLIT, EU Business in Japan and World Port Source.

Air freight

Japanese aviation infrastructure is one of the largest in the world; the country has almost 100 airports, with abundance of regional, and joint use airports[101]. The full list of airports can be consulted on the website of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)[102]. Japan's air travel market is regarded as very significant. It accounts for approx. 5% of global air traffic and generates about 10% of the global airline industry revenues[103]. Cargo airports are regarded as well-equipped and responding to

[101] About Transport & Logistics; EU Business in Japan; 2018; https://www.eubusinessinjapan.eu/sectors/transport-logistics/about-transport-logistics
[102] Airports in Japan; MLIT; http://www.mlit.go.jp/koku/15_hf_000124.html
[103] About Transport & Logistics; EU Business in Japan; 2018; https://www.eubusinessinjapan.eu/sectors/transport-logistics/about-transport-logistics

the diversity of needs by offering wide range of handling services and aiming at being "multifunction airports". Main International Airports are depicted in Figure 4-6.

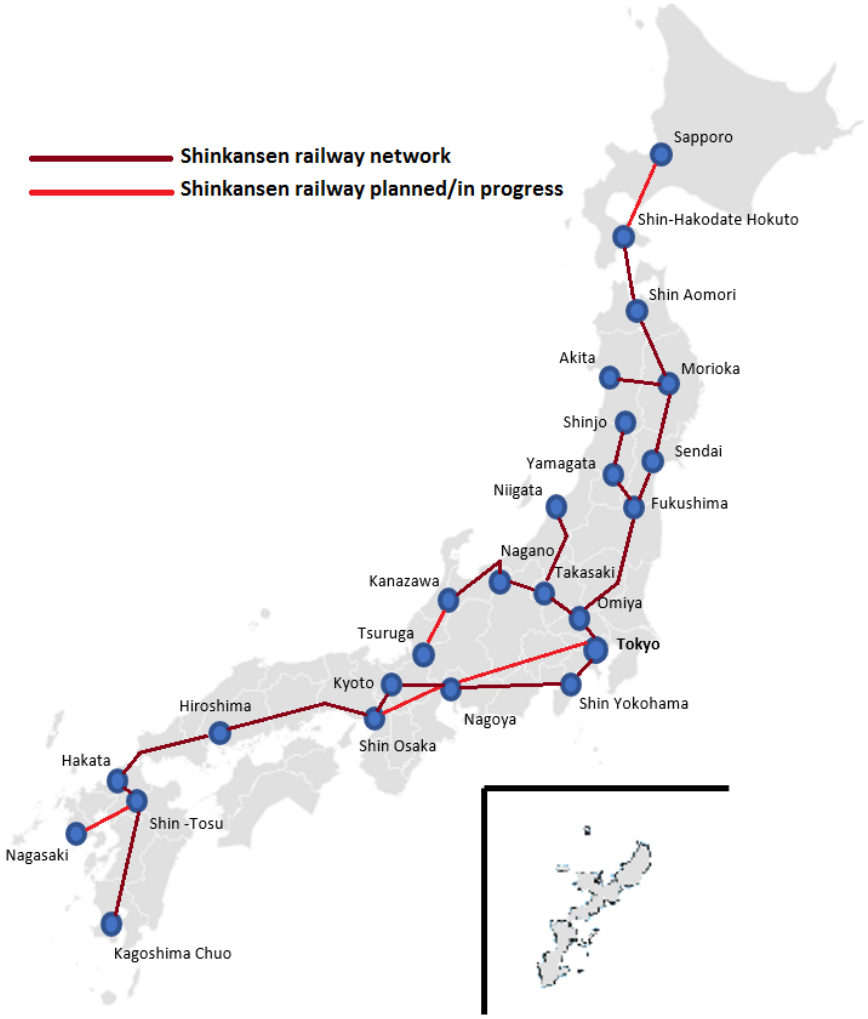
Figure 4-6: Main International airports in Japan

Source: Agra CEAS based on MLIT and EU Business in Japan.

Rail freight

The railway network in Japan, in its capacity reaching above 27 000 km, is extensive, advanced, and allows smoothing travelling throughout the entire country. Shinkansen, Japan's high-speed trains, reach almost every corner of the country (Figure 4-7). In addition, there are dozens of private railway companies, operating regionally or having extensive networks in Japan.

Figure 4-7: Shinkansen railway network in Japan



Source: Agra CEAS based on Japan Rail Pass and Japan Transportation Guide

However, there is only limited railway freight transportation, making up to 5% of the domestic cargo in terms of volume[104]. Rail freight is mostly used in high in bulk commodities, such as oil, cement or chemicals, but its share in manufactured goods is low. This is due to pressure for rapid delivery, that road freight can offer as well as higher railway personnel costs, increasing the final freight expenditure. In Japan, 99% of railway freight transportation is carried out by JR Freight company[105].

[104] About Transport & Logistics; EU Business in Japan; 2018; https://www.eubusinessinjapan.eu/sectors/transport-logistics/about-transport-logistics
[105] Japan Freight Railway Company https://www.jrfreight.co.jp/

Road Freight

The greatest share of freight transportation in Japan is carried out through the extensive road network (approx. 90%)[106][107]. However, the sector is currently facing problems with declining growth in demand for transportation, shortages of truck drivers and fluctuations of fees.

4.4.2 Distribution

Distribution channels in Japan are often multi-layered, interacting with wholesalers, manufacturers, importers, retailers etc. and can rely on strong network of contacts as well as personal relationship. However, it also may vary from sector to sector. Multi-layer level may also imply that the price of the distribution can be higher in the end of the process rather than at the beginning[108].

4.4.2.1 Retail channel overview

Distribution channels in Japan are often multi-layered, interacting with wholesalers, manufacturers, importers, retailers etc. and can rely on strong network of contacts as well as personal relationship. However, it also may vary from sector to sector. Multi-layer level may also imply that the price of the distribution can be higher in the end of the process rather than at the beginning[109].

Supermarkets

Japanese supermarkets are organised similar way as in EU countries, with all major food groups available. However, they are relatively hard to find in Japan's largest cities and numerous in the suburbs and smaller cities. Top supermarkets include AEON, Ito Yokado and Familymart UNY Holdings. It may be possible to sell directly to large supermarkets, though in order to do so, it may be necessary to provide large volumes (e.g. full container loads; particularly in the case of lower value "commodity" items). Supermarkets may also have their own criteria for import and sale which are additional to the requirements of Japanese legislation; as these vary by supermarket, it is best to talk to the targeted supermarkets directly.

Department stores

Usually to be found in large cities. Comprises few level high buildings, organised in a specific way and offering many luxurious goods as well as known brands. Department stores are very often chosen by

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[106] Japan Trucking Industry: annual report 2018; http://www.jta.or.jp/coho/yuso_genjyo/yuso.html

[107] About Transport & Logistics; EU Business in Japan; 2018; https://www.eubusinessinjapan.eu/sectors/transport-logistics/about-transport-logistics

[108] Distribution Channels; EU Business in Japan; 2018; https://www.eubusinessinjapan.eu/issues/operational-issues/distribution-channels

[109] Distribution Channels; EU Business in Japan; 2018; https://www.eubusinessinjapan.eu/issues/operational-issues/distribution-channels

customers when picking up gifts, due to quality packaging but also when dining, as top levels of department stores offer different types of restaurants.

Convenience stores

This kind of store is often visited by the Japanese throughout the day. The number of convenience stores has increased significantly in recent years. It is very common for convenience stores to have in its offer Ready to Eat Meals (REM), as their popularity has been continuously increasing with a large number of Japanese missing the kitchen facilities to cook more complicated meals. In addition, convenience stores usually offer bill payments, delivery services or ATMs. The main operators include Seven Eleven, Family Mart and Lawson.

Consumer co-operatives

Japan has a long history of co-operatives, including consumer co-operatives, membership of which comes through a fee. Japan Consumer's Cooperatives Union (Nisseikyo) is the largest consumer co-operative in the country. Among its activities it supplies food and necessities to members through both store operations (it has over 2 500 stores) and delivery. It has traditionally been known for high quality and ethical products, driven by its community nature – and hence has played important roles in the distribution of products such as organic. Co-operative members tend to be older than average.

Hotels, restaurants, and cafés

The importance of dining out has significantly increased in recent years, as it is connected to changes in dietary habits and consumption patterns. Majority of Japanese usually dine out several times per week, both on business and social occasions. In the contemporary Japan, there is abundance of international restaurants, however places offering Japanese cuisine are among the most frequently visited restaurants.

There have been also changes with regards to ownership. Traditional family "mom and pop" restaurants have been disappearing in expense of new chain-style restaurants. The food service industry in Japan can be divided into six main segments[110]:

- Restaurants (43% of market share in 2016)
- Prepared meals (21%)
- Drinking Establishments (16%)
- Institutional (10%)
- Hotels (9%)
- Transportation of meals (1%)

[110] Food Service - Hotel Restaurant Institutional, Japan HRI Food Service Sector Report 2017; USDA Gain Report JA7519; 2017; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Food%20Service%20-%20Hotel%20Restaurant%20Institutional_Tokyo%20ATO_Japan_12-22-2017.pdf

Sourcing methods of the food service sector depend on size and ownership structure. Larger food service operations (including chains) will generally purchase ingredients from wholesalers and food service distributors; and for some products such as alcoholic beverages, successful small importers may have exclusive sales agreements with restaurants and hotels. Smaller individual operations may purchase retailers or cash and carry operations such as Metro Japan.

eCommerce

As indicated further, in section 6.1.3, the e-commerce sector in Japan has been continuously growing, with Rakuten, Amazon Japan, and Yahoo! Japan Shopping being major players in this channel.

Esttablishment of office in Japan

Direct selling

Establishing an office in Japan brings several advantages; notably it allows direct contact with customers and other business partners (factors considered important by the Japanese). Several types of offices can be considered:

- **Representative Office**, allowing collection of information, advertising, etc. Such offices are not allowed to do direct business operations. The upside is that this kind of office do not require registration within the authorities.
- **Branch Office**, which allows a bank account to be opened in Japanese banks as well as lease a real estate under company's name; however, such offices do not have full corporate status which would enable direct contact with customers and partners.
- **Subsidiary Company,** registered as an independent corporate entity, allowed to perform necessary business operations on the market. There are three types of subsidiary:
    - ***Joint-stock Corporation*** (*Kabushiki-Kaisha*), mostly used by foreign companies. There is the need to publish financial results for this type of company
    - ***Limited liability company*** (*Godo-Kaisha*), having more freedom of governing without the need of financial statements.
    - ***Entity stipulated by Japan's Companies Act***: Unlimited Partnerships (*Gomei-Kaisha*) and Limited Partnerships (*Goshi-Kaisha*). In case of limited partnership usually comprises two groups of partners: general, with unlimited liability, and a limited partner with liability constrained by the invest in the partnership. Both parties are liable to creditors of the partnership and can be sued individually.

Limited liability partnership (LLP)

- Another way of entering the Japanese market is to form one's business as limited liability partnership, which consists of only equity partners, with limited liability. This type of partnership is characterized by internal rules can be freely determined by agreement and taxes are levied on profits allocated to equity participants.

It should be noted that the EU Japan EPA includes some provisions on the establishment of businesses in Japan. It is therefore worth checking the provisions of the EPA if establishment of an office or business in Japan is being considered (rather than working with an intermediary or importer).

4.4.2.2 Intermediaries

The assistance of an intermediary may be a reasonable solution, especially when not having established office in Japan. These can provide support service and guidance in developing the correct strategy for the market entry. In general, Japanese prefer to be personally introduced to a potential partner, rather than be "cold called". Food exhibitions such as FoodEx can provide the opportunity to look for, and make personal contact with potential business partners. The Japanese External Trade Organisation JETRO may be able to assist in identifying a business partner; and industry associations / chambers of commerce may also be able to provide some inidcations.

Distributors/Agents

Usually a first step for SMEs entering the market, due to their knowledge of the local business, language and customers. Although, the difference between distributors and agents is crucial, as distributors are also customers, buying the product and reselling it, whereas agents sells the product on the company's behalf. There are three ways of entering the market with assistance of these business partners[111]:

- *Indirect business with clients via agent*: tailor-made strategies aimed at finding the customers. Agents tend to operate in specific industry/environment, therefore often finding the right agent might take a while.
- *Indirect business with clients via non-exclusive distributor*: negotiating with more than two distributors is possible, however it is important to bear in mind that most Japanese distributors operate nationwide, thus allocating products locally using separate distributors may pose a challenge.
- *Indirect business with clients via sole-representative:* selecting Japanese distributor as sole-representative, who could help to identify tailor-made service marketing to reach appropriate clients. Strong and proactive management of business relationship with the intermediary is crucial, when using this method.

Wholesalers

Wholesalers are very common in Japan. As business partners, they purchase goods from foreign company and cooperate with numerous retailers. Lately they have been giving priority to frequency of small quantity delivery[112], accepting returns on unsold goods as well as providing special discounts to loyal clients. Nonetheless, large volumes e.g. full container loads may be required for the import of commodity items by larger wholesalers. In principle, there are two types of wholesalers operating on the Japanese market:

[111] Selling Through Intermediaries; EU Business in Japan 2018; https://www.eubusinessinjapan.eu/issues/entry-strategy/selling-through-intermediaries

[112] Small quantity delivery occurs due to limited space of retail stores in urban locations.

- Import/export wholesalers, providing logistics management, information treatment, promotion and product selection.
- Wholesalers offering storage services, until the Japanese retailer needs the product.

Businesses corporations (*Keiretsu)*

Foreign companies in Japan often collaborate with Japanese trading companies, forming networks, such as vertical *Keiretsu*, which are large groups of related companies with common interests. These can dominate Japan's distribution and sales system in certain areas. Their network usually covers the route from factory to retail outlets and involve trade obligations between manufacturers, wholesalers, retailers etc, restricting interactions with other organisations[113].

Trading Houses

These play significant role in Japan's modern economy, operating on many business fields, i.e. investment, services and industry development. There are two types of trading houses[114]:

- Sogo Shosha – general trading companies with a wide range of products and materials. Due to the scale, they are not particularly suitable as an intermediary for SMEs entering the market. The main Shosha include Mitsubishi Corporation, Mitsui & Co., Sumitomo Corporation, Itochu, Marubeni, Toyota Tsusho and Sojitz
- Senmon Shosha – smaller trading companies specializing in a limited range of products. These may be more suitable for entering the market.

Franchises

In Japan, there is a possibility to involve a Franchisee, when entering the market. All provisions, as well as Code of Ethics, are regulated by the Japan Franchise Association[115]. The examples of a franchise include Seven-Eleven Japan, Mc Donald's Japan among many others[116].

[113] The realities of business in Japan: Distribution channels; O. Van Benede; 2016 https://www.eubusinessinjapan.eu/library/e-learning/presentation-the-realities-of-business-in-japan

[114] Brief Guide for European Companies on Importers and Wholesale Distributors in Japan (food and wine; ICT; medical devices sectors); A.Tomaskova; 2015; https://www.eu-japan.eu/sites/default/files/imce/reports/MINERVA/brief_guide_ppt.pdf

[115] Japan Franchise Association (JFA), http://www.jfa-fc.or.jp/particle/108.html

[116] List of members, JFA; http://www.jfa-fc.or.jp.e.ek.hp.transer.com/particle/38.html

Business Contact Database:

A database of importers, wholesalers, retailers and distributors can be found in Annex II.

N.B. due diligence will have to be performed for any contacts on this database as no warranty is given as to the standing of these individuals, organisations or firms and no corresponding responsibility or liability is accepted by the authors.

4.4.3 Business environment

As identified further, in section 7, there are certain etiquette matters to be considered when doing business with Japanese partners. Personal initiative and customer expectation management as well as strong business connection prior the actual distribution activity is strongly advised when entering the Japanese market. It is also well received when the sales people are based in Japan, so the customer support is carried out locally.

4.4.4 Key operational considerations and challenges: summary

Distribution chains in Japan can be complex due to many layers involved. Products may go through several "middle men", before reaching the end customer. Therefore, as indicated above, it is vital for European companies to consider business relationship with an appropriate intermediary, who can provide guidance and expertise, as well as, due to Japanese business environment specifics, be able to reach the consumer. It must be remembered that the Japanese F&B market has been continuously competitive. There are several reasons for this[117]:

- Persisting deflation, lowering profit margins of intermediaries and producers
- New F&B wholesalers and retailers emerging
- The rise of e-commerce, which has an influence on the structure of distribution channels

Last but not least, there are several issues to consider when characterizing the current distribution channel system in Japan:

- Importance of frequency of deliveries, driven by emerging trend for small quantity deliveries, due to limited space – particularly common in urban locations
- Legal restrictions when considering setting up a warehouse, as laid down by the Warehouse Industry Law[118], which confirms the importance of finding the appropriate business partner in Japan, able to efficiently sort out legal issues and/or further business partners.

[117] Brief Guide for European Companies on Importers and Wholesale Distributors in Japan (food and wine; ICT; medical devices sectors); A.Tomaskova; 2015; https://www.eu-japan.eu/sites/default/files/imce/reports/MINERVA/brief_guide_ppt.pdf

[118] Distribution and Logistics Industry; Support Gyouseishoshi Law Firm; http://gztoworld.com/distribution-logistics

4.4.5 Other relevant information

4.4.5.1 Methods of payment in Japan

Japanese market offers numerous alternatives to cash payment, however cash is still used more extensively in Japan than in many advanced economies[119]. That said, an operator in Japan is able to use the following payment methods:

- Credit transfer: popular for sending funds to a payee in a remote location or for sending large amounts.
- Direct Debits: widely used for making a broad range of recurring payments.
- Bills and cheques: mostly used by government agencies and firms, otherwise rarely used.
- Credit cards: one of the most popular method of purchasing in Japan. Almost each Japanese citizen owns an average of 2.5 credit cards. Almost all major European/World credit cards accepted.
- Debit cards: not as used as credit card, however still in use as "J-Debit" card, which often is not available for use during certain periods at night.
- Electronic money (e-cards): often used by public transportation companies, lately gaining recognition in retail payments, as the number of terminals has been growing. They are based on preloaded money, in principle aimed not to carry much pocket money.

There are also two payment methods, which are combination of the above and aim at facilitating the payment process overall.

- Multi-payment network: an electronic payment system, allowing to connect biller and financial institution to a process payment data for taxes, public utility bills, insurance or e-commerce purchases
- Convenience store banking: allowing to settle the bills by a way of credit transfer. The main advantage is that convenience store are usually accessible 24 hours a day.

4.4.5.2 Travel from the EU to Japan

Travel from the EU to Japan requires a valid passport and visa obtained from a Japanese embassy, consulate or diplomatic mission abroad. However, in case of short stay, temporary visitors form the EU do not require Temporary Visitor Visa to enter Japan, with limited period of stay to 90 days[120]. During the temporary visits, business operators are allowed to carry out the necessary business operations such as meetings, negotiations, contract signing, after-sales service, advertising, market research and other such

[119] Payment methods; EU Business in Japan; 2017; https://www.eubusinessinjapan.eu/issues/financial-issues/payment-methods

[120] Exemption of Visa (Short-term Stay); Ministry of Foreign Affairs of Japan; 2017; https://www.mofa.go.jp/j_info/visit/visa/short/novisa.html

short-term professional activities; however, engagement in paid employment is not permitted. When considering a Work Visas, there are additional application forms involved, depending on the working status[121].

Up to date information on VISA requirements and residing in Japan can be consulted on the website of the Ministry of Foreign Affairs of Japan: https://www.mofa.go.jp/j_info/visit/visa/index.html

[121] Visas and Status of Residence; JETRO; https://www.jetro.go.jp/en/invest/setting_up/section2/page4.html

5 Market Snapshots for Selected Products

This section provides specific information for various food and beverage categories and products. This information covers three main categories:

- **Consumption**: data on the evolution of consumption; consumer profiles and any notable consumer trends;
- **Offer**: domestic production; imports and exports; the competitive landscape; relevant specific customs procedures / import considerations;
- **Distribution**: main distribution channels used; domestic and imported offer;

Furthermore, each category contains a SWOT analysis and a key takeaways message.

Fresh meat	Wine	Dairy
Processed fruit and vegetables	Olive oil	Spirits
Pasta and other staples	Baked goods	Processed meat
Fresh fruit and vegetables	Beer	Chocolate and confectionary
Processed cereals	Live plants	Honey

5.1 Fresh meat

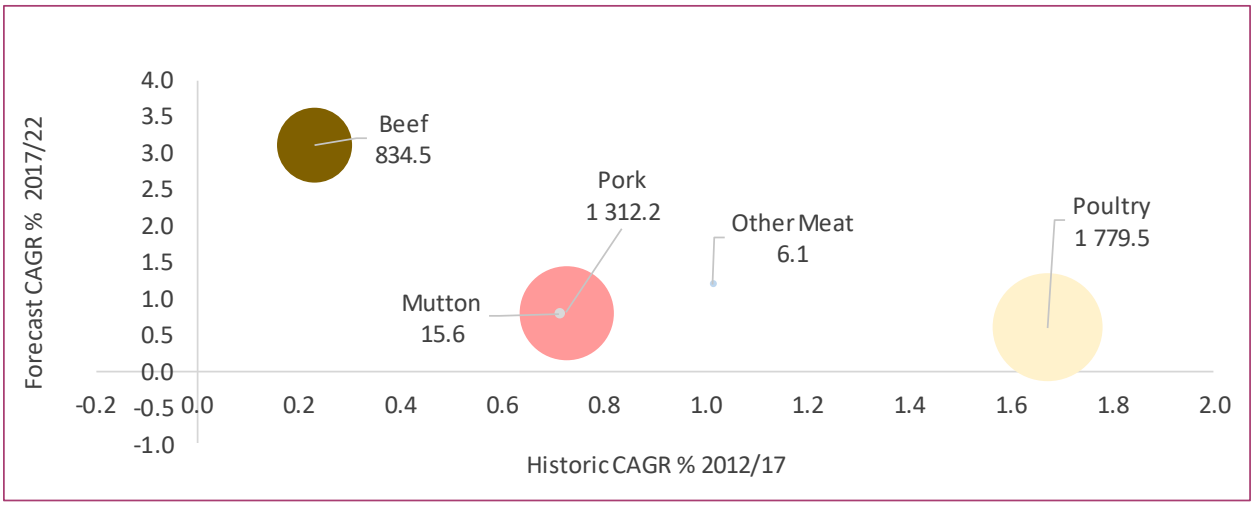
5.1.1 SWOT analysis

5.1.2 Consumption

5.1.2.1 Evolution of consumption

Consumption of fresh meat in Japan has been steadily growing and is forecast to reach 4.2 million tonnes in 2022. As presented in Figure 5-1, poultry, with an increase of 1.7% per year between 2012 and 2017, is the largest segment and has noted the highest growth in volume. Pork is the second biggest fresh meat segment in Japan and increased by 0.7% per year in size over the period. Both poultry and pigmeat are expected to remain in a steady upward trend, with growth in the 0.6% - 0.8% per year during the next 4 years. Beef consumption has risen by only 0.2% per year in recent years, however it is expected to note the highest annual growth over the forecast period at 3.1%. Interestingly enough, none of the fresh meat segments have decreased in terms of its size in the last 5 years.

Figure 5-1: Evolution and forecast of fresh meat market (000 tonnes) in Japan, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

Note: figures for 2017 to 2021 based on forecasts as indicated by (f) after the year

5.1.2.2 Consumer profile and purchase criteria

In spite of the fact that, Japanese diet still includes great amounts of fish and seafood, the influence of Western food culture as well as ageing population and latest focus on convenience have positively impacted meat consumption patterns in Japan.

Consumers

The westernisation of the Japanese diet and the increasing importance of foodservice has brought more interest in meat-based dishes. Japanese consumers often choose poultry in particular; it is the most popular kind of meat, though fish and seafood remain more popular. Its popularity is mostly to the relatively low price and health benefits, as poultry is regarded as vital source of protein. Pork is chosen more often than beef, which is due to its more affordable prices for daily consumption. That said, beef consumption is stabilized among consumers, which enjoy breeds such as Angus, offering a good meat-fat balance[122]. Interestingly enough, consumption of beef is generally considered to be greater in Western parts of Japan[123], with Kyoto prefecture being the area where beef is consumed the highest.

[122] Japan's appetite for meat keeps growing; 2017; Nikkei Asian Review; https://asia.nikkei.com/Business/Markets/Commodities/Japan-s-appetite-for-meat-keeps-growing

[123] Consumption of Beef; Statistics Japan; https://stats-japan.com/t/kiji/13457

In terms of other meat such as lamb, mutton and goat, its consumption is much lower in Japan, mostly due to unfamiliarity of these products. Goat meat is still used in several regional dishes in Japan, i.e. Hokkaido, Okinawa, however in lower quantities than poultry, pork or beef. Lamb and mutton are popular in Hokkaido and also served countrywide in foreign restaurants, i.e. French, Italian etc. The number of consumers of these types of meat has been slowly rising, with more tourists visiting Japan and changing in consumption habits. Beyond this, horse meat and venison are known to Japanese consumers, however consumption of both remains low.

Drivers and method of consumption

There are several key drivers impacting the meat consumption and meat preferences in Japan. As mentioned in the beginning of this section, the Westernisation of Japanese diet as well as an ageing population have been influential for the process of changing consumption patterns. The main drivers for meat consumption can be categorized as follows:

- **Focus on convenience and price-consciousness matters**. An ageing population, changes in family structures and busier lifestyle have driven new consumption patterns, which are more focused on convenience. Many meat consumers increasingly rely on ready-to-eat packaged food, which comprises various types of meat, however, when it comes to purchasing fresh meat and home-cooking, the relatively sluggish economy has impacted consumers' approach, leading them to be price-sensitive.
- **Quality and interest in health benefits.** Products' high quality and health benefits are high on Japanese consumers' agenda, and fresh meat is one of numerous examples of where these considerations play a strong role. Consumers still view meat with some caution. Brand reputation must therefore be built upon a solid safety record and any marketing strategies must assure consumers of the high standards of the product.
- **Increasing taste for novelty among consumers.** Japanese consumers often base their meat purchasing approach on novelty factors. The possibility for new experiences can drive the types of meat chosen as well as ways of consumption. This pattern can be noticed, regardless of the age of the consumer and foodservice/home cooking habits. an increased emphasis on novelty can be also observed in number of cooking-themed television programs and magazines, which often present the new type of dishes or re-invented dishes with various types of meat included[124].

[124] Market opportunities for EU agribusinesses in the context of the EU-Japan EPA, W. Fournel; 2017; https://www.eu-japan.eu/sites/default/files/publications/docs/2017-10-market-opportunities-eu-agribusinesses-fournel-min.pdf

As far as the method of consumption goes, the increasing importance of dining out in Japan must be remembered; and fish and seafood products lead the food service market. However, Japanese cuisine also includes recipes including beef, pork, and poultry; as well as lamb (Hokkaido, Okinawa prefectures). Consumers in Japan base their diet on many dishes, which include meat, such as *Ramen* (poultry, pork, beef, fish – depending on the region), *Okonomiyaki*, *Yakiniku*, *Udon*, *Soba* and *Gyoza* among many others. With an abundance of international restaurants, especially in great urban locations, meat consumers have many opportunities to try other dishes with various types of meat; and indeed, the westernisation of the Japanese diet is a notable driver for meat demand in the food service sector.

Purchase criteria

As mentioned earlier, Japanese consumers mainly base their purchasing approach on quality of the product. That said, due to recent developments, price-sensitivity while purchasing meat has become an important factor. For this same reason, consumers tend to prefer to buy packaged meat (which is generally considered to be cheaper) over unpackaged, by-the-weight meat.

5.1.2.3 Recent market trends

Despite the high popularity and consumption levels of seafood and fish, consumption of fresh meat in Japan is expected to steadily grow, mainly due to continuous Westernisation of the Japanese diet as well as due to strong demand for foodservice and ready-to-eat meals, often including meat dishes. Poultry is a particular beneficiary of this trend. Poultry consumption has also been boosted by recent tendencies towards a healthy diet, which have favoured the consumption of protein-rich poultry at the expense of fat rich meat (such as domestically produced marbled beef). Chicken breast has been a particular beneficiary of this latter trend. Lean beef, including Australian and American, has also benefitted.

Pork domestic production is projected to trend gradually downward, and due to increasing import volumes of poultry, pork and beef, the unit price of imported meat overall is expected to drop.

The consumption of game meat, while very low, is gaining some popularity through the food service channel. In order to expand the consumption of game meat such as wild boar and deer, the government has recently launched a project to establish a distribution system and training for hunters

5.1.3 Offer

5.1.3.1 Domestic production

Japan's fresh meat supply chain depends heavily on import volumes. In terms of domestic production by species:

- **Poultry**: production has been steadily growing and is expected to remain upward in 2019, mostly due to consolidation of producers and the increased productivity of larger manufacturers. Interestingly enough, growth in production comes in parallel with decreased number of operations registered by the MAFF. A drop of 1.7% in number of operators, in 2018 has resulted from smaller producers' exit from the industry and expansion of already existing larger operations[125].
- **Beef**: Domestic production of quality beef. The beginning of 2018 brought increase in Japan's cattle slaughter, approx. 1.6%, with simultaneous drop in cattle operations. *Wagyu* cattle has constituted 42% of total slaughter. In early 2018, the government launched Beef Livestock Stabilization Program (*Marukin)*, which enabled subsidizing *wagyu* beef cattle producers, whose farms were brining financial loses. The program also covered F-1 breed producers[126].
- **Pork**: the contraction of Japan's hog industry brought decline of 1.5% in hog population comparing 2017 to 2018. Ageing farmers have been continuously exiting the industry, which has resulted in a rise in the importance of smaller operations farms with 56% of farms raising less than 1 000 heads and 26% raising less than 300[127].

5.1.3.2 Imports and exports

Meat imports have the largest share of all Japan's agri-food imports. As outlined in Figure 5-2, Japan's fresh meat imports have been heavily outweighing the exports volumes, which constitute only the minor part in Japanese import/export fresh meat market. Imports have been gradually increasing since 2015 and reached 2 198 988 tonnes in 2017.

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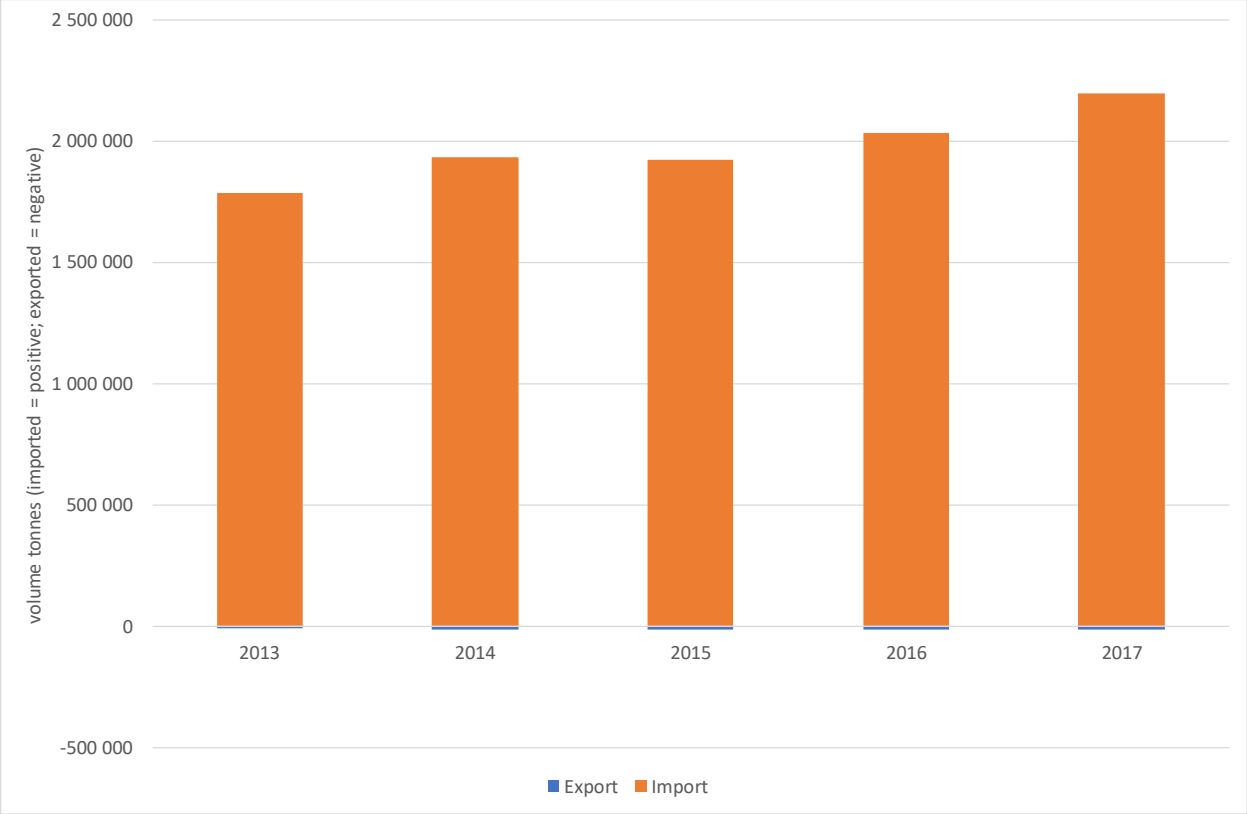
[125] Japan: Poultry and Products Annual 2018 Market Situation Summary and 2019 Outlook; USDA GAIN Report; 2018; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Poultry%20and%20Products%20Annual_Tokyo_Japan_8-14-2018.pdfv

[126] Japan: Livestock and Products Annual 2018 Market Situation Update and 2019 Outlook; USDA GAIN Report; 2018; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Tokyo_Japan_7-31-2018.pdf

[127] Japan: Livestock and Products Annual 2018 Market Situation Update and 2019 Outlook; USDA GAIN Report; 2018; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Livestock%20and%20Products%20Annual_Tokyo_Japan_7-31-2018.pdf

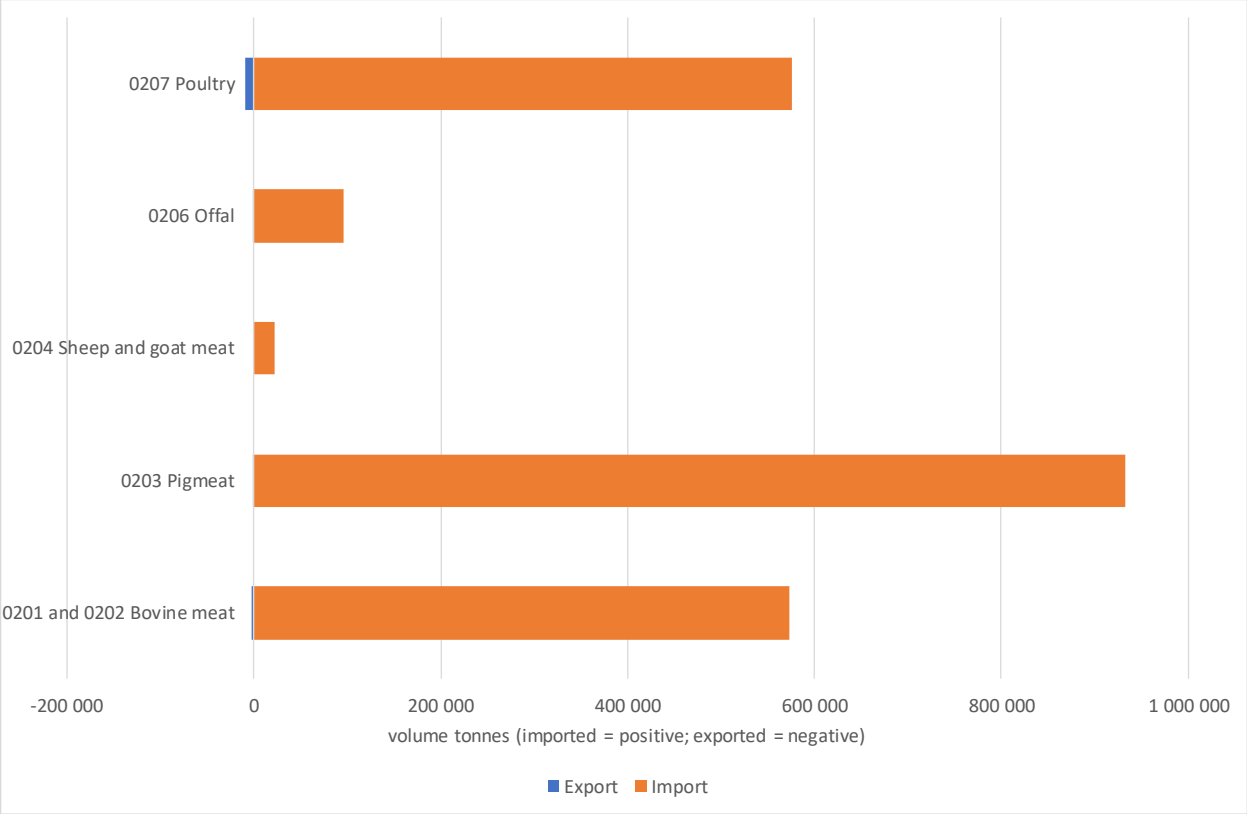
Figure 5-2: Trade balance (imports and exports) of fresh meat in Japan, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/ Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

Pigmeat is by far the most common imported fresh meat by Japan, reaching 9.3 million tonnes in 2017, followed by poultry and bovine, of which import volumes are similar (around 5.7 million tonnes). As Figure 5-3 shows, Japanese exports, as small as they are in volume, mainly related to exported poultry. Exports of wagu beef, while small, are high in value.

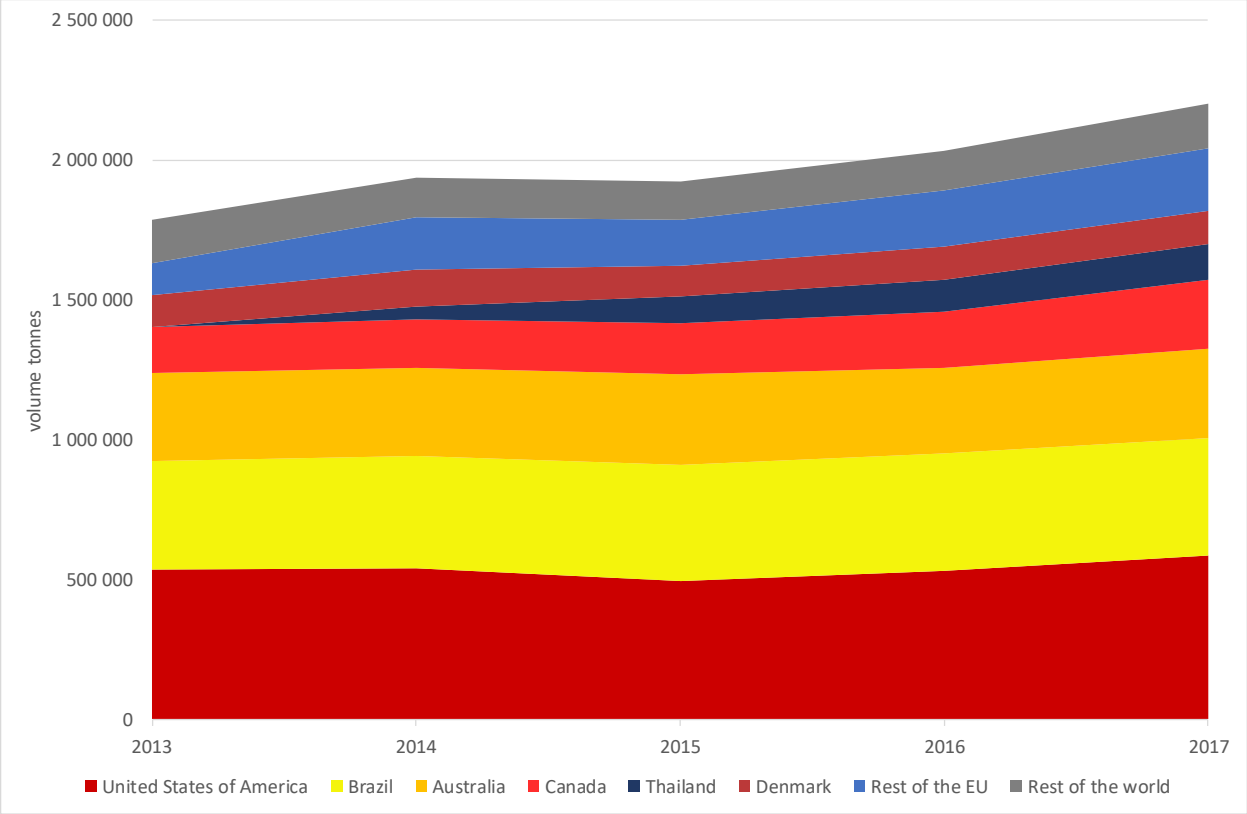
Figure 5-3:Trade balance (imports and exports) of fresh meat in Japan, by type, 2017; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/
Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

As presented in Figure 5-4, imports of fresh meat to Japan come from several countries. The top three exporters of fresh meat to Japan include United States of America, Brazil and Australia. Denmark is the largest EU partner for imports to Japan. All major countries' shares in Japanese fresh meat imports have remained relatively stable since 2013, without massive fluctuations. Thailand has made its entrance to the market between 2013 and 2014 and has kept its share of imports to Japan. In the case of EU imports of pork, this is mainly used by the processing industry in Japan.

Figure 5-4: Japanese imports of fresh meat by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/ Data for CN code 0201, 0202, 0203, 0204, 0206, 0207

5.1.3.3 EU GI products

No fresh meat products are protected under the EU-Japan EPA.

5.1.3.4 Main competitors

The section 5.1.3.2 showed that Japanese fresh meat market heavily depends on imports. It is vital to remember that meat products amount to almost 20% of all Japanese agri-food imports. The main exporters of fresh meat are:

- **Pigmeat**: EU, US, Canada,
- **Beef**: US, Australia
- **Poultry**: Brazil, Thailand

That said, as presented in section 5.1.3.1, poultry and beef domestic production have slightly grown last year. In case of pork, ageing farmers have brought a decline in hog population and rise of small-scale farms in Japan.

5.1.4 Specific market entry requirements

Market Access and Entry

In case of fresh meat products, there are several market restrictions to consider. In general, the there are four steps to follow when importing to Japan, as identified by the Ministry of Agriculture, Forestry and Fisheries (MAFF):

1. The first step is to determine whether the product is a subject to animal quarantine, which in case of fresh meat is necessary[128]. A contact list of relevant Animal Quarantine Service is available at MAFF website[129].
2. Secondly, it should be verified whether the fresh meat product is subject to any suspension or prohibition. This is monitored, categorized and updated by the MAFF and it should be consulted on their website[130][131]. The current possibility to export a specific meat product can also be checked with the embassy of your country in Japan (see section 8.2).
3. It is necessary to obtain an inspection certificate, which should be issued by a government agency of the exporting country. MAFF provides an example of such document[132].
4. An import inspection by Animal Quarantine Service in Japan will occur, as described in section 4.2.1.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing fresh meat products might require providing additional documentation concerning the Animal Quarantine inspection. These documents are listed below.

SPS measures

The Animal Quarantine Service during its inspection requires several documents, depending on the animal product:

- BSE Certificate
- Certificate of Dioxin Content
- Import Notification for Animal Consignments Subject to Quarantine

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[128] Pamphlet: To everyone traveling overseas or entering Japan, MAFF; http://www.maff.go.jp/aqs/tetuzuki/product/pdf/fmd_ai_jpencnkr_leaflet.pdf

[129] Contact list of Animal Quarantine Service at airport and seaport, MAFF; http://www.maff.go.jp/aqs/english/attach/pdf/contactus-3.pdf

[130] Countries （regions） on temporary import suspension due to outbreaks of Avian Influenza; MAFF; http://www.maff.go.jp/aqs/english/news/hpai.html

[131] Import prohibition area; MAFF; http://www.maff.go.jp/aqs/english/news/im_prohibit.html

[132] Examples of Insepction Certificates attached to an animal product, MAFF; http://www.maff.go.jp/aqs/english/product/pdf/certificate_eng.pdf

- Veterinary Health Certificate for Live Animals
- Veterinary Health Certificate for Animal Products
- Import Quarantine Certificate for Live Animals
- Import Quarantine Certificate for Animal Products.
- Import Permit for Endangered Species Subject to CITES

Lately, the EU and Japan have been cooperating in the area of regionalisation, which currently is dealt on a case by case basis for Member States of the EU. The final goal relates to mutual recognition, which would facilitate the management of SPS-related issues.

Up to date information on appropriate documents concerning SPS measures and Animal Quarantine inspection can be consulted on European Commission website:
http://madb.europa.eu/madb/indexPubli.htm

Any other query regarding the necessary SPS documentation should be directed to:
Animal Health Division, Food Safety and Consumer Affairs Bureau, Animal Health Affairs Office under the Ministry of Agriculture, Forestry and Fisheries (MAFF),
1-2-1 Kasumigaseki, Chiyoda-ku, JP-1008950 Tokyo,
phone number: +81 3 35028111.

Labelling

As described in section 4.2.3, the labelling of imported products falls into Food Labelling Standard. However as noted, fresh foods are exempted from the part on providing nutritional requirement. Nonetheless, it is necessary to state the country of origin on the product. In the case of meat this is considered to be the country in which the animal spent the main phase of its life. Importing fresh meat products requires usage of right packaging method. It should be remembered that meat should be properly cooled and isolated.

5.1.5 Distribution

As presented in Figure 5-5, fresh meat in Japan is being distributed both by retail and foodservice channels in similar amounts. While the foodservice channel remained its position in 2017 with a very slight drop, retail gained 3.2% in its shares at the expense of institutional distribution channel.

Figure 5-5: Distribution channel overview of fresh meat in Japan (2017)

Source: Euromonitor International: Fresh Food, 2018

Among retail channels, meat is generally sold packed (81% of retail sales) and supermarkets are a key channel. That said, many supermarkets also have in store butchers which sell unpacked meat by weight.

Meat tends to be purchased by retailers from trading companies, who also import meat. Each of these have their own specialisations / strengths; and the Japanese Meat Trading Association (JMTA) may be helpful in trying to identify a suitable trader. Beef and pork are typically graded and auctioned at regional meat auction houses, with the buyer then cutting, packing and selling the meat to retailers and the food service industry. Imported meat will pass through the same supply chain after clearing customs.

5.1.6 Challenges for EU products

Imports of fresh meat to Japan require thorough and stringent control measures related to animal quarantine, which may constitute a challenge for EU meat producers. Secondly, though the EU-Japan EPA offers attractive duties, market for fresh meat may become more competitive if attractive terms are offered by Japan in other FTAs currently under negotiation.

Market Takeaway: Fresh meat

Consumption: *Consumption of fresh meat has been steadily increasing and is projected to do so over the next 4 years.*
Competition: *Market heavily depends on imports, however poultry and beef domestic production steadily growing.*
Distribution: *Fresh meat is being distributed both on trade and off trade in similar quantities, however retail distribution noted highest growth last year (3.2%).*
Challenges*: Stringent control measures related to animal quarantine, which arise from reoccurring disease outbreaks. Possible implications of future Free Trade Agreements with other countries, resulting in possible more competitive fresh meat market in Japan.*
Opportunities: *Increasing consumption of fresh meat as well as importance of dining out, which includes broad array of meat-based meals. EU-Japan EPA implications i.e. tariff reduction/elimination*

5.2 Wine

Note*: Contrary to the commonly accepted internationally recognised definition of wine, wine in Japan includes both grape wine and non-grape (rice) wine; the latter accounting for the majority of consumption at present. While the focus of this section is grape wine, non-grape (rice) wine is covered in some sections where it is considered of relevance to the grape wine market. The definition of additives is also different than in international standards because Japan considers processing aids as additives.*

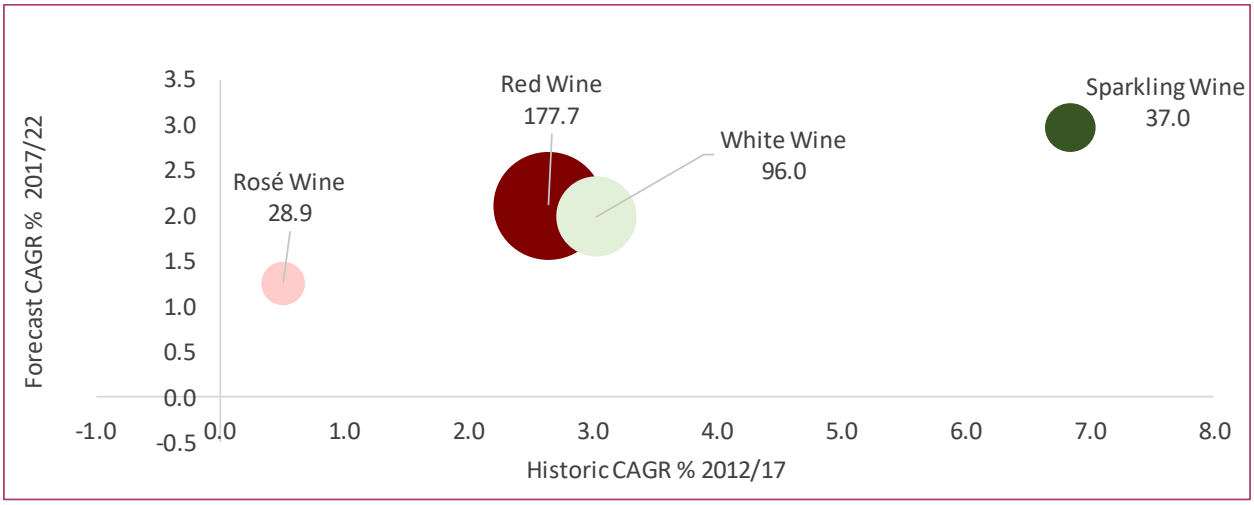
5.2.1 SWOT analysis

5.2.2 Consumption

5.2.2.1 Evolution of consumption

Consumption of wine in Japan has slightly dropped in the last two years and is forecast to remain stable over the next few years[133]. In terms of type, as presented in Figure 5-6, the market for red wine has been the largest, reaching 177.7 million litres in 2017, followed by white wine – 96 million litres. The other two categories – sparkling and rosé - do not h old a major market share, with volumes of 37 and 28.9 million litres respectively. That said, sparkling wine has noted the highest growth rate in previous years (6.8% per year) and is expected to continue the upward trend albeit more slowly at 3.0% per year. Both red and white wine grew in volume between 2012 and 2017 and are projected to grow more slowly over the forecast period (21% per year for red and 2.0% for white). Rosé is the only category which is expected to grow more quickly going forward than historically; but still at rates below that of other types.

Figure 5-6: Evolution and forecast of wine market (000 litres) in Japan, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

Note: figures for 2017 to 2021 based on forecasts as indicated by (f) after the year

5.2.2.2 Consumer profile and purchase criteria

Wine consumption emerged with the Westernization in Japan; however, initially it did not achieve broad popularity, as it did not suit the rice-based diet at that time[134]. The shift toward the increased wine consumption started following the Tokyo Olympics of 1964, and received a big boost in late 1990s, after

[133] It must be remembered that non-grape wine still constitutes the largest part of the market.
[134] What is Japanese Wine?; Japan Wineries Association; https://www.winery.or.jp/en/

significant popularization of the drink by celebrity sommeliers and media touting health benefits of wine[135]. Since then wine has been slowly integrating in mainstream Japanese dietary habits.

Consumers

Wine in Japan is consumed by both men are women, with significant increase of female consumers reaching for this drink in recent years[136]. The perception of wine as only special occasion drink has changed in recent years and more often is considered as everyday drink. In 2017, red wine consumption amounted to 1.4 litres per capita). The middle-aged (40-60 years) and older generation Japanese consumers - which are the main wine consumers in Japan - prefer high-quality wines, as these age groups have the disposable income allowing them to choose more recognisable varieties. The younger generation, on the other hand, which often rejects traditional drinks such as sake, has a greater interest in affordable wine. Wine is consumed in large urban locations much more often than in smaller cities, where consumers tend to prefer traditional drinks and beer.

Red wine is the most preferred type of wine among Japanese, followed by white. Sparkling wine has received great attention in recent times as it is considered to be suitable to Japanese dishes. In terms of country of origin, French wines are the most popular and considered having the best quality, followed by wine from Chile and Italy. This reflects consumer preferences by age group – while the largest market of the older generation prefer French wines, younger consumers (under 30) tend to buy Chilean wines, though they are also more open to trying other wines in the on-trade channel.

Due to Japan's relatively short history with wine, many wine drinkers do not differentiate the grape variety, with few exceptions of those well-recognised, such as Cabernet Sauvignon or Chardonnay. That said, they do have preferences in terms of country of origin by wine type: reds from the EU (France and Italy in particular) and Australia are most popular; while Chile is the preferred origin of white wine.

Drivers and method of consumption

The continued westernisation of Japanese consumption patterns and simultaneous integration of wine into diets constitute the main drivers for wine consumption in Japan. The novelty-seeking criterion mentioned in section 3.3.1 also plays fundamental role, and as a result consumers are more adventurous in wine-tasting. That said, the characteristics of Japanese cuisine also influences the wine consumption to some extent, as wine may specifically be paired with it – as section 3.3.2.3 described.

[135] In 1995 Mr Shinya Tasaki was named the best sommelier in the world 1995, as the only Asian national to date.

[136] Working women in Japan are drinking more wine than ever; TODAY; 2017; https://www.todayonline.com/world/asia/working-women-japan-are-drinking-more-wine-ever

As mentioned above, wine is increasingly chosen as an everyday drink rather than just for special occasions. It has become popular both during informal pub wine gathering (*izakaya* bars*)* and formal social networking events. While the on-trade channel is more important in terms of value, the off-trade channel is more important in terms of volume; and consumption of wine at home has been also on rise due to wide variety of affordable wines available off-trade. Wine has started to be perceived as an appealing and casual alternative for beer, especially for female consumers.

Purchase criteria

Wine consumption in Japan is determined by several factors. These include:

- *Value for money.* This criterion, which effectively encompasses both price and quality, is probably the most decisive factor taken into account when purchasing wine[137].
- *Country of origin:* Japanese consumers place a high importance on country of origin. They consider wine from several countries, such as France, Italy, Chile, Spain as high-quality. France in particular has a stable reputation for high quality and is often seen as a premium product; while Chile is seen as a good option for the quality-price relationship.
- *Recommendations:* As the level of knowledge about wines differs among consumers and is further impacted by high product-availability, wine drinkers often rely on recommendations given by shop keepers or even recommendations from friends and/or family. These recommendations may not only include the taste characteristics but may also extend to food pairing. Retailers, restaurants and bars may provide information in order to assist consumers in differentiating between wines.
- *Experience:* for younger consumers (20s and 30s) in particular, their experience from tasting wine in on-trade channels and at tasting events is likely to influence their purchase decision in the off-trade channel. An increasing number of small brands are joining tasting events in order to take advantage of this trend.
- *Packaging:* in general, Japanese consumers pay great attention to packaging itself, as in their view it reflects quality and safety of the product. Wine bottles are no exception with this regard. Additionally, consumers are appealed by labels with any suggesting relating to *medal awards*. Brand may also play an important role for some consumers; as reflected by the popularity of the Chilean wine brand Alpaca. Lastly, due to changing demographics, small PET (polyethylene terephthalate) bottles have become more appealing, as they offer lower quantities of wine.

5.2.2.3 Recent market trends

Considering the recent market trends, it must be remembered that despite the increasing grape wine popularity in Japan, non-grape wine still amounts to the largest share on the market.

[137] That said, purchase criteria are largely determined by the knowledge and socioeconomic status of the consumer.

In recent years, the market for wine in Japan was impacted by the amendment to liquor taxes, which prohibits manufacturers and distributors from selling alcoholic drinks at prices below the gross costs of sales on a continuous basis without reason. Both red and white wines have kept their large volumes, whereas sparkling wine has been on continuous rise and is expected to remain and upward trend, however its forecasted growth is expected to be lower, with some consumers migrating to other beverage categories such as ready to drink alcoholic drinks and highball cocktails. In view of this, attracting new consumers beyond the core middle-aged base will be important going forwards.

In recent economic conditions, consumers have become more price conscious and hence opted for economy priced wines in the off-trade channel in particular; in this channel, economical wines around the JPY 500 mark (EUR 3.75) have been particularly popular. This has pushed the market for affordable wines including Chilean; and in turn the recent popularity of Chilean white wines has also led to a recent increase in the popularity of fruitier aromatic wines. Nonetheless, high levels of tourism have supported the sale of premium wines in the on-trade channel. In this context, the 2020 Tokyo Olympics are expected to provide another boost to tourism and some corresponding short-term opportunities. In the mid-range area (over JYP 1 000 – EUR 7.50), there has been a boost in the off-trade channel as some consumers swap drinking in bars for drinking at home (*ienomi*). Indeed, while the on-trade channel is the most important in terms of value, its importance is declining vis-à-vis off-trade as the Japanese population shrinks and price sensitive younger consumers favour drinking at home.

5.2.3 Offer

5.2.3.1 Domestic production

When it comes to domestic production, it should be remembered that vast majority of production sites relates to Japanese non-grape wine (or in some cases, to wines made of imported grape must).

Japan's climate and soil conditions make it hard to cultivate grapes. Major factors hampering the viticulture are acidity of soil, high amounts of rainfall, humidity among others[138]. In effect, the imports of wine are fundamental to meet domestic demand. Nevertheless, Japan produces several varieties, cultivated mainly in Yamanashi[139],

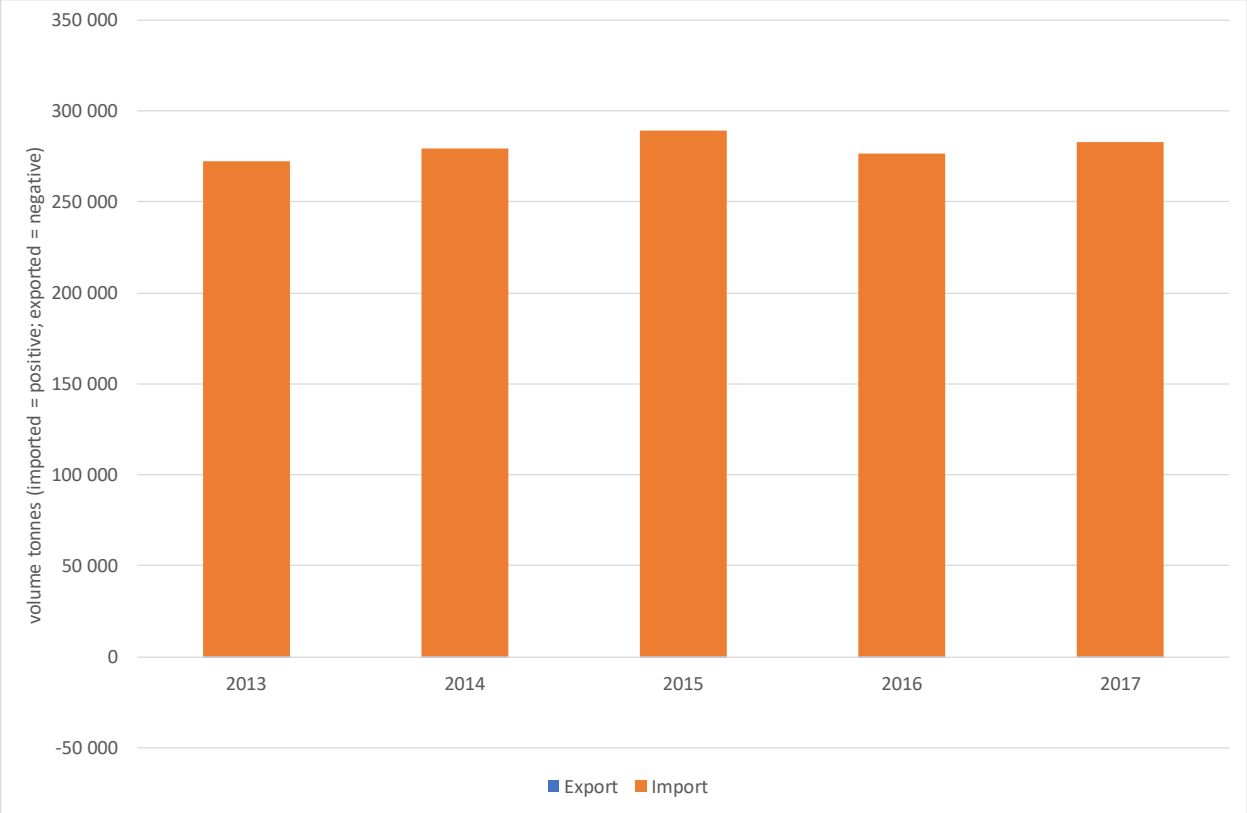
[138] The Wine Market in Japan: An Assessment of Challenges and Opportunities for Central and Eastern European Producers; M.C.Dobronauteanu; 2014;
https://www.eu-japan.eu/sites/default/files/publications/docs/japanwinemarketreport-2014.pdf
[139] Geographical indication

Hokkaido[140], Nagano and Yamagata prefectures[141] and include varieties such as white grape *Koshu* and red *Muscat Bailey A.* Domestic production is fragmented and relies on small-medium size companies, which number exceeds 200, located throughout the country[142]. Lastly, as the next section will show – domestic production, as small as it is, is mostly intended for a domestic use.

5.2.3.2 Imports and exports

The Japanese grape wine market is largely determined by imports, which has been heavily outweighing exports volumes in last years. As Figure 5-7 presents, imports volumes declined slightly in 2016 to regain upward trend, reaching 283 135 tonnes in 2017.

Figure 5-7: Trade balance (imports and exports) of wine in Japan, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 2204

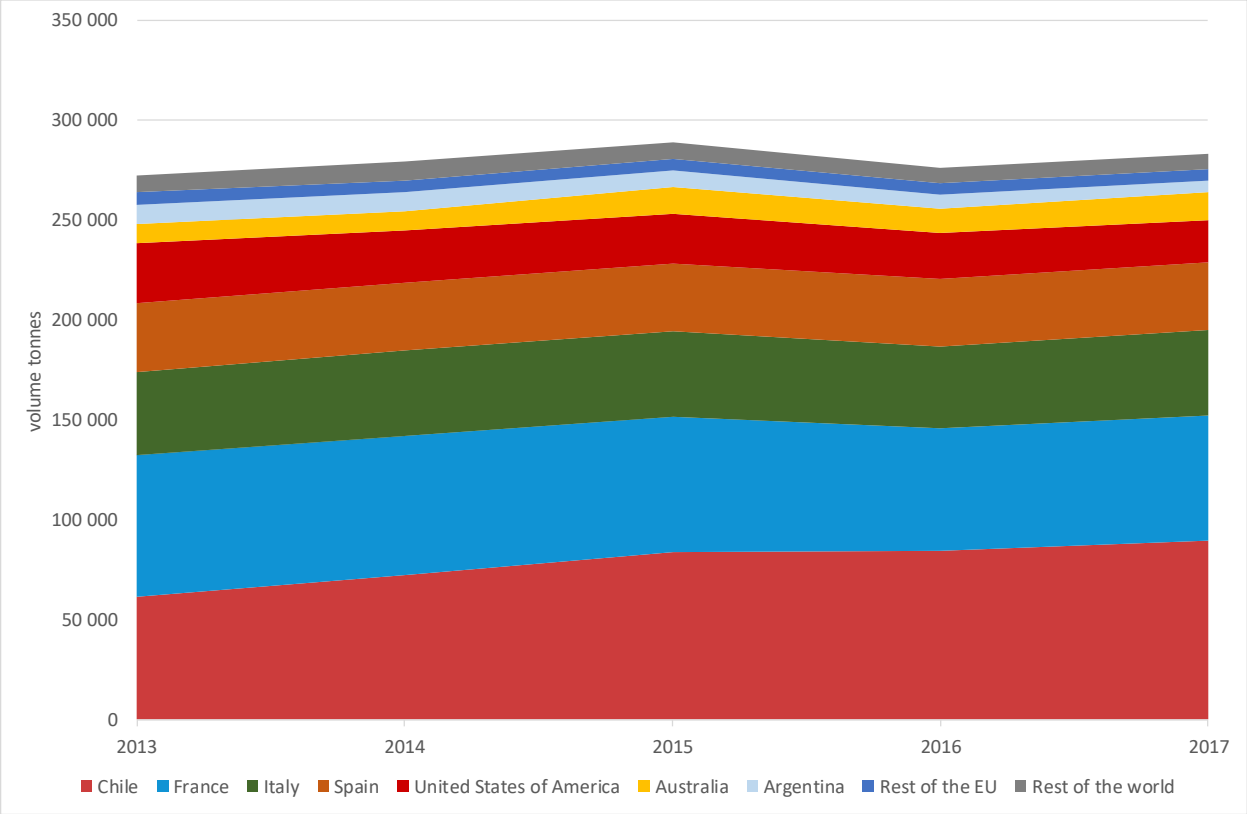
[140] Geographical indication

[141] What is Japanese Wine?; Japan Wineries Association; https://www.winery.or.jp/en/

[142] What is Japanese Wine?; Japan Wineries Association; https://www.winery.or.jp/en/

In terms of importing countries, as depicted in Figure 5-8, Japanese wine imports come from several countries, with two major ones – Chile (additionally boosted by recent FTA with Japan) and France. While Chilean wine has increased its import shares to Japan in the last 4 years due to its price and the aforementioned FTA, French wine imports have been on a slight decrease. Other countries exporting include Italy and Spain from the EU, as well as the USA, Australia and Argentina from outside Europe. All of mentioned countries have retained the core of their market shares in the last years.

Figure 5-8: Japanese imports of wine by country, 2013-17; tonnes

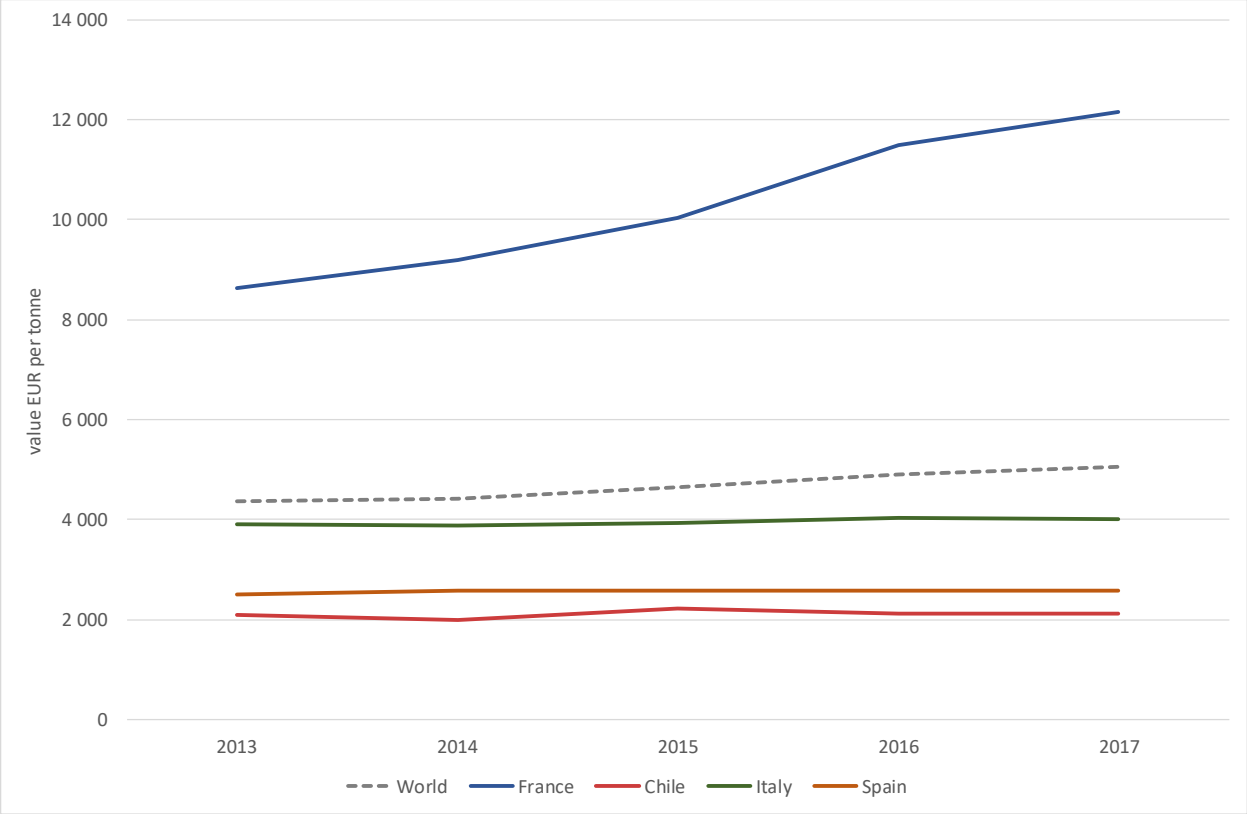


Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 2204

French wine in Japan has by far the highest unit value at over 12 000 EUR per tonne in 2017; three times higher than Italian wine (Figure 5-9). Interestingly enough, the unit value of wines of major exports have remained relatively stable in the last 4 years, with an exception of France, which has steadily increased since 2013.

Figure 5-9: Per unit value of Japanese imports of wine for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 2204

5.2.3.3 EU GI products

The Economic Partnership Agreement (EPA) between the EU and Japan will give recognition and protection of certain GI agricultural products from the EU. The list includes several EU GI wines:

- Тракийска низина (Transliteration into Latin Alphabet: Trakijska nizina) – Bulgaria
- Дунавска равнина (Transliteration into Latin alphabet: Dunavska ravnina) – Bulgaria
- Κουμανδαρία (Transliteration into Latin alphabet: Commandaria) – Cyprus
- Alsace / Vin d'Alsace – France
- Beaujolais – France
- Bergerac – France
- Bordeaux – France
- Bourgogne – France
- Chablis – France
- Champagne – France
- Châteauneuf-du-Pape – France
- Corbières – France

- Coteaux du Languedoc / Languedoc – France
- Côtes de Provence – France
- Côtes du Rhône – France
- Côtes du Roussillon – France
- Graves – France
- Haut-Médoc – France
- Margaux – France
- Médoc – France
- Minervois – France
- Pauillac – France
- Pays d'Oc – France
- Pessac-Léognan – France
- Pomerol – France
- Saint-Emilion – France
- Saint-Julien – France
- Sancerre – France
- Saumur – France
- Sauternes – France
- Val de Loire – France
- Franken – Germany
- Mittelrhein – Germany
- Mosel – Germany
- Rheingau – Germany
- Rheinhessen – Germany
- Ρετσίνα Αττικής (Transliteration into Latin Alphabet: Retsina Attikis) - Greece
- Σάμος (Transliteration into Latin alphabet: Samos) – Greece
- Tokaj / Tokaji – Hungary
- Asti – Italy
- Barbaresco – Italy
- Bardolino – Italy
- Bardolino Superiore – Italy
- Barolo – Italy
- Bolgheri / Bolgheri Sassicaia – Italy
- Brachetto d'Acqui / Acqui – Italy
- Brunello di Montalcino – Italy
- Campania – Italy
- Chianti – Italy
- Chianti Classico – Italy
- Conegliano - Prosecco / Conegliano Valdobbiadene - Prosecco / Valdobbiadene – Prosecco – Italy

- Dolcetto d'Alba – Italy
- Franciacorta – Italy
- Lambrusco di Sorbara – Italy
- Lambrusco Grasparossa di Castelvetro – Italy
- Marsala – Italy
- Montepulciano d'Abruzzo – Italy
- Prosecco – Italy
- Sicilia – Italy
- Soave – Italy
- Toscana / Toscano – Italy
- Valpolicella – Italy
- Vernaccia di San Gimignano – Italy
- Vino Nobile di Montepulciano – Italy
- Alentejo – Portugal
- Bairrada - Portugal
- Dão – Portugal
- Douro – Portugal
- Lisboa – Portugal
- Madeira / Vinho da Madeira / Vin de Madère / Madère / Madera / Madeira Wijn / Vino di Madera / Madeira Wein / Madeira Wine – Portugal
- Oporto / Port / Port Wine / Porto / Portvin / Portwein / Portwijn / vin de Porto / vinho do Porto1 – Portugal
- Tejo – Portugal
- Vinho Verde – Portugal
- Coteşti – Romania
- Cotnari – Romania
- Dealu Mare – Romania
- Murfatlar – Romania
- Odobeşti – Romania
- Panciu – Romania
- Recaş – Romania
- Vinohradnícka oblasť Tokaj – Slovakia
- Vipavska dolina – Slovenia
- Alicante – Spain
- Bierzo – Spain
- Cataluña – Spain
- Cava – Spain
- Empordà – Spain
- Jerez / Xérès /Sherry – Spain

- Jumilla – Spain
- La Mancha – Spain
- Málaga – Spain
- Manzanilla-Sanlúcar de Barrameda – Spain
- Navarra – Spain
- Penedès – Spain
- Priorat – Spain
- Rías Baixas – Spain
- Ribera del Duero – Spain
- Rioja – Spain
- Rueda – Spain
- Somontano – Spain
- Toro – Spain
- Utiel-Requena – Spain
- Valdepeñas – Spain
- Valencia - Spain

5.2.3.4 Main competitors

Domestic production of grape wine in Japan is very minor and it is mostly intended for domestic consumption (section 5.2.3.1). Non-grape wine aside, competition on the Japanese wine market is therefore mostly import-related. Thus, as section 5.2.3.2 outlined, among main competitors within the EU, one must take into account importers from France, Italy and Spain and outside the EU – mostly Chile, followed by USA and Australia.

5.2.4 Specific market entry requirements

Market Access and Entry

There are no specific market access restrictions in Japan related to wine. However, it must be remembered that additives and processing aids in wine are covered by food additive legislation which is lengthy and complex in general in Japan. In addition, like other alcoholic drinks, wine is a subject of general regulations and entry procedures, such as Food Sanitation Act and Liquor Tax Law.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. Additionally, following Japan Customs guidelines, there are three types of procedures when importing alcoholic beverages:

- For personal use – under 10kg or less with no procedure
- For provision for drinking at self-owned establishments (bar, restaurant etc.) – importers should follow the procedures identified by a respective quarantine station, which holds jurisdiction over

the importing area (section 4.2.1). The licence to sell alcoholic beverages do not apply in this case[143].

- For sale – apart from the quarantine station procedures, an importer should also obtain a licence to sell alcoholic beverages under the provisions of Liquor Tax Law. Application procedure should be consulted with respective Chief Examiner (Liquor Tax and Industry) at Tax office [144]. Additionally, the container should display the description of items, the alcoholic strength etc. on a readily visible place[145].

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=JP&hscode=2204

SPS measures

SPS measures concerning wine are generally in line with international standards. However, it should also be remembered that there are some differences between food additives definitions in the EU and Japan, where additives and processing aids in wine are considered as food additives.

Labelling

Wine label should be prepared in Japanese and its requirements are set out under several legislative acts, from which the most important are[146]:

- Food Sanitation Act
- Liquor Tax Act
- Liquor Business Act
- Measurement Act

In general, it is necessary for the wine label to display product name, ingredients, additives, alcohol content, names of importer and distributor, essential warnings related to consumption by minors and any relevant reference to origin and quality standards. It should be remembered that due to the issues around definitions of food additives, close collaboration with authorities as well as importers is advised.

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[143] Importation of Alcoholic Beverages (FAQ); Japan Customs; http://www.customs.go.jp/english/c-answer_e/kojin/3105_e.htm

[144] Information on Liquor Administration; National Tax Agency; https://www.nta.go.jp/english/taxes/liquor_administration/index.htm

[145] The full list of necessary information to be displayed can be found here: https://youshu-yunyu.org/english/sp/fair_competition_regularions/index.html

[146] Alcoholic Beverages; JETRO; https://www.jetro.go.jp/ext_images/en/reports/market/pdf/guidebook_food_alcoholic_beverages_rev.pdf

Lastly, domestically produced wine made of domestically harvested grapes is a subject of new wine labelling rules, which are to come into force in late 2018. Those wines would be allowed to bear the mention "Japan wine". In addition to this, according to new provisions, any bottles stating geographic designations of origin must contain at least 85% of grapes from that region[147].

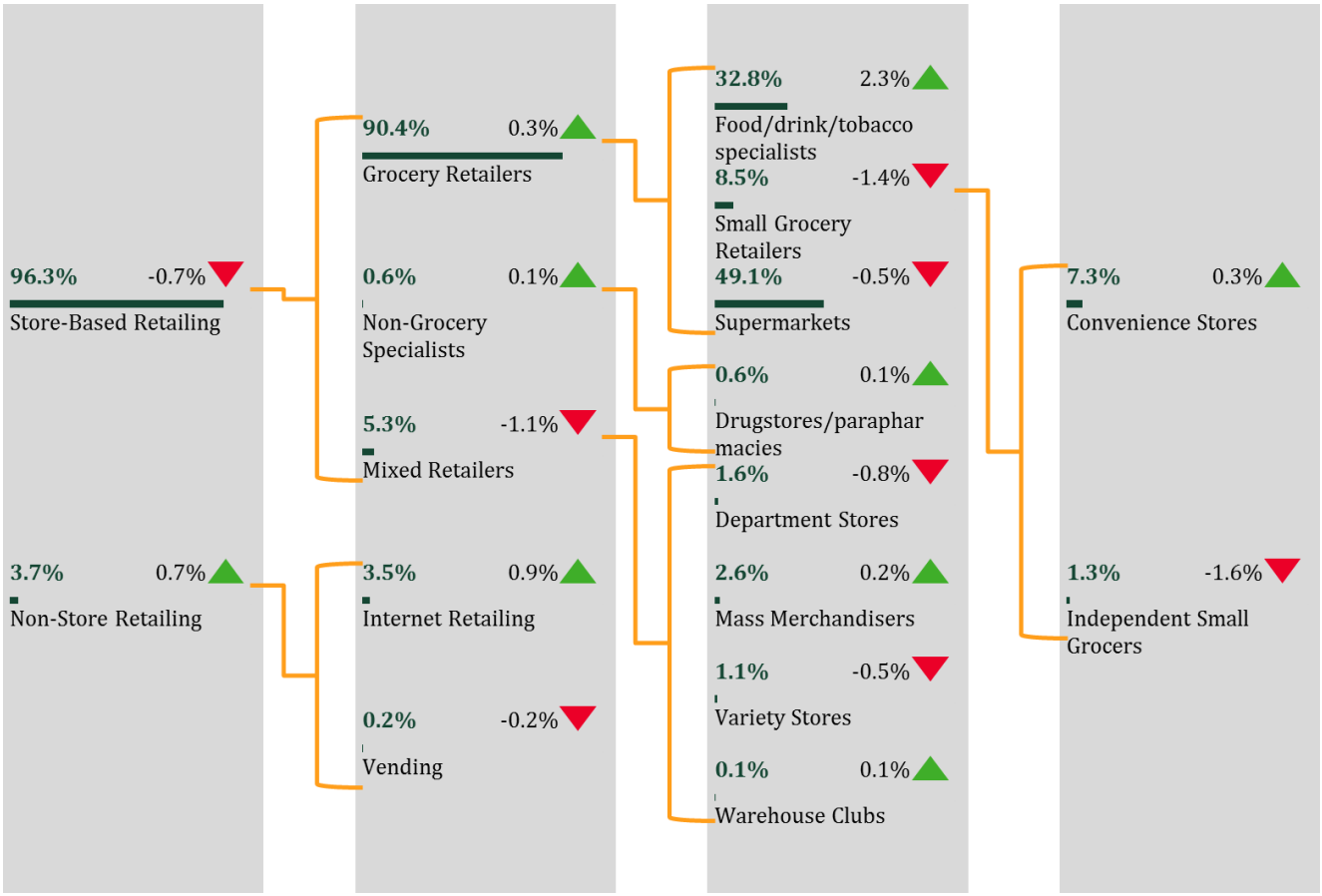
5.2.5 Distribution

While the on-trade channel is more important for distribution than the off-trade channel in terms of value, the reverse is true in terms of volume – with off-trade accounting for 2/3 of wine volumes. The relative importance of the off-trade channel in volume terms has also increased in recent years. As seen in Figure 5-10, almost half of wine in 2017 distributed through off-trade was purchased through grocery retailers (90.4%); more specifically, supermarkets (49.1%) followed by food, drink and tobacco specialists (32.8%). In general, store-based retailing accounts for the vast majority of distribution, with roughly a further 6% sold through non-grocery specialists and mixed retailers. However, Internet retailing is growing quickly; in 2017 it noted a growth of 0.9 percentage points to reach 3.5% of sales.

In the on-trade channel, some successful small importers have exclusive sales agreements with hotels and restaurants. Under these agreements, the restaurants/hotels may promote the wine by indicating they are the only distributor of this wine in the immediate area and/or that a limited quantity is available. This tactic has been successful as on-trade consumers – both Japanese and foreign – have demonstrated that they are willing to pay a bit extra to experience limited edition or exclusive offers.

[147] Japan tightens wine labelling rules; N. Wang; 2018; https://www.thedrinksbusiness.com/2018/01/japan-tightens-wine-labelling-rules/

Figure 5-10: Distribution channel overview of wine in Japan (2017)



Source: Euromonitor International: Alcoholic Drinks, 2018

5.2.6 Challenges for EU products

EU producers planning to export wine products to Japan would need to take into account competitors from foreign countries, especially Chile, followed by USA and Australia. While the EU-Japan EPA offers very good terms, importers from other countries may receive additional incentive to consider Japan as the potential market as new FTAs are concluded. Due to the specificities of Japanese legislation around food additives, as a precaution, operators should check additives in their wine are authorised before sending to Japan.

Market Takeaway: Wine

Consumption: *Non-grape wine still dominates the market; however, consumption of grape wine is projected to remain its stable trend. Red wine keeps the largest share, followed by white wine, however sparkling wine has been noting the highest growth in recent years.*

Competition: *Due to unfavourable conditions for cultivation grapes, domestic production is rather limited and intended for domestic use. The wine market in Japan is import-based with large quantities imported from Chile, France and Italy and more.*

Distribution: *Wine is mainly distributed through grocery retailers with major share of supermarkets, followed by food & drink specialists. Internet retailing noted a growth of almost 1% in terms of its shares in the distribution channel. While the off-trade channel is most important in terms of overall volume, the on-trade channel has an important role for higher value wines in particular.*

Challenges*: The main challenge relates to other importers from outside Europe – mostly Chile, but also USA and Australia. Secondly, Japanese authorities are currently revising the list of food additives (which can also apply to wine); as a precaution, operators should check additives and processing aids used in their product are authorised in Japan before sending. ,*

Opportunities: *Increasing knowledge about premium and EU wines among Japanese customers. Sparkling wine on significant rise in recent years. Excellent terms offered by the EPA: Zero duty on 01/02/2019 due to EPA, as well as several additives and processing aids authorised in Japan as from 01/02/2019 (see EU-Japan centre website for more information).*

5.3 Dairy

5.3.1 SWOT analysis

5.3.2 Consumption

5.3.2.1 Evolution of consumption

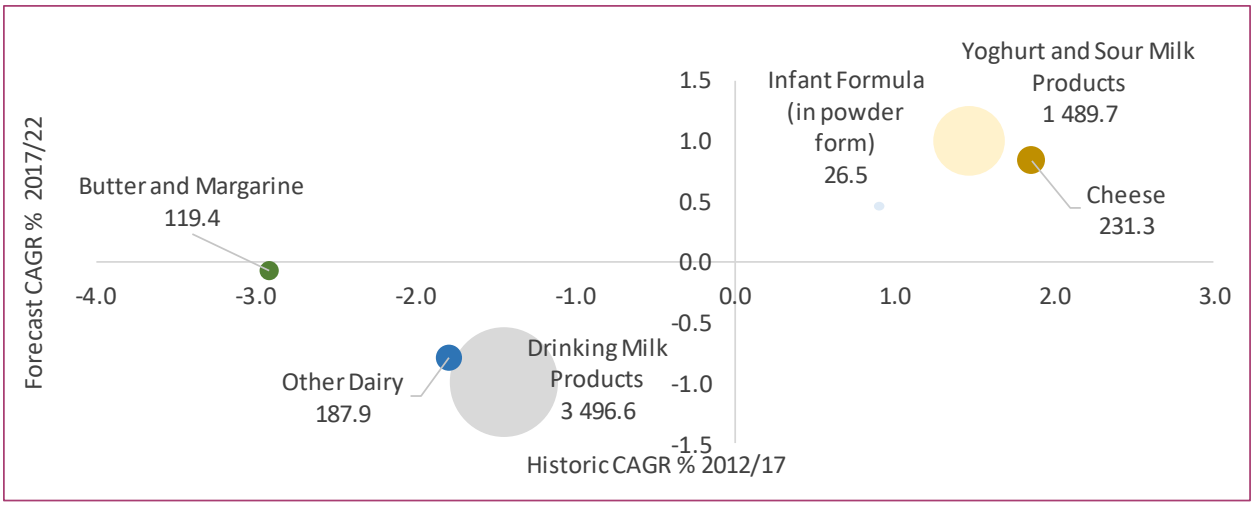
Drinking milk products, despite recent falls - which are also forecast to continue into the future - remains the biggest category on the Japanese dairy market. On the other hand, second biggest category – yoghurt and sour milk products have increased in volume by 1.5% per year between 2012 and 2017 and are projected to grow further. Consumption of cheese is also on the rise, with the market size increasing by 2.0% per year in the last years and expected to continue to rise up 0.8% per year in next 4 years (Figure 5-43).

Butter and margarine noted the highest drop between 2012 and 2017 (2.9% per year), due to a combination of poor raw milk supply, higher demand for raw milk for other dairy products and subsequently higher prices. Further decline is projected going forwards, however at a significantly lower rate (0.1% per year). Other dairy products, such as desserts, coffee whiteners or condensed milk products are projected to maintain their historical downward trend in the coming years. Lastly, the powder infant formula products segment is expected to grow slightly going forward[148], however at a lower rate than

[148] Liquid infant formula has been recently given green light from the Japanese government

previously (0.5% per year vs 0.5%) over the forecast period, which is reflects the declining birth rate in Japan.

Figure 5-11: Evolution and forecast of dairy market (000 tonnes) in Japan, retail value 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2017 to 2022 based on forecasts as indicated by (f) after the year

5.3.2.2 Consumer profile and purchase criteria

Dairy products traditionally are not considered as a part of the Japanese diet; however, they have gained more popularity in recent years. This is firstly due to the more Westernized approach to consumption habits. Secondly, dairy products have started to be perceived as having unique health benefits, in turn driving consumption. That said, dairy is used in a slightly different way – more often as a beverage or snack and rarely used in cooking[149]. It should be also remembered the that Japanese, alike most Asians, have a high rate of lactose intolerance. However, as traditional consumption of dairy products is low, the condition is often not recognised by consumers.

[149] Milk Consumption in Japan and Around the world; Japan Dairy Council; http://www.dairy.co.jp/eng/eng03.html

Consumers

In broad terms, a lot of Japanese regard dairy as a beverage or a snack that is to be consumed during social gatherings or similar. However, due to abundance of different types of products within the dairy sector, it is useful to differentiate consumer groups in relation to a way of consuming dairy:

- Drinking milk products: these are popular in Japan fresh milk and milk drinks are considered as very healthy, e.g. influencing muscle growth, and are consumed regardless to age. The Japanese increasingly pay attention to the quality of their milk drinks and are willing to spend more funds for quality products.
- Yoghurts: Japanese consumers put a great emphasis on consuming probiotics, as they regarded as having unique health benefits which go beyond digestive health[150] and positively influence the immune system, oral health or reduce body fat. Furthermore, due to changes in Japanese lifestyle and focus on convenience, demand for drinking yoghurts has risen significantly.
- Cheese: historically, consumption and especially method of consumption has been relatively undeveloped. Nevertheless, due to recent marketing strategies, i.e. websites, TV commercials, Japanese consumers have been discovering new ways of eating cheese, such as snacking or when preparing a meal. Furthermore, cheese has been regarded as having specific health benefits; for example, camembert in reducing the risk of dementia and parmesan as a high source of calcium[151]. Flavour-wise, due to the mildness of the Japanese palate, consumers tend to prefer soft and mild cheeses that are not too salty. Processed cheese in particular is popular[152], but gouda, camembert, mozzarella and mild cheddar all also well received. Stronger cheeses have lower popularity and subsequently tend to only be available through limited channels though they may be used for cooking in some western dishes. Sheep or goat milk cheeses such as feta are not liked by some consumers due to the unique, and slightly rich flavour of these milks.
- Butter and margarine: butter is regarded as a healthy product, which spreadable form has been well received by consumers in Japan. Due to the strong importance placed on health by Japanese consumers, margarine products have been regarded with mistrust due to usage of trans-fat acids. however, despite this negative perception, margarine has been one of Japanese favourite spreads.

[150] Euromonitor International: Packaged Food, 2018
[151] Euromonitor International: Packaged Food, 2018
[152] Lower tariffs on EU cheese imports may not translate to reduced prices for 'fromage' lovers; P. Brasor, M.Tsubuku; 2017; https://www.japantimes.co.jp/news/2017/07/07/business/bigger-cut-middlemen-japans-lower-tariffs-eu-cheese-may-not-mean-lower-prices/#.W5kolCQzZpg

- Other dairy: Japanese consumers very often choose chilled and shelf stable desserts, consumption of which is additionally driven by their high availability. Due to health concerns, there have been several products launched with low-calories intake and these have found a solid base among health-conscious consumers. Other products, such as coffee whiteners are chosen relatively rarely, affected by the emerging trend of RDT (ready-to-drink) coffee and competition from fresh milk.

It should be noted that Japan has a long and rich history of eating soy products such as tofu, natto, soy sauce, squeezed and flavoured soy milk as it is cheap and easily accessible at supermarkets. Therefore, many adult Japanese consumers who experience digestive discomfort after drinking milk avoid consuming many dairy products and switch to such soy alternatives. In view of the limited tradition of dairy consumption and the low recognition of lactose intolerance among consumers, low lactose dairy products are not widely available.

It should be pointed out that consumption of infant formula is not only connected to negative birth rate (section 5.3.2.1), but also due to increasing preferences for breastfeeding in Japan[153].

Drivers and method of consumption

Changes in Japanese dietary patterns are the main driver when considering dairy consumption. Shifts towards more Westernized dishes as well as changes in the way of eating have brought more dairy products to Japanese tables. Dairy products have also been discovered due to the Japanese consumer tendency to look for new products, and the increase in array of known meals and products. A secondary driver impacting dairy consumption is its health added value. Japanese consumers hold the view that certain dairy products are particularly beneficial for their health, e.g. muscle growth, digestive advantages, oral health and supplementing essential micro elements among many others.

Generally speaking, the method of consumption of dairy in Japan mainly relies on drinking beverages. However, as indicated above, cheese and butter products have developed some consumer base among Japanese. Lastly, dairy is still not very common in culinary field, with exceptions of internationally known dishes such as pizza.

Purchase criteria

Consumers in Japan base their purchase criteria mostly on two factors: the quality of a dairy product as well as their added value in health terms. The health-conscious approach is further backed up by widely spread advertising campaigns in Japanese media which show the benefits of eating dairy products as well

[153] Euromonitor International: Packaged Food, 2018

as the new ways of eating it. Camembert is an example of a cheese which has recently benefitted from the advertisements which indicated its health benefits.

The preferences set out in the consumers subsection above will play an important role in purchase criteria; particularly taste preferences in the case of cheese.

Last but not least, the price of cheese very often plays a crucial role when purchasing, as a high price can discourage consumers to try certain types of cheese[154]. This may be considered a hinderance for imported cheeses, which generally have higher price points than locally produced cheeses. However, local and imported cheeses are also distributed through slightly different channels, with domestic cheese more commonly sold through convenience stores and supermarkets and imported cheeses through department stores or specialist shops.

5.3.2.3 Recent market trends

As the section 5.3.2 outlined, Japanese prefer dairy products in form of drinking beverages or yoghurts. The latest market trends combine this fact with health concerns. Against this background and in light of the widely advertised advantages of consuming probiotics, yoghurt and other sour milk products has seen significant popularity in recent years and are projected to maintain this upward trend. Indeed, the recently introduced legislation on Functional Food Claims has boosted the healthy image of some products as manufacturers indicate the expected health benefits on labels. The indication “Supports healthy digestive system” for some yoghurts is one such example of this.

Among yoghurts, Bulgarian yoghurt has been popular in recent years as the company Meiji has permission to import lactic acid bacteria and use "Bulgaria" as a product name in their yoghurt. Greek yoghurt has also been well received of late.

On the other hand, butter has noted a strong decrease in its market size in recent years, resulted mostly from poor raw milk supply, higher prices and simultaneous higher demand for yoghurts.

Furthermore, the latest earthquake in the Japanese island of Hokkaido (September 2018), in which half of Japan’s milk production is located, may cause temporary shortages in dairy products as well as price

[154] Lower tariffs on EU cheese imports may not translate to reduced prices for ‘fromage’ lovers; P. Brasor, M.Tsubuku; 2017; https://www.japantimes.co.jp/news/2017/07/07/business/bigger-cut-middlemen-japans-lower-tariffs-eu-cheese-may-not-mean-lower-prices/#.W5kolCQzZpg

increases in future; subsequently affecting demand [155]. The main issue caused by natural disaster in Hokkaido was linked to lack of electricity, which hampered entire process of dairy production, from using milking machines to storing milk and products. Interestingly enough, Hokkaido, regarded as relatively safe part of Japan, has been hit with several natural disasters in recent years. As a result, the market for raw milk has been still recovering to ease output decline as an aftermath of three typhoons incidents in 2016[156][157], which effectively reduced availability of fluid milk for processing purposes.

In spite of the fact that cheese market in Japan is rather undeveloped compared to the European one, consumption has been on a gradual rise and is expected to continue to be due to widely highlighted benefits of consuming cheese. Recently, consumers have increasingly shifted to the consumption of cheese as a light snack (e.g. with crackers) or with alcoholic beverages. This trend in turn has led to individually wrapped pieces of cheese being well received of late. As is the case with yoghurts, the highlighting of health benefits has also had positive impacts on the sales of some cheeses. In addition to the example of camembert highlighted in the sub-section above, the health benefits of blue cheese have been communicated in order to overcome the initially negative reaction of Japanese consumers to the smell.

In terms of infant formulas, it must be remembered that the Japanese government has recently allowed production and sale of liquid infant formula, which has been accompanied with a revision of standards applying also to infant formula in powder form. Among many reasons for the green light for sale of liquid form was the fact that that it may find its use during times of natural disaster, as such products are ready to eat[158]. Nonetheless, it is expected that around two years will be needed for manufacturers to make the necessary adjustments in order to be able to produce and market liquid form infant formula. The increasing number of single people and couples without children, which results in one of the world's

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[155] Quake in Japan's Dairy Heartland May Mean Milk, Butter Shortage; L. Du, M. Takahashi; 2018; https://www.bloomberg.com/news/articles/2018-09-07/quake-in-japan-s-dairy-heartland-may-mean-milk-butter-shortage

[156] Japan Dairy and Products Annual - 2017 Market Situation Summary and 2018 Outlook; USDA Gain Report JA7125; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Annual_Tokyo_Japan_10-13-2017.pdf

[157] Three typhoons in a row hit Hokkaido for the first time in recorded history; Japan Water Forum; 2016; http://www.waterforum.jp/en/2016/1019/?p=3082

[158] Japan to allow production and sale of liquid baby formula for first time; Japan Times; 2018; https://www.japantimes.co.jp/news/2018/08/08/national/japan-allow-production-sale-liquid-baby-formula-first-time/#.W5e1PCQzZpg

lowest birth rates, is placing downward pressure on the infant formula market; as well as on the consumption of drinking milk.

5.3.3 Offer

5.3.3.1 Domestic production

The large part of dairy industry in Japan is located in Hokkaido, mainly due to climate conditions in the region, however there are also other dairy manufacturers based throughout the country, mainly in the outskirts of big urban areas (Kanto, Tohoku)[159].

Japanese domestic production of dairy is largely focused on producing raw fresh milk, drinking milk products and yoghurts. The market relies on domestic production in this field, with imports filling the gap in, especially in sweetened milk/cream sector. Major manufacturers include Meiji Co Ltd, Megamilk Snow Brand Co Ltd and Morinaga Milk Industry Co Ltd, producing both fresh milk and yoghurts. In addition, there are a considerable number of smaller companies or single farm producers.

On the other hand, cheese domestic production is relatively low, yet present, mostly due to the minor part of the domestic milk production that is both available for and dedicated to cheese production[160]. Therefore, demand is mainly satisfied through imports from both EU and non-EU countries (section 5.3.3.2). In case of butter, the production is also rather limited, as are imports, though these are increasing in order to fill the production gaps. As with the raw milk industry, domestic cheese and butter production is rather fragmented, with several major manufacturers, notably Megamilk Snow Brand Co Ltd and Morinaga Milk Industry Co Ltd, Meiji Co Ltd, Rokko Butter Co Ltd as well as J-Oil Mills Inc.

Domestic production of infant formula, like that of Europe or USA, offers a great choice of different brands. The six major manufacturers on the market include: Beanstalk, Icreo, Megmilk Snow Brand Co Ltd, Meji Co Ltd, Morinaga Milk Industry Co Ltd and Wakodo[161].

5.3.3.2 Imports and exports

Japan does not export any of its dairy products in large quantities. The only product exported in any notably quantity from Japan unsweetened milk/cream with to 4 732 tonnes in 2017. Generally speaking,

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[159] Japan Dairy Farming; Japan Dairy Council; http://www.dairy.co.jp/jp/engall.pdf

[160] Market opportunities for EU agribusinesses in the context of the EU-Japan EPA; W.Fournel; 2017; https://www.eu-japan.eu/sites/default/files/publications/docs/2017-10-market-opportunities-eu-agribusinesses-fournel-min.pdf

[161] Baby Formula Milk in Japan: The Complete Guide (2018); Sightsee&Sushi; https://sightseeandsushi.com/formula-milk-in-japan-guide/

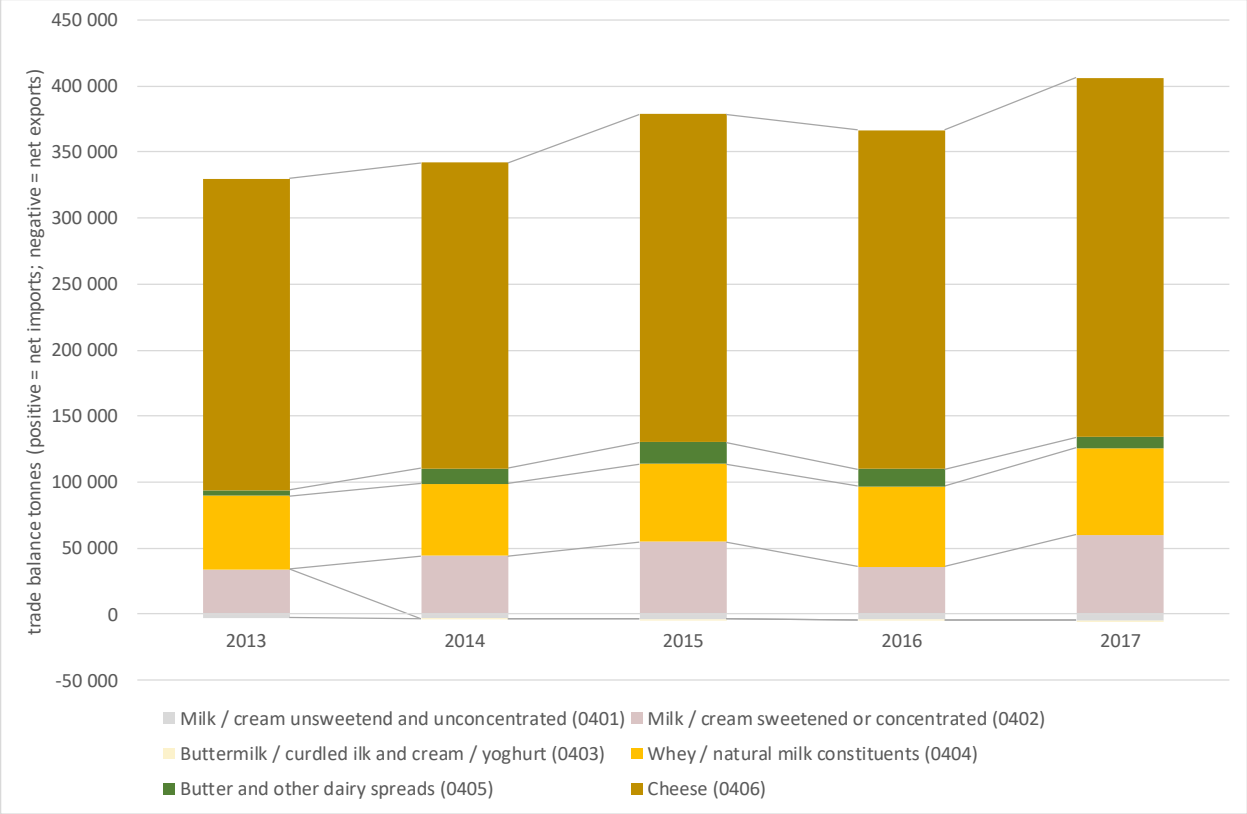
as presented in Figure 5-12, imports are greatly exceeding exports volumes. The largest part of Japanese dairy imports constitutes cheese; imports have been steadily growing in last years and amounted to 272 026 tonnes in 2017. The second biggest imported dairy product is whey and other natural milk constituents, which have also noted growth between 2013 and 2017. Japan has been importing more quantities of sweetened milk/cream due in last years and imports of butter imports have fluctuated significantly, mainly due to domestic shortages of this product as well as fluid milk dedicated for processing utilization[162].

Japan has relied mostly on New Zealand, Australia, USA and several EU countries for imports, depending on the product (Figure 5-13). In terms of volume, as depicted on the graphs, New Zealand has been a major exporter of sweetened milk/cream, followed by USA, Australia and EU countries. In 2016, overall imports of these products declined, with a significant decrease of imports from the EU, nevertheless 2017 brought an upward trend, which noted the highest volume since 2015.

Whey and natural milk constituent imports have been very diverse in terms of countries involved, however the largest part imported to Japan was whey from the USA, followed by Australia. EU countries accounted for a small part of imports, with Germany, France and the Netherlands the main EU sources.

[162] Japan Dairy and Products Annual - 2017 Market Situation Summary and 2018 Outlook; USDA Gain Report JA7125; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Dairy%20and%20Products%20Annual_Tokyo_Japan_10-13-2017.pdf

Figure 5-12: Trade balance (imports and exports) of dairy in Japan, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/ CN codes in brackets

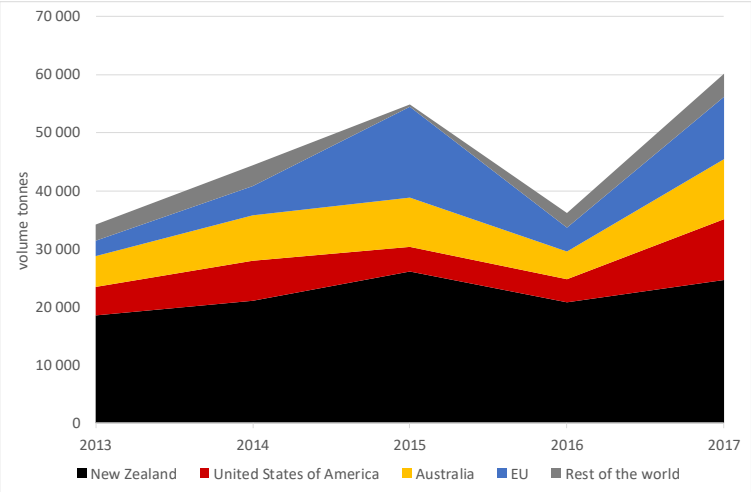
Imports of butter and other dairy spreads reached their peak in 2015, amounting for over 16 000 tonnes. However, since then the overall imported volume has been declining. The main Japanese trade partner in this field is New Zealand, accounting for the majority of imports. The second biggest importer – the Netherlands – has kept its share of imports in recent years. Other notably importing countries include Germany and France.

Japanese cheese imports have been steadily growing since 2013 and include several countries, with Australia and New Zealand in the lead. Other importers include USA, the Netherlands as well as other EU countries such as Denmark, Germany, France or Italy. Lastly, it should be noted that overall EU exports of dairy products to Japan have been steadily growing and currently Japan is the 2nd largest destination of EU exports of cheeses[163].

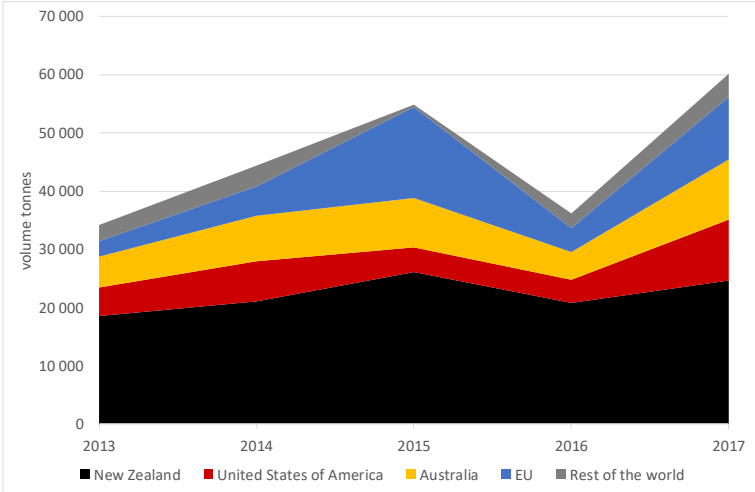
[163] EU Dairy Exports to Third countries; Eurostat (COMEXT); 2018; https://ec.europa.eu/agriculture/sites/agriculture/files/market-observatory/milk/pdf/eu-extra-trade_en.pdf

Figure 5-13: Japanese imports of dairy by country, 2013-17; tonnes

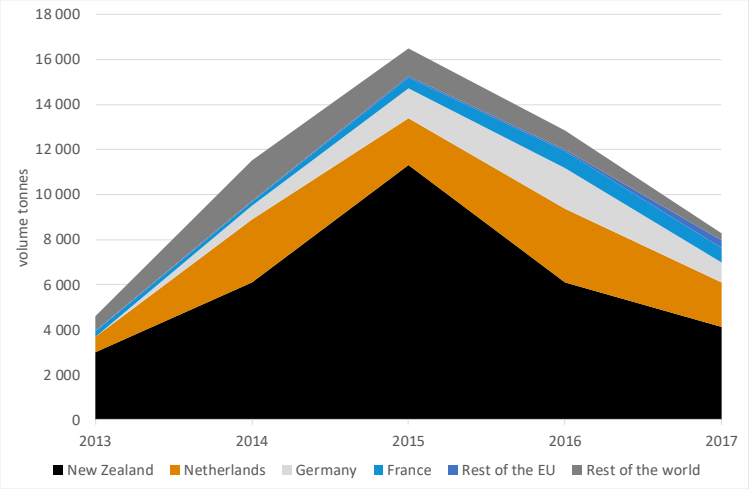
0402: Milk/cream sweetened or concentrated



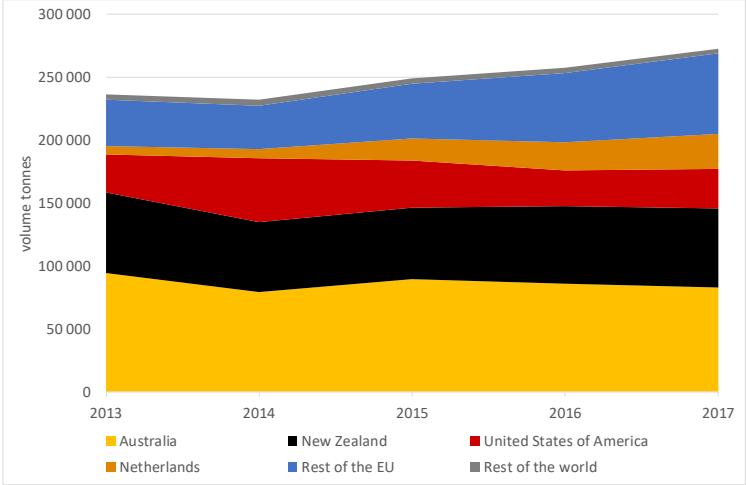
0404: Whey/natural milk constituents



0405: Butter and other dairy spreads



0406: Cheese



Source: Trade Map, International Trade Centre - https://www.trademap.org/

5.3.3.3 EU GI products

The Economic Partnership Agreement between Japan and the EU, signed in July 2018, will give recognition and protection of EU GIs products. Among them, there are also several dairy products:

- Butter:
  - Beurre d'Ardenne (Belgium)
- Cheese:
  - Danablu (Denmark)
  - Brie de Meaux (France)
  - Camembert de Normandie (France)
  - Comté (France)
  - Emmental de Savoie (France)
  - Reblochon / Reblochon de Savoie (France)
  - Roquefort (France)
  - Φέτα – Feta (Greece)
  - Asiago (Italy)
  - Fontina (Italy)
  - Gorgonzola (Italy)
  - Grana Padano (Italy)
  - Mozzarella di Bufala Campana (Italy)
  - Parmigiano Reggiano (Italy)
  - Pecorino Romano (Italy)
  - Pecorino Toscano (Italy)
  - Provolone Valpadana (Italy)
  - Taleggio (Italy)
  - Edam Holland (the Netherlands)
  - Gouda Holland (the Netherlands)
  - Queijo S. Jorge (Portugal)
  - Idiazabal (Spain)
  - Mahón-Menorca (Spain)
  - Queso Manchego (Spain)
  - West Country farmhouse Cheddar cheese (UK)
  - White Stilton cheese / Blue Stilton cheese (UK)

5.3.3.4 Main competitors

As outlined in the section 5.3.3.1, domestic manufacturers dominate the market for fresh milk and yoghurts. There are several producers providing variety of dairy products, such as fresh milk, yoghurts, cheese, butter or infant formula, i.e.:

- Meiji Co Ltd

- Megamilk Snow Brand Co Ltd[164]
- Morinaga Milk Industry Co Ltd

Considering main competitors outside Japan, indubitably New Zealand plays a crucial role, being main importer of sweetened milk and butter as well as major importer of cheese. Australia and USA are also countries with large import shares of dairy products to Japan. The main EU countries involved in Japanese dairy products imports include the Netherlands, Germany, France, Denmark and Italy.

5.3.4 Specific market entry requirements

Market Access and Entry

Dairy products are subject to inspection by Animal Quarantine Service (AQS). In addition, the necessary certificate for animal products, issued by the competent authority of the exporting country, is required. The certification model differs in terms of the country of origin and it should be obtained from relevant authority. The list of country certificate samples is listed on MAFF website[165]. Certification for dairy products of animals other than cloven-hoofed should include statement referring to no risk of spreading pathogens of animal infectious diseases.

New AQS provisions, which came into force in November 2017 set out new requirements for dairy products inspection and apply to[166]:

HS code	Example of products
0401, 0402, 0403, 0404, 0405, 0406	milk, skimmed milk, cream, butter, milk powder, whey powder, buttermilk, natural cheese, concentrated milk, etc.
3502.20, 3502.90	milk albumin, concentrated whey, etc
2309.10, 2309.90	feed and pet food containing raw milk or milk products as raw materials, etc

The new rules do not apply to any processed products, e.g.:

- Processed cheese
- Evaporated milk
- Evaporated skim milk
- Yoghurt
- Butter oil and others

[164] Large shares in Japanese soft cheese market.
[165] Animal quarantine inspection for dairy products; MAFF; 2018; http://www.maff.go.jp/aqs/topix/dairy_products_en.html
[166] Animal quarantine regulations for dairy products; MAFF; 2017; http://www.maff.go.jp/aqs/topix/attach/pdf/dairy_products-23.pdf

New rules include revised import inspection procedures, including requirement for application for import inspection to AQS as well as import inspection and certificate characteristics. Details on animal health requirements for raw milk and/or milk products, including conditions and characteristics of products are available on MAFF website[167].

Lastly, in view of ongoing process of delisting food additives (section 4.2), certain dairy products may be affected. New list of applicable food additives is to be concluded in due time.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing dairy products might require providing additional documentation concerning AQS, as mentioned above.

SPS measures

Documentation related to the import of dairy products include:

- Import Quarantine Certificate for Animal Products (*if subject of AQS)*
- Veterinary Health Certificate for Animal Products *(if subject of AQS)*
- Certificate of Dioxin Content

Up to date information on appropriate documents concerning SPS measures and Animal Quarantine Service can be consulted on European Commission website:
http://madb.europa.eu/madb/datasetPreviewFormIFpubli.htm?datacat_id=IF&from=publi

Any other query regarding the necessary SPS documentation should be directed to:
Food Safety and Consumer Affairs Bureau, Animal Health Division, International Animal Health Affairs Office
phone number: +81-3-3502-8295

Labelling

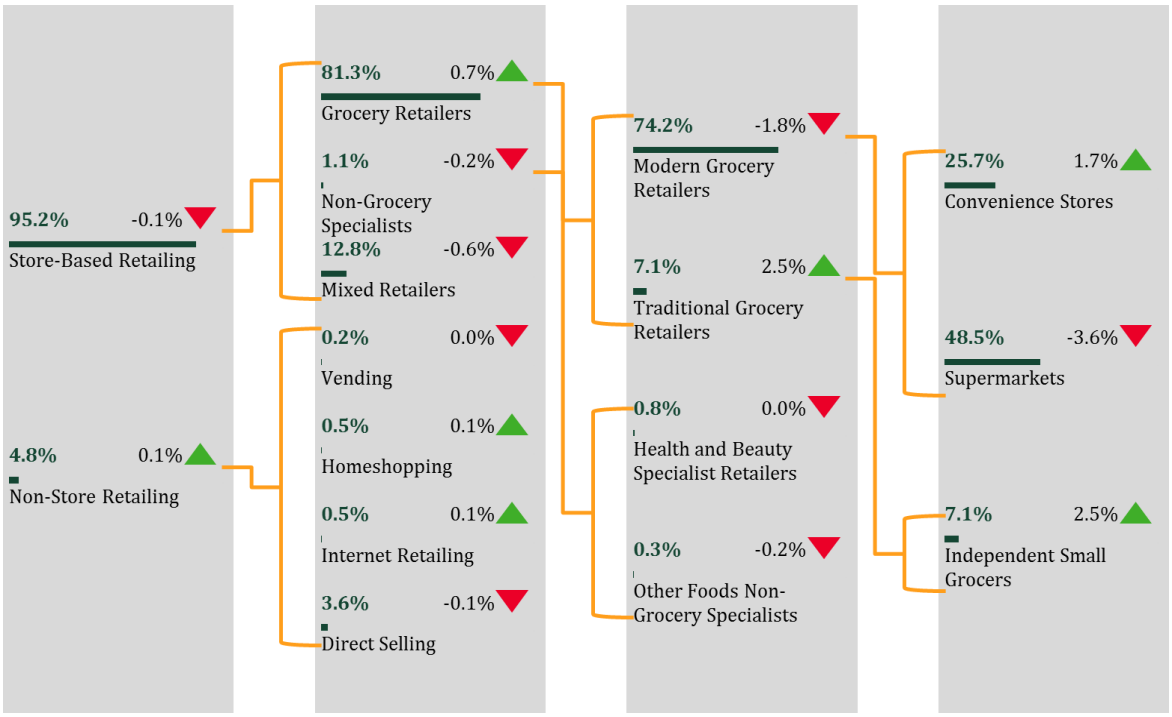
The section 4.2.3 provides an overview of Food Labelling Standard law in Japan. In general, in case of all processed foods, it imposes labelling requirements concerning allergens (including milk), nutritional components and countries of origin of ingredients as well as country of manufacture. Table 4-2 presents provisions of the labelling framework in Japan, pointing out the necessary requirements for processed foods, including dairy products.

[167] Animal Health Requirements for raw milk and/or milk products to be exported to Japan from Listed countries; MAFF; 2018; http://www.maff.go.jp/aqs/topix/attach/pdf/dairy_products-57.pdf

5.3.5 Distribution

The retail channel is far more important for the dairy sector than the food service channel, with only a few types of establishments (e.g. Italian restaurants) using dairy to any significant extent in the food service sector; thought it should be noted that milk is consumed to a certain extent through the institutional channel by children at school. Within the retail sector, the vast majority of dairy products as a whole are distributed through grocery retailers (81.3%); from which supermarkets constitute the largest part (48.5%) followed by convenience stores (25.7%). 7.1% is accounted for traditional grocery retailers (Figure 5-14). That said, supermarkets noted a significant drop of 3.6 percentage points in 2017, whereas independent small groceries increased their distribution channel shares by 2.5 percentage points.

Figure 5-14:Distribution channel overview of dairy in Japan (2017); all dairy products



Source: Euromonitor International: Packaged Food, 2018

However, distribution channel shares differ when analysing selected products. Butter is mostly purchased in supermarkets (over 60% of sales), followed by independent small grocery and convenience stores. The situation is similar for cheese.

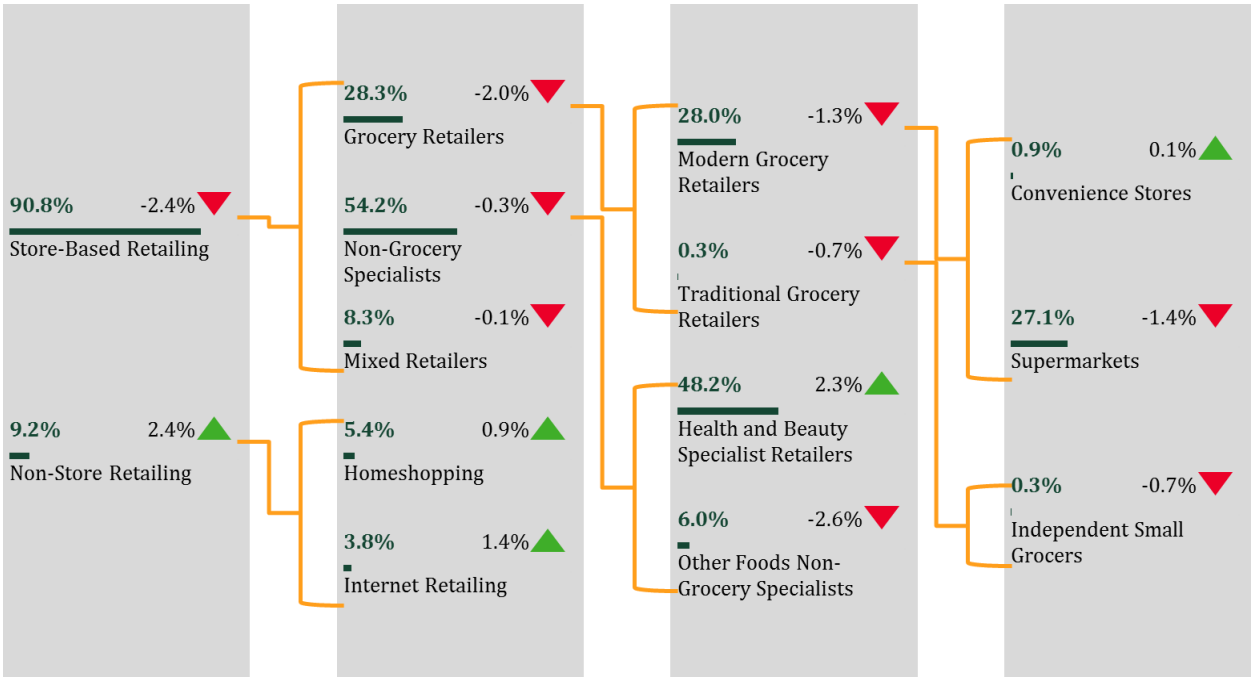
Drinking milk products are also purchased mainly through supermarkets, though to a lower degree (around 55%), with supermarket greatly losing importance last year (almost 8 percentage points), mainly at the expense of independent small grocers.

Yoghurts, on the other hand, are mostly distributed through convenience stores (just over 40%) and supermarkets (just under 40%). In addition, almost 10% of distribution is non-store based, i.e. direct selling, home shopping and vending).

Around half of other dairy, such as desserts, are purchased in supermarkets. Convenience stores and independent small grocers account for a further quarter.

The infant formula distribution channel, as shown in Figure 5-15, is slightly different. Although like the rest of dairy products, distribution is mainly store-based, the type of store is different. (Almost half (48.2%) of infant formula is purchased through non-grocery specialists, such as health and beauty specialist retailers, while supermarkets account for 27.1%. Infant formula is also distributed through non-store-based channels, such as home shopping (5.4%) and Internet retailing (3.8%).

Figure 5-15: Distribution channel overview of infant formula products in Japan (2017)



Source: Euromonitor International: Packaged Food, 2018

5.3.6 Challenges for EU products

While the EPA offers opportunities, the greatest challenge for EU dairy manufacturers is high competition both from domestic manufacturers as well as foreign importers, which largely depends on the product (section 5.3.3.4). In addition, one must take into account that dairy as such is not a traditional part of Japanese diet, thus many products are unfamiliar for consumers. Lastly, it should be remembered that majority of Japanese are lactose intolerant which may pose a challenge when trying to reach consumers with products.

Market Takeaway: Dairy

Consumption: *Consumption of dairy products takes slightly different forms as in Europe – dairy is largely considered as a drinking beverage or healthy and convenient yoghurt. However, cheese consumption has been on rise and is expected to keep the upward trend.*

Competition: *Drinking milk beverages and products market is dominated by major domestic players. Main competitors outside the country include New Zealand, Australia and USA, especially in certain dairy products, e.g. butter, cheese or sweetened milk.*

Distribution: *Dairy products are in vast majority distributed through store-based retailers, however the shares of particular retailers differ depending on the products. Mostly supermarkets and convenience stores play a major role in the distribution.*

Challenges*: High competition both from domestic manufacturers as well as foreign importers, depending on the product. The second challenge relates to Japanese relatively low knowledge of diary as such, given that dairy is not a part of traditional diet. Lastly, majority of Japanese tend to be lactose intolerant.*

Opportunities: *Japan-EU EPA implications, which could significantly reduce currently binding tariffs. Secondly, there is increasing knowledge about EU premium dairy products.*

5.4 Processed fruit and vegetables

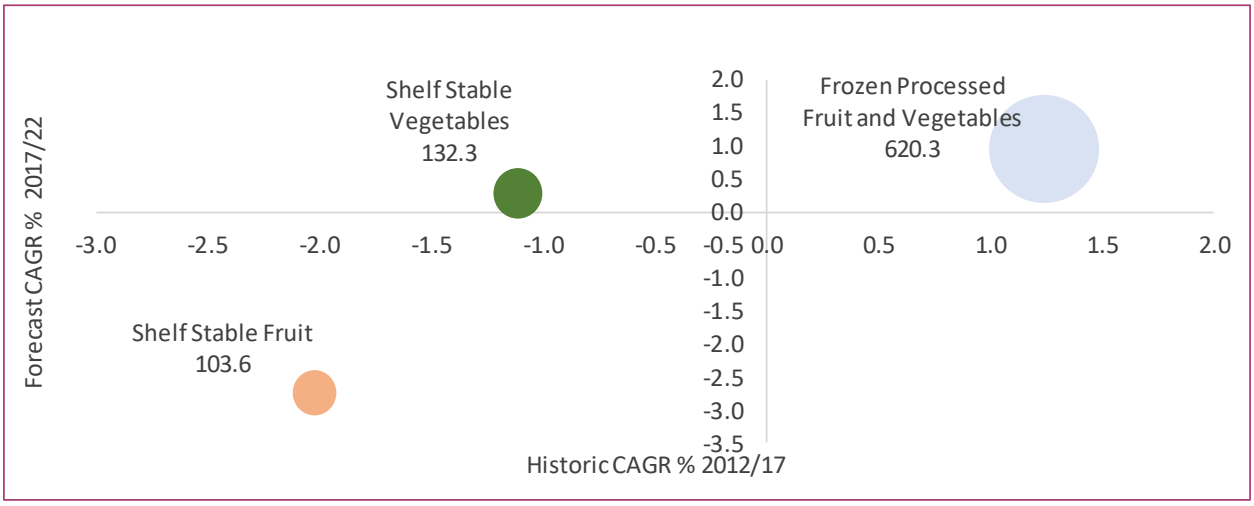
5.4.1 SWOT analysis

5.4.2 Consumption

5.4.2.1 Evolution of consumption

Consumption of processed fruit and vegetables has slightly declined in 2017, however it is expected to note a steady growth over the forecast period. Frozen processed fruit and vegetables constitute the largest part of the market in Japan, amounting to 6 203 000 tonnes in 2017 (Figure 5-16). The sector has increased in previous years and it is projected to continue growing. The second-biggest category – shelf stable vegetables account for much less volume-wise, however after a period of posting negative CAGR, it is expected to slightly increase over the forecast period. The CAGR of shelf stable fruit has been continuously negative and is forecast to remain so in the next years (-2.7%).

Figure 5-16: Evolution and forecast of processed fruit and vegetable market (000 tonnes) in Japan, total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2017 to 2021 based on forecasts as indicated by (f) after the year

5.4.2.2 Consumer profile and purchase criteria

Processed fruit and vegetables have been known and available for long period of time in Japan; especially shelf stable products[168]. Consumers, regardless to age, appreciate the convenience added value as well as health benefits attached to consuming fruit and vegetables.

[168] Euromonitor International: Packaged Food, 2018

Consumers

Japanese consumers favour processed fruit and vegetables mostly due to the nutritional value of the product as well as convenience advantages, as the continuous diversification of the diet increases the demand for easy-to-eat products. Additionally, processed fruit and vegetables are often chosen due to their long shelf life. The Westernisation of Japanese consumption habits also brought interest in other processed fruit and vegetables products, such as beans, used as salad toppings or tomatoes for Italian dishes. Both shelf stable and frozen vegetables are used during home cooking, where canned/frozen goods are typical additions to a meal. Processed fruit on the other hand, like fresh fruit, are considered as a snack or an addition to other deserts, such as yoghurts[169].

Drivers and method of consumption

The two key drivers impacting the consumption of processed fruit and vegetables in Japan are h health and convenience added value. As mentioned above, consumers appreciate these products due to nutritional benefits as well as significant reduction of meal preparation, which fits into Japanese contemporary busy lifestyle. Last but not least, in the light of frequent natural disasters in Japan, shelf stable goods are often regarded as a safety net for such cases.

Purchase criteria

Consumers in Japan base their purchasing approach on several factors. The main one is connected to the health benefits of the product, especially for health-conscious consumers. Secondly, given some incidences of contamination scandals in processed products, Japanese consumers have started to pay greater attention to food safety. The scepticism has been noticed especially towards low processed product types, which at the same time are often used as cooking ingredient.

5.4.2.3 Recent market trends

Frozen processed fruit and vegetables have lately seen greater interest than other categories of processed fruit and vegetables. Due to general preferences for less processed products, frozen items have built a solid consumer base. By a way of example, the latest trend in Japan is Japanese-style croquettes (*potato korokke)*, which have been emerging in supermarkets nationwide.

Lastly, in the light of contamination scandals, manufacturers in Japan have been continuously improving the image of processed fruit and vegetables through innovative packaging as well as the development of

[169] The Japanese Processed Fruit Market-Opportunities and Challenges; USDA Gain Report JA#7701; 2017; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/The%20Japanese%20Processed%20Fruit%20Market-Opportunities%20and%20Challenges_Osaka%20ATO_Japan_6-22-2017.pdf

new lines of products and the reduction of sugar content to attract consumers. In general, there has been growing preference for less processed products due to food safety concerns.

5.4.3 Offer

5.4.3.1 Domestic production

Domestic production of processed fruit and vegetables is highly fragmented[170]. In general, Japanese manufacturers specialise either in shelf stable or frozen products, with only few covering these two categories. One of the leading companies, specialising in shelf stable fruit and vegetable production is Hagoromo Foods Corp, which offer includes also premium products made from local fruits. Maruha, Nichiro Holdings Inc, on the other hand, is a major producer of frozen processed fruit and vegetables, offering both frozen ready-to-eat meals as well as lightly processed products.

5.4.3.2 Imports and exports

Identifying data on trade in processed fruit and vegetables is extremely complicated due to the number of different lines under which such products can be imported. Trade in processed fruit and vegetables was captured in the data presented in section 5.10.3.2 on trade in fruit and vegetables as a whole.

5.4.3.3 EU GI products

Recently singed Economic Partnership Agreement between the EU and Japan will bring recognition and protection of some EU processed fruit and vegetables. Products covered by the list are presented in section 5.10.3.3.

5.4.3.4 Main competitors

As outlined in section 5.4.3.1, domestic market for processed fruit and vegetables is very diverse, including many manufacturers, usually specialised in production of shelf stable or frozen products. That said, despite building up a loyal consumer base by domestic producers, the market is led by imports, especially

[170] Euromonitor International: Packaged Food, 2018

in case of processed fruit, where 90% of processed fruits are sourced from overseas[171]. In case of processed vegetables, the imports percentage is much lower, amounting to 20%[172].

5.4.4 Specific market entry requirements

Market Access and Entry

Processed fruit and vegetable products do not face any market access barriers, however in view of recently triggered procedure for delisting food additives in Japan, some additives and products might be affected. The final list is to be concluded by the Japanese authorities in due time.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1.

SPS measures

There are no particular SPS measures foreseen in case of processed fruit and vegetables. However, prior to export, up to date information should be consulted on European Commission' website below.

Up to date information on appropriate documents concerning SPS measures
http://madb.europa.eu/madb/indexPubli.htm

Labelling

The section 4.2.3 provides an overview of Food Labelling Standard law in Japan. In general, in case of all processed foods, it imposes labelling requirements concerning allergens, nutritional components and countries of origin of ingredients as well as country of manufacture. Table 4-2 presents provisions of the labelling framework in Japan, pointing out the necessary requirements for processed foods, including processed fruit and vegetables.

5.4.5 Distribution

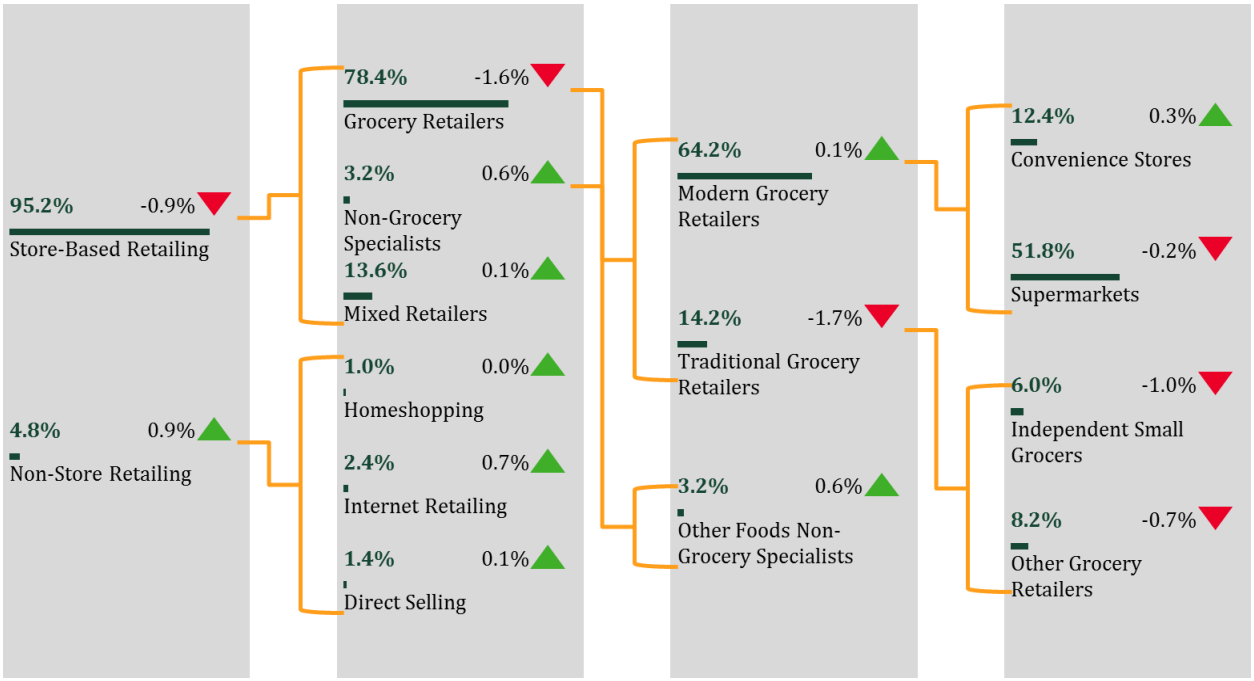
As depicted in Figure 5-17, vast majority of processed fruit and vegetable products are distributed through store based-retailers (95.2% of retail value), which more than half relates to supermarkets (51.8%). Other distribution channels include convenience stores amounting for 12.4% of retail value, followed by other grocery retailers and independent small grocers. Consumers less often purchase processed fruit and

[171] The Japanese Processed Fruit Market-Opportunities and Challenges; USDA Gain Report JA#7701; 2017; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/The%20Japanese%20Processed%20Fruit%20Market-Opportunities%20and%20Challenges_Osaka%20ATO_Japan_6-22-2017.pdf

[172] The Japanese Processed Vegetable Market—Changes and Opportunities; USDA Gain Report; 2016; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/The%20Japanese%20Processed%20Vegetable%20Market%E2%80%94Changes%20and%20Opportunities_Osaka%20ATO_Japan_5-27-2016.pdf

vegetable through Internet, which accounted for 2.4% of retail value in 2017 but which also shows a positive upward trend.

Figure 5-17:Distribution channel overview of processed fruit and vegetables in Japan (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.4.6 Challenges for EU products

The greatest challenge for EU manufacturers of processed fruit and vegetables is linked to long established import ties, especially in case of processed fruits as well as high fragmentation of domestic market, which effectively led to high consumer loyalty; and the vast array of products available.

Market Takeaway: Processed fruit and vegetables

Consumption: *Consumption has slightly declined in 2017, however it is projected to pick up in next years. Frozen fruit and vegetables are expected to keep an upward trend in volume growth, whereas stable shelf fruits' share will continue to decline.*

Competition: *Processed fruit market dominated by imports, large number of domestic producers specialised either in stable shelf or frozen products.*

Distribution: *Processed fruit and vegetables are mainly distributed through store-based retailers, such as supermarkets and convenience stores.*

Challenges*: Competition from foreign importers, especially processed fruits, as well as considerable number of domestic manufactures, addressing consumers' preferences.*

Opportunities: *EPA between the EU and Japan provides opportunities for, and ultimately potential greater recognition of EU processed fruit and vegetables.*

5.5 Olive oil

5.5.1 SWOT analysis

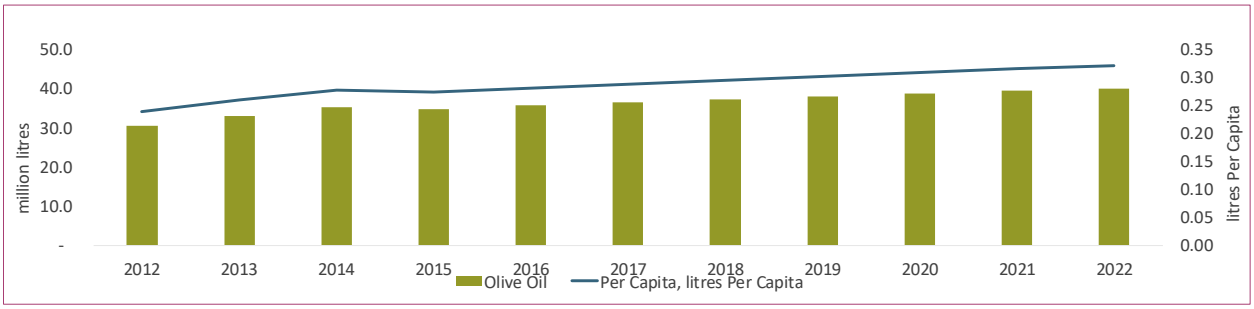
5.5.2 Consumption

5.5.2.1 Evolution of consumption

Japanese consumers are acquiring a taste for olive oil, and consequently the total consumption is steadily increasing, as illustrated in Figure 5-18, per capita consumption is over 0.3 litres and is foreseen to slowly grow over the next years. Olive oil, in particular the virgin and extra virgin quality, is indeed appreciated by Japanese consumers mostly for its beneficial effects on health as well as its taste[173].

[173] Olive oil: an overview of the Japanese market; 2016; Capogna D. and Gómez M. I.; https://www.ocl-journal.org/articles/ocl/full_html/2016/06/ocl160041s/ocl160041s.html

Figure 5-18: Evolution and forecast of market for olive oil (size; million litres) and olive oil consumption per capita, 2012-2022



Source: Euromonitor International: Packaged Food, 2018
Note: figures for 2017 to 2021 based on forecasts

5.5.2.2 Consumer profile and purchase criteria

In Japan soybean, rapeseed and palm oils are the most popular cooking oils.[174] However, a recent study indicated[175] that the country has the highest per capita consumption of olive oil in Asia. Japan is also the world's 14th biggest consumer of olive oil. Health, financial and cultural reasons drive the ever-increasing growth of olive oil in Japan.

Consumers

In Japan, the main consumers of olive oil are women over 55 years, who are more sensitive to health issues and are largely aware of the health benefits of olive oil and the Mediterranean diet[176]. This segment has therefore a preference for extra virgin olive oil, which is perceived as healthier.

Promotion campaigns carried out in Japan have contributed to raising awareness of the different categories of olive oil and their use. An example is the information campaign carried out by the International Olive Council between July 2015 and February 2017. Two surveys carried out right before and nearing the end of the campaign, showed that the number of consumers aware of the different uses of olive oil almost doubled during the advertising period. Most consumers were only aware of the cold/raw use of olive oil, e.g. as salad dressing, at the beginning, but had much broader knowledge by the end[177].

[174] GAIN Report: Japan Oilseeds and Products Annual; 2016; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Oilseeds%20and%20Products%20Annual_Tokyo_Japan_4-7-2016.pdf
[175] Sandua Aceites; The Japanese prefer to buy Spanish olive oil; https://aceitesandua.com/en/news/item/240-the-japanese-prefer-to-buy-spanish-olive-oil
[176] Sandua Aceites; The Japanese prefer to buy Spanish olive oil; https://aceitesandua.com/en/news/item/240-the-japanese-prefer-to-buy-spanish-olive-oil
[177] IOM Market Newsletter; 2018; http://www.internationaloliveoil.org/documents/viewfile/13267-market-newsletter-february-2018

Drivers and method of consumption

A key driver for the Japanese market's expansion is the popularisation of olive oil among mass consumers. Recent research carried out among Japanese women indicated that 90% of the interviewees was aware of olive oil. This is due to several factors, e.g.:

- The promotion campaigns which have been carried out in Japan, as already mentioned in the paragraph above.
- The availability of more information on this product, provided by mass media from newspapers and magazines to websites.
- The openness to the West and the strong appeal of Mediterranean cuisine, driven by the proliferation of Italian and Spanish restaurants in Japan.
- The increasing interest of Japanese women in health and wellness[178].
- The larger disposable incomes, which have enabled mass consumers to have access to this more expensive product.

The Japanese are indeed increasingly using olive oil for cooking, and some also use this product to prepare Japanese dishes[179]. However, in Japan olive oil remains more popular as a pasta or salad dressing, while seed oils are preferred for frying and cooking, as they can be purchased at a much lower price.

Purchase criteria

A survey carried out by the International Olive Council[180][177] concluded that the main factors influencing olive oil purchase decisions among Japanese consumers are quality and price. However, also taste and packaging design are taken into consideration. In particular[181]:

- Consumers under 40 years of age indicated to be more price and taste sensitive;
- Older consumers indicated to give more importance to quality (i.e. they have a preference for extra-virgin olive oil due to its health benefits);
- Young Japanese in their 20s pay more attention than any other segment to taste.
- All consumers are more likely to purchase small bottles (i.e. 200-500mls), which better fit the reduced space of their kitchens [177] [181].

Operators indicate that a retail price to the consumer of up to JPY 700 (EUR 5.25) per 500ml is likely to be most successful.

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[178] Japanese Consumers seek for the Healthy qualities of Olive Oil; 2017;
https://en.mercacei.com/noticia/1482/news/japanese-consumers-seek-for-the-healthy-qualities-of-olive-oil.html
[179]Euromonitor International: Packaged Food, 2018
[180] Opportunities for South Australia in Olive Oil;
http://www.pir.sa.gov.au/__data/assets/pdf_file/0003/287715/Market_Opportunities_Luxury_Products_-_Olive_Oil.pdf

[181] Opportunities for South Australia in Olive Oil;
http://www.pir.sa.gov.au/__data/assets/pdf_file/0003/287715/Market_Opportunities_Luxury_Products_-_Olive_Oil.pdf

5.5.2.3 Recent market trends

According latest forecasts179, in Japan olive oil registered the fastest current retail value growth within edible oils in 2017, rising by 7%. Demand has kept on increasing in 2017, as the health benefits of olive oil and its key role in the Mediterranean cuisine attract more and more Japanese consumers. Therefore, olive oil is expected to continue to grow constantly in Japan, in both value and volume terms.

5.5.3 Offer

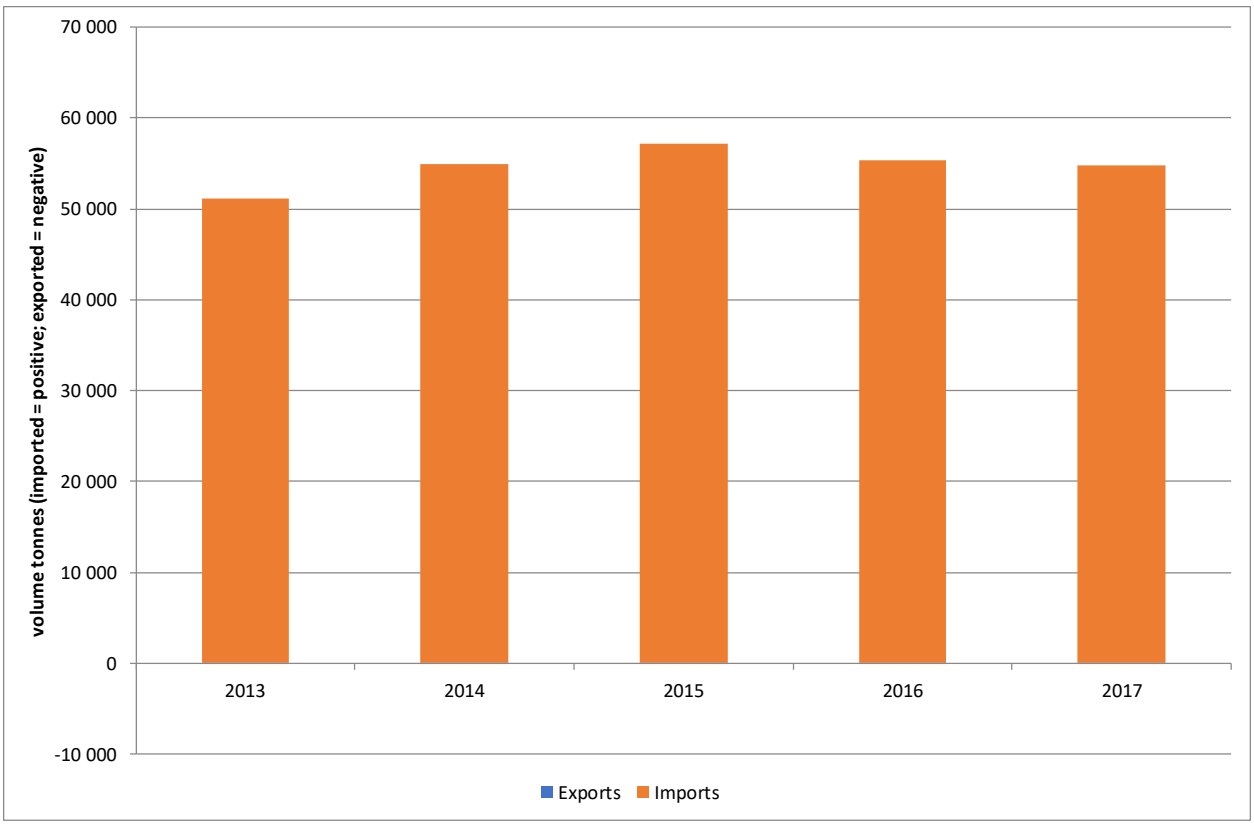
5.5.3.1 Domestic production

Thanks to approximately 500 ha of olive acreage, 85% of which is under intensive farming and 5% of which is under super-intensive farming, the Japanese produce approximately 30 tonnes of olive oil per year. The most important production area is localised in Kyushu. Olive oil domestic production, which is mostly localised in the Kyushu island, includes extra-virgin qualities such as Arbequina, Frontoio, Nevadillo, Manzanillo, Mission and Lucca varieties, given the dominant preference of consumers for extra-virgin olive oil.

5.5.3.2 Imports and exports

As illustrated in Figure 5-19, Japanese export volumes are marginal compared to import volumes. The country is indeed a large purchaser of foreign olive oils, although after 2015 the surge of imports has started to slow down. Globally, Italy and Spain have been the main exporters to Japan.

Figure 5-19: Trade balance (imports and exports) of olive oil in Japan, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 1509

As illustrated in Figure 5-20, the EU as a whole accounted for almost all Japanese exports in 2017 (a 97% share), although these have slightly dropped since 2015. Japan was indeed the second major destination of European olive oil exports in the last quarter of 2017, preceded only by the USA. [182]

Spanish olive oil took the lead of European exports to Japan, with 60% of all imports by volume in 2016. Italian (36%) and Greek (around 1%) imports of olive oil followed. The popularity of Mediterranean cuisine has helped Italian and Spanish companies to build a dominant position in the Japanese market. Japanese consumers indeed associate olive oil with these two countries and are more likely to purchase imported oils produced in these Mediterranean countries.

Despite being the second supplier to Japan in terms of volumes, Italian exports of olive oil have the highest unit value, i.e. 5 783 EUR/tonne. Spanish imports are valued at 4 475 EUR/tonne a unit value which is below the average of olive oils imported into Japan (Figure 5-41).

[182] European Commission: Market situation in the Olive oil and Table olives sectors; 2018; http://www.agro-alimentarias.coop/ficheros/doc/05625.pdf

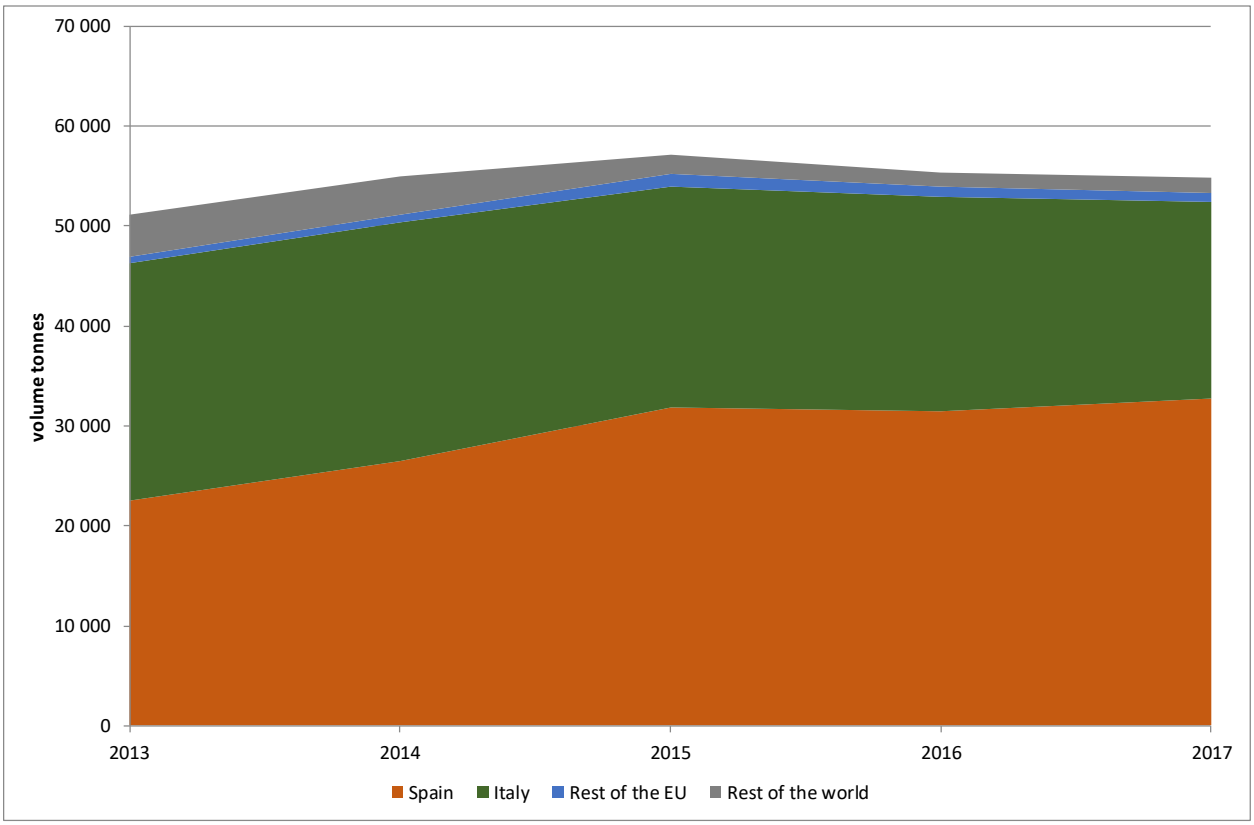
In terms of product category, in 2016-2017, virgin and extra virgin olive oil accounted for 71% of total Japan's imports by volume, followed by olive oil (25%), and olive pomace oil (4%).

Olive oil from non-EU countries, especially Turkey, accounted for approximately 3% in 2017. The popularity of Mediterranean cuisine has helped Italian and Spanish companies to build a dominant position in the Japanese market. Japanese consumers indeed associate olive oil with these two countries and are more likely to purchase imported oils produced in these Mediterranean countries.[183]

Despite being the second supplier to Japan in terms of volumes, Italian exports of olive oil have the highest unit value, i.e. 5 783 EUR/tonne. Spanish imports are valued at 4 475 EUR/tonne a unit value which is below the average of olive oils imported into Japan (Figure 5-21).

In terms of product category, in 2016-2017, virgin and extra virgin olive oil accounted for 71% of total Japan's imports by volume, followed by olive oil (25%), and olive pomace oil (4%).

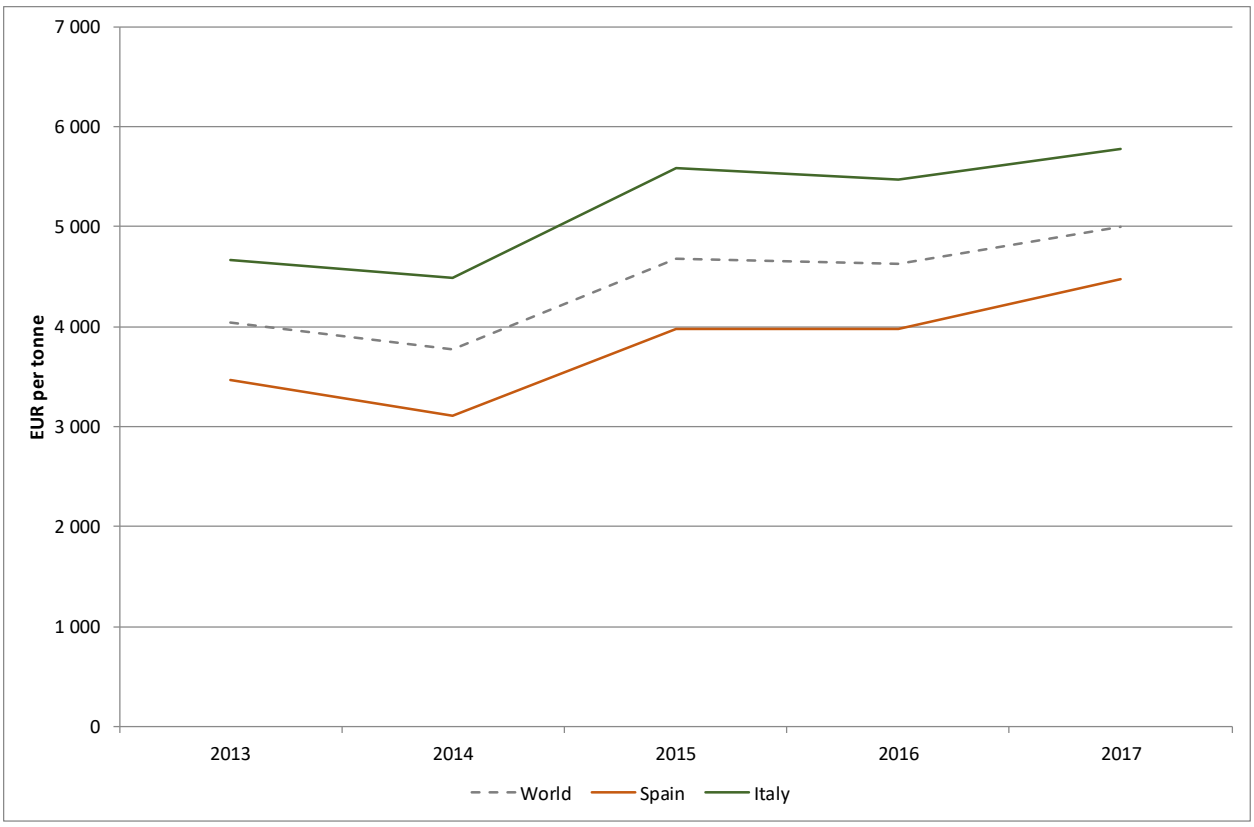
Figure 5-20: Japanese imports of olive oil by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/ Data for CN code 1509

[183] EU-Japan Centre for Industrial Cooperation Report: Market opportunities for EU agribusinesses in the context of the EU-Japan EPA; 2017; https://www.eu-japan.eu/sites/default/files/publications/docs/2017-10-market-opportunities-eu-agribusinesses-fournel-min.pdf

Figure 5-21: Per unit value of Japanese imports of olive oil for selected countries, 2013-2017 (EUR per tonne)



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 1509

5.5.3.3 EU GI products

Under the recently signed EU-Japan EPA, some European geographical indications are set to be recognised in the Japanese olive oil sector:

- the Σητεία Λασιθίου Κρήτης, or Sitia Lasithiou Kritis (Greece)
- Aceite del Bajo Aragón (Spain)
- Antequera (Spain)
- Baena (Spain)
- Priego de Córdoba (Spain)
- Sierra de Cazorla (Spain)
- Sierra de Segura (Spain)
- Sierra Mágina (Spain)
- Siurana (Spain)

5.5.3.4 Main competitors

As reported in section 5.5.3.2, European companies lead the Japanese olive oil market, exporting over 53 200 tonnes per year, vis-à-vis 1 500 tonnes exported by non-EU countries and 30 tonnes domestically produced.

In 2017, the Italian company's Bosco brand led the olive oil market, with over 40% of the market. The brand's success was due, among other things, to:

- A strong distribution network which allows the brand to be present in most store-based channels where olive oils are sold.
- A wide range of products and packaging types, e.g. regular glass bottles, PET bottles, or plastic bottles with a bag inside to prevent the oxidisation of the olive oil.
- A strong promotional campaign starring famous Japanese celebrities.

5.5.4 Specific market entry requirements

Market Access and Entry

Olive oil and derived products have tariff-free access to the Japanese market.[184] However, exporters must comply with the Food Sanitation Act and therefore obtain a certificate of notification to ship olive oil to Japan, as reported in section 4.2.1)

Customs procedures

All customs requirements and necessary documentation are presented in section 4.2.1.

SPS measures

Companies that wish to export olive oil to Japan do not face any SPS measure. Up-to-date information on SPS measures can be found in European Commission website below.

Up to date information on appropriate documents concerning SPS measures
http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=JP&hscode=1509

Labelling

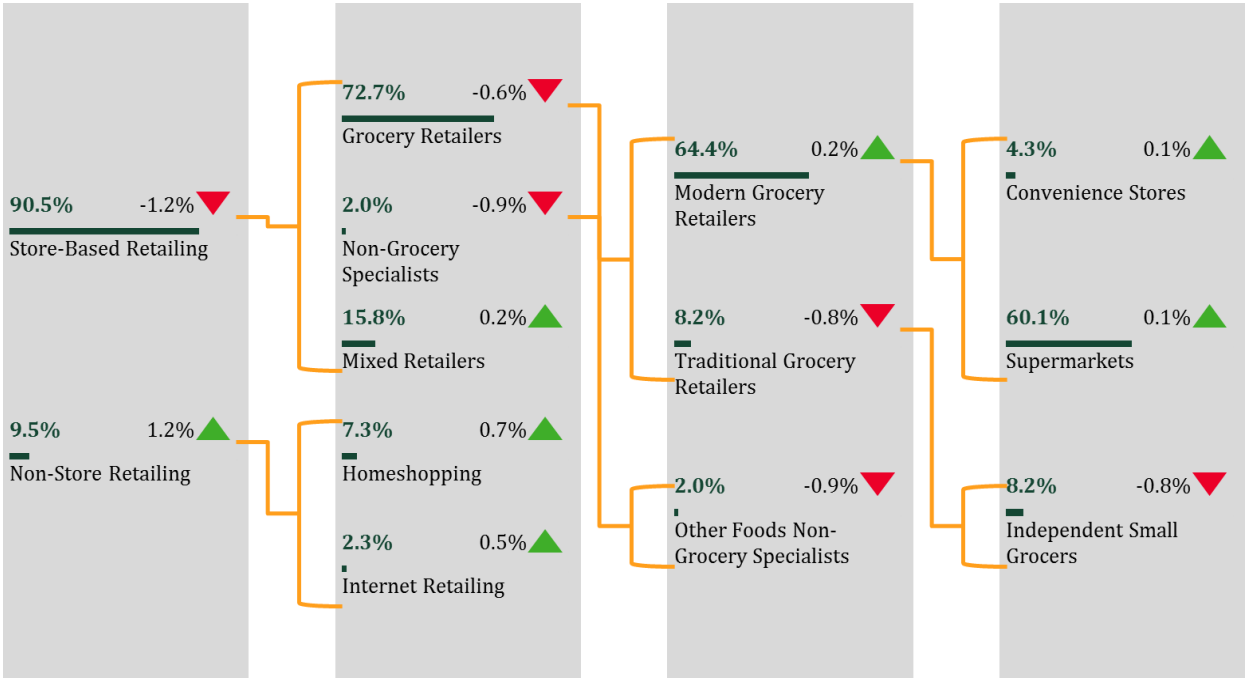
Section 4.2.3 provides an overview of Food Labelling Standard requirements in Japan and reports all necessary requirements to be filled in for processed foods, including olive oil.

[184] DG Trade Online Market Access Database – Tariffs and Rules of Origins
http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=JP&hscode=1509

5.5.5 Distribution

As indicated in Figure 5-22, store-based retailing was the leading retail distribution channel for edible oils, included olive oil, although e-commerce is on the rise. The retail distribution of oils, including olive oil, is expected to change slightly by 2022[179]. Although grocery retailers will remain the leading channel for oils, the proportion of oils value sales derived from non-store retailing might grow over the next few years.

Figure 5-22: Distribution channels overview of edible oils (including olive oil) in Japan (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.5.6 Challenges for EU products

Soybean, rapeseed and palm oils are the most popular cooking oils in Japan, due to their larger availability and lower price compared to olive oil. The Japanese cuisine is not based on the use of olive oil. Therefore,apanese consumers are mostly aware of the use of cold/raw olive oil to dress salads and pasta; though recent evidence suggests this is changing. Lastly, the use of olive oil for cooking is very limited.

Market Takeaway: Olive oil

Consumption: *Consumption of high-quality olive oil, i.e. virgin and extra virgin qualities, is on the rise due to the growing interest of Japanese for health issues.*
Competition: *The European companies dominate the olive oil market (only 3% of the total Japanese imports come from non-EU countries, mainly Turkey). Domestic production is dynamic but scarce compared to consumption.*
Distribution: *Store-based retail is expected to remain dominant, although non-store retailing of olive oil is on the rise.*
Challenges*: Most Japanese consumers are merely aware of the use of cold/raw olive oil, and mostly use other cheaper vegetable oils for cooking.*
Opportunities: *European olive oil has tariff-free access to the Japanese market and its popularity is constantly growing driven by quality and the strong appeal of the Mediterranean cuisine in Japan.*

5.6 Spirits

5.6.1 SWOT analysis

5.6.2 Consumption

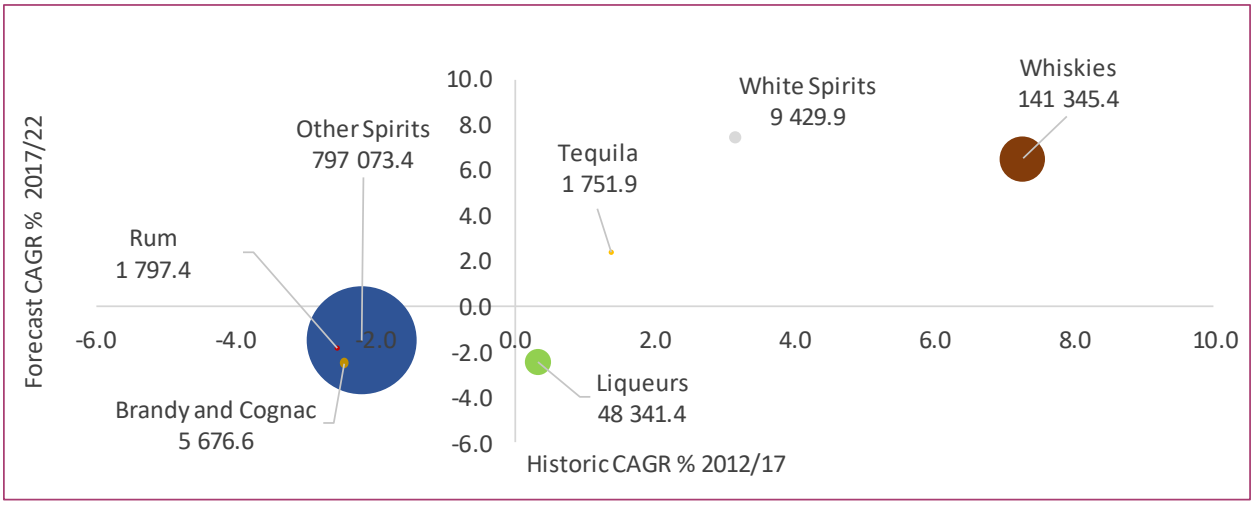
5.6.2.1 Evolution of consumption

Consumption of spirits has been gradually declining in recent years and is projected to continue the downward trend over the forecast period. As presented in Figure 5-23, the largest share of the spirits market in Japan is accounted for by other spirits, which include e.g. *shochu*, *nihonshu*, *soju*, *awamori*, *doburoku* and many others not failing into spirit categories mentioned in the chart. However, there has

been a decline in the volume of other spirits in the last years due to its ageing consumer base, and this expected to continue going forwards.

Whiskies, on the other hand, the second biggest category of spirits on the Japanese market noted the highest growth between 2012 and 2017 (7.3%), with further growth expected in the coming years. White spirits i.e. gin and vodka are forecasted to increase their volumes at the highest rate – 7.5%; however, their market size is significantly lower than whiskies or other spirits. Liqueurs are the third largest category of spirit on the Japanese market by volume; and drop in volume of 2.4% is expected over the forecast period.

Figure 5-23: Evolution and forecast of spirits market (000 litres) in Japan, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

Note: figures for 2017 to 2022 based on forecasts as indicated by (f) after the year

5.6.2.2 Consumer profile and purchase criteria

Given the Westernisation of Japanese consumption habits, the spirits market in Japan is not limited exclusively to rice-based spirits. This kind of spirit still constitutes the largest part of the market in terms of volume but is also in decline (Figure 5-23). As consumers in Japan have started to differentiate their drinks, new alcoholic beverages have emerged as well as spirit-based cocktails.

Consumers

In general, Japanese drink spirits on many occasions, such as ceremonial functions, weddings, funerals and New Year celebrations. Due to emerging popularity of cocktails, spirit drinks have also started to increasingly be consumed on weekdays. The highball cocktail drinking style has been particularly popular since the mid to late 2000s, with its recent presence in popular Japanese TV series and its perceived healthier nature also boosting interest in this drinking style. Growth in consumption of cocktails might be also linked to high popularity of spirit-based RTDs (ready-to-drink), consumption of which has risen sharply in recent years. The recent trend of RTDs has been picked up by many international companies,

such as The Coca-Cola Company, which in March 2018 announced its first-ever alcoholic drink based on *shochu*[185].

The Japanese, unlike consumers in the West, almost always accompany spirit drink with meal or a snack. Drinking without pairing it with food is rather rare (this applies not only to spirits but also to other alcoholic beverages). The *Izakaya* is a unique type bar in Japan, where consumer have wide choice of alcohol and food-service included. The popularity of pairing spirit-based drinks and food has brought a shift in consumer preferences among spirits towards lighter alcohol beverages. In effect, it impacted demand for highball drinks, which, as noted above, have become attractive, especially for young consumers[186]. Female consumers, although not a significant segment of the spirits market, are acting as a growth driver for some imported spirits, due to emergence of spirit-based cocktails. Senior consumers tend to choose stronger or local spirits. Lastly, foreign spirits are often regarded as a suitable gift in both formal and non-formal contexts[187].

Against this background, Japanese consumers of spirits can be classified into three main categories:

1. **Older males in their 50s and 60s**: These consumers tend to enjoy small amounts of good quality alcoholic drinks in both on and off-trade channels and are willing to pay a premium for good quality imported spirits including for European spirits.
2. **Younger consumers** in their 20s and 30s: They tend to enjoy spirits at relatively reasonable prices at restaurants or home. These consumers are usually reluctant to purchase expensive imported spirits, though they may be interested in more economical imported products.
3. **Consumers with high health concerns:** They tend to prefer white spirits due to lower calorific value and tend not to consider the origin of the products.

Drivers and method of consumption

As mentioned above, the changes in Japanese consumption patterns have impacted spirits consumption. The frequency of pairing spirit drinks and food has resulted in a wider array of consumed spirits; as has the emergence of spirit-based cocktails. In spite of the fact that many cocktails in Japan are still based on domestic spirits (such as *shochu*) there is an increasing number of novelty-seeking consumers trying cocktails based on different spirits. Price-consciousness can also be regarded as one of important drivers, as it often outweighs the final choice of spirit type and its quality.

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[185] Coca-Cola announces its first-ever alcoholic drink; L. Handley; 2018; https://www.cnbc.com/2018/03/07/coca-cola-announces-its-first-ever-alcoholic-drink.html

[186] Euromonitor International: Alcoholic Drinks, Ltd; 2018

[187] Market opportunities for EU agribusinesses in the context of the EU-Japan EPA; W. Fournel; 2017; https://www.eu-japan.eu/sites/default/files/publications/docs/2017-10-market-opportunities-eu-agribusinesses-fournel-min.pdf

Japanese consume spirits both at home and at restaurants. Most of the time, spirit-based drinks are paired with food in e.g. *Izokaya* – a special type of bar for casual after work drinking and dining.

Purchase criteria

The approach to purchasing generally reflects the consumer preferences and main consumer groups outlined above. As spirits enjoy great popularity as cocktail ingredient, visual appearance of the final drink sometimes may also play a role, which is especially favoured by women[188]. Secondly, Japanese consumers tend to pay great attention to the spirits brand, often favouring foreign products. That said:

- given recent economic slowdown, price-sensitiveness has become an important factor when choosing spirits or a cocktail.
- whisky presents a specific case; domestically produced whisky has developed a premium image and so may ideally be preferred to imported whisky, though the fact that domestic production does not satisfy demand means that imported whisky is consumed and accepted.

5.6.2.3 Recent market trends

Despite the decline in spirits consumption as a whole in Japan, whiskeys and white spirits have been of value due to their usage as ingredient for cocktails. Both spirit-based cocktails and RTDs are the latest trend in Japanese spirits market and they managed to build solid consumer base, however domestic spirits are often the key ingredient of cocktails and some RTDs.

The perceived health advantage of white spirits has boosted this segment in recent years and is expected to continue to do so going forward. This perceived health advantage is based on white spirits containing a lower calorific value than other alcoholic drinks such as beer. Craft gins and vodkas – which are primarily imported - have been particularly popular in this segment. That said, there has also been some interest in craft "Made in Japan" spirits; with alcoholic drinks that are made with unique local ingredients perceived to be craft, even if produced by larger companies. The limited availability of unique craft gins in selected on-trade channels has also contributed to its popularity among Japanese consumers.

The whisky market, however, has been hit by shortages in recent years, with domestic production insufficient to cover demand. This has had two impacts: firstly, it has led to Japanese consumers trying and accepting more imported whiskies. Secondly, more recently consumers have shown a willingness to

[188] Market opportunities for EU agribusinesses in the context of the EU-Japan EPA; W. Fournel; 2017; https://www.eu-japan.eu/sites/default/files/publications/docs/2017-10-market-opportunities-eu-agribusinesses-fournel-min.pdf

try different spirits to overcome this issue of shortages. This emerging second trend has, thus far, benefitted craft gin and vodka in particular for the reasons set out above.

Spirits market, like the wine and beer ones, was also impacted by the amendment to liquor taxes, which prohibits manufacturers and distributors to sell alcoholic drinks at prices below the gross costs of sales on a continuous basis without reason.

5.6.3 Offer

5.6.3.1 Domestic production

Japanese spirits domestic production is mainly focused on producing typical Japanese spirits, such as *shochu*, *nihonshu* and liqueurs like *umeshu* and *yuzushu*. However, Japanese whisky production has been gradually growing in recent years, and domestic production outweighs imports; plus, the domestic whisky is seen as a premium product that generally has a higher price point than imported whiskies[189]. Additionally, due to increasing exports volumes of domestic production, some Japanese distilleries had to introduce limitations related to premium products due to shortages in production, which had to satisfy the domestic demand as well[190]. As far as other categories of spirits go, Japanese vodka or gin production is rather low and rely on imports. Most of smaller distilleries within the country are producing low-volume, high-quality batches, which are usually based on local ingredients[191].

5.6.3.2 Imports and exports

As seen in Figure 5-24, spirits import volumes have been significantly outweighing exports. That said, exports volumes have been steadily growing and reached 22 148 cubic meters in 2017. It is still a small number comparing to imports which, on the other hand, dropped slightly amounting to 149 246 cubic meters.

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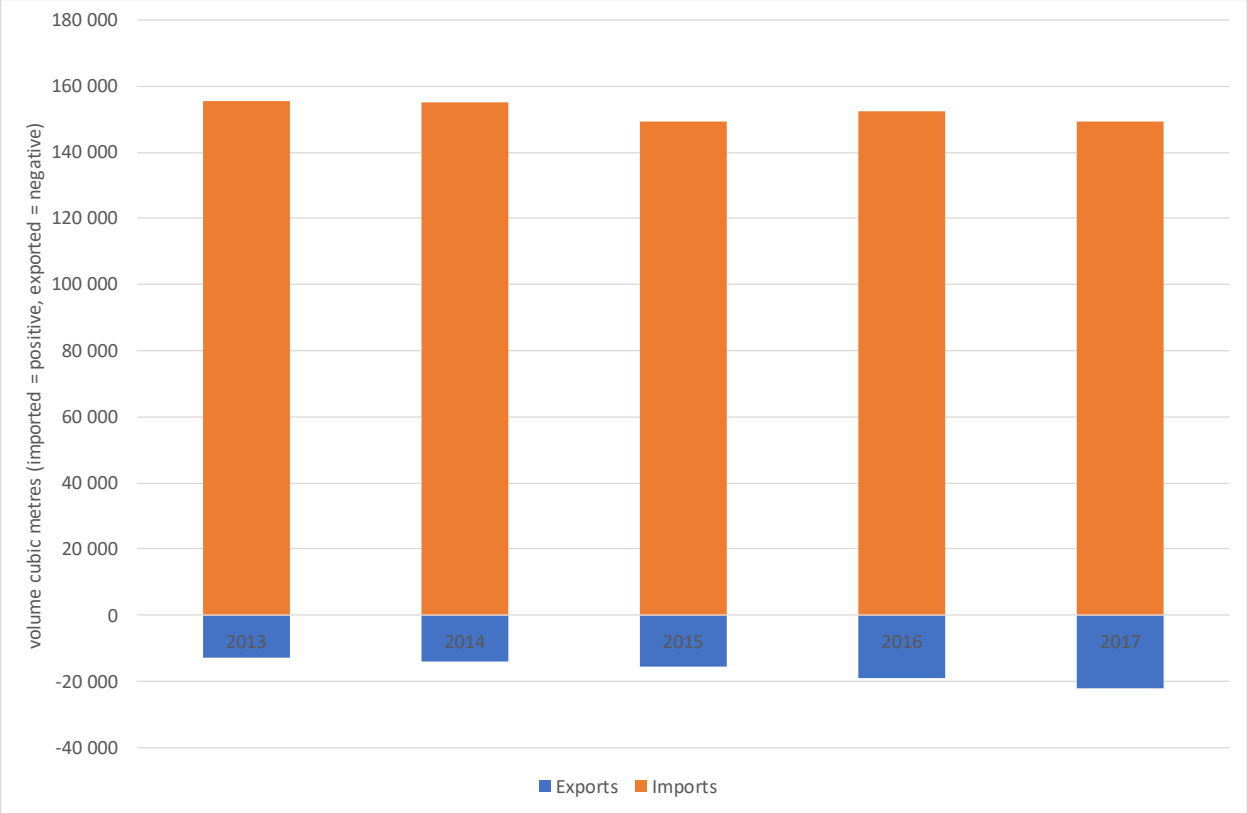
[189] Whisky Market Japan, USDA Gain Report JA6503; 2016; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Whisky%20Market%20Japan_Tokyo%20ATO_Japan_2016-05-06.pdf

[190] Japanese whisky producer to stop selling premium aged brands as supply runs dry; D. Demetriou; 2018; https://www.telegraph.co.uk/news/2018/05/16/japanese-whisky-producer-stop-selling-premium-aged-brands-supply/

[191] Crafting a Japanese gin: Domestic distilleries are producing low-volume, high-quality batches that source local ingredients; E. Johnston; 2018; https://www.japantimes.co.jp/life/2018/09/01/food/crafting-japanese-gin-domestic-distilleries-producing-low-volume-high-quality-batches-source-local-ingredients/#.W5EdtSQzZpg

Figure 5-24: Trade balance (imports and exports) of spirits in Japan, 2013-17; cubic meters

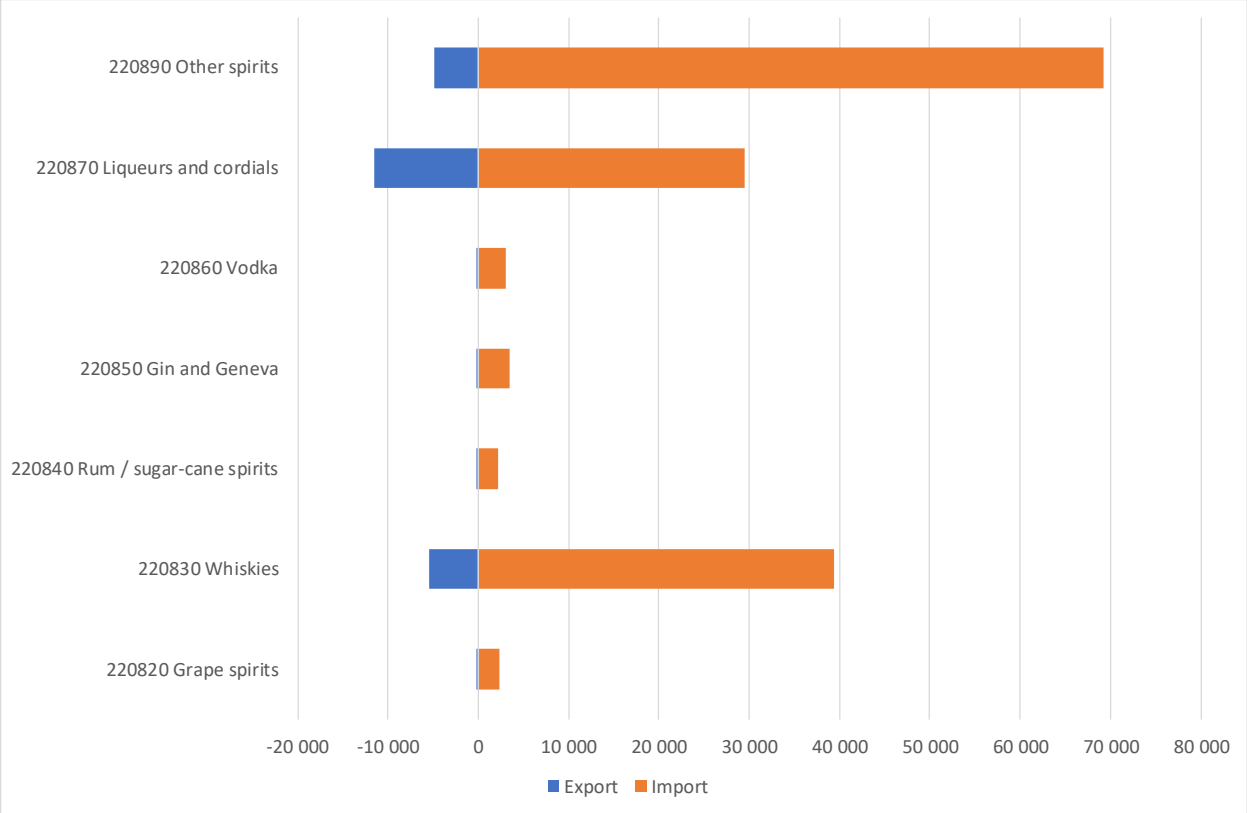


Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 2208

Japanese spirit imports notably include other spirits, such as e.g. South Korean *Soju*, followed by whiskies (both from the UK and USA) and various liqueurs and cordials. In terms of exports, the sequence is exactly reverse, i.e. Japan exports the largest quantities of famous Japanese liqueurs, followed by whiskies and other spirits (Figure 5-25).

Figure 5-25: Trade balance (imports and exports) of spirits in Japan, by type, 2017; tonnes



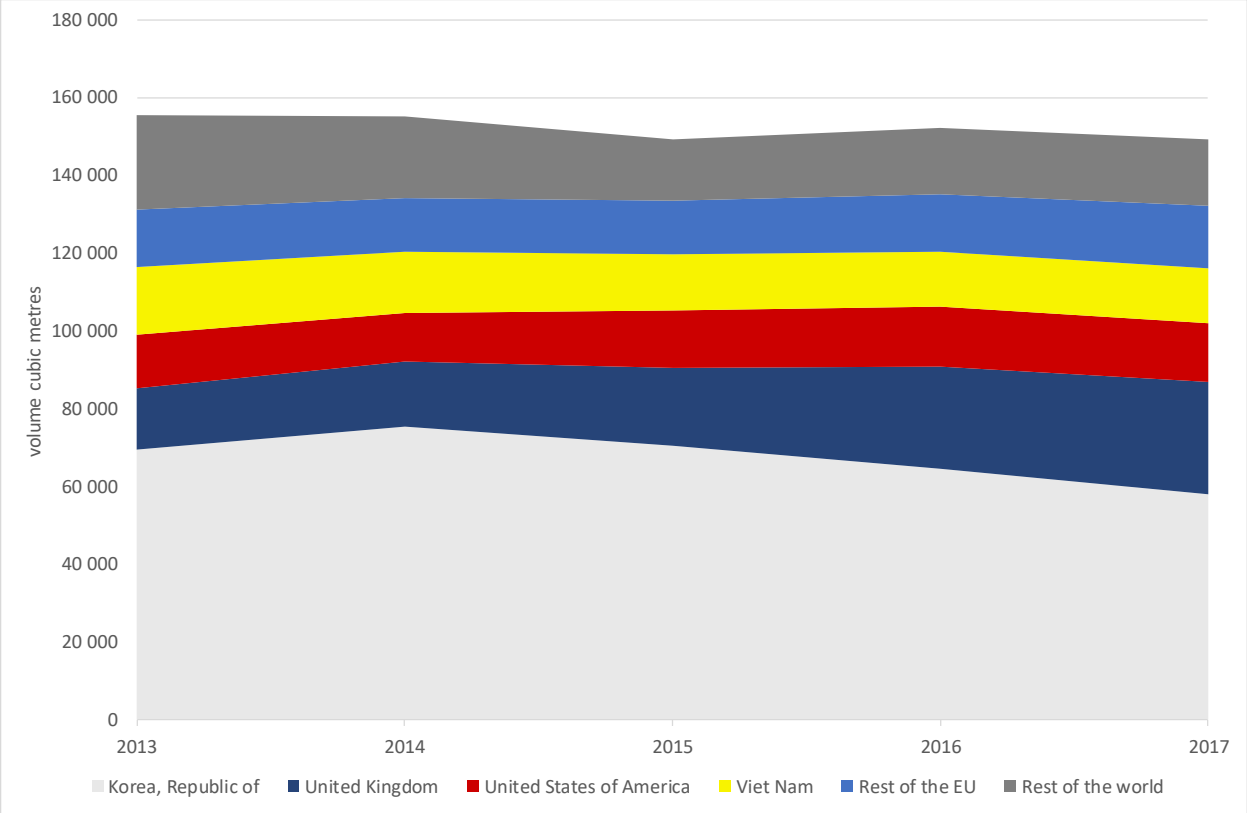
Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 2208. Spirit names shortened. CN codes before spirit name

Imports of spirits to Japan are diverse in terms of countries involved, however, the largest part of imports come from South Korea (Figure 5-26), followed by UK, USA and Vietnam. Interestingly enough, the UK share in Japanese spirits imports was greater than the share of other EU countries combined in 2017.UK spirit exports to Japan have been on rise since 2013 and almost doubled in volume (15 677 m^3 in 2013, 28 696 m^3 in 2017), which can be connected to the increasing popularity of gin and whisky based drinks in Japan.

As seen from the chart, South Korean exports to Japan have been declining since 2014, as major Korean spirits – *soju* and *hongju*, have been competing with other types of spirits, notably whisky, gin and vodka. Other countries have retained their shares of imports to Japan, due to their solid consumer base.

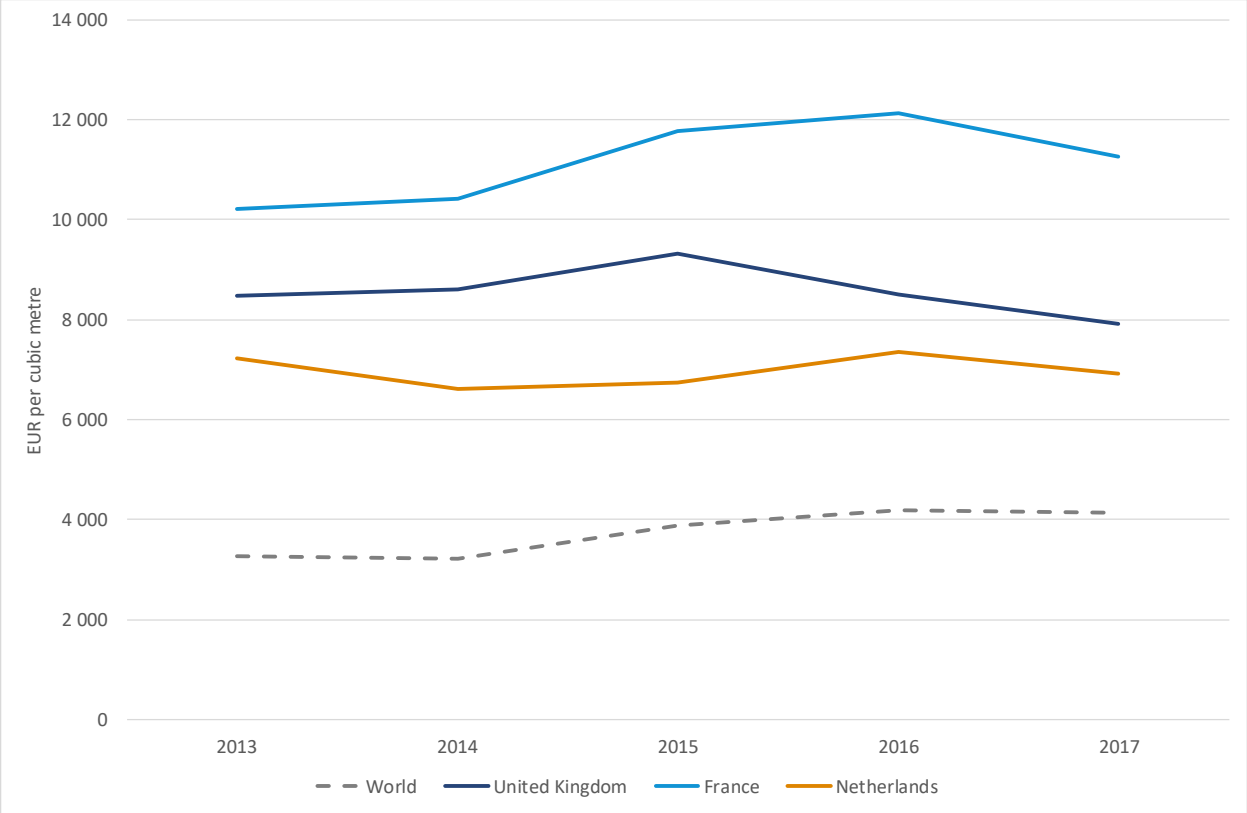
Figure 5-26: Japanese imports of spirits by country, 2013-17; cubic meters



Source: Trade Map, International Trade Centre - https://www.trademap.org/
Data for CN code 2208

French spirits have the highest unit value from all spirits imported to Japan at EUR 11 271 per cubic meter in 2017. They are followed by British and Dutch spirits. As Figure 5-27 shows, large EU exporting countries attain unit prices above the world average; however, their unit values dropped in 2017, whereas world unit values remained relatively stable.

Figure 5-27: Per unit value of Japanese imports of spirits for selected countries, 2013-17 (EUR per cubic meter)



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 2208

5.6.3.3 EU GI products

The recently-signed Economic Partnership Agreement between the EU and Japan will bring recognition of some EU GI spirits:

- Inländerrum (Austria)
- Jägertee / Jagertee / Jagatee (Austria)
- Korn / Kornbrand (Austria)
- Genièvre / Jenever / Genever (Belgium)
- Korn / Kornbrand[192] (Belgium)
- Ζιβανία / Τζιβανία / Ζιβάνα / Zivania (Cyprus)
- Ouzo / Ούζο1 (Cyprus)
- Suomalainen Marjalikööri / Suomalainen Hedelmälikööri / Finsk Bärlikör / Finsk Fruktlikör / Finnish berry liqueur / Finnish fruit liqueur (Finland)

[192] Product of Austria, Belgium (German-Speaking Community) or Germany.

- Suomalainen Vodka / Finsk Vodka / Vodka of Finland (Finland)
- Armagnac (France)
- Calvados (France)
- Cognac / Eau-de-vie de Cognac / Eau-devie des Charentes (France)
- Genièvre / Jenever / Genever (France)
- Rhum de la Martinique (France)
- Genièvre / Jenever / Genever (Germany)
- Korn / Kornbrand (Germany)
- Ouzo / Ούζο (Greece)
- Békési Szilvapálinka (Hungary)
- Gönci Barackpálinka (Hungary)
- Kecskeméti Barackpálinka (Hungary)
- Szabolcsi Almapálinka (Hungary)
- Szatmári Szilvapálinka (Hungary)
- Törkölypálinka (Hungary)
- Újfehértói meggypálinka (Hungary)
- Irish Cream (Ireland)
- Irish Whiskey / Uisce Beatha Eireannach / Irish Whisky (Ireland)
- Grappa (Italy)
- Originali lietuviška degtinė / Original Lithuanian vodka (Lithuania)
- Genièvre / Jenever / Genever (the Netherlands)
- Polska Wódka / Polish vodka (Poland)
- Herbal vodka from the North Podlasie Lowland aromatised with an extract of bison grass / Wódka ziołowa z Niziny Północnopodlaskiej aromatyzowana ekstraktem z trawy żubrowej (Poland)
- Brandy de Jerez (Spain)
- Pacharán Navarro (Spain)
- Svensk Vodka / Swedish Vodka (Sweden)
- Scotch Whisky (UK)

5.6.3.4 Main competitors

Domestic production of traditional Japanese spirits is rather diverse, with many companies involved. The biggest ones include Suntory Spirits Ltd, Takara Shuzo Co Ltd, Kirishima Corp, Sanwa Shurui among many others. It must be remembered that majority of Japanese domestic production relates to production of typical Japanese spirits. However, domestic whisky production outweighs imported quantities to Japan. There are several whisky distilleries located throughout Japan, some of them which are owned by companies mentioned above:

- Yamazaki and Hakushu – both owned by Suntory, Japan's largest whisky producer
- Yoichi and Miyagikyo – owned by Nikka Whisky Distilling
- Eigashima (White Oak)
- Fuji-Gotemba

- Chichibu

In terms of both non-Japanese and non-European competitors, as outlined in section 5.6.3.2, the main importers include South Korea, United States and Vietnam. However, the large part of Korean and Vietnamese imports applies to typical spirits from mentioned countries.

5.6.4 Specific market entry requirements

Market Access and Entry

Spirits do not face any specific market access restriction; however, as is the case with wine case, the ongoing process of delisting of food additives may have an impact on certain spirits. The concluded version of all affected additives is to be available in due time[193]. Furthermore, as in case of other alcoholic drinks, spirits are subject of regulations and entry procedures of Food Sanitation Act and Liquor Tax Law.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. There are three types of procedures when importing alcoholic beverages:

- For personal use – under 10kg or less with no procedure
- For provision for drinking at self-owned establishments (bar, restaurant etc.) – importers should follow the procedures identified by a respective quarantine station, which holds jurisdiction over the importing area (section 4.2.1). The licence to sell alcoholic beverages do not apply in this case[194].
- For sale – apart from the quarantine station procedures, an importer should also obtain a licence to sell alcoholic beverages under the provisions of Liquor Tax Law. Application procedure should be consulted with respective Chief Examiner (Liquor Tax and Industry) at Tax office [195]. Additionally, the container should display the description of items, the alcoholic strength etc. on a readily visible place[196].

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=JP&hscode=2208

[193] Food additives; MHLW; https://www.mhlw.go.jp/english/topics/foodsafety/foodadditives/index.html
[194] Importation of Alcoholic Beverages (FAQ); Japan Customs; http://www.customs.go.jp/english/c-answer_e/kojin/3105_e.htm
[195] Information on Liquor Administration; National Tax Agency; https://www.nta.go.jp/english/taxes/liquor_administration/index.htm
[196] The full list of necessary information to be displayed can be found here: https://youshu-yunyu.org/english/sp/fair_competition_regularions/index.html

SPS measures

SPS measures related to spirits are largely in line with international standards.

Labelling

As with all labels on alcoholic beverages, spirits labelling must be presented in Japanese and has to prepared under provisions of several legislative acts:

- Food Sanitation Act
- Liquor Tax Act
- Liquor Business Act
- Measurement Act

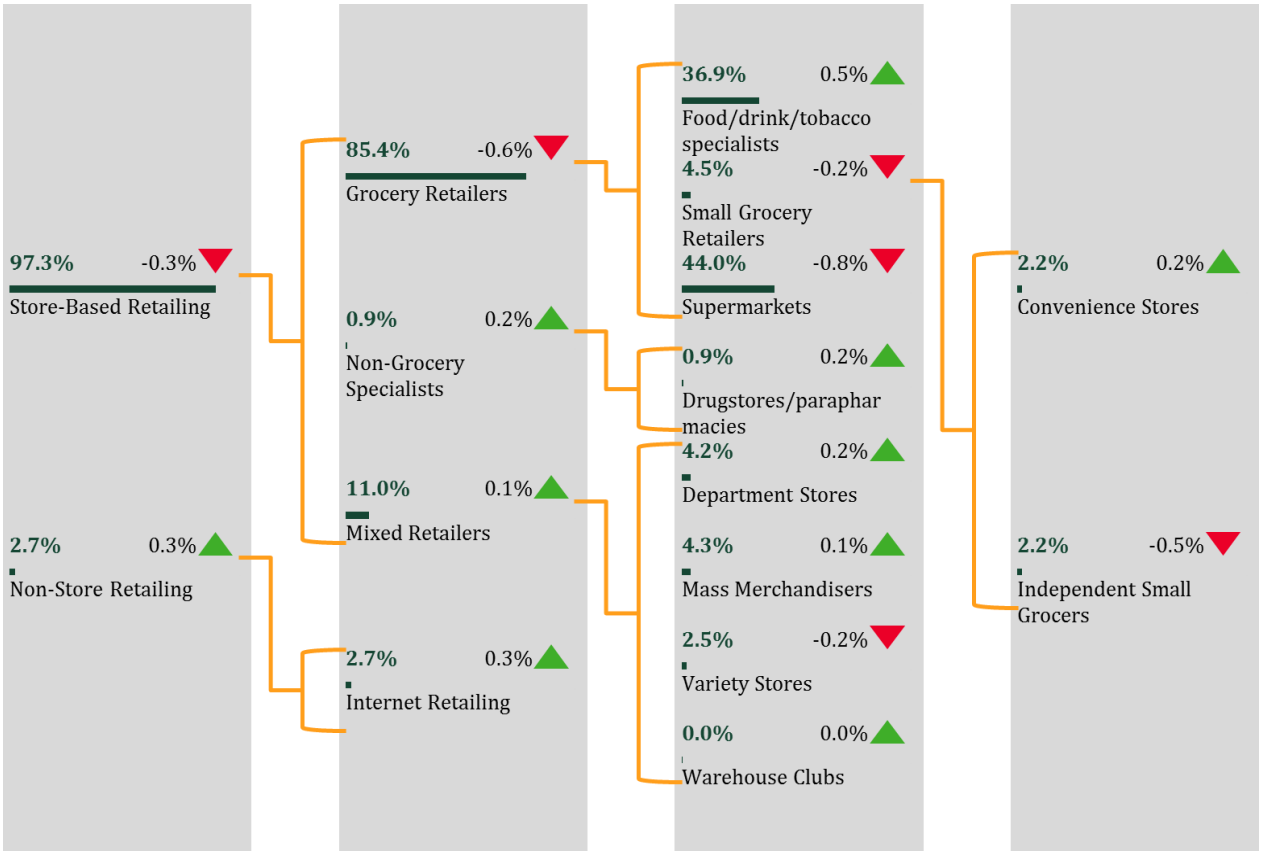
The spirit label is to present product name, ingredients, additives, alcohol content, names of importer and distributor, "best before" as well as necessary warning related to consumption by minors.

5.6.5 Distribution

Off-trade accounts for over 2/3 of spirit sales by volume in Japan; though its importance has been slightly declining in recent years. The majority of sprits sold in off-trade in Japan is distributed through grocery retailers (85.4%), including notably supermarkets (44%) and food/drink/tobacco specialists (36.9%). Supermarkets' shares dropped by almost 1 percentage point compared to the previous year, whereas food/drink specialists noted an increase of 0.5 percentage points. Other distribution channels have relatively minor shares, Internet retailing amounts to 2.7% and convenience stores 2.2% (Figure 5-28).

Imported spirits have been particularly popular in the on-trade channel of late due to the aforementioned popularity of highball drinks and scarcity of local whisky. It has also provided a possibility for consumers to try new types of spirits which they may not otherwise have tried in the off-trade channel.

Figure 5-28: Distribution channel overview of spirits in Japan (2017)



Source: Euromonitor International: Alcoholic Drinks, 2018

5.6.6 Challenges for EU products

Projected stagnation of all spirits consumption could pose a challenge for EU products. Secondly, due to high consumer loyalty towards spirits and cocktails based on domestic non-European spirits, EU producers could find challenging to penetrate the Japanese market.

Market Takeaway: Spirits

Consumption: *Other spirits category dominating the market, although whiskies and white spirits on rise.*
Competition: *Large domestic production of Japanese spirits and whisky. Main competitors from South Korea, USA and Vietnam*
Distribution: *Mainly off-trade; and spirits are mainly distributed through supermarkets, followed by food/drink specialists. Internet retailing on slight rise.*
Challenges*: Consumer loyalty towards spirits and cocktails based on domestic /non-European spirits. Projected stagnation of overall spirits consumption over next few years.*
Opportunities: *Increasing knowledge about premium spirits among Japanese customers. Latest trend of consuming various spiriting in the form of spirit-based cocktails; and of craft gin and vodka. Protection of some GIs under EPA.*

5.7 Pasta

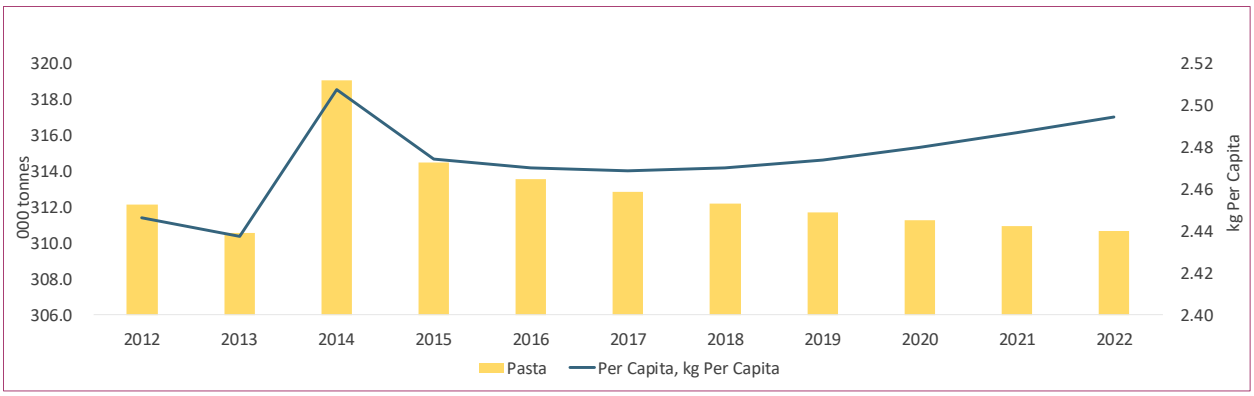
5.7.1 SWOT analysis

5.7.2 Consumption

5.7.2.1 Evolution of consumption

The total consumption of pasta, rice and noodles as a whole is declining in Japan, mainly due to the population reduction as well as to the declining sales of rice. As indicated in Figure 5-29, total pasta consumption in Japan, which peaked to 319 000 tonnes in 2014, has since then slowly declined, dropping to 312 800 tonnes in 2017. Nonetheless, per capita consumption of pasta, which is stable at below 2.5 kg per capita per year, is expected to moderately increase in the coming years.

Figure 5-29: Evolution and forecast of market for pasta (000 tonnes) and per capita (kg) pasta consumption in Japan, 2012-2022

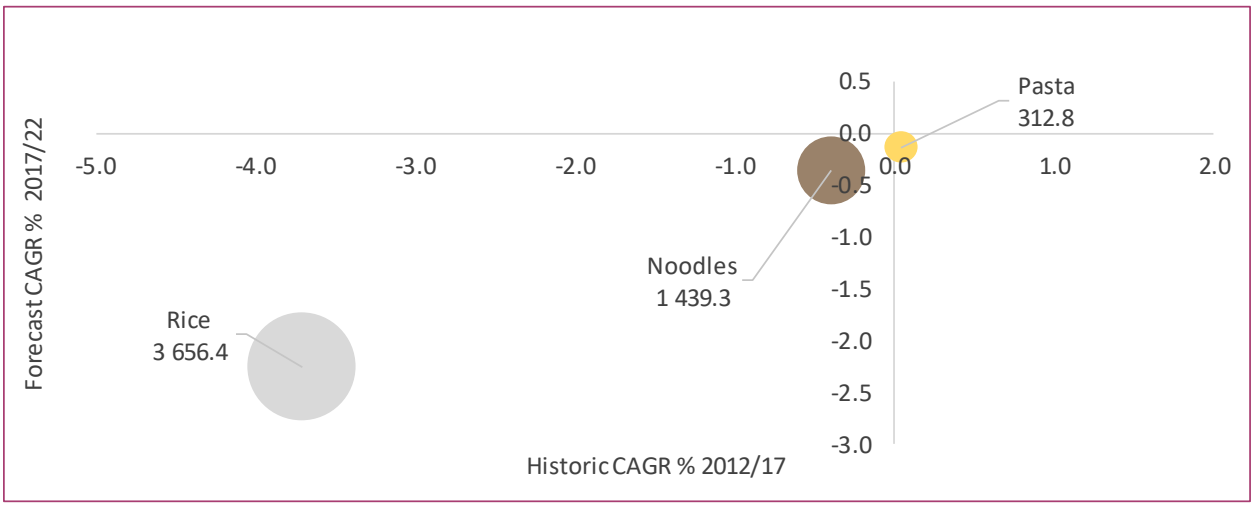


Source: Euromonitor International: Packaged Foods, 2018

Note: figures for 2018 to 2022 based on forecasts

Similarly, noodles total and per capita consumption dropped since 2012 and is expected to further decrease over the next few years. Rice total and per capita consumption, however, has recorded the most dramatic decline, due to the internationalisation of the Japanese diet, which is more and more based on more convenient alternatives to rice, e.g. pasta and bread.[197] Per capita consumption of rice dropped from 34.6 kg in 2012, to 28.9 kg in 2017 and is projected to go down to 26.2 kg by 2022 (Figure 5-30).

Figure 5-30: Market size, and evolution and forecast of rice, pasta and noodles markets (000 tonnes) in Japan, 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

[197] Euromonitor International: Packaged Food, 2018

5.7.2.2 Consumer profile and purchase criteria

Along with rice and instant noodles, which are staples food in Japan, also consumption of pasta is on the rise since 80s, when Italian cuisine flourished in this country. Nowadays pasta (especially spaghetti) has established itself as one popular meal for Japanese consumers and is growing in importance as a more convenient substitute for rice.[198]

Consumers

Rice has been losing popularity over recent years, as cooking this product is stressful for consumers who are often very tired from long working hours. Japanese consumers are more and more opting for sources of carbohydrates such as instant noodles and fast-cooking pasta. Furthermore, due to a growing interest in health issues, the low-calorie, organic and gluten-free segments are gaining momentum, especially among women.

Drivers and method of consumption

Japanese consume pasta and noodles in different occasions. Pasta and noodles are considered as 'daily' dishes, which can be prepared quickly and easily consumed during lunchtime. Nonetheless, in its more sophisticated varieties, pasta can be also consumed when dining out, or on special occasions.[199]

While rice and noodles and mostly consumed at home, pasta is largely consumed at:

- Italian restaurants and spaghetti specialty shops;
- Italian-Japanese fused cuisine restaurants. The famous Kamakura Pasta chain is one example; it offers more than 30 different kinds of Japanese-Italian fused pasta[200].

However, since all supermarkets sell different varieties of pasta and pasta sauces and families are increasingly eating their meals at home, pasta is more and more prepared at home as well[201]. Pasta is largely consumed as set out below.

- Standard recipes, such as pasta with meat sauce, carbonara, or pasta with olive oil, garlic and chilli, which are among the most popular pasta recipes in Japan, and/or,
- Pasta topped with local products, such as *Tarako* Spicy Cod Roe Pasta Sauce Packet, Japanese Squid Ink Pasta, Japanese Urchin Cream Pasta, and Japanese Plum *Umeshiso* Pasta[202].

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[198] Live Japan Guide: Pasta & Spaghetti; 2017; https://livejapan.com/en/article-a0000451/
[199] Pasta & sostenibilità: le 6 capitali mondiali; 2015; http://www.welovepasta.it/pasta-sostenibilita-le-6-capitali-mondiali/
[200] Must-Try Japanese-Italian Raw Pasta Restaurant Chain: Kamakura Pasta; 2018; https://favy-jp.com/topics/436
[201] EATALIAN BIO: promozione del bioalimentare italiano in Australia e Giappone; 2016; http://www.assocamerestero.it/download.asp?ln=&idtema=1&idtemacat=1&file=News/Files/113/Eatalian%20Bio_prs%20progetto.pdf
[202] Italian Pasta, made in Japan?! What is it like?; 2015; https://pogogi.com/italian-pasta-made-japan-what-it

Purchase criteria

According to the Italian Trade Agency in Tokyo [203], consumers' main purchase criteria to select pasta products are reduced preparation time, price, and authenticity of the product. Convenience is particularly important in the rice, pasta and noodles segment, as demonstrated by the growing popularity of the so-called "*hayayude*" pasta products – which boils in less than five minutes – boosted by the need for time-saving cooking. For the same reason, the domestic demand for instant noodles, e.g. the *Ramen* noodles which were invented in Japan, is increasing. According to the Japan Instant Foods Industry Association, in 2017 the Japanese consumed a total of 44.8 servings of instant noodles per capita.[204]

5.7.2.3 Recent market trends

Sales of pasta and noodles are on the rise, mainly due to convenience considerations[205]. Noodles grew at a CAGR of 0.4% in 2012-2017, while pasta at a CAGR of 1.1%. On the contrary, sales of rice have been dropping between 2012 and 2017, recording a CAGR of -4.9%. However, this trend is expected to slow down in the next years, with rice projected to regain market share and grow at a -1% CAGR by 2022.

5.7.3 Offer

5.7.3.1 Domestic production

With a volume of 10.5 million tons produced in 2017, Japan is among the largest rice producing countries in the world.[206] In recent years, the segment of instant rice has been the most successful, reaching a volume of 188 875 tons in 2017. Instant rice is indeed meant to meet Japanese consumers' need for convenience.[207] Japan's leading producers of rice are the prefectures of Niigata, Hokkaido, Akita, Yamagata, Ibaraki, Miyagi, and Fukushima.

With regards to noodles, domestic production focuses on the instant variety, i.e. Japanese *Ramen* noodles.

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[203] Agenzia ICE di Tokyo: Aumenta il consumo di pasta importata in Giappone; 2017; http://www.infomercatiesteri.it/highlights_dettagli.php?id_highlights=11101

[204] Quoted in Thirty Cups a Year: The Enduring Popularity of Instant Noodles; 2018; https://www.nippon.com/en/features/h00272/

[205] Euromonitor International: Packaged Food, 2018

[206] World's Top 10 Largest Countries By Rice Production; 2018; https://henkubao.com/rice/worlds-top-10-largest-countries-by-rice-production/

[207] Instant Rice Production at All-Time High in Japan; 2018; https://www.nippon.com/en/features/h00202/

Japan is not a large producer of pasta; a modest volume of 144 500 tonnes was produced in 2014[208]. Furthermore, given the competition they face, domestic brands are bringing to the market products such as frozen pasta which are not largely offered by their competitors.

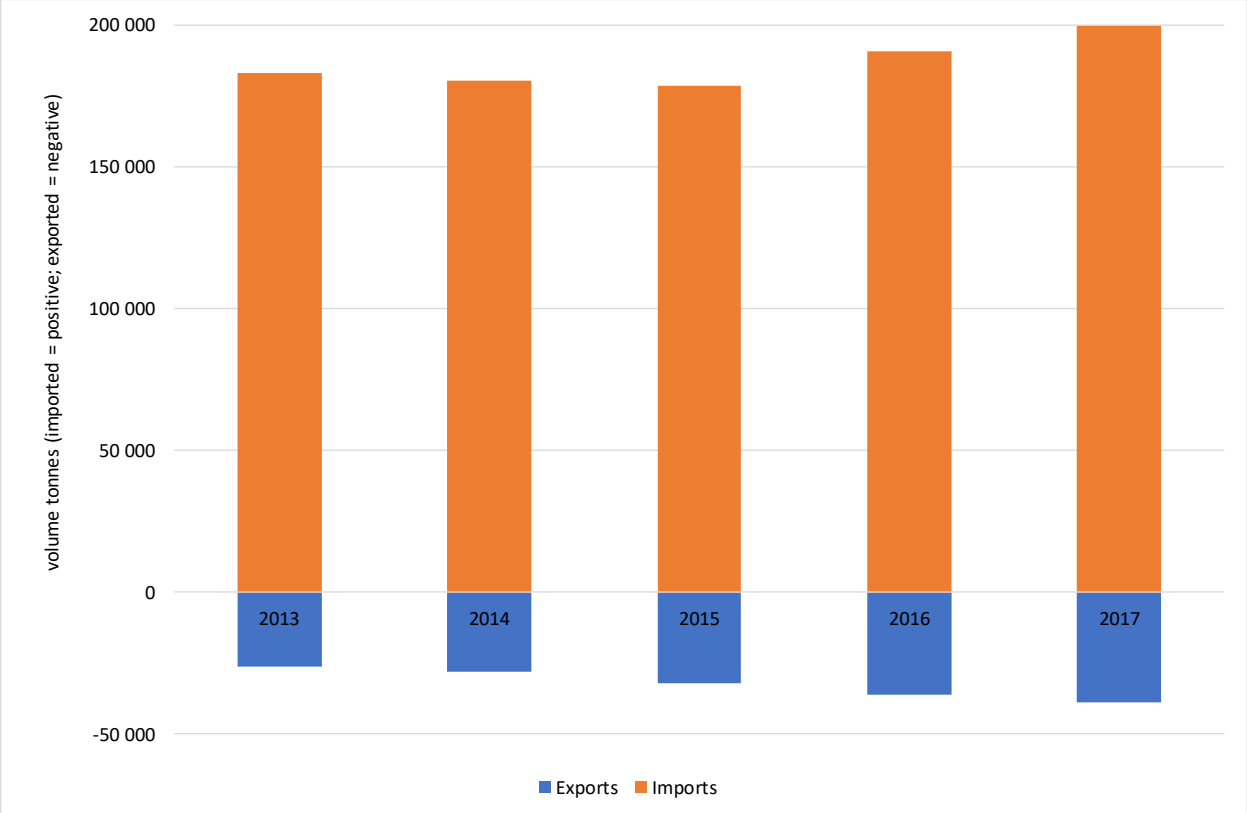
5.7.3.2 Imports and exports

While Japanese imports of rice are relatively small, European companies have a great potential in the Japanese pasta, noodles and couscous market. Figure 5-31 illustrates that Japanese volumes of imported pasta, noodles and couscous are far exceeding volumes of exports. This trend was even more apparent in 2017, when imports of pasta, noodles and couscous have touched 200 000 tonnes, while exports were below 40 000 tonnes. Nonetheless, a positive growing trend can be observed for pasta, noodles and couscous imports to and exports from Japan.

As presented in Figure 5-32, while Italy continues to lead the exports of pasta, noodles and couscous to Japan, Turkish exports are gaining ground. In 2017, Italy exported 74 458 tonnes to Japan (which account for 36% of total pasta, noodles and couscous exported to Japan), up slightly on the preceding year. Nonetheless, Italian exports have been declining since 2013, to the benefit of Turkish sales in Japan, which have been rapidly increasing. Turkey was indeed responsible for 26% of the total Japanese imports of pasta, noodles and couscous, with a volume of 51 398 tonnes. China followed, with 23 475 tonnes (12%). American exports (10%) have been slowly falling since 2012. In the European Union, Belgium and Latvia have recorded positive growing trend in recent years, although their exports volumes are still modest.

[208] International Pasta Organisation: The World Pasta Industry Status Report 2013; 2014; http://www.internationalpasta.org/resources/World%20Pasta%20Industry%20Survey/IPOstatreport2014low.pdf

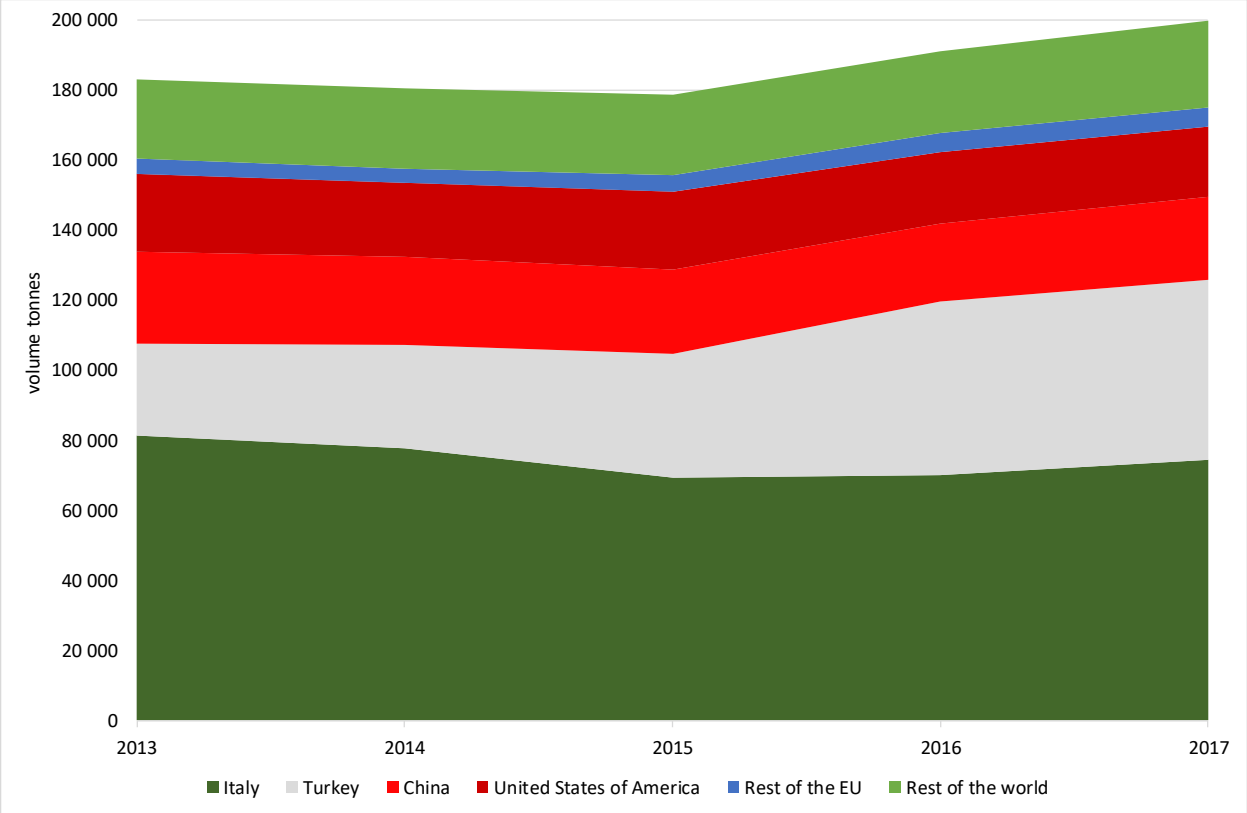
Figure 5-31: Trade balance (imports and exports) of pasta, noodles and couscous in Japan, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 1902

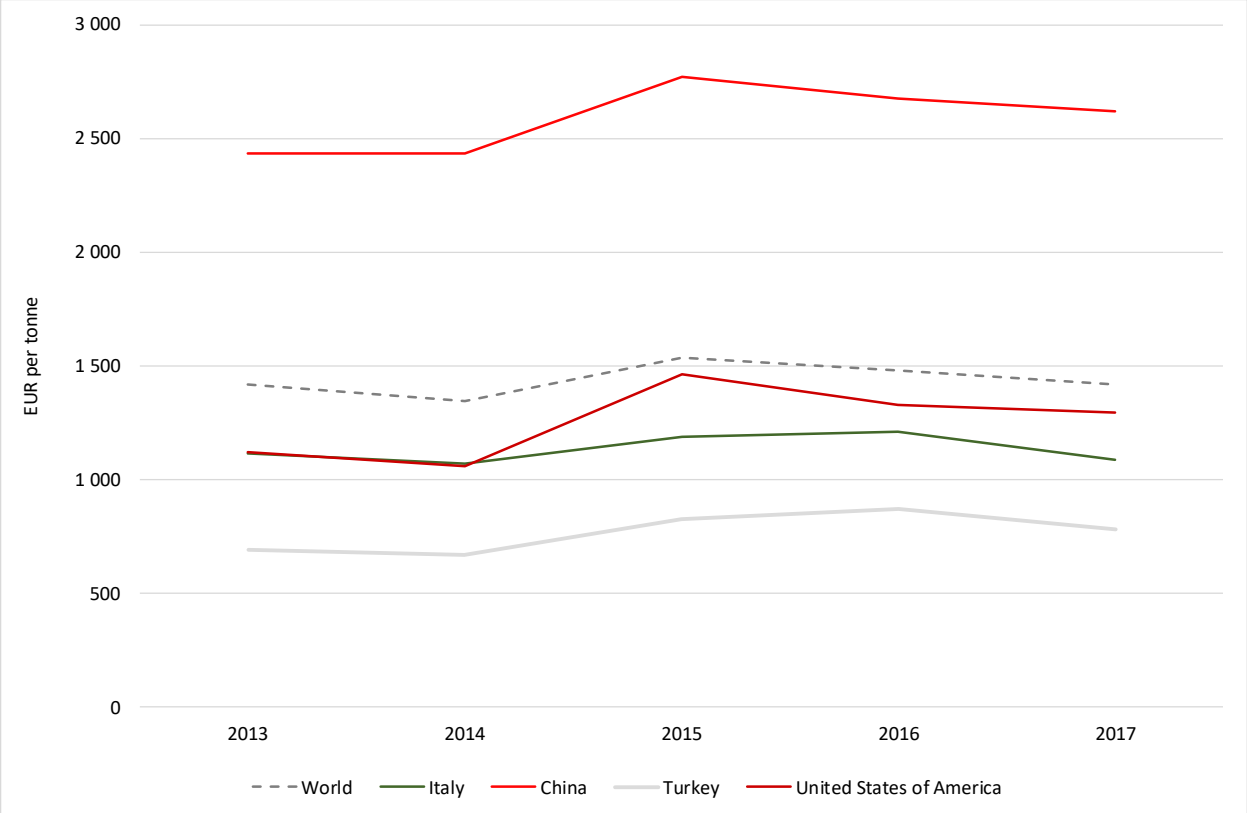
Figure 5-32: Japanese imports of pasta, noodles and couscous by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/
Data for CN code 1902

Despite being the first suppliers of pasta, noodles and couscous to Japan in terms of volumes, Italy and Turkey recorded a low unit value in 2017, i.e. 1 089 EUR/tonne and 782 EUR/tonne respectively. Similarly, American pasta, noodles and couscous were valued at 1 297 EUR/tonne. On the contrary, Chinese unit value (2 618 EUR/tonne) was well above the average of pasta, noodles and couscous imported into Japan in 2017.

Figure 5-33: Per unit value of Japanese imports of pasta for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - https://www.trademap.org/
Data for CN code 1902

5.7.3.3 Main competitors

Japanese brands dominate the rice, pasta, and noodles market as a whole, mainly due to their presence in rice and instant noodles. In 2017, the Japanese Agricultural Cooperatives led in rice, pasta and noodles, with a retail value share of 19%. The JA Group is a leader in rice and can rely on a substantial coverage of territories across Japan. However, in the case specifically of pasta, Italy remains the main source of origin.

5.7.4 Specific market entry requirements

Market Access and Entry

Although exports to Japan are restricted by trade barriers, rice, pasta and noodles do not face any formal market access obstacles. However, import is subject to a number of general regulations and entry procedures, complying with, *inter alia*¸ Food Sanitation Act.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing processed cereals might require providing additional

documentation, i.e. certification of analysis[209], confirming the proper microbiological and chemical testing as well as certificate of dioxin content[210], in case of containing dairy products. Veterinary Health Certificate for Animal Products is needed in case of containing animal products[211].

SPS measures

There are no particular SPS measures foreseen in case of pasta and other staples products. However, prior to export, up to date information should be consulted on European Commission' website below.

Up to date information on appropriate documents concerning SPS measures
http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=JP&hscode=1902

Labelling

The section 4.2.3 provides an overview of Food Labelling Standard law in Japan. In general, in case of all processed foods, it imposes labelling requirements concerning allergens, nutritional components and countries of origin of ingredients as well as country of manufacture. Table 4-2 presents provisions of the labelling framework in Japan, pointing out the necessary requirements for processed foods, including pasta and other staples products.

5.7.5 Distribution

As reported in Figure 5-34, roughly half of rice, pasta and noodles in Japan are sold through supermarkets. Supermarkets held the largest distribution share for rice, pasta and noodles in 2017 (48.6%), followed by convenience stores (13.3%). Furthermore, sales through internet shopping have increased in 2017, although home shopping and direct selling have recorded a negative growth.

The foodservice industry is also an important driver of pasta consumption in Japan as consumers, particularly young urban residents, increase their consumption of imported foods through this industry. For pasta, dining away from home is an important mode of consumption. Distribution through hotels, restaurants and cafes may allow for higher value, if not volume, of trade compared to store-based retailing.

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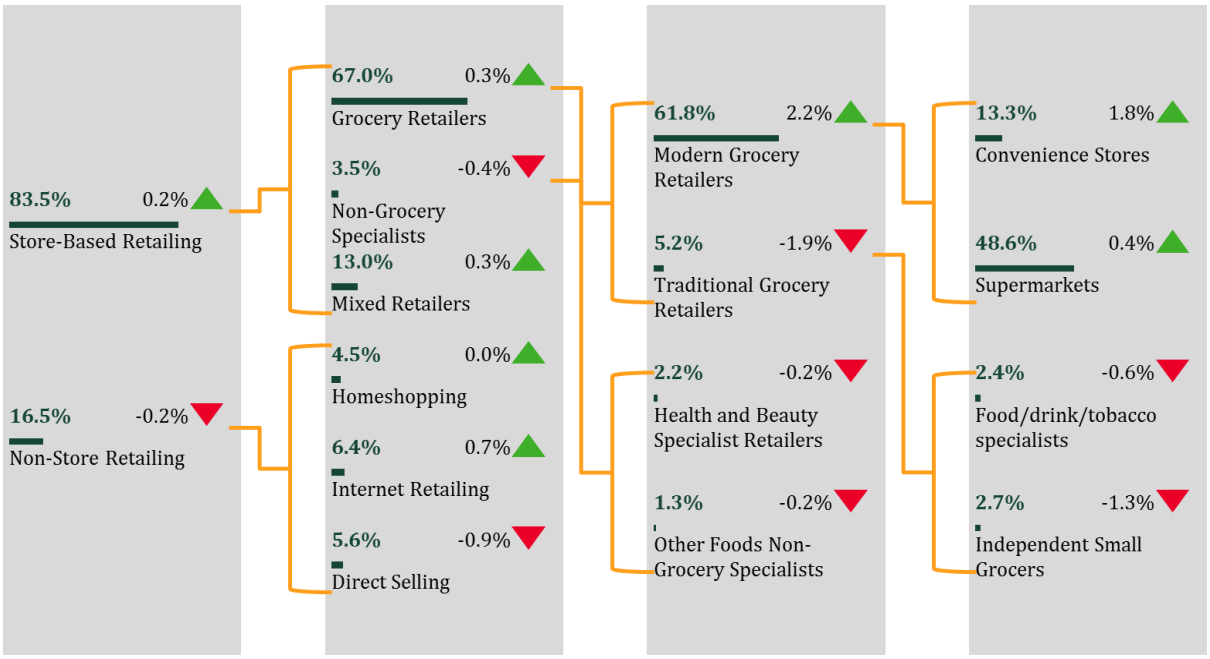
[209] Certificate of Analysis, Japan; European Commission; 2018; http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cf_ana&hscode=1904&countryid=JP

[210] Certificate of Dioxin Content; http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cf_dio&hscode=1902&countryid=JP

[211] Veterinary Health Certificate for animal Products; http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cf_anp&hscode=1902&countryid=JP

Figure 5-34: Distribution channels overview –Rice, pasta and noodles in Japan (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.7.6 Challenges for EU products

Consumption of rice, pasta and noodles is falling – due to consumers' short time available for cooking – and this situation is not expected to reverse in coming years. While the rice and instant noodles market is dominated by domestic brands, Italy is the largest exporter of pasta to Japan. Nonetheless, Italy is losing market share to the benefit of Turkey, while China is establishing itself in the Japanese pasta and noodles market. Furthermore, European companies face the challenge of high tariffs on the export of pasta (e.g. around 27 JPY - EUR 0.20 per kilo for most egg-based types) to Japan, though these are expected to be lowered/eliminated following the implementation of the EU-Japan EPA.

Market Takeaway: Pasta and other staples

Consumption: *Consumption of rice, pasta, and noodles is falling in Japan. However, per capita consumption of (especially fast-cooking, gluten-free, and organic) pasta is slightly rising.*
Competition: *The rice and instant noodles market is dominated by domestic brands. Italy is the largest exporter of pasta to Japan, although it is losing market share to the benefit of Turkey and China.*
Distribution: *Rice, pasta and noodles are mostly sold in supermarket. However, the foodservice industry is very important for pasta.*
Challenges*: Trade barriers are an obstacle for the export of European products, although the implementation of the EPA is expected to bring relief to European exporters.*
Opportunities: *The gluten-free and organic segments are growing in importance. Instant noodles and fast-cooking pasta are gaining momentum in Japan. Tariffs will be eliminated over 10 years under the EPA.*

5.8 Baked goods

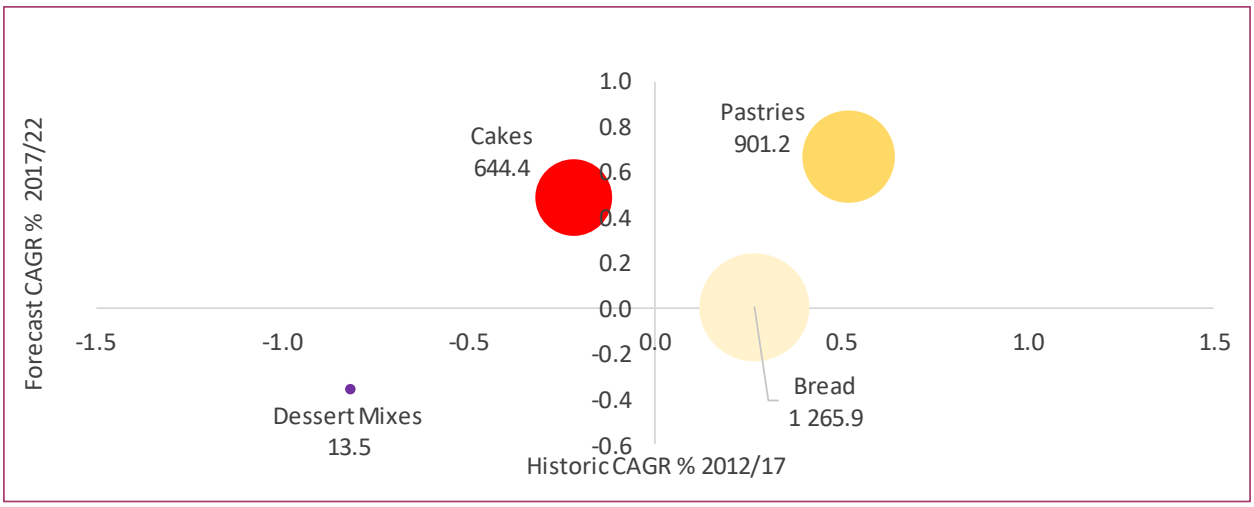
5.8.1 SWOT analysis

5.8.2 Consumption

5.8.2.1 Evolution of consumption

Consumption of baked goods has picked up in recent years. As presented in Figure 5-35, bread constitutes the largest part of the market, followed by pastries and cakes. Bread products noted a slight annual in recent years (0.3%) and are expected to remain stable over the forecast period. Pastries, on the other hand, reported a rise of 0.5% per year between 2012 and 2017 and is projected to maintain the upward trend in next years. Lastly, cakes noted a minimal decline in recent years (0.2% per year), however its market size is expected to go up in next five years by 0.5% per year.

Figure 5-35: Evolution and forecast of baked goods market in Japan, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

Note: figures for 2017 to 2021 based on forecasts as indicated by (f) after the year

5.8.2.2 Consumer profile and purchase criteria

Given that Japanese consumers dietary habits have been evolving in recent years, baked goods have become more popular. As the traditional diet in Japan has started to shift from rice towards other alternatives[212], consumers have started to include wide selection of less known products.

Consumers

The market for baked goods in Japan brings consumers regardless to age, however their preferences might differ. Young consumers opt for more convenience added value of a pastry or bread, whereas the senior generation place the quality of the product first. In addition, the former group is keen on widening their selection of baked goods, often choosing novelties.

In the light of emerging popularity of bread, consumers in Japan have had a wide selection available, including the most popular type - pre-sliced loaves, either wholegrain or rye - as well as variety of functional bread products[213]. As far as cakes and pastries go, Japanese consumers have started to enjoy them more than occasionally – especially pastries, which are convenient choice for "on-the-go" consumers.

[212] Japanese are eating less rice, and opting for bread and noodles; R. Kato; 2018; https://www.straitstimes.com/lifestyle/food/japanese-are-eating-less-rice-and-opting-for-bread-and-noodles

[213] Euromonitor International: Packaged Food, 2018

Drivers and method of consumption

Consumption of baked goods in Japan is mainly driven by changes in dietary habits as well as focus on convenience and reduction of meal preparation time. As the traditional source of carbohydrate in Japan has always been rice, baked goods have built solid consumer base throughout recent years due to their novelty and convenience added values. An additional driver applies to the group of consumers seeking for more healthy alternatives, e.g. low-carbohydrate products, which have been also emerging on the baked goods market in Japan.

Japanese consumers pay great attention to convenience of a baked good, therefore the most popular products are those which are ready to eat, e.g. pastries, packaged cakes or pre-sliced bread. In terms of method of consumption, consumers in Japan both follow Western-trends, i.e. toasts, sandwiches, as well as introduce Japanese-style products, such as variety of pastries.

Purchase criteria

As previously mentioned, consumers in Japan often base their purchasing choice on convenience added value as well as health benefits. In addition, due to price-sensitiveness, premium products are being chosen mostly by high quality-seekers.

5.8.2.3 Recent market trends

Bread products have enjoyed the popularity, especially pre-sliced loaves and packaged flat bread. In general, high popularity of premium products brought increase in consumption in all categories of baked goods[214]. In addition, in response to health-aware consumers, have introduced line of products with lower sugar and carbohydrate intake, as well functional bread products rich in fibre**.** Lastly, negative perception of food additives among Japanese consumers led manufactures to introduce bread products without emulsifiers and yeast.

[214] Premium bread continues to push Yamazaki's sales in fiscal 2017; G.Hyslop; 2018; https://www.bakeryandsnacks.com/Article/2018/03/02/Premium-bread-continues-to-push-Yamazaki-s-sales-in-fiscal-2017

5.8.3 Offer

5.8.3.1 Domestic production

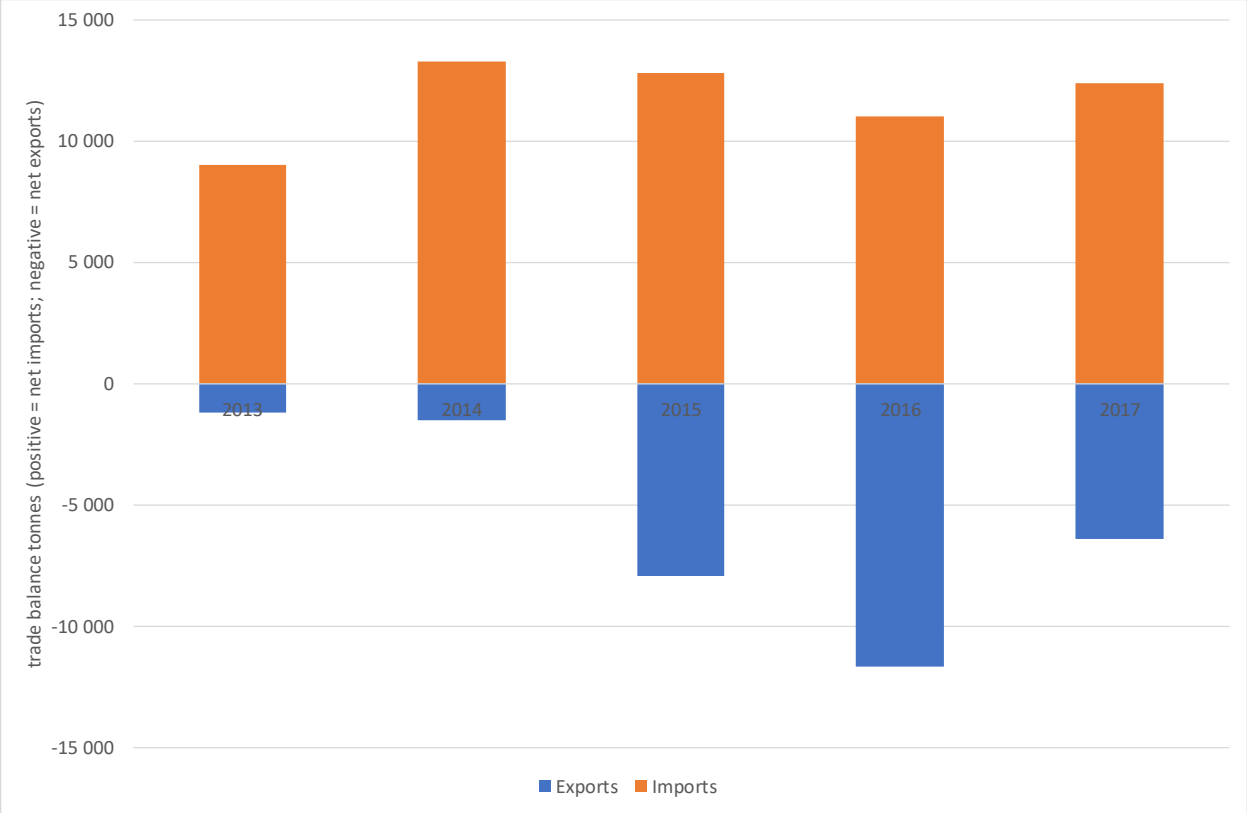
Domestic production of baked goods is rather concentrated among several manufacturers offering wide selection of products. The biggest one – Yamazaki Baking Co Ltd leads the market in packaged bread, pastries and cakes by having its own convenience store – Daily Yamazaki. In recent years Yamazaki introduced its Gold Series, offering premium products, which enjoyed significant success. Fuji Baking Co Ltd, other major manufacturer introduced a line of products with fewer food additives, and Shikishima Baking Co Ltd started the trend of producing packaged bread with reduced number of additives.

Production of baked goods in Japan also includes numerous local artisanal and private label bakeries, which specialise in bread products and/or pastries and cakes.

5.8.3.2 Imports and exports

Japanese imports of baked goods have been considerably bigger than exports volume in 2017. The latter have oscillated around 30 000 tonnes in the last 5 years, whereas imports volume picked up last year, accounting for 94 440 tonnes. After declines in 2014 and 2015, the volume of importing baked goods has been on rise since 2015 (Figure 5-36).

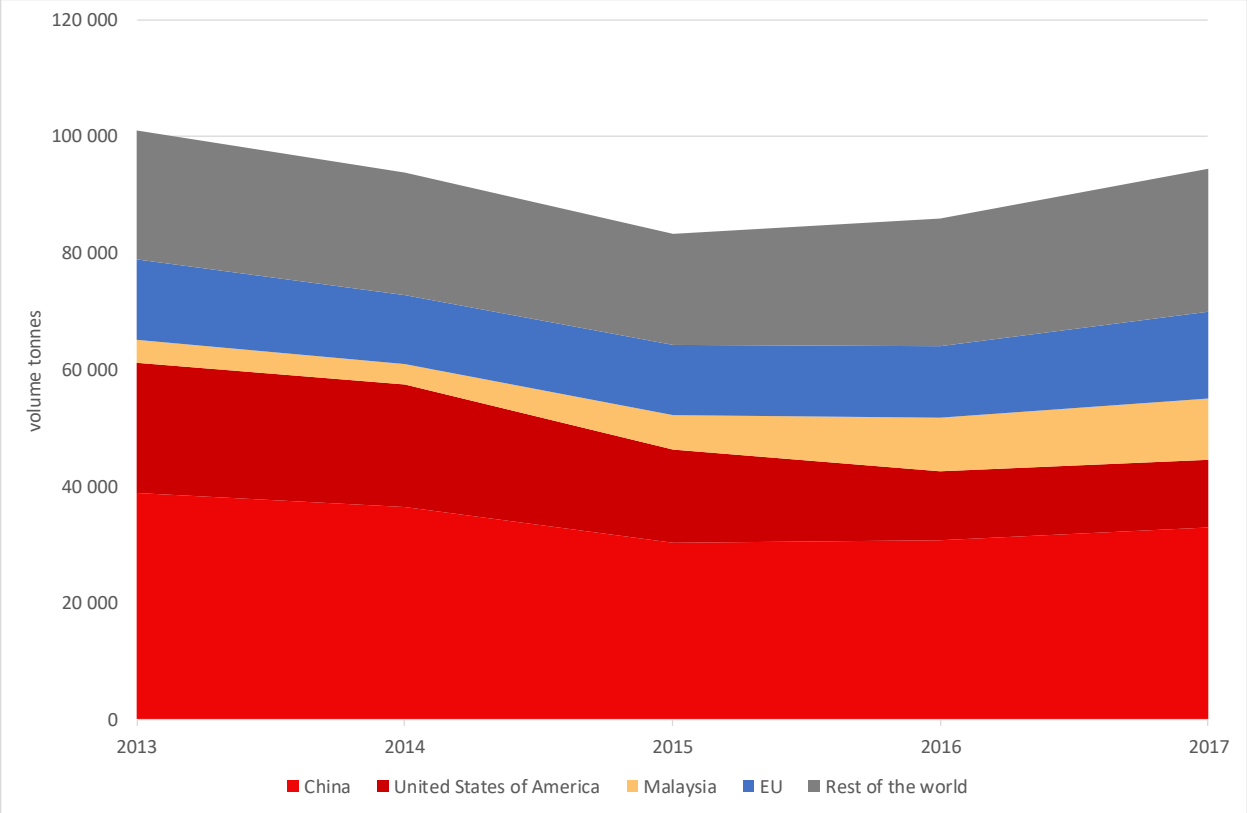
Figure 5-36: Trade balance (imports and exports) of baked goods in Japan, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/
Data for CN code 1905

As seen in Figure 5-37, the major importer of baked goods is China, which has maintained a fairly steady since 2015 after a slight decrease before. Imports from USA decreased by almost 50% over the 2013 to 2017 period and Malaysian baked goods picked up in 2015 and have been increasing since. Other sources of import to Japan include EU countries; in particular Italy and France, followed by Belgium.

Figure 5-37: Japanese imports of baked goods by country, 2013-17; tonnes

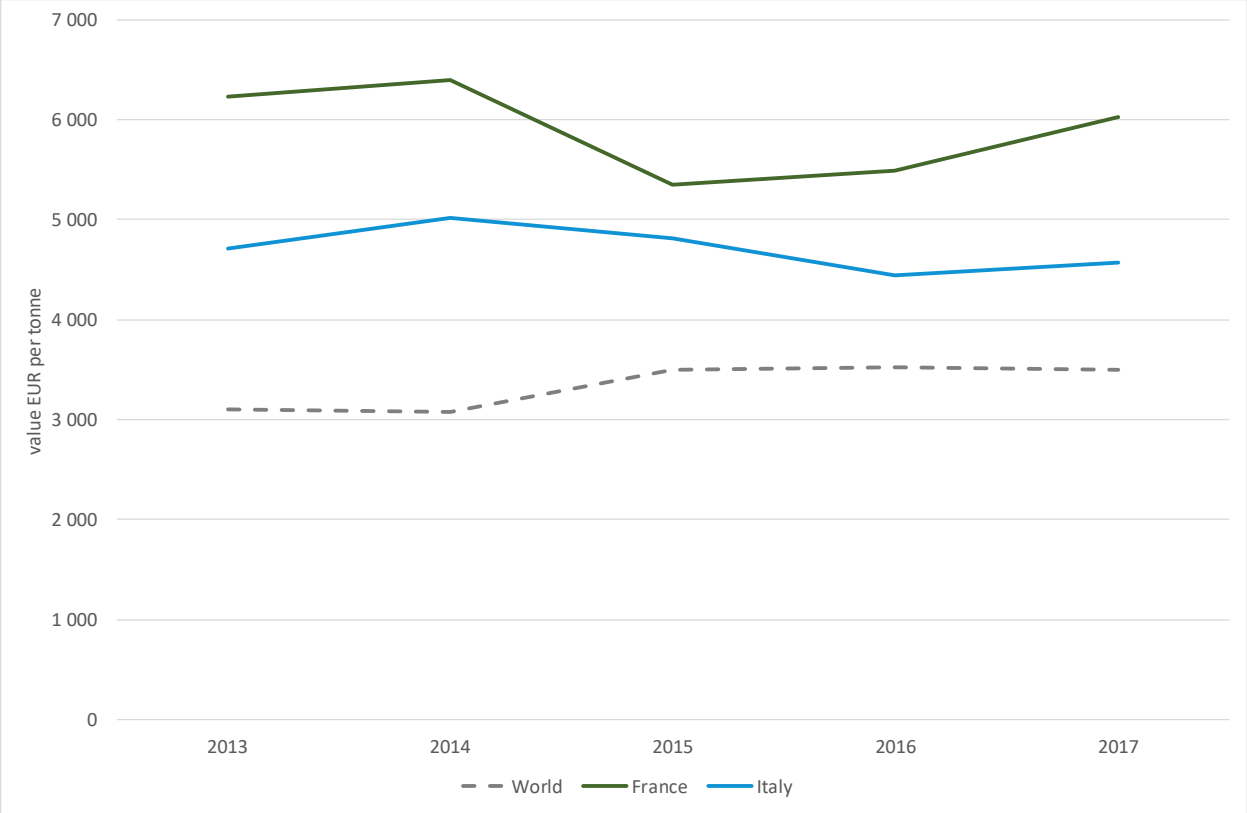


Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 1905

The per unit value of EU baked goods has generally been higher than the world average in recent years (Figure 5-38). French products have remained the most valued, even after considerable drop in 2015. Value per unit of baked goods from Italy picked up in 2017, after a period of decline between 2014 and 2016.

Figure 5-38: Per unit value of Japanese imports of baked goods for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - https://www.trademap.org/ Data for CN code 1905

5.8.3.3 EU GI products

No GIs are protected under the EU-Japan EPA.

5.8.3.4 Main competitors

Market for baked goods in Japan is led by domestic manufacturers due to high consumer loyalty, which often also occurs locally. Producers in Japan tend to meet domestic preferences better and follow recent trends[215]. Among the main foreign competitors, one should primarily take into account Chinese importers, followed by importers from China and Malaysia.

5.8.4 Specific market entry requirements

Market Access and Entry

There are no market access restrictions concerning baked goods, but the import is subject to a number of general regulations and entry procedures, complying with, *inter alia*¸ Food Sanitation Act. It should be

[215] Euromonitor International: Packaged Food, 2018

noted that in the light of ongoing delisting procedure of food additives, some baked goods products might be affected. The final list is to be concluded by the Japanese authorities in due time.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing baked goods might require providing additional documentation, i.e. Certification of Analysis[216], confirming the proper microbiological and chemical testing.

SPS measures

There are no particular SPS measures foreseen in case baked goods. However, prior to export, up to date information should be consulted on European Commission' website below.

Up to date information on appropriate documents concerning SPS measures
http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=JP&hscode=1905

Labelling

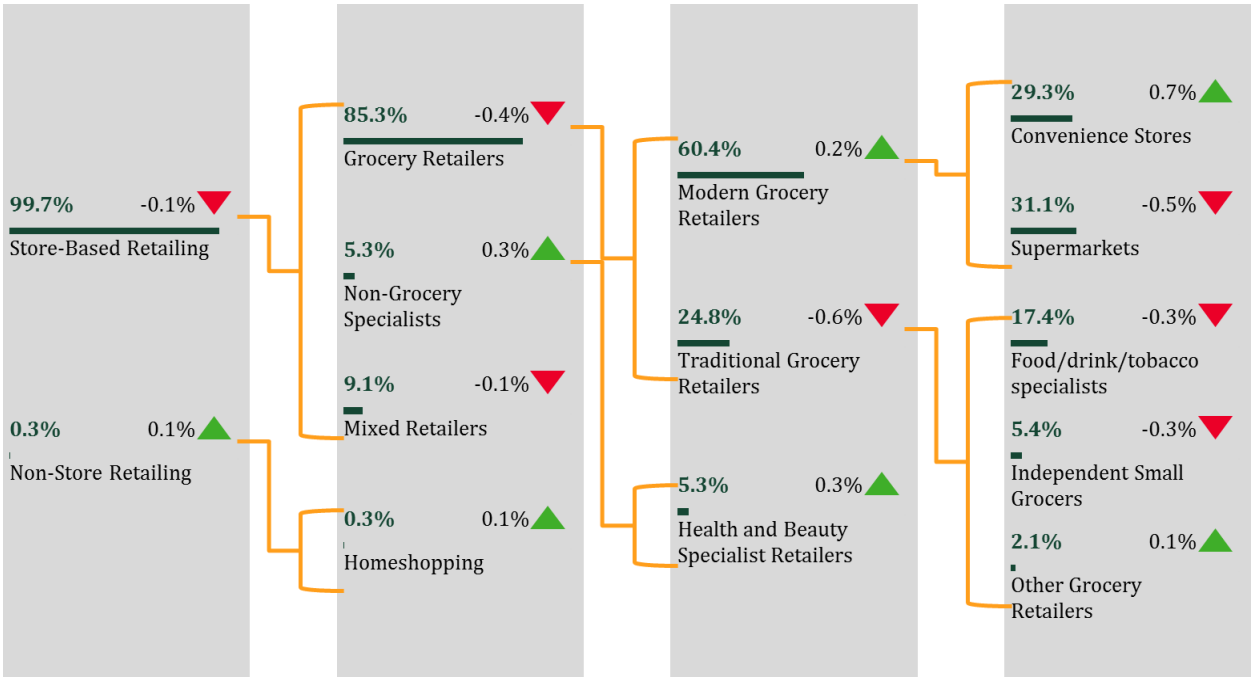
The section 4.2.3 provides an overview of Food Labelling Standard law in Japan. In general, in case of all processed foods, it imposes labelling requirements concerning allergens, nutritional components and countries of origin of ingredients as well as country of manufacture. Table 4-2 presents provisions of the labelling framework in Japan, pointing out the necessary requirements for processed foods, including baked goods.

5.8.5 Distribution

As seen in Figure 5-39, almost all baked goods are distributed through store-based retailers. However, the distribution channels tend to be varied and include several retailers. In 2017, the largest part, in terms of retail value, of baked goods was purchased in supermarkets (31.1%), followed by convenience stores (29.3%), food and drink specialists (17.4%) as well as independent small grocers. The value of sold baked goods in convenience stores noted the highest increase, rising by 0.7 percentage points in 2017, comparing to the previous year.

[216] Certificate of Analysis, Japan; European Commission; 2018;
http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cf_ana&hscode=1904&countryid=JP

Figure 5-39: Distribution channel overview of baked goods in Japan (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.8.6 Challenges for EU products

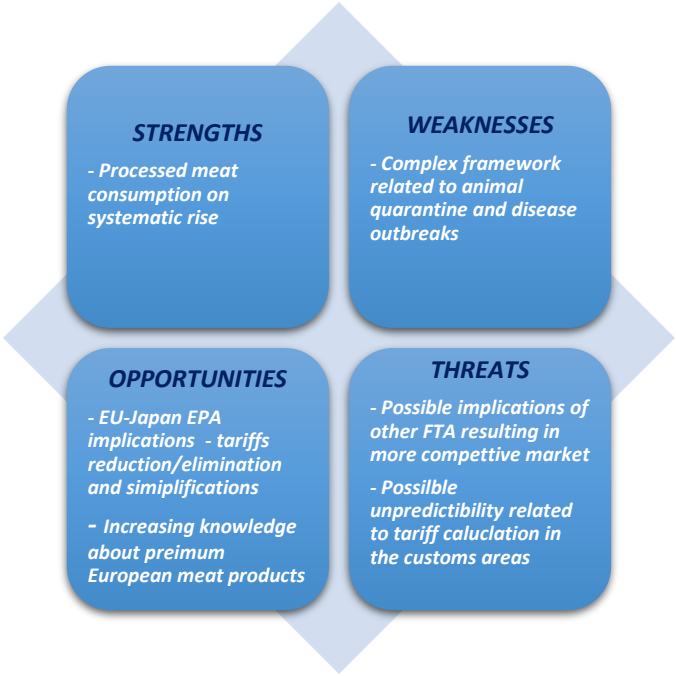
As mentioned in section 5.8.3.1, the domestic market for baked goods is dominated by Japanese manufacturers, as they accurately address the consumers' preferences. In effect, an average consumer in Japan has developed strong loyalty to domestic brands, which could one of the challenges EU manufacturers would have to face. Secondly, given the strong preferences for less food additives in baked goods as well as simultaneous food additives delisting process, producers from the EU might find some of their baked goods out of favour or restricted – obviously depending on the final outcome of the delisting process.

Market Takeaway: Baked goods

Consumption: *Consumption of baked goods in on slight rise, with bread products leading the market, followed by pastries and cakes.*
Competition: *Market dominated by domestic producers, meeting consumers' tastes and preferences. Main foreign competitor is China, followed by USA and Malaysia.*
Distribution: *Baked goods are distributed through variety of channels in balanced way, including supermarkets, convenience stores, which shares grew in 2017, food and drink specialists and small grocers.*
Challenges*: The biggest challenge relates to strong consumer loyalty*
Opportunities: *Projected increase in consumption of baked goods in Japan as well as increasing health awareness when purchasing baked goods. Favourable terms offered under EPA.*

5.9 Processed meat

5.9.1 SWOT analysis

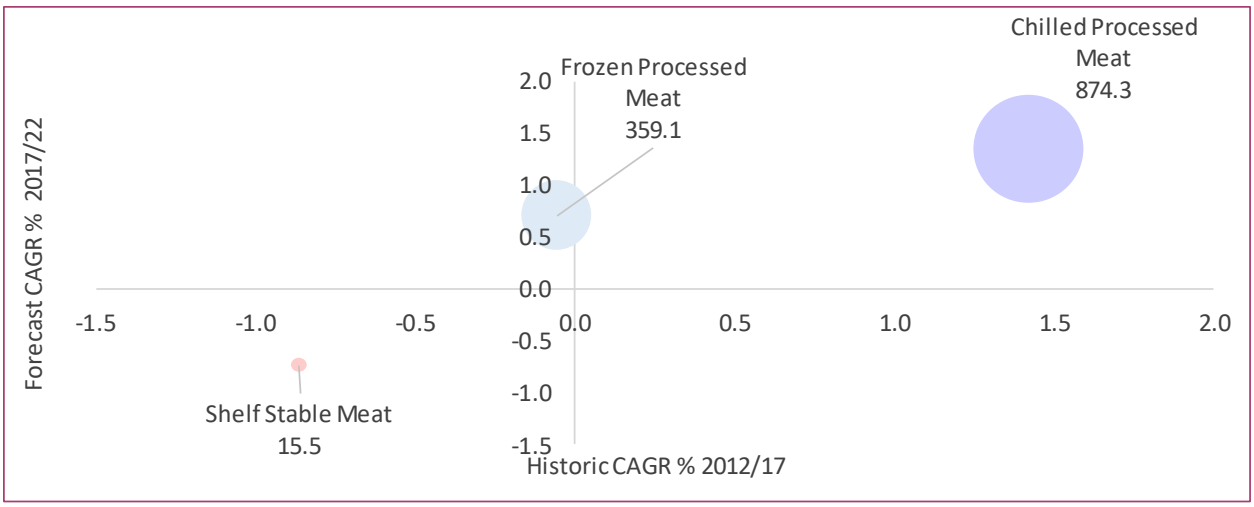


5.9.2 Consumption

5.9.2.1 Evolution of consumption

After several years of fluctuations, consumption of processed meat has been systematically growing and is projected to continue upward trend over the forecast period. Chilled processed meat has the largest share of the market and its evolution shows systematic upward trend both in previous years as well as the next (1.3%-1.4% per year). Despite the slight drop noted by frozen processed meat between 2012 and 2017, it is projected to grow by 0.7% per year over the forecast period. Shelf stable meat as the only type of processed meat which lost volume and it is expected to continue this downward trend going forward (Figure 5-40).

Figure 5-40: Evolution and forecast of processed meat market (000 tonnes) in Japan, total volume 2012-2022



Source: Euromonitor International: Packaged Food, 2018

Note: figures for 2017 to 2021 based on forecasts as indicated by (f) after the year

5.9.2.2 Consumer profile and purchase criteria

The internationalisation of Japanese diet as well as increasing emphasis on convenience are the major factors which have influenced processed meat consumption habits. Demand for processed seafood remains greater than demand for processed meat. However, the processed seafood sector shows a decline in value in recent years. and processed meat products have become an alternative among Japanese consumers.

Consumers

Japanese consumers are increasingly focusing on the convenience aspects of their diet. Processed meat products, such as sausages and hams have gained popularity among busy consumers. These products are available in majority of stores in Japan, which additionally increases the convenience-related added value. Sausages and hams are also popular due to the preparation of traditional Japanese lunch boxes – *bento boxes*, which are common both for children and adults. Although *bento boxes* have been popular for many years, recently they received greater attention due to new additional ingredients as well as a phenomenon of *kyaraben* – *bento boxes* prepared especially for children which depict favourite cartoon characters. That said, the popularity of hams among Japanese consumers is a fairly recent development, and many Japanese consumers still find the taste of some ham and smoked/cured sausage products to be quite salty.

Consumers who are focused on convenience as well as health benefits often choose processed poultry products. Lately, chilled processed poultry has had the strongest growth among meat types in the processed meat sector due to consumers' orientation towards a low carb – protein rich type of diet.

Drivers and method of consumption

As described in section 5.1.2.2, there are several drivers to consider when it comes to meat consumption. These remain valid for processed meat consumption and preferences. The main driver is still a combination of convenience as well as price-sensitivity, which results from busier lifestyle and changes in family structures. Secondly, as already noted Japanese consumers have always valued the products' quality, and processed meat products are no exception. Brand reputation, in view of Japanese consumers, bring certain quality and solid safety record. On the other hand, while consumers in Japan are curious, to some extent, about new tastes in processed meat sector, as section 5.9.3.1 will show, Japanese consumers are also particularly loyal to domestic brands; and consumers have made limited efforts to familiarise themselves with the types or brands of imported processed meat.

In terms of method of consumption, as described above, Japanese consumers are increasingly interested in products which are prepared in a convenient way and ready-to-eat, which would match their busy lifestyle. Processed meat, unlike fresh meat, is predominantly consumed in off-trade channels; and therefore, the presence of the meat in such channels is a key determinant in its success. That said, the food service channel does play an important role in some cases. High end hams, such as Spanish jamon serrano, Italian prosciutto and some German hams have proven to be popular in the food service area as they make a good accompaniment to alcoholic drinks. Indeed, such hams are generally either consumed as a compliment to alcohol, or as an accompaniment to salads. In view of these limited method of consumption, there is an opportunity for the provision of further ideas on method of consumption to consumers and for increases of sales through retail. Spanish jamon iberico is an example of a product which has traditionally been more available in restaurants and has recently gained in popularity due to its now widespread availability in retail channels as well.

Finally, due to health reasons, the number of consumers, who tend to choose preparations rich in protein, rather than carbohydrates, has been increasing.

Purchase criteria

Japanese consumers mainly base their purchasing approach on quality of the product as well as the convivence-related added value. The method of production of the meat is a further consideration that consumers may include in their purchase criteria. Processed meat products are increasingly chosen based on their price-quality ratio, which due to recent economic developments has become an additional important factor. Operators have indicated that, depending on the product, a mid-range retail price to the consumer of under JPY 1 000 (EUR 7.50) is likely to be most successful.

While the country of origin of processed meat may play a role in the consumers decision in the case of hams, it is not likely to play a significant role in the case of e.g. frozen sausages.

5.9.2.3 Recent market trends

Although processed seafood is very popular, processed meat products have noted continued growth in retail sales and the product group is expected to grow further, mainly due to its convenience issues, which will remain the major purchasing incentive for consumers in Japan. Effectively, chilled processed poultry is expected to remain as the fastest growing category among processed meat sector due to the weight consciousness of consumers. A notable sub-category of this is processed chicken breast products which can be boiled, steamed or smoked and subsequently consumed as the protein element of a lunchtime or evening meal.

As noted above, the popularity of raw ham among Japanese consumers is a fairly recent development. Recently, retailers and food service operators have started to aggressively promote certain imported hams, giving free samples at shops and restaurants. Coupled with the potential to suggest new methods of consumption, there raw ham segment does show some potential for growth in coming years.

5.9.3 Offer

5.9.3.1 Domestic production

The processed meat sector in Japan is dominated by domestic players due to strong consumer loyalty. The market remains fragmented with no leading company[217] (2017). There are companies offering a broad portfolio of products, such as Japanese Consumers Co-operative Union and several companies specialised in an array of products, such as:

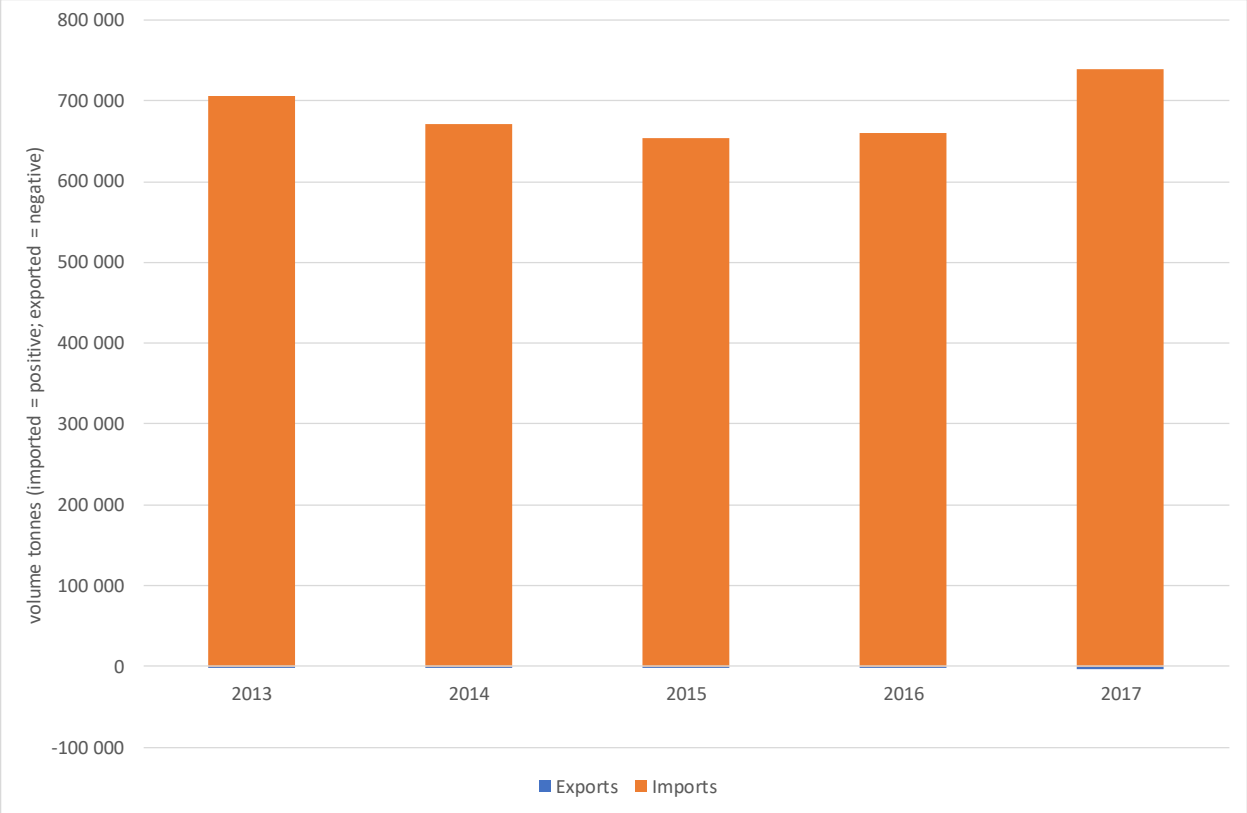
- NH Foods Ltd – chilled processed red meat
- Aijnomonot Frozen Foods Co – frozen processed meat
- Hagoromo Foods Corp – shelf stable food

5.9.3.2 Imports and exports

As depicted in Figure 5-41, Japan is a heavy importer of processed meat products. After a period of slight fluctuations between 2014 and 2016, imports reached the highest volume since 2013 last year.

[217] Euromonitor International: Packaged Food, 2018

Figure 5-41: Trade balance (imports and exports) of processed meat in Japan, 2013-17; tonnes

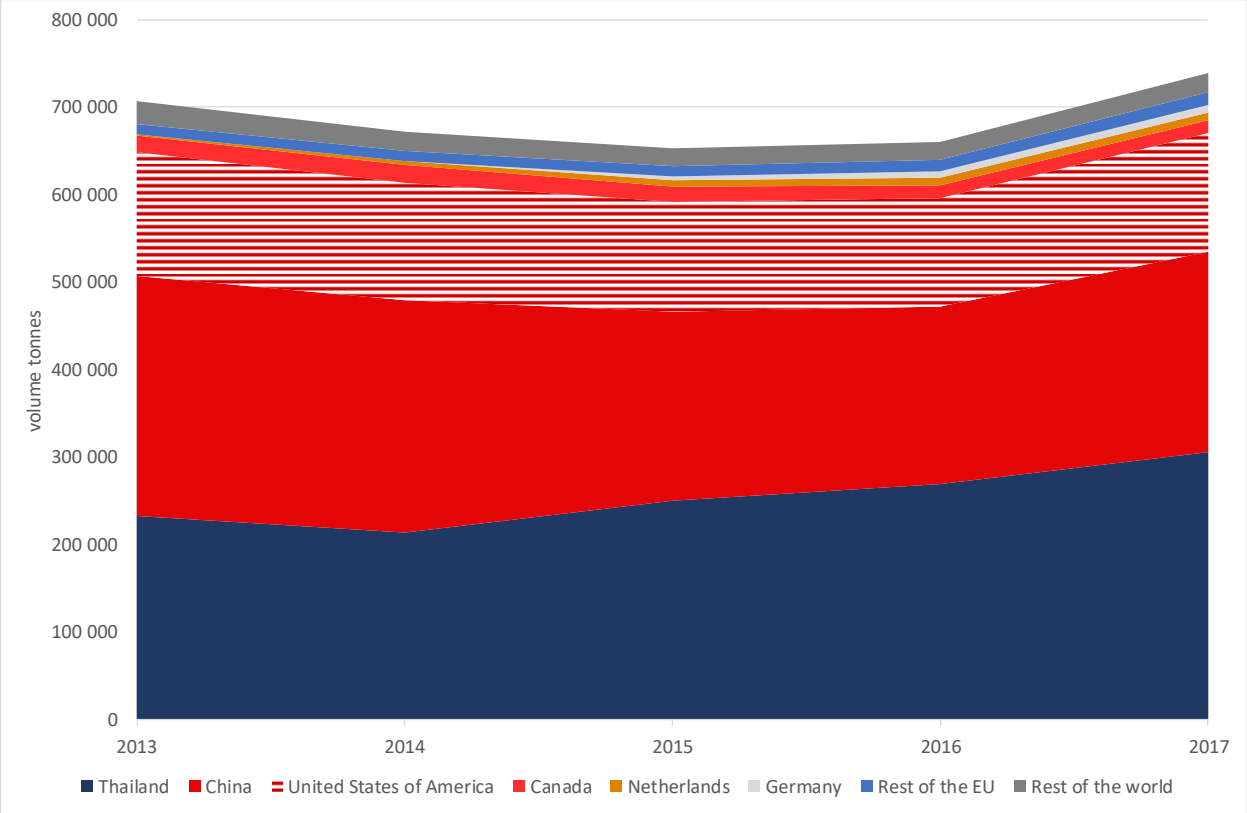


Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 0210, 1601 and 1602

Japanese imports of processed meat have relied mostly on three trade partners: Thailand, China and United States of America. Two EU countries: Netherlands and Germany have had larger share of imports than the rest of EU countries combined. Imports from Thailand have systematically increased since 2014 with simultaneous decrease of imports as a whole between 2014 and 2016.

Figure 5-42: Japanese imports of processed meat by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 0210, 1601 and 1602

5.9.3.3 EU GI products

EU-Japan Economic Partnership will bring recognition and protection of EU GI products on the Japanese market. Among them, there are following meat products:

- Tiroler Speck (Austria)
- Jambon d'Ardenne (Belgium)
- Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord, Quercy) (France)
- Jambon de Bayonne (France)
- Nürnberger Bratwürste / Nürnberger Rostbratwürste (Germany)
- Szegedi szalámi / Szegedi téliszalámi (Hungary)
- Bresaola della Valtellina (Italy)
- Mortadella Bologna (Italy)
- Prosciutto di Parma (Italy)
- Prosciutto di San Daniele (Italy)
- Prosciutto Toscano (Italy)
- Guijuelo (Spain)
- Jabugo (Spain)

- Jamón de Teruel / Paleta de Teruel (Spain)

5.9.3.4 Main competitors

As noticed in section 5.9.3.1, domestic market tends to be fragmented, with no leading company. However, there are companies specialised in a specific type of processed meat product as well as companies offering a broad array of products.

Major competitors include importers from Thailand, China and USA, which cover significant part of all Japanese imports of processed meat.

5.9.4 Specific market entry requirements

Market Access and Entry

In case of processed meat, there are certain market restrictions to consider, as is the case in fresh meat sector. These are described in section 5.1.4. The current possibility to export a specific meat product can also be checked with the embassy of your country in Japan (see section 8.2).

Customs procedures

A list of standard documents as well as the overview of procedures is presented in section 4.2.1. It should be noted though that importing processed meat products might require providing additional documentation concerning Animal Quarantine inspection. These documents are listed below.

SPS measures

The Animal Quarantine Service during its inspection requires several documents, depending on the animal product:

- BSE Certificate
- Certificate of Dioxin Content
- Import Notification for Animal Consignments Subject to Quarantine
- Veterinary Health Certificate for Live Animals
- Veterinary Health Certificate for Animal Products
- Import Quarantine Certificate for Live Animals
- Import Quarantine Certificate for Animal Products.
- Import Permit for Endangered Species Subject to CITES

Up to date information on appropriate documents concerning SPS measures and Animal Quarantine inspection can be consulted on European Commission website:
http://madb.europa.eu/madb/indexPubli.htm

Any other query regarding the necessary SPS documentation should be directed to:
Animal Health Division, Food Safety and Consumer Affairs Bureau, Animal Health Affairs Office under the Ministry of Agriculture, Forestry and Fisheries (MAFF),
1-2-1 Kasumigaseki, Chiyoda-ku, JP-1008950 Tokyo,
phone number: +81 3 35028111.

Labelling

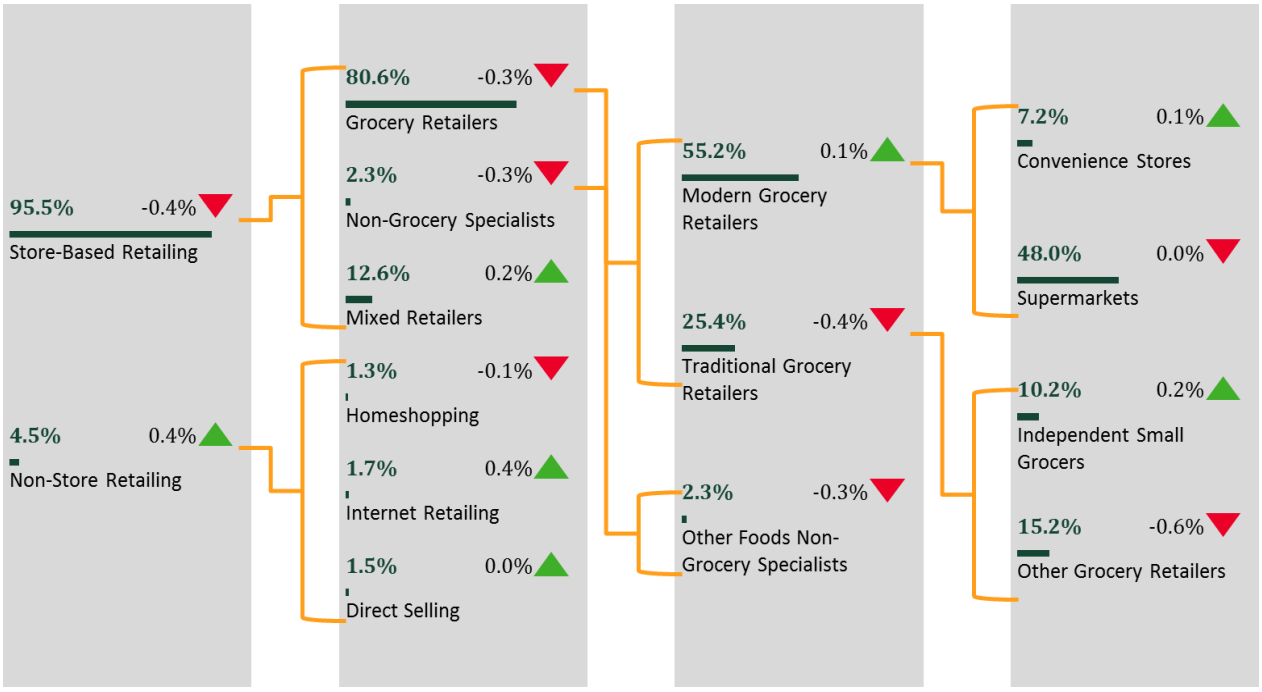
The section 4.2.3 provides an overview of Food Labelling Standard law in Japan. In general, in case of all processed foods, it imposes labelling requirements concerning allergens, nutritional components and countries of origin of ingredients as well as country of manufacture. Table 4-2 presents provisions of the labelling framework in Japan, pointing out the necessary requirements for processed foods, including processed meat products. In addition, there are certain rules applying when there is more than one country of origin, which can be consulted on CAA's website:

Guidance on country of origin issue (processed foods)
http://www.caa.go.jp/en/policy/food_labeling/pdf/syokuhin_en_010.pdf

5.9.5 Distribution

Processed meat in Japan is generally consumed through off-trade (retail) channels, as, with the exception of specialised products such as cured meats, the expectation is for the on-trade (food service) to make freshly prepared meals rather than use prepared processed preparations. Within the retail channel, processed meat is mainly distributed through grocery retailers (80.6%). Almost half of all processed meat in the retail channel (48% in 2017) is distributed through supermarkets. Independent small grocery and convenience stores amounted for 10.2% and 7.2% respectively. There were no significant fluctuations in the distribution channel shares, with the highest change in case of Internet retailing, which noted an increase of 0.4 percentage points in 2017 (Figure 5-43).

Figure 5-43: Distribution channel overview of processed meat in Japan (2017)



Source: Euromonitor International: Packaged Food, 2018

5.9.6 Challenges for EU products

As is the case with the fresh meat sector, processed meat products are subject to stringent control measures related to animal quarantine. Additionally, other challenges can be linked to high consumer loyalty as well as possible implication of other Japan's Free Trade Agreements. For certain products such as hams, limited awareness of the products and methods of consumption may pose some challenges.

Market Takeaway: Processed meat

Consumption: *Consumption of processed meat has remained relatively stable and is expected to systematically grow over the next 4 years. It is primarily driven by the convenience trend.*
Competition: *Market is dominated by domestic companies, however imports from Thailand, China and USA play a major role in satisfying demand for processed meat products in Japan.*
Distribution: *Processed meat is mainly distributed through supermarkets, which accounted for 48% of grocery retailers share (80.6%), followed by independent small grocers (10.2%) and convenience stores (7.2%).*
Challenges*: Stringent control measures related to animal quarantine, which arise from reoccurring disease outbreaks. Possible implications of future Free Trade Agreements with other countries, resulting in possible more competitive fresh meat market in Japan. High consumer loyalty.*
Opportunities: *EU-Japan EPA implications, i.e. tariffs reduction/elimination and other simplification in the area.*

5.10 Fresh fruit and vegetables

5.10.1SWOT analysis

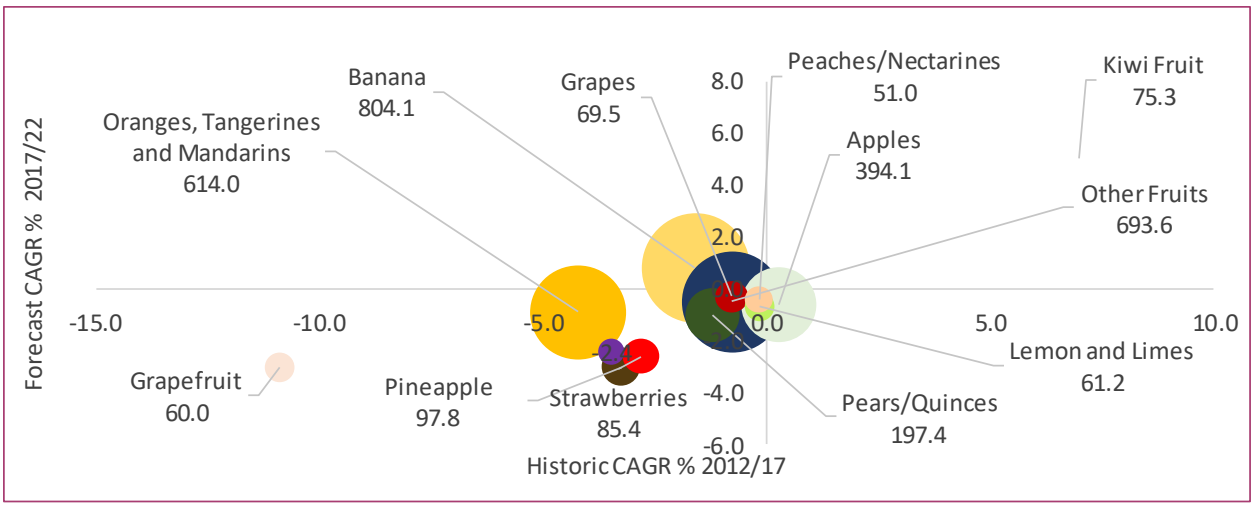
5.10.2Consumption

5.10.2.1 Evolution of consumption

Overall consumption of fresh fruit in Japan has been steadily failing in recent years[218]. As presented in Figure 5-44, bananas have the largest share in Japanese fruit market. While consumption of this fruit has dropped slightly in recent years, due to its convenience is a top choice for consumers and its consumption is expected to stabilize in next years. The second biggest fruit categories are other fruits (which includes apricots, raspberries, currants, figs, watermelons and melons among others), followed by oranges tangerines and mandarins. The latter noted a significant drop in consumption between 2012 and 2017 (4.2% per year). Kiwi is the only fruit which consumption managed to increase and is projected to keep an upward trend, growing by 5% per year over the forecast period. Such increases in kiwi consumption have been triggered by recent trends related to advertised nutritional value of the fruit as well as its characteristic flavour. Given that overall fruit consumption has been declining, almost all other types of fruit noted a decrease in its consumption; especially grapefruit which dropped by 10.9% per year between 2012 and 2017.

[218] Fruit consumption continues to fall in Japan; C.Aebischer; 2018; http://www.fruitnet.com/asiafruit/article/175787/fruit-consumption-continues-to-fall-in-japan

Figure 5-44: Evolution and forecast of fresh fruits market (000 tonnes) in Japan, total volume 2012-2022



Source: Euromonitor International: Fresh Food, 2018

Note: figures for 2017 to 2022 based on forecasts as indicated by (f) after the year

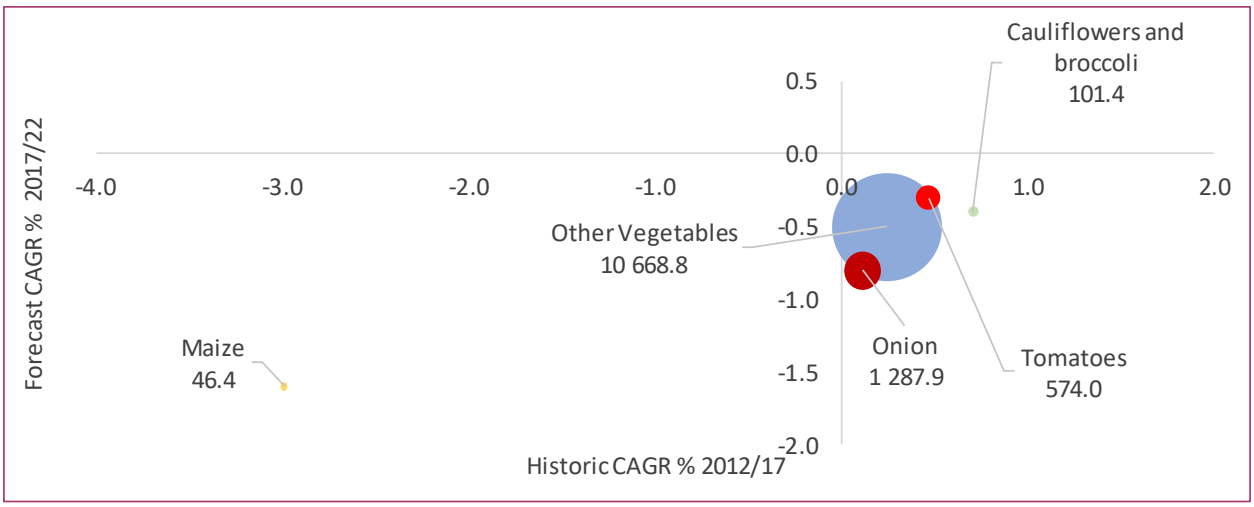
Consumption of fresh vegetables has noted a slight decrease in recent years, however in 2017 it rose by 2% in volume terms, after a drop caused by natural disasters and poor harvest a year before[219]. Nonetheless, consumption is expected to decline over the forecast period as the population falls.

Vegetables such as daikon[220] (Japanese radish), various types of cabbages, carrot, mushrooms, eggplants, and other green vegetables (except broccoli) have had by far the highest market shares and have noted a minor increase in volume in recent years (Figure 5-45). Onion consumption, after a period of stabilized consumption is projected to drop by 0.8% per year over the next years; similarly, tomatoes consumption is expected to drop by 0.3% per year over the forecast period. Cauliflowers and broccoli noted the highest increase in total volume (0.7% per year) between 2012 and 2017, however it is excepted to decrease by 0.4% per year in next years.

[219] Euromonitor International: Fresh Food, 2018

[220] Daikon has been the most consumed vegetable per person due to its usage in Japanese cuisine as well as to high availability throughout the year.

Figure 5-45:Evolution and forecast of vegetables market (000 tonnes) in Japan, total volume 2012-2022



Source: Source: Euromonitor International, Fresh Food, 2018.

5.10.2.2 Consumer profile and purchase criteria

Given the Westernization trends in recent consumption habits, both fresh fruits and vegetables are generally becoming less common in Japanese diets. This is due to frequent dining out rather than home cooking at home using them as an ingredient or consuming them raw. While fresh fruits are generally considered as desserts and snacks, vegetables are an inherent part of traditional Japanese cuisine and therefore demand for them is higher than for fruits.

Consumers

In general terms, the older generation of Japanese tend to consume more fresh products, including fresh fruits in vegetables. On the other hand, young consumers are more likely to dine out and/or follow other diet habits, which exclude the direct usage of fresh fruits and vegetables (though they may still serve as an ingredient)

As mentioned before, fruits are commonly regarded as desserts and snacks in Japan. Consumers appreciate also the convenience added value of the fruit, thus banana is one of the most popular fruits.

Japanese also tend to consume significant quantities of oranges, mandarins, apricots, raspberries, currants, figs, watermelons, melons and apples. Japan also has a large market for luxury fruit items, which plays a crucial role in Japanese culture of gift-giving,

as luxury fruits are known for their original and rich appearance, which very often have hidden semantic meanings[221], such as symbol of respect or colour-associations.

Vegetables, on the other hand, are widely used in traditional Japanese diet. However, according to the National Health and Nutrition Survey, Japanese citizens have been consuming a lower quantity of vegetables per day over the last 10 years[222]. Consumers are attracted to all kinds of green leafy vegetables, e.g. cabbages, spinach, spider mustard, as well as in root vegetables, such as Daikon (Japanese radish), potatoes, broccoli, carrot, onions and ginger. All of them are frequently used in Japanese dishes. Other vegetables such as tomatoes, eggplants, peppers, corn, pumpkins, cucumbers, are mainly used in Western style cooking.

Drivers and method of consumption

Consumption of fruits and vegetables is mainly driven, as is the case with other sectors, by changes in Japanese dietary habits; most notably by trends in convenience and novelty seeking. More health-conscious consumers opt for more vegetable-based diets, as well as the older generation, which on the other hand appreciate consuming more vegetable due to traditional incentives. Given recent economic developments, consumers have also become more price-sensitive, often basing their fruit and vegetable choice on the frequent price fluctuations, caused by seasonality as well as weather conditions. Lastly, in case of luxury fruit items, such as e.g. strawberries, melons and grapes, the main driver is linked to gift-giving tradition in which consumers tend to choose products based on their appearance and meaning, which at the same time is, in general, a subjective consideration.

Purchase criteria

Japanese consumers tend to base their approach on certain aspects, such as convenience (fruits regarded as snacks), and usefulness in cooking (vegetables, with type chosen depending on personal considerations). As mentioned above, more health-oriented consumers would seek for more vegetable and fruit intake. Nonetheless, mentioned above price rises and fluctuations, resulting from frequent natural disasters and low supply also influence the Japanese purchasing approach.

5.10.2.3 Recent market trends

Generally speaking, recently consumption of both fruits and vegetables has become more diverse, mostly due to the increasing volume of imported products. In the case of fruits, Japanese lately have started to prefer products with convenience added value, such as banana, while respecting budgetary constraints. In vegetable sector, the choice is based on cuisine preferences, which, due to increasing interest in Western cuisine increasingly includes more European style roots and vegetables. As indicated in section

[221] $27,000 melons? Unwrapping the high price of Japan's luxury fruit habit; G. McCafferty, E. Jozuka, CNN; 2017; https://edition.cnn.com/travel/article/japan-luxury-expensive-fruit/index.html

[222] Euromonitor International: Fresh Food, 2018

5.10.2.1, consumption in both sectors has, after a period of fluctuation, picked up slightly in 2017, although it is projected to steadily decline going forward.

The output of the domestic fruit and vegetable market is strictly linked to natural disasters and weather conditions in Japan. In effect, supply and prices of domestic produce tend to fluctuate, and demand for imported products can be affected by this. Due to series of typhoons and earthquakes in 2016, the market, especially for vegetables, is still recovering from poor harvest. Lastly, the imported volume of fruits and vegetables can also be impacted by other factors, such as global demand[223].

5.10.3 Offer

5.10.3.1 Domestic production

Japanese domestic production of vegetables mostly focuses on leaf vegetables, such as cabbages, lettuce, spinach and perilla leaf, and some roots, such as daikon, onion, yam, potato and carrot. Major vegetables in Hokkaido, which is the biggest producing region of fruit and vegetables, include onions, pumpkins, tomatoes, daikon, yams, asparagus and lily bulbs[224]. According to MAFF, the Japanese food self-sufficiency in vegetables oscillates around 80%[225], with imports filling the gap both in domestically produced vegetables types and less known vegetables.

In case of fresh fruits, Japan's domestic production focuses on citrus fruits, such as oranges, mandarins, tangerines; pome fruits (apples, Japanese pear); as well as stone fruits, i.e. peaches, berries and Japanese plums. Lastly, Japan also has some berries plantations, such as strawberries and grapes. As is the case with vegetables, imports usually relate to non-domestically produced fruits, though some domestically produced varieties are also imported[226].

Lastly, another factor impacting domestic production is steadily increasing shortage of manpower and ageing of farmers, which in the end limits the production or leads to price rises[227].

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[223] Euromonitor International: Fresh Food, 2018

[224] Vegetables in Hokkaido; Hokkaido Regional Development Bureau; https://www.hkd.mlit.go.jp/ky/ki/renkei/ud49g700000001xq-att/splaat0000003p49.pdf

[225] Japan Trade Agreements to Present Challenges for U.S. Vegetables; USDA Gain Report JA8056; 2018; https://gain.fas.usda.gov/Recent%20GAIN%20Publications/Japan%20Trade%20Agreements%20to%20Present%20Challenges%20for%20U.S.%20Vegetables_Tokyo_Japan_8-20-2018.pdf

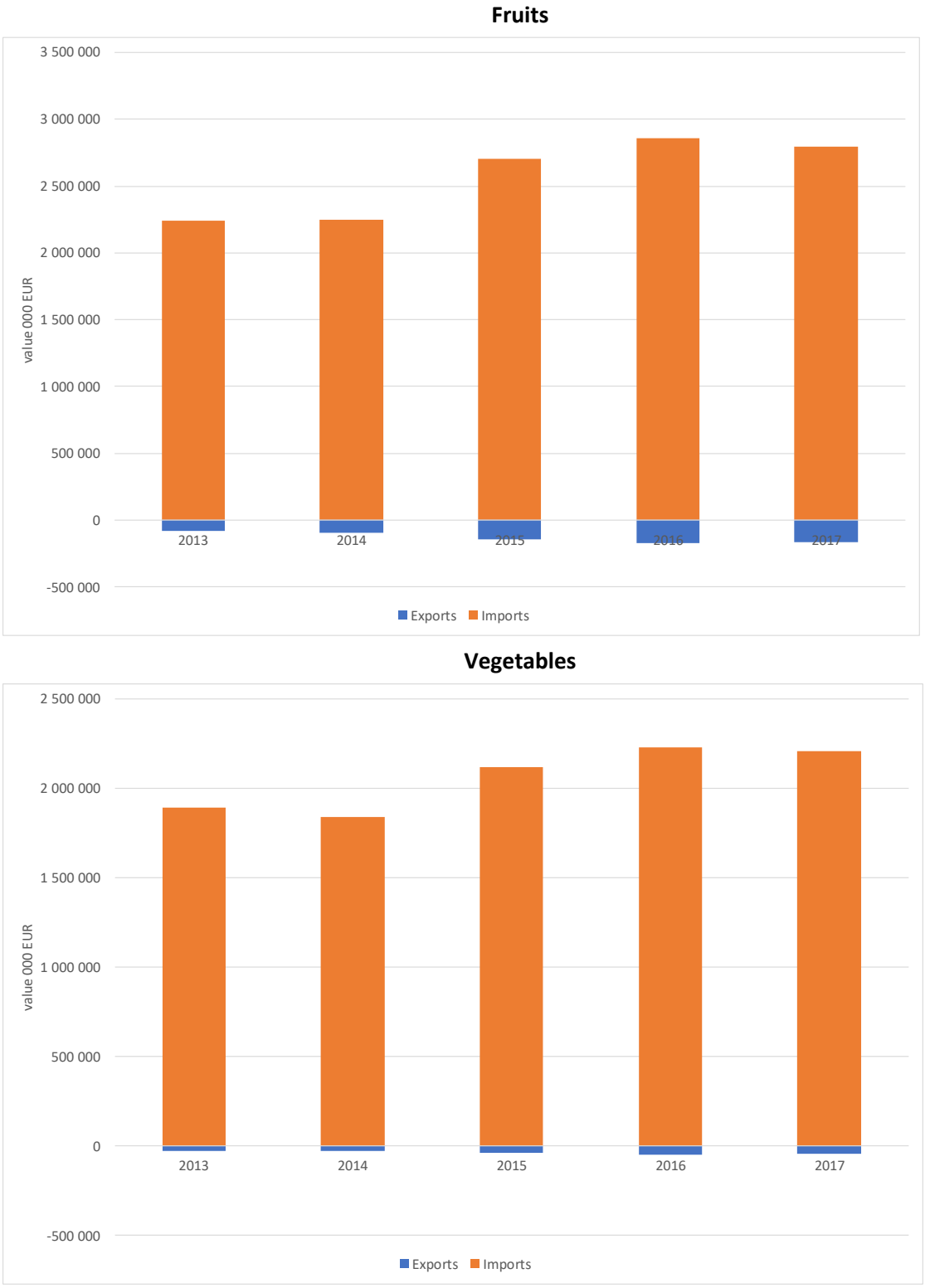
[226] Fresh fruit and vegetables to Japan – Market Trends and JAEPA benefits; Austrade; https://www.austrade.gov.au/ArticleDocuments/1358/Fresh-fruit-and-vegetables-to-Japan-JAEPA.pdf.aspx

[227] Euromonitor International, Fresh Food 2018.

5.10.3.2 Imports and exports

Japanese imports of fresh fruit significantly predominate over exports in terms of value. After a period of steady growth, both in imports and exports, 2017 brought a decline in both areas (Figure 5-46). Analogically, imports and exports of fresh vegetables decreased in 2017, after the steady growth noted between 2013 and 2016. These slight decreases can be connected both to falling consumption as well as after the impact of a series of natural disasters, which hit Japan in 2016. Lastly, as presented in Figure 5-46, imports of fruits and vegetables oscillate around similar value, with fruits having a slightly higher one, whereas Japanese exports of fruits are greater than vegetables.

Figure 5-46: Trade balance (imports and exports) of fruits and vegetables in Japan, 2013-17; value 000 EUR



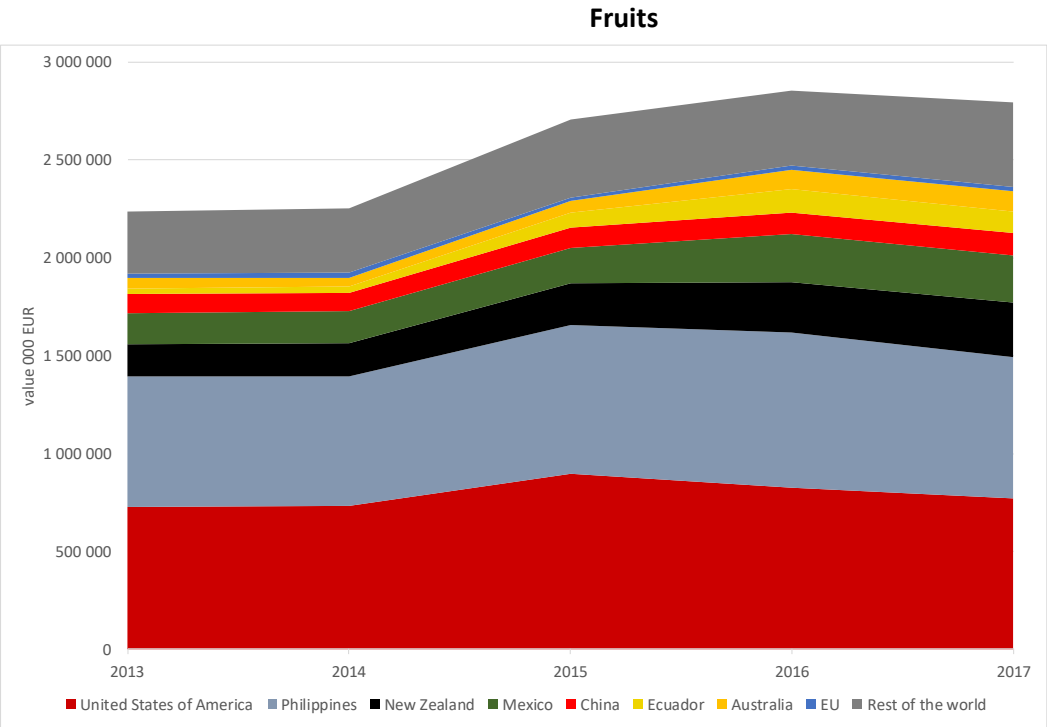
Source: Trade Map, International Trade Centre - https://www.trademap.org/

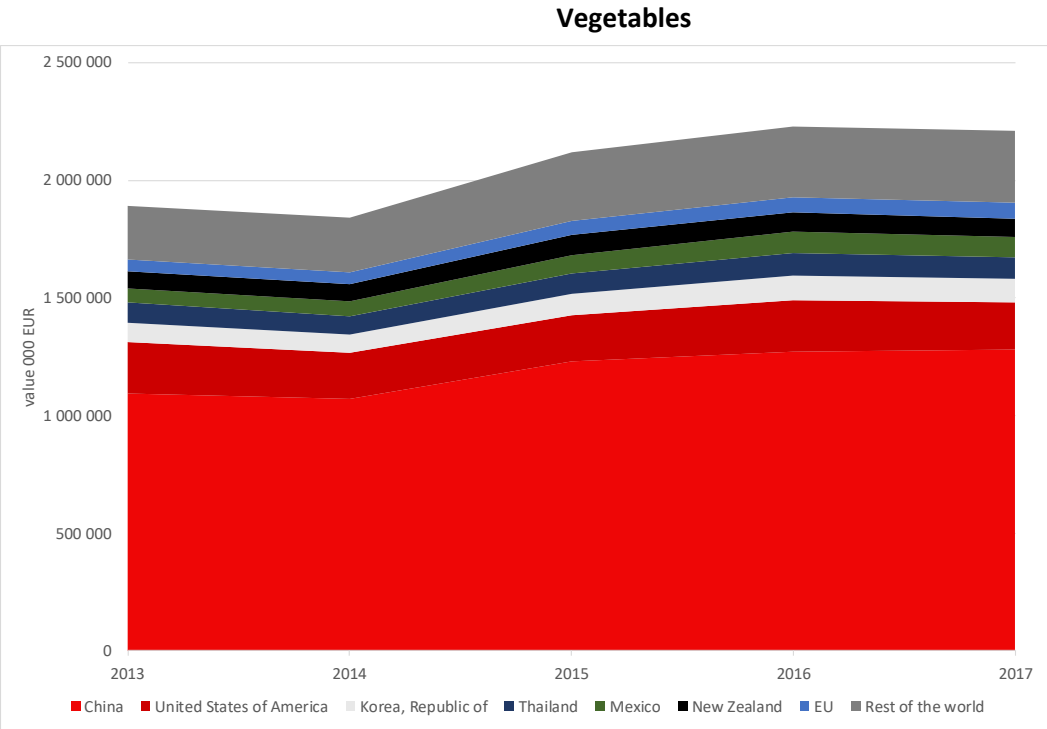
Data for CN code 07 and 08

Japan imports fruits from many countries and is rather diverse in its sourcing, however imports from USA and Philippines constitute the highest value, outweighing the value of rest of imports. Other exporters include New Zealand, Mexico, China, Ecuador and Australia. EU countries have not been importing significant quantities of fresh fruits to Japan. Imports both from USA and Philippines increased considerably in 2015, however in both cases, their value declined in 2017 (*Figure 5-47*).

In case of vegetables, more than half of imports value comes from Chinese imports, which have been increasing since 2014. Other significant imports come from USA, South Korea, Thailand, Mexico and New Zealand. However, as is the case with fresh fruit, imports tend to be diverse in origin as presented in Figure 5-47. The value of EU countries' imports has not been very significant in previous years.

Figure 5-47: Japanese imports of fruits and vegetables by country, 2013-17; value 000 EUR





Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 07 and 08

5.10.3.3 EU GI products

According to recently singed Economic Partnership Agreement (EPA) between the EU and Japan, some of EU GI products are going to be recognised and protected on the Japanese market. The current list includes also some fresh fruit and vegetables[228]:

- Fruits:
  - Pruneaux d'Agen / Pruneaux d'Agen micuits (France)
  - Mela Alto Adige / Südtiroler Apfel (Italy)
  - Pêra Rocha do Oeste (Portugal)
  - Cítricos Valencianos / Cítrics Valencians (Spain)
- Vegetables:
  - Steirischer Kren (Austria)
  - Ελιά Καλαμάτας -Elia Kalamatas (Greece)

5.10.3.4 Main competitors

Japan's domestic production in certain fresh fruit and vegetables is rather large, therefore Japanese farmers/manufacturers have majority of markets' share in e.g. cabbage, lettuce, onions, potato, apples, oranges and carrot[229] with any supply gaps filled by imports. In addition to imports of domestically produced fruits and vegetables, Japan imports large quantities of non-domestically produced types from USA, China, Philippines, followed by many other countries, such as New Zealand, South Korea, Australia. Mexico, etc. (section 5.10.3.2). In effect, there are many competitors included, with USA and China as major ones and the importance of other countries depending on the product.

5.10.4 Specific market entry requirements

Market Access and Entry

Fresh fruit and vegetable are subject of an import quarantine procedure, which is to prevent a possible invasion of pests. It is performed by the Plant Protection Station (PSS) and concludes with the issuance of a plant quarantine certificate confirming the pest-free status[230]. Inspections can be carried out both at seaports and airports quarantine facilities.

Importing conditions, outlining the current status of particular country and/or product can be consulted on PPS website:
http://www.pps.go.jp/eximlist/Pages/exp/conditionE.xhtml

[228] All listed products relate to fruit or vegetables category, which can be presented fresh or processed (excepted Pruneaux d'Agen, which is always a processed (dried) product.
[229] Typical for Japan fruits and vegetables did not listed.
[230] Import quarantine; Plant Protection Station; MAFF; http://www.pps.go.jp/english/jobs/import.html

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing fresh fruit and vegetable might require providing additional documentation concerning Quarantine Certificate for Plants and plant products as well as Phytosanitary Certificate.

SPS measures

Apart from the import quarantine certificate issued by Japanese authorities after concluding import quarantine procedure, products should also have the phytosanitary certificate, issued by the plant health authorities in the country of export. From 1st October 2018, plants and plant products without phytosanitary certificates will be disposed of[231].

Labelling

The section 4.2.3 provides an overview of Food Labelling Standard law in Japan. It should be remembered that all fresh foods are exempted from the requirement of providing nutritional components of the product. Table 4-2 presents provisions of the labelling framework in Japan, pointing out the necessary requirements for all fresh foods.

5.10.5 Distribution

Fresh fruit and vegetables are distributed mainly through the food service distribution channel; however, its shares slightly differ (47% fruits; 42.6% vegetables). Fruits are also distributed more frequently through retail channel (44.4%) than vegetables are (38.3%). Institutional distribution channels are more important for vegetables than for fruit (Figure 5-48).

[231] Plant Quarantine Notice; MAFF; 2018; http://www.maff.go.jp/pps/j/guidance/leaflet/pdf/pc_en-2.pdf

Figure 5-48: Distribution channel overview of fresh fruit and vegetables in Japan (2017); total volume

Source: Euromonitor International: Fresh Food, 2018

5.10.6 Challenges for EU products

EU producers are likely to struggle with importing fresh fruit and vegetables due to Japan's long-established ties with foreign importers, and given the low volumes imported from the EU in recent years, it can create a major challenge for EU products.

Market Takeaway: Fresh fruit and vegetables

Consumption: *After period of fluctuation, consumption picked up in 2017, however it is projected to decline over the forecast period.*
Competition: *Market balanced with domestic producers for certain fruits/vegetables and large quantities importing from many countries, including USA, China, Philippines as main competitors in terms of value.*
Distribution: *Fresh fruit and vegetables distributed through food service and retail channels mostly, with institutional channel playing greater role in case of fresh vegetables.*
Challenges*: Long-established ties with fruit/vegetables importers with simultaneous low volumes imported from the EU.*
Opportunities: *Increasing knowledge about premium EU fresh fruit and vegetables. Quality-seeking among Japanese consumers.*

5.11 Beer

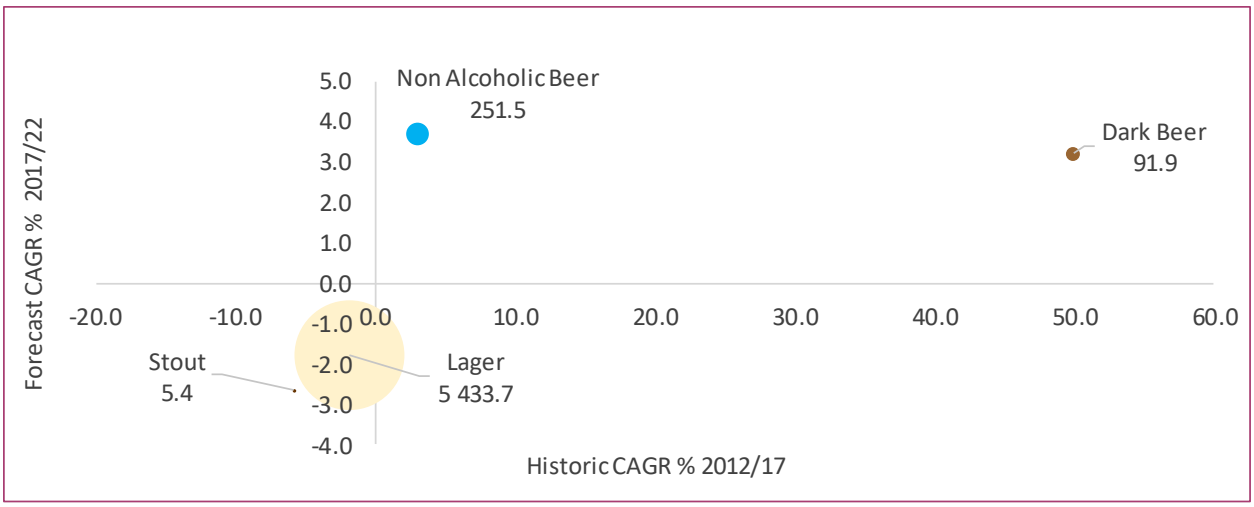
5.11.1SWOT analysis

5.11.2Consumption

5.11.2.1 Evolution of consumption

As presented in Figure 5-49, the consumption of Japan's favourite beer type - lager - has been failing and it is also projected to decline over the forecast period. The highest growth in consumption was noted by dark beer, however quantity-wise it constitutes only small part of beer consumption in Japan. Non-alcoholic beer has also been on rise and its consumption is expected to grow further. The total beer consumption has been gradually declining since 2012 and is forecast to do so in the next 5 years.

Figure 5-49: Evolution and forecast of beer market (000 litres) in Japan, total volume, 2012-2022



Source: Euromonitor International: Alcoholic Drinks, 2018

Note: figures for 2017 to 2022 based on forecasts as indicated by (f) after the year

5.11.2.2 Consumer profile and purchase criteria

Beer is the most popular alcoholic drink in Japan and is consumed throughout the country, both inside and outside the home. It plays a central role in daily life, from plenty of social to business drinking occasions.

Consumers

The working age group is the largest consumer group of beer in Japan. As mentioned in Figure 5-6, declining consumer expenditure and a shrinking labour force mean the consumption of standard, mid-price lagers, which have long been dominant, is falling.

Additionally, due to recent changes in liquor tax law as well as unfavourable weather, the price of favourite Japanese lager beer increased in 2017[232]. Effectively, this led consumers to look for alternative alcoholic drinks, such as spirit-based RDTs (ready-to-drink), which became a main rival to beer, as economy drinkers have started to enjoy high-alcohol offerings. Though high-alcohol beers historically have never been popular, recently the category has gained some interest among consumers[233].

[232] Euromonitor International: 2018, Alcoholic Drinks

[233] Japan Is Drinking Less, So Brewers Are Upping Alcohol Content; L Du, M Takahasi; Bloomberg; https://www.bloomberg.com/news/articles/2018-06-03/penny-pinching-drinkers-fuel-higher-alcohol-products-in-japan

Despite the highest and unquestionable popularity of lager beers in Japan, there are also several other types of beer which are chosen by consumers, such as dark beers, stouts, wheat beers and non-alcoholic beers. Wheat beer has noted a strong growth in volume, mostly driven by new product launches[234]. As noted above, non-alcoholic beers saw a slight increase in 2017 due to greater interest shown by consumers enjoying non-alcoholic drinks during weekdays. It should be noted that beer consumers in Japan slightly changed their habits as regards after work beer drinking (*beerooh banareh – leaving beer*), which had its peak in 1990s. Younger generation of Japanese often do not perceive consuming beer with their co-workers as a call of duty[235].

Other beer categories – dark, stouts and craft beers have not reached mass market status; however, driven by the emergence of small craft breweries in particular, Japanese consumers appreciate the opportunities to try them[236]. The dark beer market has been increasing since 2014 and is forecast to remain its slight growth over the next years. Stout beer, on the other hand, has been gradually declining and is expected to maintain a slight downward trend over the forecast period.

In recent times other beer alternatives, such as *new genre* beers and *happoshu*, have also appeared on the market. In the light of new Japanese alcohol taxation system these are not regarded as beer; however, they are marketed as an alternative to lager beers, being prepared from malt alternatives or a mix of happoshu and another type of alcohol[237].

Drivers and method of consumption

The key driver impacting the beer consumption patterns in Japan are consumers' preferences. As mentioned earlier, the lion's share of consumed beer is lager beer, which shows that Japanese consumers are particularly interested in standardized low-alcohol lager beer. However, recent changes in liquor taxation system as well as unfavourable weather conditions have brought price rises. As a result, consumers became more price-sensitive and spirits-based RDTs (Ready-to-drink) with high-alcohol as well as other beer alternatives have developed a strong consumer base.

In terms of method of consumption, despite the fall in popularity of after work drinking tradition, it still remains a common opportunity for beer consumption, especially in major urban locations. That said, the Japanese enjoy purchasing beers mostly in grocery retailers and consuming them at home. The legal purchasing age and legal drinking age in Japan are 20 years old.

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[234] Euromonitor International: 2018, Alcoholic Drinks

[235] Changing tastes brew bitter times for Japan's beer makers; Y.Kageyama; 2017; CTV News; https://www.ctvnews.ca/lifestyle/changing-tastes-brew-bitter-times-for-japan-s-beer-makers-1.3548016

[236] Japan's Craft Beer Scene is Hitting its Stride, N. Borchelt, Paste Magazine; 2018; https://www.pastemagazine.com/articles/2018/04/japans-craft-beer-scene-is-hitting-its-stride.html

[237] Euromonitor International: 2018, Alcoholic Drinks

Purchase criteria

As mentioned above, Japanese consumers have specified preferences which are the main base of their purchasing approach. That said, due to recent developments, price-sensitiveness have become an important factor, leading to gaining interest in other beer alternatives as well as non-alcoholic beers, which is additionally driven by increasing health awareness.

5.11.2.3 Recent market trends

Japanese beer market has been gradually declining since 2012[238]. In addition, in 2017, the market faced two significant obstacles, which effectively led to increases in beer prices and further migration of consumers to other alternatives:

- Amendment to liquor taxes – An update of the "Standards for Fair Trading of Alcohol Beverages" prohibits manufacturers and distributors to sell alcoholic drinks at prices below the gross costs of sales on a continuous basis without reason. The idea was to limit retailer discounting of alcoholic drinks.
- Unfavourable weather conditions – record-breaking low temperatures and rain in summer and autumn caused loses and poor harvest affecting the end price of the product.

In spite of the fact that beer market in Japan has been declining, lager beer has kept its dominant position, outweighing considerably other beer categories. Despite the growth of dark and craft beers, they have not developed solid consumer base, however emergence of small craft breweries can be noticed across Japan[239].

5.11.3 Offer

5.11.3.1 Domestic production

Japan's beer market is consolidated and dominated by domestic companies. The core company – Asahi Breweries Ltd remained its position and its leading the market with a bit above 1/3 of the market. The second company – Kirin Brewery Co Ltd noted a slight decrease in its shares, however kept its position. The other companies, such as Suntory Beer Ltd and Sapporo Breweries Ltd are on rise and seemed to develop solid base among consumers.

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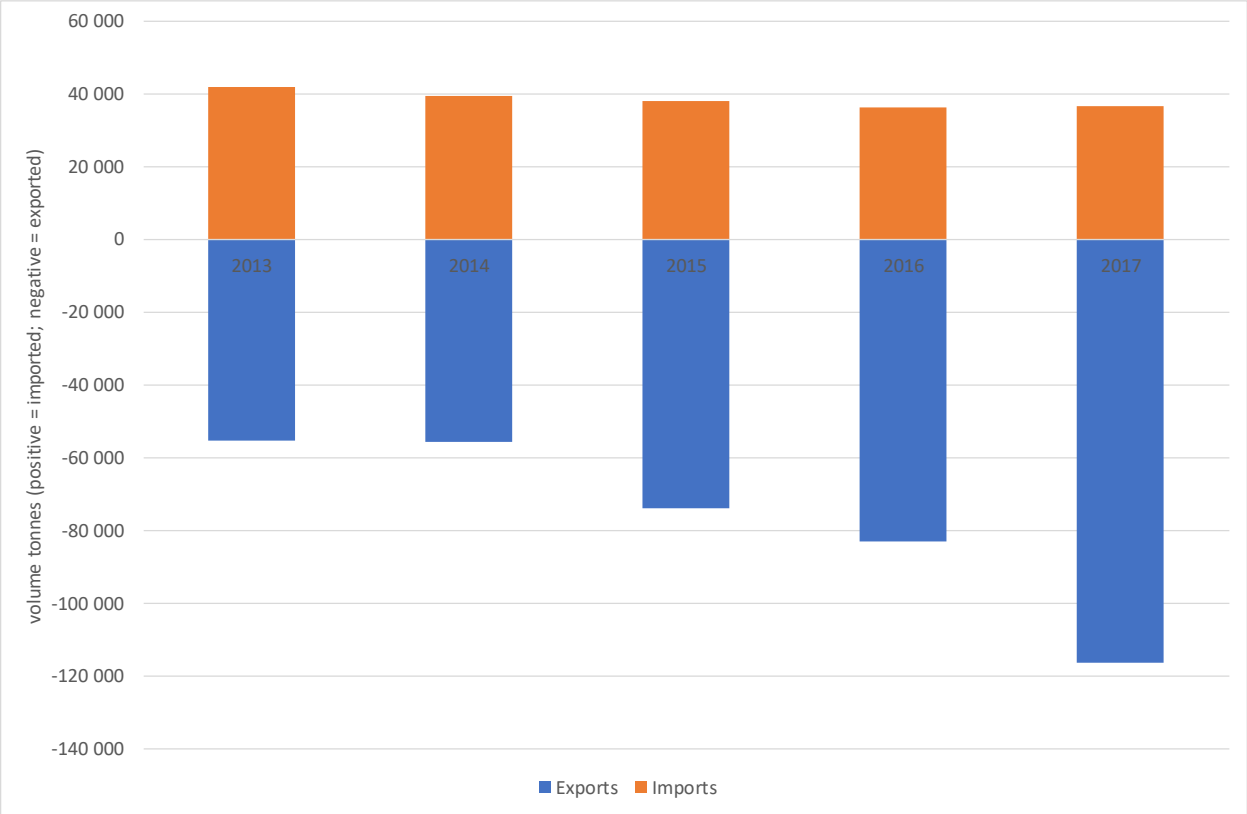
[238] Euromonitor International: 2018, Alcoholic Drinks

[239] The current map of breweries can be consulted here: https://www.nta.go.jp/english/taxes/liquor_administration/kantoshinetsu_breweries/pdf/others_6pref_en_0511.pdf

5.11.3.2 Imports and exports

Japan's beer exports considerably outweighed imports in 2017 (Figure 5-7). While import rates have slightly dropping since 2013, exports have been on rise since 2014. The exports significantly exceeded imports in 2017.

Figure 5-50: Trade balance (imports and exports) of beer in Japan, 2013-17; tonnes

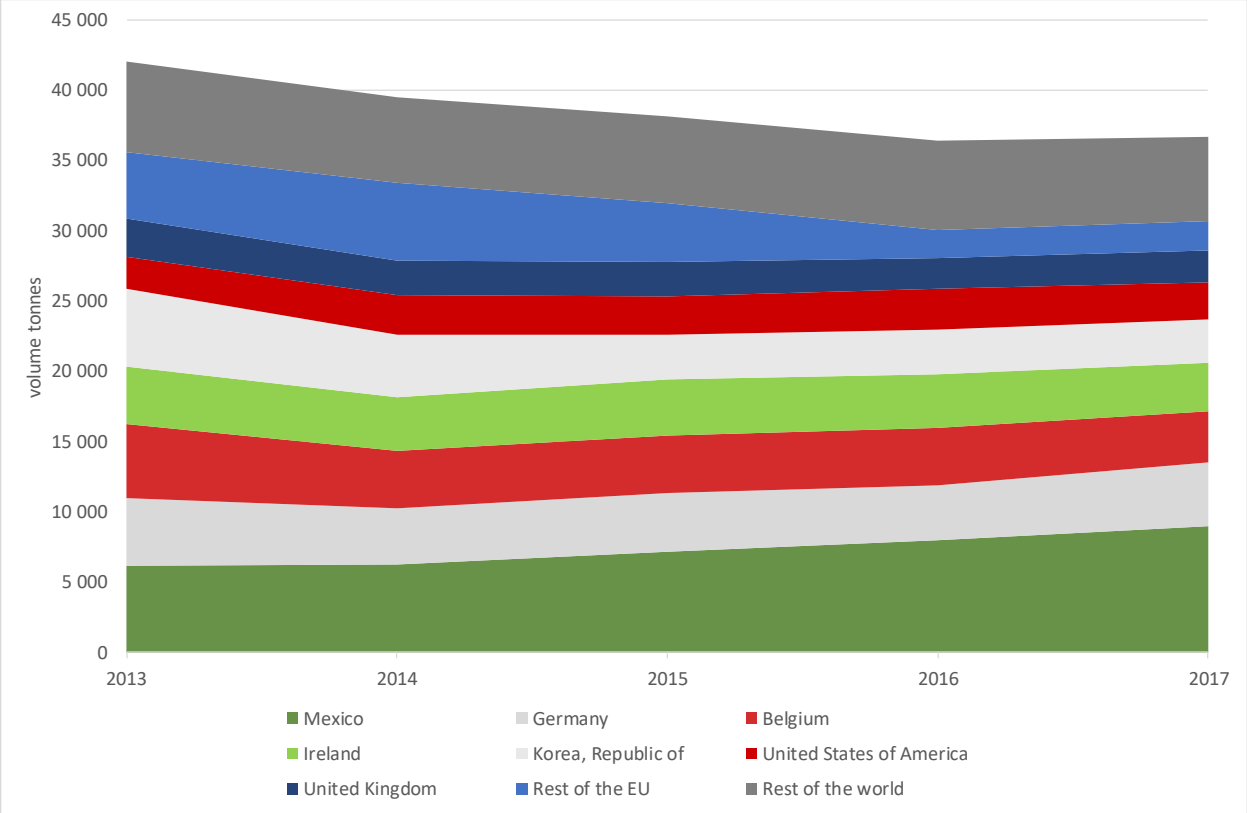


Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 2203 (Beer made from malt)

As shown in Figure 5-51, Japanese beer imports are rather diverse in terms of countries involved. Japan imports the most from Mexico and three EU countries: Germany, Belgium and Ireland. Mexican beer has noted the highest growth in terms of volume, whereas German, Belgian and Irish beer imports have remained relatively stable. Other notable importers include USA, Republic of Korea and United Kingdom. Beer Imports from the rest of the EU have dropped in the last 4 years.

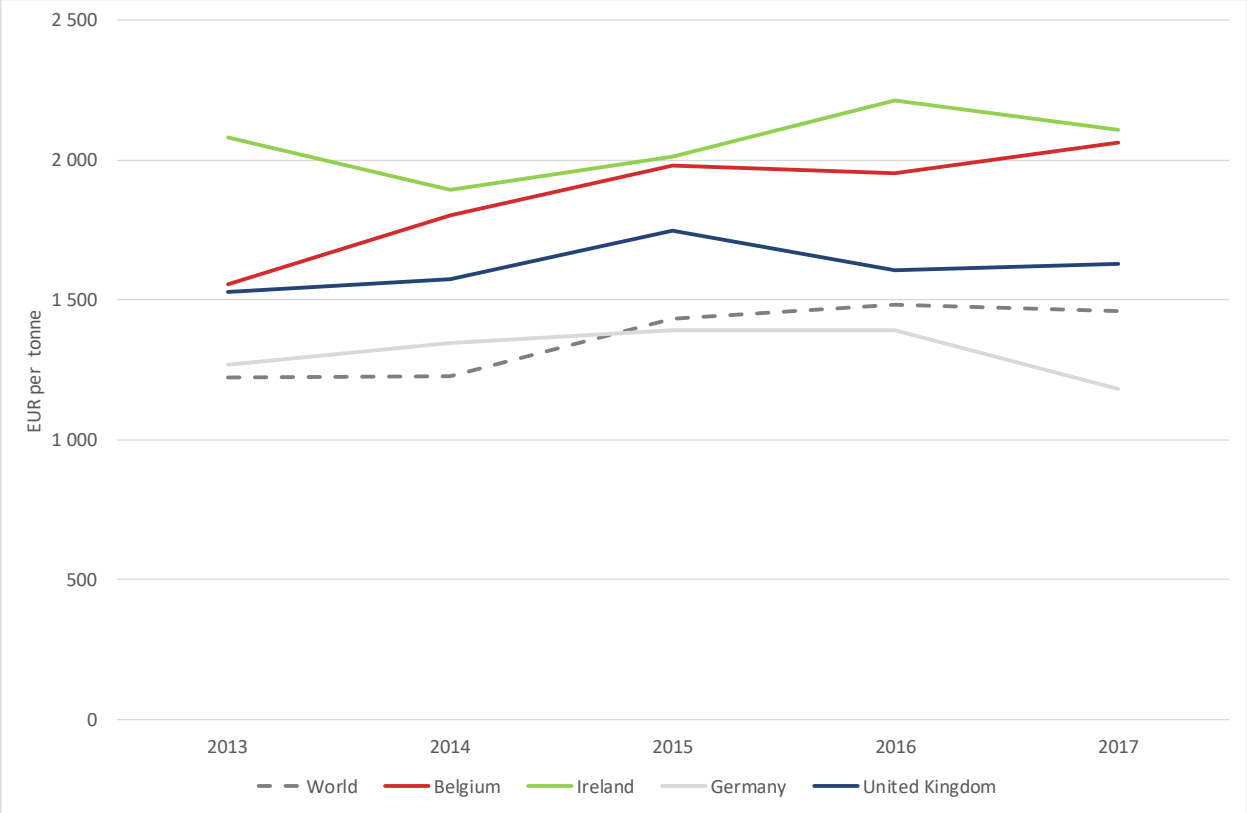
Figure 5-51: Japanese imports of beer by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/ Data for CN code 2203 (Beer made from malt)

Irish beer has had the highest value per unit of Japanese beer imports since 2013 (Figure 5-52), however its value has fluctuated with a drop in 2017. Belgian beer has been noting an increase in its value per unit, reaching almost the same price per tonne as Irish beer in 2015 and again in 2017. Average value per unit of world imported beer has been oscillating around EUR 1500 per tonne in the last three years. Value of beer imported from the UK has always been above the world's value per unit, whereas German's dropped underneath in 2015.

Figure 5-52: Per unit value of Japanese imports of beer for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 2203 (Beer made from malt)

5.11.3.3 EU GI products

The recently signed Economic Partnership Agreement between the EU and Japan would grant certain products recognition and protection on the Japanese market. Among them, there are EU GI beer products and beer related spices:

- Hops: Žatecký chmel (Czech Republic)
- Hops: Hopfen aus der Hallertau (Germany)
- Beer: Budějovické pivo (Czech Republic)
- Beer: Budějovický měšťanský var (Czech Republic)
- Beer: České pivo (Czech Republic)
- Beer: Českobudějovické pivo (Czech Republic)
- Beer: Bayerisches Bier (Germany)
- Beer: Münchener Bier (Germany)

5.11.3.4 Main competitors

As outlined in section 5.11.3.1, the beer market in Japan is dominated by several domestic companies, which include Asahi Breweries Ltd and Kirin Brewery Co Ltd, which kept their dominant position regardless to overall decline in total beer consumption in Japan.

Lastly, top countries from which Japan imports beer include Mexico, Germany, Belgium and Ireland, however it should be noted that, in general, Japanese imports tend to be rather diverse in terms of countries and of lower importance than domestic production.

5.11.4 Specific market entry requirements

Market Access and Entry

Beer does not face any market access restrictions, but the importation and sale of alcohol in Japan is subject to a number of general regulations and entry procedures, such as Food Sanitation Act, Liquor Tax Law, Customs Act and Standards for Fair Trading of Alcohol Beverages, which has been recently updated. As mentioned in section 5.11.2.3, the amendment prohibits manufacturers and distributors to sell alcoholic drinks at prices below the gross costs of sales on a continuous basis without reason. Additionally, following the amendment, the new Japanese alcohol system, which came into force in April 2018, defines beer as a beverage having a weight of malt extract exceeding 50% of the fermentable ingredients. Other ingredients, such as fruits, spices and herbs ale allowed up to 5% of the weight of malt.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. That said, as described by the Japan Customs, there are three types of procedures when importing alcoholic beverages:

- For personal use – under 10kg or less with no procedure
- For provision for drinking at self-owned establishments (bar, restaurant etc.) – importers should follow the procedures identified by a respective quarantine station, which holds jurisdiction over the importing area (section 4.2.1). The licence to sell alcoholic beverages do not apply in this case[240].
- For sale – apart from the quarantine station procedures, an importer should also obtain a licence to sell alcoholic beverages under the provisions of Liquor Tax Law. Application procedure should be consulted with respective Chief Examiner (Liquor Tax and Industry) at Tax office [241].

[240] Importation of Alcoholic Beverages (FAQ); Japan Customs; http://www.customs.go.jp/english/c-answer_e/kojin/3105_e.htm

[241] Information on Liquor Administration; National Tax Agency; https://www.nta.go.jp/english/taxes/liquor_administration/index.htm

Additionally, the container should display the description of items, the alcoholic strength etc. on a readily visible place[242].

Any other up to date information on appropriate documents concerning customs procedures can be consulted on European Commission website:

http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?hscode=2203&countries=JP

SPS measures

SPS measures related to beer imports are in line with international standards. Due to differences between the EU and Japan in definition of food additives, the list additive components should be consulted on websites of Ministry of Health, Labour and Welfare[243].

Labelling

Beer in Japan is a subject of labelling requirements, which should be displayed in Japanese, set out by two legislative acts[244]:

- Liquor Industry Association Act (5 and 6 of 86th Article, Enforcement Order 3 and 4 of 8th Article)
- Food Sanitation Law (11th Article, Enforcement Regulation 5th Article)

Beer imports are subject to the "Fair Competition Regulations Concerning the Representations of Imported Beers". These provisions are designed for prevention of unfair attraction of customers as well as ensuring the voluntary and rational selection of general consumers driven by fair competition[245]. The rules include the list of prohibited misleading representations, necessary displaying specific information as well as definition clarifications[246].

5.11.5 Distribution

As Figure 5-53 presents, almost all beer in Japan is purchased through store-based retailing (96.7%). The vast majority of them are grocery retailers, accounting for 86.3%. Almost half of beer purchased through grocery retailers come from supermarkets (46.5%), followed by small grocery retailers (mostly convenience stores) (24.3%) and food/drink/tobacco specialists (15.4%). Non-store retailing plays a very small and declining role.

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[242] The full list of necessary information to be displayed can be found here: https://youshu-yunyu.org/english/sp/fair_competition_regularions/index.html

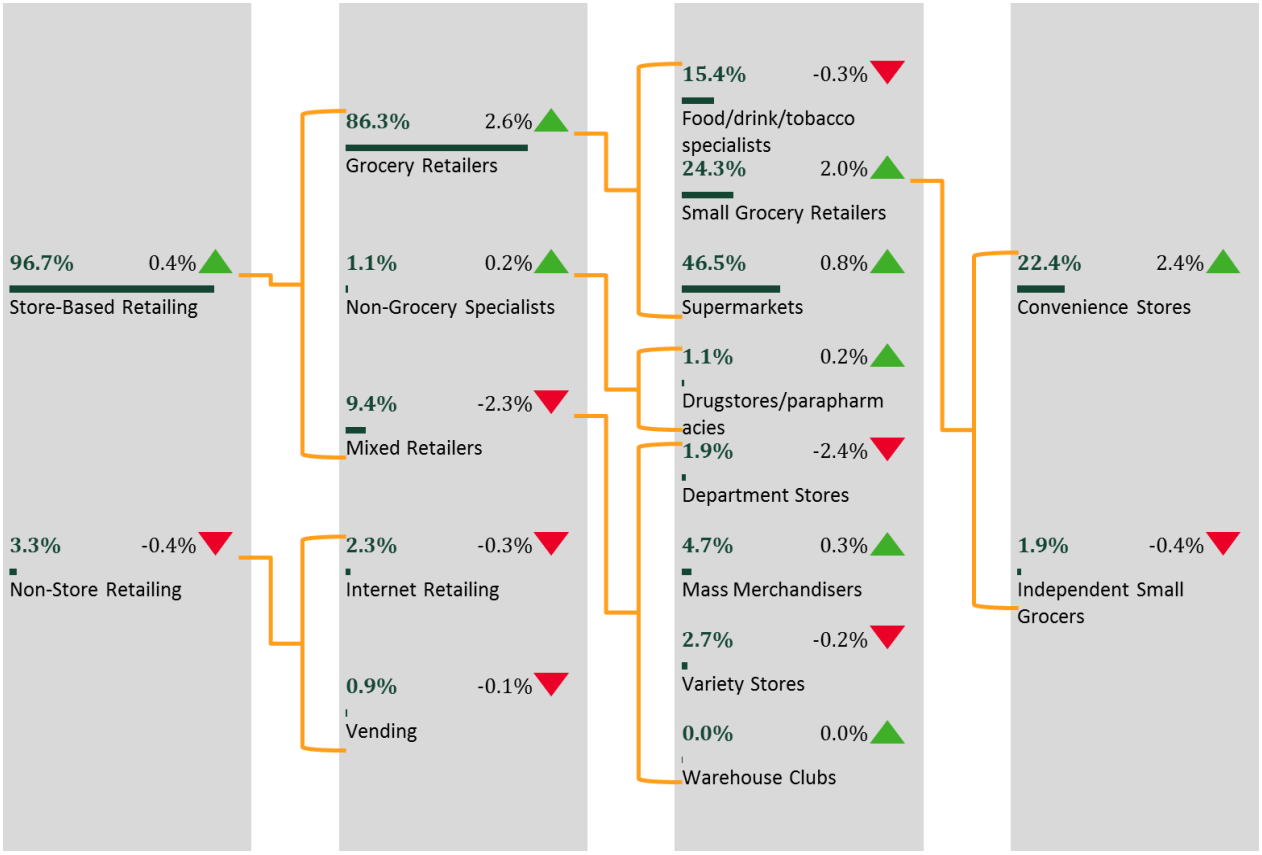
[243] Food Additives; Ministry of Health, Labour and Welfare; https://www.mhlw.go.jp/english/topics/foodsafety/foodadditives/

[244] Labelling of Beer; Brewers Association of Japan; http://www.brewers.or.jp/english/06-label.html

[245] Alcohol; EU Business in Japan; 2018; https://www.eubusinessinjapan.eu/sectors/food-beverage/alcohol

[246] Fair Competition Regulations Concerning the Representations of Imported Beers; Japan Wines and Spirits Importers' Association; https://youshu-yunyu.org/english/sp/fair_competition_regularions/index.html

Figure 5-53: Distribution channel overview of beer in Japan (2017)



Source: Euromonitor International: Alcoholic Drinks, 2018

5.11.6 Challenges for EU products

The Japanese market is dominated by domestic breweries and shows high consumer loyalty towards domestic brands. In addition, in the light of ageing of Japanese society and increasing health awareness, beer consumption is expected to fall over the next years.

Market Takeaway: Beer

Consumption: *Consumption of beer in Japan is failing, mostly due to ageing of Japanese society and increasing health awareness. Speciality beers on rise (dark beer) as well as non-alcoholic beers, however lager remains as the main choice for consumers.*
Competition: *Market dominated by mass-produced lagers, however microbreweries are spreading across the country, especially in urban areas.*
Distribution: *Beer is mainly purchased through store-based retailing, however given the importance of dining out in Japan, it is consumed in large quantities outside households as well.*
Challenges*: Domination of domestic breweries on the market as well as consumer loyalty towards domestic brands.*
Opportunities: *Increasing knowledge about premium and speciality beers among Japanese customers.*

5.12 Chocolate and confectionary

5.12.1 SWOT analysis

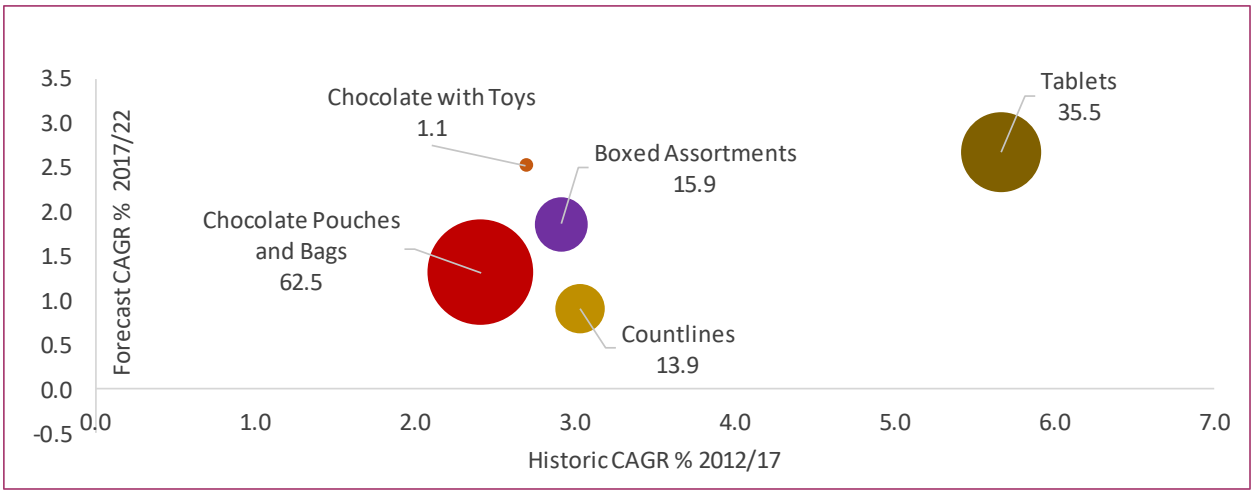
5.12.2 Consumption

5.12.2.1 Evolution of consumption

Consumption of chocolate confectionary has been increasing in recent years. As presented in Figure 5-54, all of categories noted a positive CAGR between 2012 and 2017 and are expected to remain this trend, however forecast CAGR is projected to be lower. Chocolate pouches and bags constitute the largest

category volume-wise, followed by tablets and boxed assortments. Tablets noted the highest growth in previous years (5.7% per year) and is expected to keep the highest CAGR in the chocolate confectionary market over the forecast period (2.7% per year).

Figure 5-54: Evolution and forecast of chocolate confectionary market in Japan, total volume 2012-2022

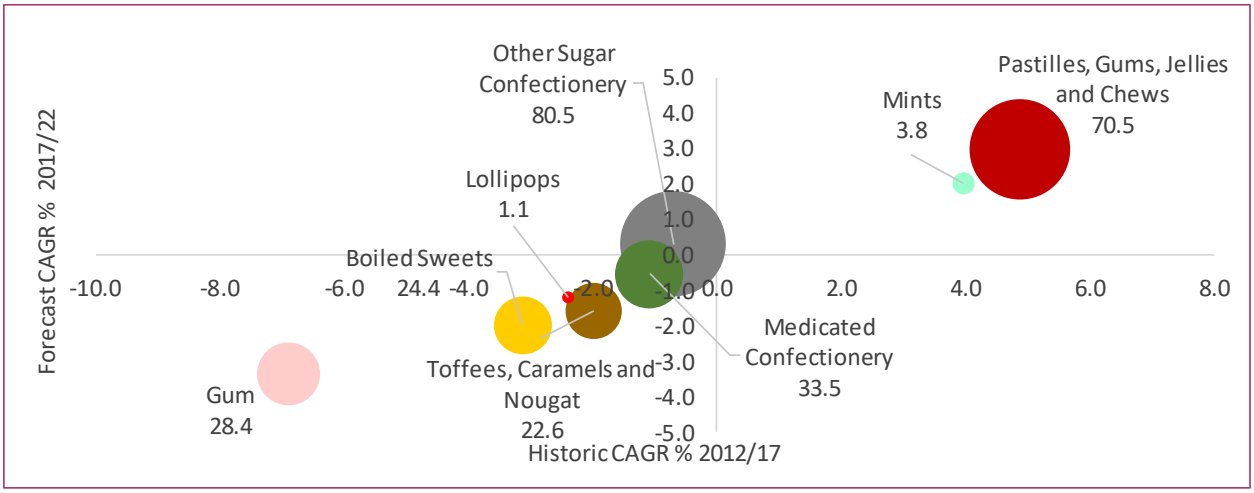


Source: Euromonitor International: Packaged Foods, 2018

Note: figures for 2017 to 2021 based on forecasts as indicated by (f) after the year

The market for sugar confectionary includes both categories which have been on rise as well as those which have been shrinking. Pastilles, gums, jellies and mint products have increased since 2012 and are projected to remain on an upward trend going forwards (pastilles 3.0% per year, mints 2.0% per year). On the other hand, products such gum, boiled sweets and toffees recorded a negative CAGR in previous years (gum especially, falling at 6.9% per year), and these categories are expected to decrease further over the forecast period. The largest category in the market for sugar confectionary – other confectionary, including products such as fruit-roll ups, fruit rippers and halva, posted a slight drop between 2012 and 2017 (0.7% per year); however, it is projected to record an increase of 0.3% per year (over the forecast period).

Figure 5-55: Evolution and forecast of sugar confectionary market in Japan, total volume 2012-2022



Source: Euromonitor International, Packaged Food, 2018.

5.12.2.2 Consumer profile and purchase criteria

Confectionary products, especially chocolate, have built a consumer base in Japan due to their portability and, in some cases, alleged health benefits. Japanese consumers perceive confectionary products as a quick snack which can be conveniently consumed on-the-go.

Consumers

Japanese consumers' confectionary preferences are impacted by age as well as health-awareness. In Japan, "less sugary" confectionary products have been more popular than sugary items. Sugar confectionary, especially jellies, toffees, boiled sweets, fruit roll ups are mainly chosen for children, whereas mints, gum are mostly consumed by young adults.

Chocolate confectionary, on the other hand, have been widely advertised on TV as having health benefits, especially for the functioning of the brain. In effect, chocolate products are consumed regardless to age, however they are most popular among adults and seniors. Nevertheless, it should be pointed out that in 2018, the Japanese government admitted that such claims might not be entirely reliable[247].

[247] Japanese government admits claim that 'chocolate is good for the brain' is short on data; The Japan Times; 2018; https://www.japantimes.co.jp/news/2018/03/08/national/japanese-government-admits-claim-chocolate-good-brain-short-data/#.W6s7KdczZpg

Drivers and method of consumption

There are several key drivers which impact confectionary consumption in Japan. One of them is the need to boost energy level during the day between meals as well as various effects, such as breath refreshments. In addition, the consumption of some items, such as chocolate has been driven by its health added value, i.e. mineral compounds and various health indicators improvements.

All confectionary is regarded as a convenient snack which can be consumed on-the-go. However, some premium chocolate products are considered as a luxury product, which can be also gifted to express appreciation and celebrate special occasions (*giri-choco* – obligation chocolate; or *honmei-choco* – true feeling chocolate).

Purchase criteria

Consumers in Japan purchase confectionary based on its purpose, which tend to subjectively differ. Some use sugar and chocolate confectionary to improve their alertness, whereas some choose chocolate because of its health added value. Certain sugar confectionary types, such as mints and gums are mostly used to maintain freshness of breath during the day. Chocolate may be chosen due to its quality, with some consumers – the 20 to 60 female age group in particular – willing to pay the extra cost of premium products, justifying it as a treat for stress management. This may provide a particular opportunity for European products, which are generally perceived to be of a higher quality. Nonetheless, the labelling and description of such premium products are important. Indications such as “premium”, “smooth taste”, “low sugar”, “high cocoa content”, and the traditional method of manufacturing can influence the purchasing decision for premium products.

Lastly, health-conscious Japanese consumers also merge their purchase criteria, looking for product which would increase their energy level and the same time offer some healthy benefits. The system of Foods with Function Claims has created a new trend in this respect (see next section).

5.12.2.3 Recent market trends

Consumption of chocolate tablets has continued to increase in recent years due to their portability and wide selection of choice. Other chocolate products, such as boxed assortments and bags have been also on rise as they are often (but not exclusively) dedicated to the gifting tradition. Advertising and media attention highlighting the health benefits of polyphenol, a component of cacao beans has also boosted the consumption of chocolate. Subsequently, products with high cacao content products have been particularly well received. These trends are expected to continue going forwards.

Among sugar confectionary, consumption of mints has been emerging, mostly at the expense of gum. Mints have started to be perceived as more convenient due to less waste involved and better effects than chewing gums. In addition, in the light of the decline in number of smokers in Japan, gum consumption

has been failing simultaneously[248]. Pastilles, jellies and chews have been also emerging as they offer wide selection of textures and flavours which attract various consumers.

In general terms, the system of Foods with Function Claims has created an opportunity for manufacturers of late. As the system permits claims on ingredients that have a proven health benefit, but claims are not tested by the authorities, no restrictions as such exists on the use of such claims on confectionery products if they contain such ingredients. Claims have therefore been used on products; for example: "suppresses intake of fat and sugar" for digestion resistant dextrin; and "improves digestion" for lactobacillus and bacillus bifidus. While there has been some criticism of this practice, it has not yet stopped the practice; and indeed, products with such claims have proven to be particularly popular with female consumers in their 60s. Females aged 20 to 50 have shown high interest in these claims as well, albeit to a lower extent.

5.12.3 Offer

5.12.3.1 Domestic production

Manufactures in Japan offer a wide selection of chocolate products, containing e.g. flavonoids rich dark chocolate, cereals, exotic fruit, vegetable flavours, spies and vitamins[249]. The chocolate industry is led by Meiji Co Ltd, which offers variety of chocolate pouches, bags and tablets. Meiji launched several lines of products, such as specially packed Meiji Galbo or Meiji The Chocolate with premium product and design[250]. Other major chocolate manufacturers include Glico and Lotte, Morinaga, as well as Mary Chocolate.

The market for sugar confectionary is led by Asahi Group Foods, offering portfolio of boiled sweets, medicated confectionery and the post popular in Japan power mints – Mintia, which accounted for 59% of the mint market by value in 2017[251].

5.12.3.2 Imports and exports

Japan imports of chocolate confectionary considerably outweigh import volumes of sugar confectionary. Imports of chocolate confectionary have been much more significant than export volumes. As seen in Figure 5-56, import volumes picked up in 2017, after a slight drop the year before, and accounted for over 170 000 tonnes. On the other hand, Japanese imports of sugar confectionary have oscillated around 17 000 tones in previous years, amounting to 16 700 in 2017 (Figure 5-56). In addition, sugar confectionary exports have been steadily increasing since 2013.

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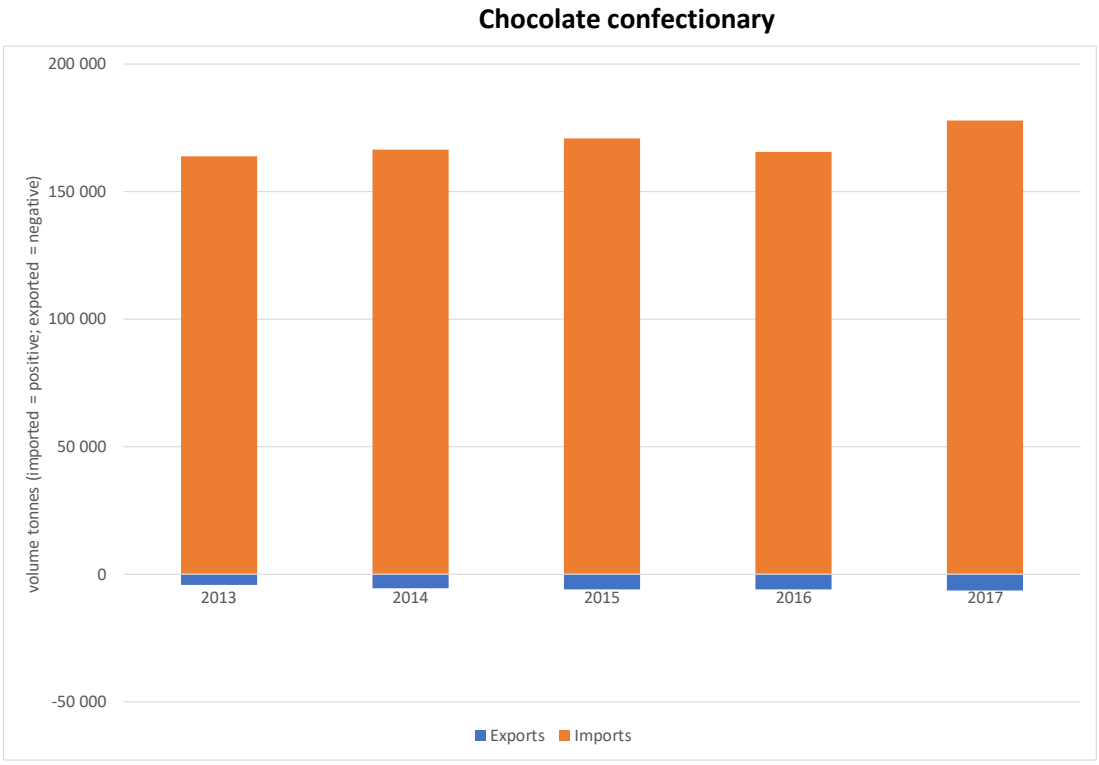
[248] Euromonitor International: Packaged Food, 2018

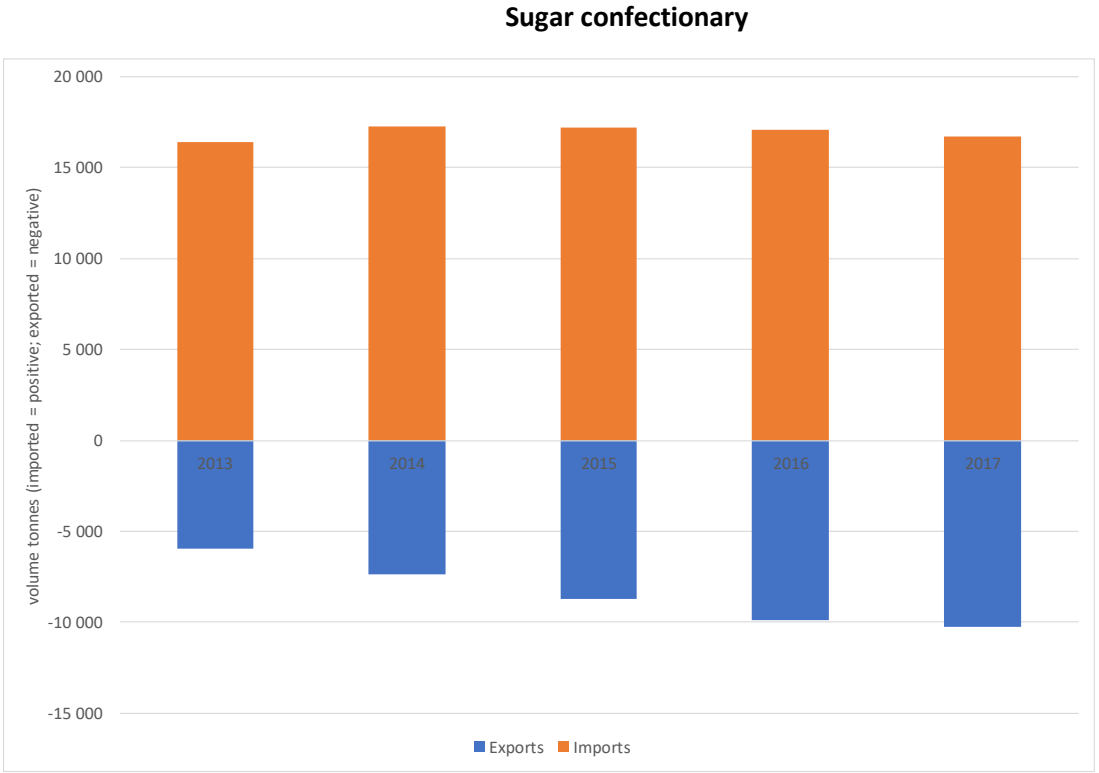
[249] Economic Profile of the Japanese Chocolate Industry; World Cocoa Foundation; https://www.worldcocoafoundation.org/wp-content/uploads/Economic_Profile_of_the_Japan_Chocolate_Industry_20111.pdf

[250] Euromonitor International: Packaged Food, 2018

[251] Euromonitor International: Packaged Food, 2018

Figure 5-56: Trade balance (imports and exports) of confectionary in Japan, 2013-17; tonnes





Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 1806 and 1704

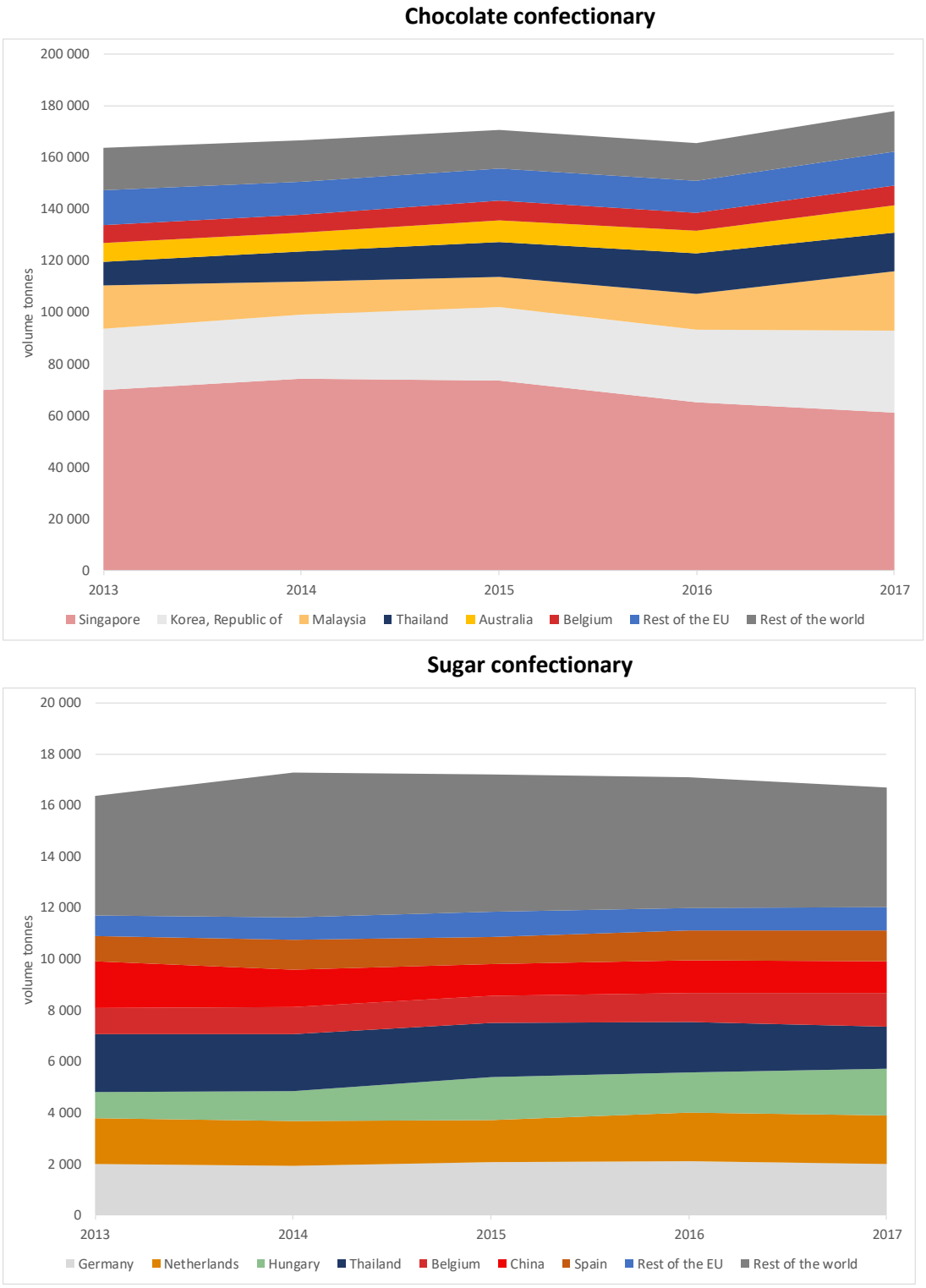
Japan imports a major part of products containing chocolate from Singapore, followed by South Korea; though a lot of these are cocoa/chocolate powder rather than chocolate confectionary[252].. Considering EU countries, Belgium accounts for the largest part, followed by France and Italy (Figure 5-57). Imports from Singapore have been declining since 2014 and account for above 61 000 tonnes in 2017, whereas imports of products containing chocolate from other countries have been increasing in last two years.

Sugar confectionary imports to Japan include many countries, among them EU countries. Unlike in case of chocolate confectionary imports, there is no major players involved, and import volumes by source are rather diverse with Germany, The Netherlands, Hungary, Thailand, Belgium, China and Spain all accounting for roughly equal volumes. However, there are also many other countries included, such as USA, Philippines, Malaysia, France or South Korea. There have been no significant fluctuations in import volumes, except slight increase of Hungarian imports in 2015 and the drop of Chinese imports in 2014 (Figure 5-57).

As presented in Figure 5-58, French chocolate confectionary had the highest value per unit in 2017, reaching above EUR 10 500 per tonne, followed by products from Belgium. Imported chocolate confectionary from Singapore have been oscillating around EUR 2000 per tonne since 2013. The value per unit of products from France has been continuously increasing since 2014 and stabilised in 2017. In case of sugar confectionary both Spanish and Belgian confectionary had similar value per unit, accounting for approx. EUR 6500 per tonne. Dutch, German and Hungarian sugar confectionary had lower value per unit than confectionary imported from the rest of world countries.

[252] HS Code 1806 is the code for chocolate and other food preparations containing cocoa. This includes chocolate/cocoa powder.

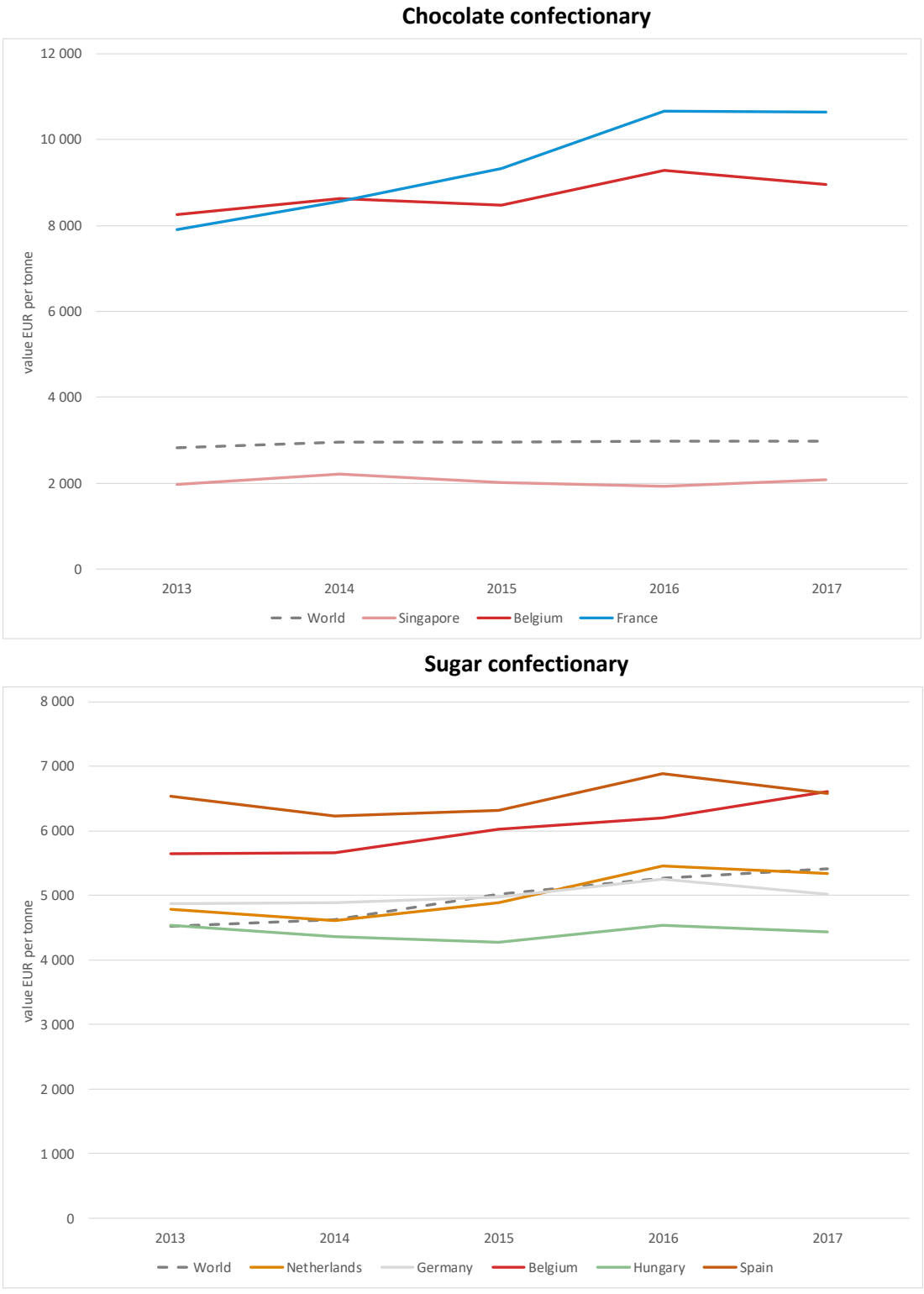
Figure 5-57: Japanese imports of confectionary by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 1806 and 1704

Figure 5-58: Per unit value of Japanese imports of confectionary for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 1806 and 1704

5.12.3.3 EU GI products

According to recently singed Economic Partnership Agreement (EPA) between the EU and Japan, some of EU GI products are going to be recognised and protected on the Japanese market. The current list includes also some chocolate and confectionary products:

- Λουκούμι Γεροσκήπου -Transliteration into Latin alphabet: Loukoumi Geroskipou (Cyprus)
- Lübecker Marzipan (Germany)
- Nürnberger Lebkuchen (Germany)
- Jijona (Spain)
- Turrón de Alicante (Spain)

5.12.3.4 Main competitors

The chocolate market in Japan, as outlined in section 5.12.3.1, is mainly led by domestic companies, which include Meiji Co Ltd, followed by Glico, which together have approx. 40% of market share[253]. Japan's chocolate market has also other manufacturers involved, with gaps filled by imports, mainly from Singapore and South Korea. The market for sugar confectionary is also led by domestic companies, such as Ashai Group Foods, however imports are much more diverse and include many foreign countries from and outside the EU.

5.12.4 Specific market entry requirements

Market Access and Entry

Chocolate and confectionary are not a subject of particular market entry procedure, but import is a subject to a number of general regulations and entry procedures, complying with, *inter alia*¸ Food Sanitation Act. It should be noted that in the light of ongoing delisting procedure of food additives, some chocolate and confectionary products might be affected. The final list is to be concluded by the Japanese authorities in due time.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing chocolate and confectionary might require providing additional documentation, i.e. Certification of Analysis[254], confirming the proper microbiological and chemical testing as well as certificate of dioxin content[255], which relate only to products containing dairy.

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[253] Japan's chocolate market: Sweet spot for investors; M.Matsumoto; 2018; http://www.investmenteurope.net/opinion/japans-chocolate-market-sweet-spot-for-investors/

[254] Certificate of Analysis, Japan; European Commission; 2018; http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cf_ana&hscode=1806&countryid=JP

[255] Certificate of Dioxin Content, Specific applicability conditions for product under HS code 1806: Japan; http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cf_dio&hscode=1806&countryid=JP

SPS measures

There are no particular SPS measures foreseen in case chocolate and confectionary, apart from identified above additional documents. However, prior to export, up to date information should be consulted on European Commission' website below.

Up to date information on appropriate documents concerning SPS measures

http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=JP&hscode=1806

and

http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=JP&hscode=1704

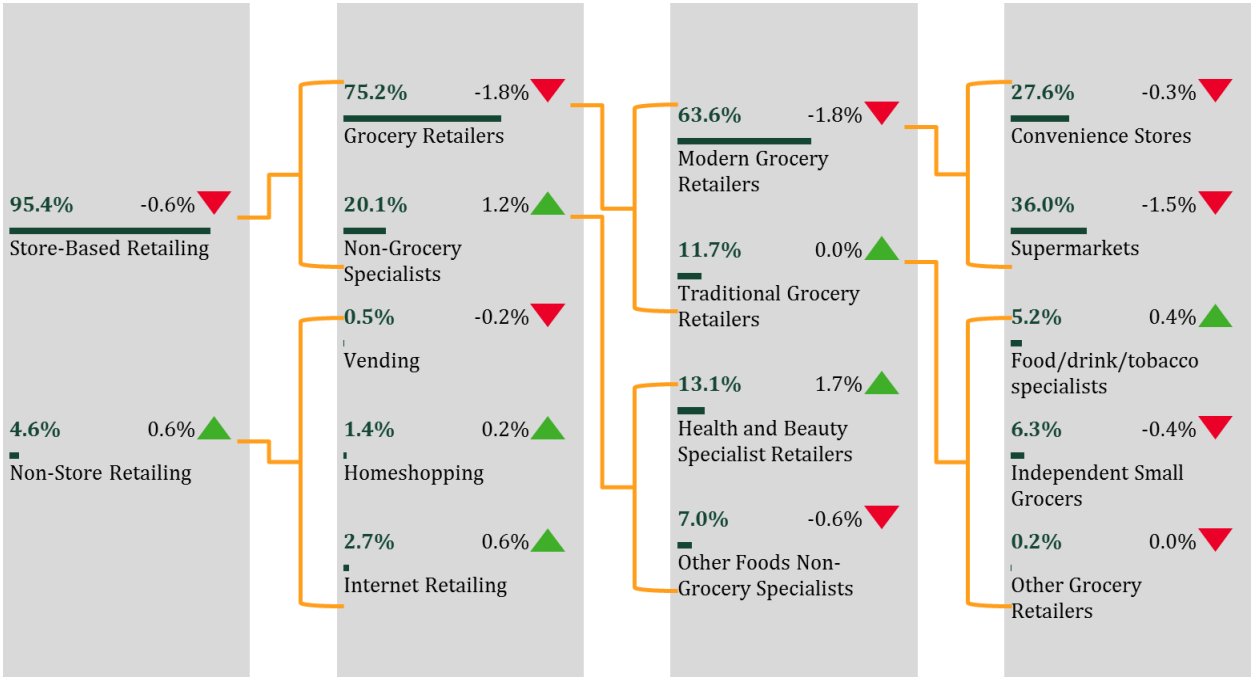
Labelling

The section 4.2.3 provides an overview of Food Labelling Standard law in Japan. In general, in case of all processed foods, it imposes labelling requirements concerning allergens, nutritional components and countries of origin of ingredients as well as country of manufacture. Table 4-2 presents provisions of the labelling framework in Japan, pointing out the necessary requirements for processed foods, including chocolate and confectionary.

5.12.5 Distribution

As presented in Figure 5-59, chocolate and confectionary are mainly distributed through store-based retailers (95% of retail value), especially supermarkets (36%) and convenience stores (27%). Chocolate and confectionary products are also being purchased in health and beauty specialist retailers (increase in 2017) as well as in food and drink specialists and independent small grocers. Internet retailing amounted to 2.7% of retail value in 2017.

Figure 5-59: Distribution channel overview of all confectionary in Japan (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.12.6 Challenges for EU products

Domestic manufactures' dominance on the market as well as mid-end chocolate products from Singapore can create a challenge for EU manufacturers. Concerns over origin rules, as outlined in section 5.12.4, may also be challenging. In case of sugar confectionary, the main challenge would to address declining demand of some products, as identified in section 5.12.2.1.

Market Takeaway: Chocolate and confectionary

Consumption: *Consumption of chocolate confectionary has been on steady rise, especially tablets, pouches and bags, whereas some categories in sugar confectionary have noted a decrease, i.e. gum, boiled sweets etc. Popularity of mints and pastilles have been emerging. There is currently a trend towards confectionary perceived as having health benefits, with claims being used to communicate these.*
Competition: *Chocolate industry led by domestic companies, with supplementary imports from Singapore. Market for sugar confectionary led by Japanese manufacturers; diverse imports from European and non-European producers. European chocolate products are seen as premium.*
Distribution: *Most of confectionary distributed through supermarkets and convenience stores, however emerging importance of health and beauty specialist retailers.*
Challenges*: Consumer loyalty and strong competition on the market.*
Opportunities: *Growing demand for chocolate confectionary and interest in quality products – which EU chocolate products are considered to be. Communication on the health benefits of certain ingredients.EPA offers attractive conditions.*

5.13 Processed cereals

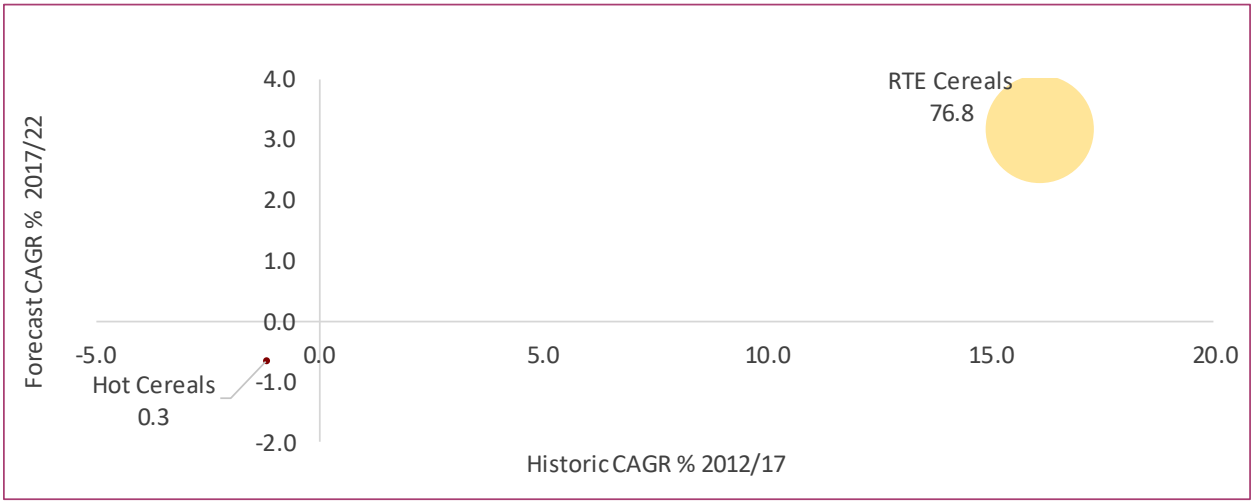
5.13.1 SWOT analysis

5.13.2 Consumption

5.13.2.1 Evolution of consumption

The market for processed cereals in Japan almost exclusively comprises RTE (Ready-To-Eat) cereals, which have been on a significant rise in recent years (Figure 5-60). Between 2012 and 2017, the market rose by 16.1% per year. The upward trend is expected to remain, however with the lower pace (3.2% per year CAGR).

Figure 5-60: Evolution and forecast of processed cereals market in Japan, total volume 2012-2022



Source: Euromonitor International: Packaged Foods, 2018

Note: figures for 2017 to 2021 based on forecasts as indicated by (f) after the year

5.13.2.2 Consumer profile and purchase criteria

The Japanese approach to breakfast has been changing in recent years. Given the busier lifestyle, more women entering the workforce as well as Western influence, breakfast compositions have been shifting towards more convenient alternatives, which include processed cereals[256].

[256] The evolution of breakfast in Japan; M.Megolonsky; 2017; http://www.mintel.com/blog/food-market-news/the-evolution-of-breakfast-in-japan

Consumers

The traditional Japanese consumer has not been interested in processed cereals, as they have been often perceived as visually unappealing, unhealthy and in some sense not tasty as traditional Japanese breakfast ingredients, such as: miso soup, rice, nori seaweed or grilled fish. However, in recent years, more and more Japanese consumers have started to choose breakfast options with processed cereals, which reduce the meal preparation time. In general, RTE cereals have been by far more popular than hot cereals, due to preferences for more crunchy textures[257] and to an extent the shorter preparation time. Consumers in Japan tend to prefer the most granola and its multiple innovations as well as muesli. Breakfast cereals are consumed regardless to age, and many manufacturers decided to launch a line of cereals by adding or removing certain ingredients, which in effect can be attractive to every consumer, e.g. removal of raisins, having in mind children's low interest in them.

Drivers and method of consumption

Consumption of processed cereals is mainly driven by changes in Japanese dietary habits, applying especially to breakfast options. Japanese consumers have started to pay greater attention to more convenient alternatives, which significantly reduce meal preparation time. Secondly, consumers in Japan have become health-conscious about their breakfast choices. They have started to look for digestion and nutritional added value. Processed cereals are consumed in multiple ways, which include a variety of toppings, sauces, milk, jam, frozen fruits and nuts etc.

Purchase criteria

Japanese consumers usually base their purchase criteria on two key factors: health-added value and convenience. Therefore, products with healthy ingredients, e.g. rich in fibre are most likely to be purchased. The preparation time of the meal has become a crucial criterion for some consumers, which often choose the product based on this criterion as well as subjective taste preferences.

5.13.2.3 Recent market trends

Granola products have enjoyed a significant rise, as often they are regarded as very nutritious and sophisticated cereal products[258]. In general breakfast cereals high in fibre, iron and vitamins, e.g. muesli have been on a strong upward trajectory. Consumers have been also enjoying those products, which can be easily customized, i.e. adding additional ingredients or can be consumed with different types of milk and/or yoghurt. Lastly, Japan's market for processed cereals offers numerous innovations on the product,

[257] Euromonitor International: Packaged Food, 2018

[258] The evolution of breakfast in Japan; M.Megolonsky; 2017; http://www.mintel.com/blog/food-market-news/the-evolution-of-breakfast-in-japan

including all-age breakfast cereals, which tend to be customized more for a general public rather than group age, i.e. seniors, children etc.

5.13.3 Offer

5.13.3.1 Domestic production

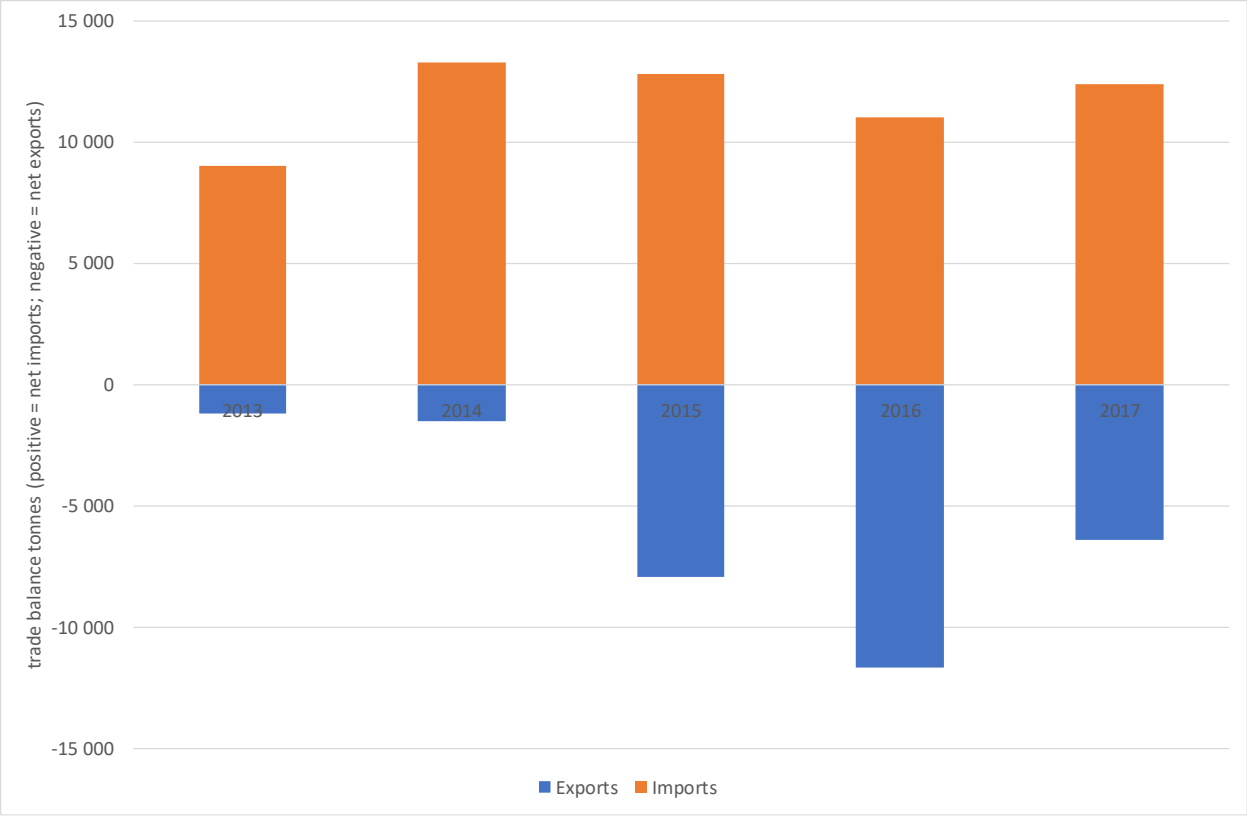
Production of processed cereals in Japan includes a wide variety of cereals products as well as numerous innovations with combinations of ingredients and/or nutritional compounds. One of the major manufacturers on the Japanese market is Calbee Foods Co Ltd, whose granola brand – Frugra, leads the muesli and granola market (53% in 2017[259]). The second-biggest producer – Kellogg (Japan) KK is said to have the strongest consumer loyalty, as the company has been on the market for the long time, offering wide selection of breakfast cereals. The third major breakfast cereals producer – Nissin Cisco Co Ltd specialises in manufacturing children's breakfast products and granola.

5.13.3.2 Imports and exports

As shown in Figure 5-61, Japan both exports and imports processed cereals. However, after very similar volume balance in 2016, imports outweighed exports volumes one year after, accounting for more than 12 000 tonnes. In spite of the fact that both imports and export balances have had periods of fluctuation, imports rates have not dropped below 10 000 tones since 2014, whereas exports rates noted significant increases in 2015 and 2016.

[259] Euromonitor International: Packaged Food, 2018

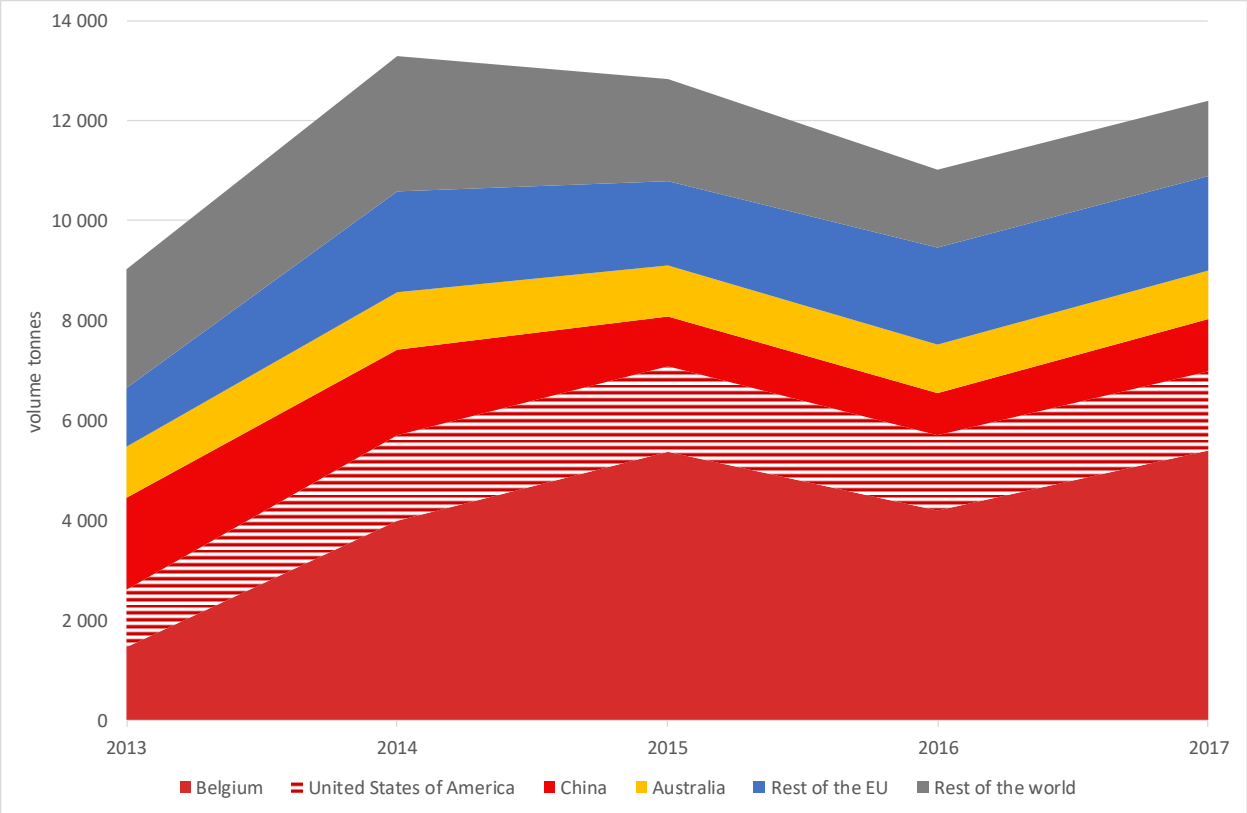
Figure 5-61: Trade balance (imports and exports) of processed cereals in Japan, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/ Data for CN code 1904

Japanese imports of processed cereals include many countries. The greatest number of imported products comes from Belgium, followed by USA, China and Australia. Other countries from the EU include UK, Germany and France (Figure 5-62).

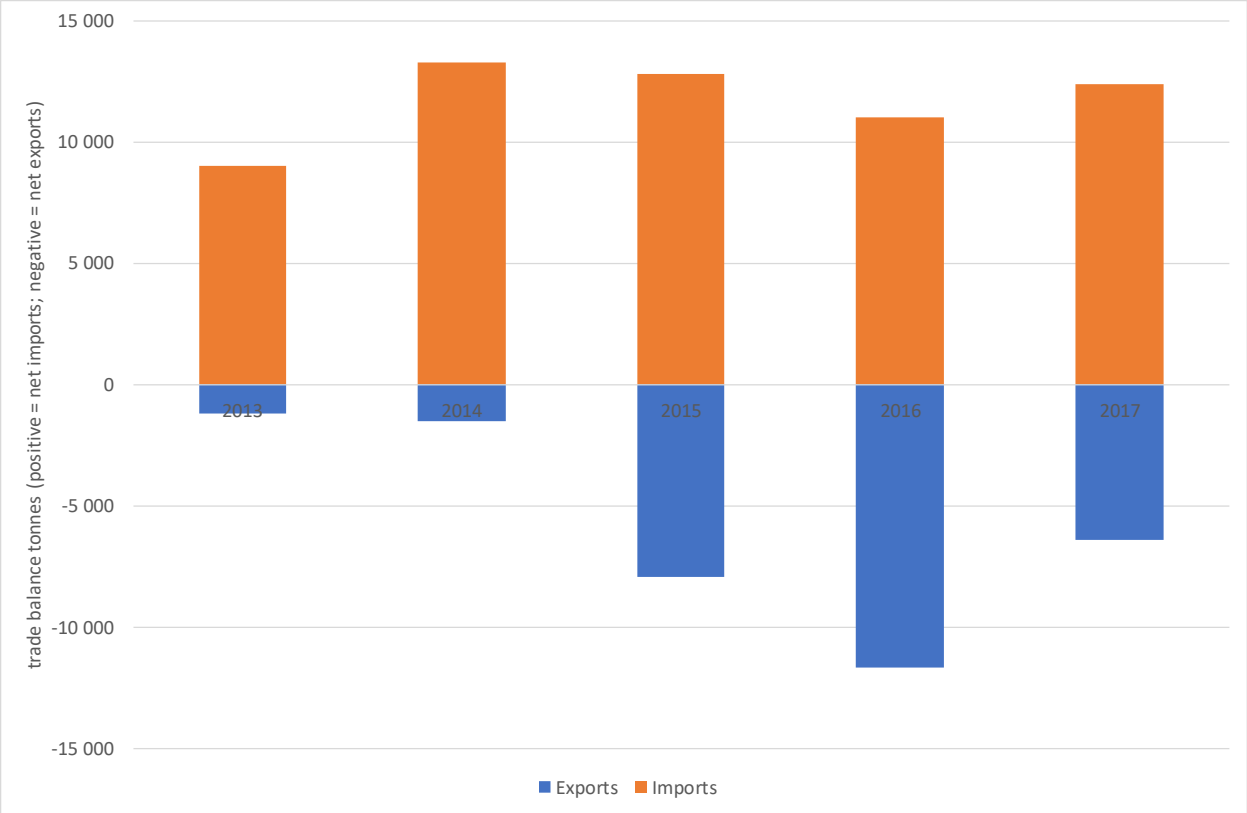
Figure 5-62: Japanese imports of processed cereals by country, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/
Data for CN code 1904

Figure 5-63 presents the value per unit of selected processed cereals importers to Japan. As seen, French products accounted for the highest value in 2017, even after considerable drop in comparison to previous year. US products have been also priced high (value per unit), whereas Belgian products' value amounted to more than twice less than French processed cereals products. Lastly, value per unit of all products from selected countries declined in 2017, except Belgium, which minimally picked up in 2017.

Figure 5-63: Per unit value of Japanese imports of processed cereals for selected countries, 2013-17 (EUR per tonne)



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 1904

5.13.3.3 EU GI products

The recently signed Economic Partnership Agreement (EPA) between the EU and Japan will recognise and protect some of EU GIs, however processed cereals products have not been listed[260].

5.13.3.4 Main competitors

As section 5.13.3.1 outlined, the market for processed cereals is mostly led by domestic producers, which often specialize in a type of breakfast cereals (Frugra – granola). It must be remembered that manufacturers in Japan are very active in the area of innovation, launching multiple product lines with claimed specific health-added value and/or other qualities, which are to bring new consumers.

[260] As for September 2018.

5.13.4 Specific market entry requirements

Market Access and Entry

Processed cereals do not face any market access restrictions, but their import is subject to a number of general regulations and entry procedures, complying with, *inter alia*¸ the Food Sanitation Act. It should be noted that in the light of ongoing delisting procedure of food additives, some processed cereals products might be affected. The final list is to be concluded by the Japanese authorities in due time.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing processed cereals might require providing additional documentation, i.e. Certification of Analysis[261], confirming the proper microbiological and chemical testing.

SPS measures

There are no particular SPS measures foreseen in case of processed cereals. However, prior to export, up to date information should be consulted on European Commission' website below.

Up to date information on appropriate documents concerning SPS measures
http://madb.europa.eu/madb/datasetPreviewIFpubli.htm?countries=JP&hscode=1904

Labelling

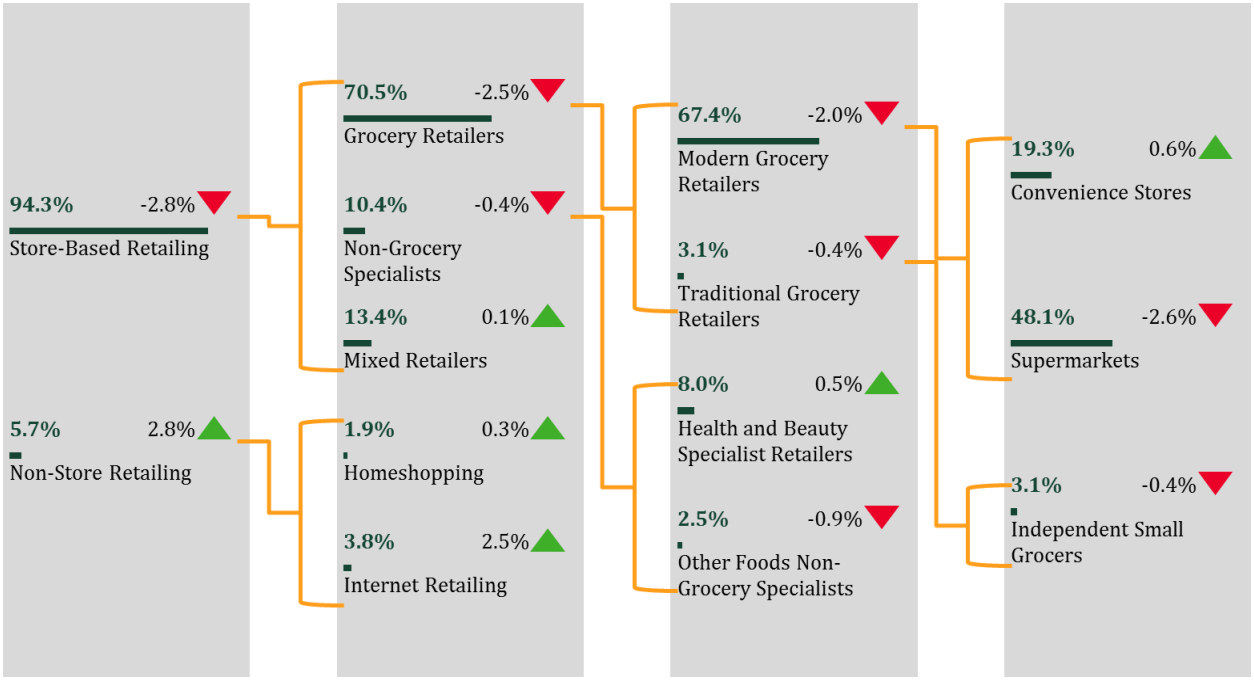
The section 4.2.3 provides an overview of Food Labelling Standard law in Japan. In general, in case of all processed foods, it imposes labelling requirements concerning allergens, nutritional components and countries of origin of ingredients as well as country of manufacture. Table 4-2 presents provisions of the labelling framework in Japan, pointing out the necessary requirements for processed foods, including processed cereals products.

5.13.5 Distribution

As presented in Figure 5-64, Japanese consumers purchase processed cereals through variety of store-based retailers, which accounted for the largest part of distribution channel (94.3% in 2017). These include mixed retailers (13.4%), convenience stores (19.3%) and non-grocery specialists (10.4%) among others. However, consumers in Japan the most often purchase cereals in supermarkets (48.1%). Internet retailing accounted for 3.8%, with a significant increase in the last year.

[261] Certificate of Analysis, Japan; European Commission; 2018; http://madb.europa.eu/madb/viewPageIFPubli.htm?doc=cf_ana&hscode=1904&countryid=JP

Figure 5-64: Distribution channel overview of processed cereals in Japan (2017); retail value



Source: Euromonitor International: Packaged Foods, 2018

5.13.6 Challenges for EU products

The market for processed cereals in Japan has been emerging in recent years, along with the growth in manufacturers who have been cashing in on the trend. In effect, EU producers could find it challenging to successfully enter the market, as there is abundance of products available as well as variety of innovations, introducing seasonal products, exterminating with taste or nutritional compounds combination and local companies are very sensitive to these trends.

Market Takeaway: Processed cereals

Consumption: *Consumption of processed cereals in Japan has been on constant rise, with emerging products such as granola and muesli.*
Competition: *Market led by several domestic companies, offering wide selection of processed cereals products. Foreign competitors include importers from USA, China and Australia.*
Distribution: *Processed cereals are distributed through variety of store-based retailers, with the strongest focus on supermarkets. Internet retailing picked up last year.*
Challenges*: Consumer loyalty towards domestic products as well as wide selection of products available. Frequent innovations launched by domestic producers.*
Opportunities: *Projected increase of consumption in next years. Ongoing changes in Japanese breakfast habits.*

5.14 Live plants

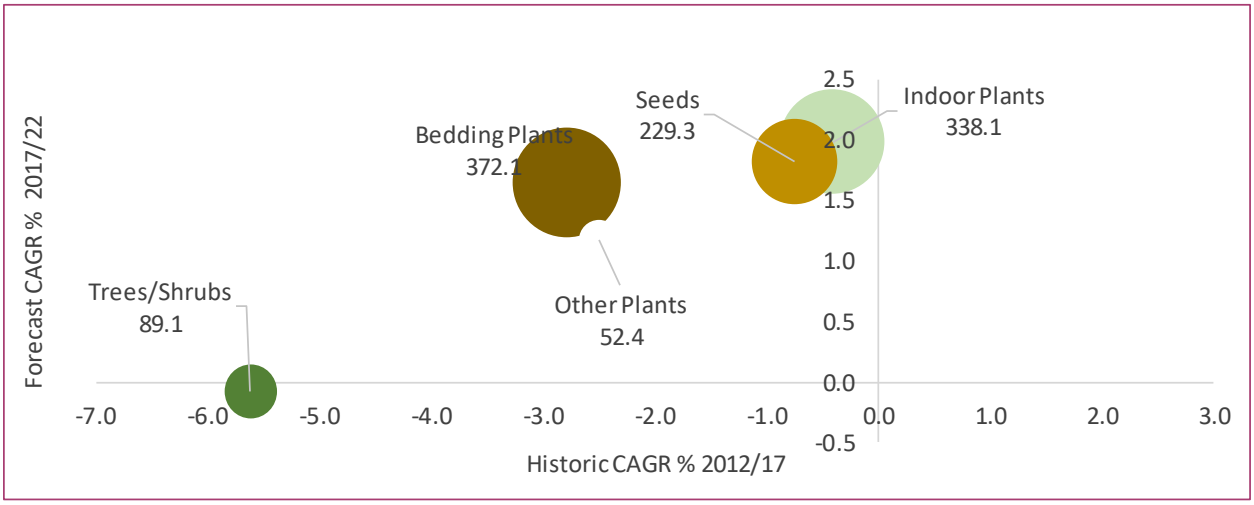
5.14.1 SWOT analysis

5.14.2 Consumption

5.14.2.1 Evolution of consumption

All categories within the Japanese live plants market noted a negative CAGR, between 2012 and 2017. The highest drop apples to trees/shrubs and the lowest (0.4%) to indoor plants. However, the market for live plants is projected to pick up over the forecast period, especially indoor plants and seeds (Figure 5-65).

Figure 5-65: Evolution and forecast of live plants market (EUR million) in Japan, retail value 2012-2022



Source: Euromonitor International: Home and Garden, 2018

Note: figures for 2017 to 2021 based on forecasts as indicated by (f) after the year

5.14.2.2 Consumer profile and purchase criteria

Live plants in Japan are associated with Buddhist traditions and culture, therefore, the Japanese appreciate floriculture, flower arrangement techniques (*ikebana)* and overall have a high appreciation for nature. However, demand for live flowers in Japan has been steadily declining, which might be connected to less interest of younger generation in live plants cultivation and decrease in number of Buddhists over the last years[262].

Consumers

Older generation of Japanese are especially interested in live plants cultivation, given their stronger attachment to tradition. Given the decrease among young consumers, the Japan Floral Marketing Association (JMFA) have been trying to "boost floral consumption in Japan" through many activities, such as know-how for home-use of live plants, cooperation platforms with growers, traders and retailers[263].

[262] Japan: Younger generation do not buy flowers and plants; International Trade Centre; 2015; http://www.intracen.org/blog/Japan-Younger-generation-do-not-buy-flowers-and-plants/

[263] Objectives and Background of JFMA; Japan Floral Marketing Association; http://www.jfma.net/english

Drivers and method of consumption

As mentioned above, the main driver for purchasing live plants is Buddhist-related tradition, which involves plant cultivation and flower arrangement practices during ceremonies, exhibitions [264] etc. Secondly, the gifting tradition also plays a role, as recently it has started to include plant and flowers (potted and cut), which can be gifted to women or a sick person; however, it should be remembered to avoid white flowers, as there are associated with death. Live plants and flowers are also used as decoration in households, including small urban apartments.

Purchase criteria

The Japanese appreciate the quality of the plant and also pay attention to the seasonality and choice of colours, which often determine the final choice due to tradition-related factors. Purchase criteria differ when it comes to the artisanal approach to flower arrangements, where practitioners pay attention also to e.g. construction and overall appearance etc; though this factor is of more overall relevance for cut flowers than for live plants.

5.14.2.3 Recent market trends

As outlined in section 5.14.2.1, the market for live plants in Japan has declined in recent years. However, indoor plants noted only a slight drop, which was reflected by their slowly emerging popularity in small urban apartments. Easy-care plants and flowers are considered as a suitable decoration in households[265]. In addition, given the differences in weather conditions and plant varieties across Japan, some producers highlight the region of origin when they advertise the plant.

5.14.3 Offer

5.14.3.1 Domestic production

Japan's domestic production includes plants and flowers and according to MAFF it fulfils in 88% domestic demand[266]. Excluding cut flowers, which account for majority of domestic production, 25% of production relates to potted plants, 8% to seedlings and 6% to trees and shrubs. It should be remembered that, due to different climate conditions in Japan, the plant and flower varieties produced may differ from region to region. In the light of economic slowdown, some producers in Japan have started to use cost reduction and energy saving technologies.

[264] The Rise of Modern Ikebana; D. Needleman; 2017; https://www.nytimes.com/2017/11/06/t-magazine/ikebana-japanese-flower-art.html

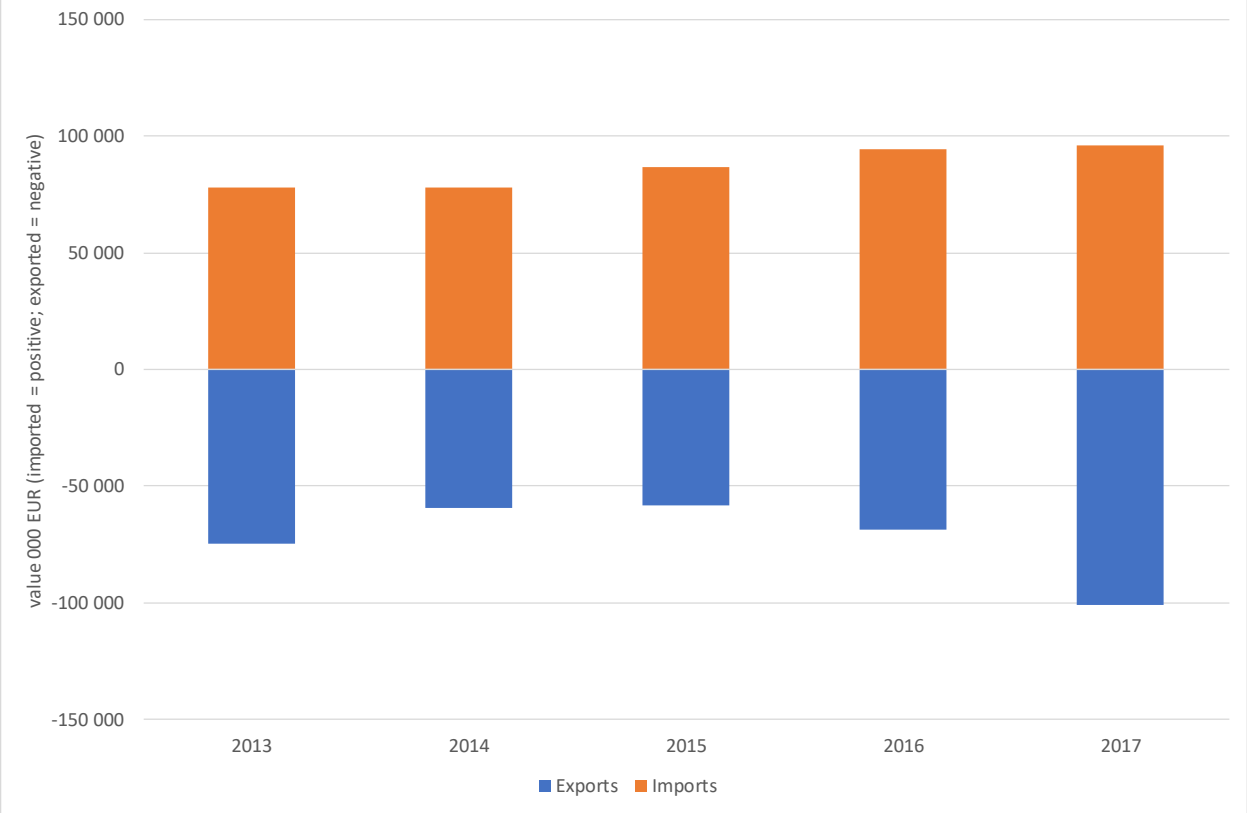
[265] Euromonitor International, Home and Garden, 2018

[266] Current Status of Flowers and Plants in Japan; 2017; MAFF; http://www.maff.go.jp/e/policies/agri/attach/pdf/index-10.pdf

5.14.3.2 Imports and exports

As showed in Figure 5-66, the value of Japan's exports and imports were similar in 2017 and they both grew last year; however exports value increased to a larger extent and outweighed imports value for the first time in the last five years. According to MAFF calculations, majority of imports relate to cut flowers, which amounted to 86% of imports in 2015[267].

Figure 5-66: Trade balance (imports and exports) of live plants in Japan, 2013-17; 000 EUR

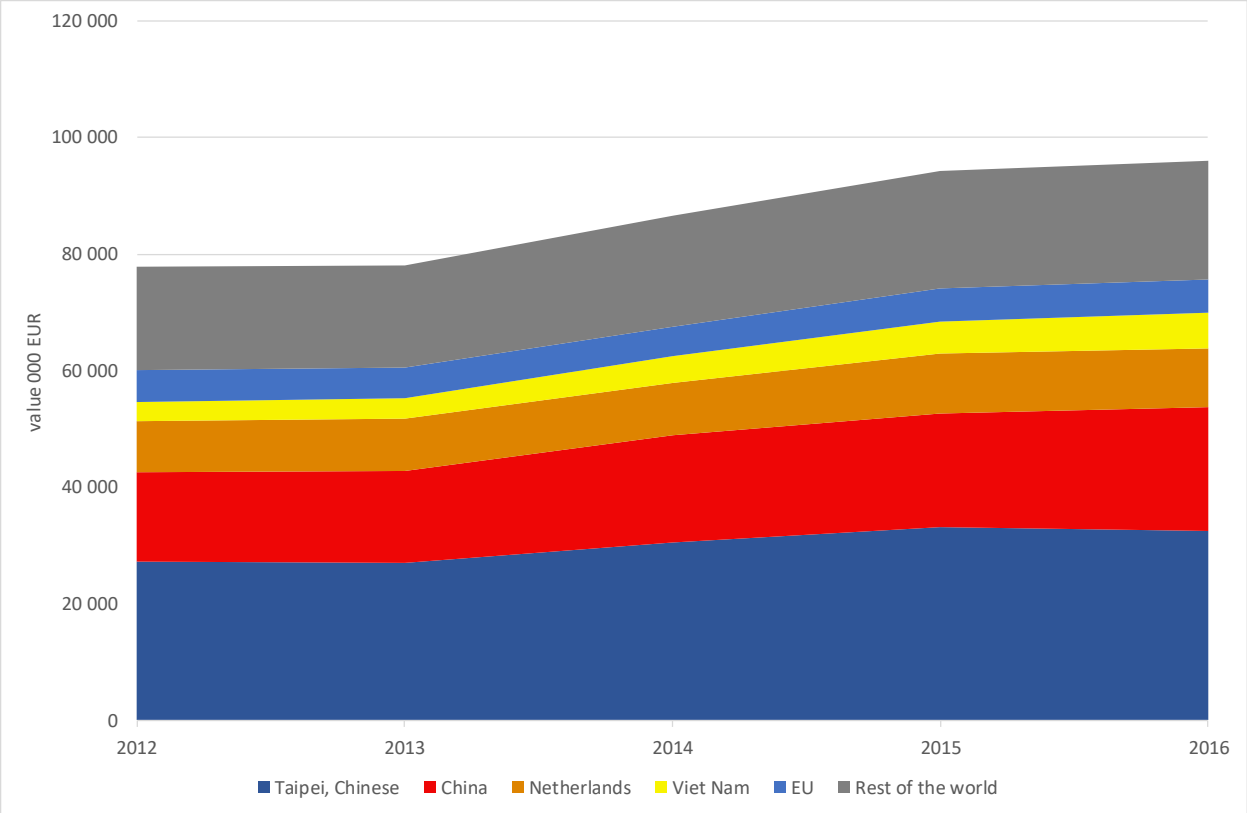


Source: Trade Map, International Trade Centre - https://www.trademap.org/ Data for CN code 0602

Japan's main sources of imports include Taipei and China, followed by the Netherlands (Figure 5-67). In general, imports of live plants to Japan include many countries, including the EU Member States, such as Spain.

[267] Current Status of Flowers and Plants in Japan; 2017; MAFF; http://www.maff.go.jp/e/policies/agri/attach/pdf/index-10.pdf

Figure 5-67: Japanese imports of live plants by country, 2012-16; 000 EUR



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 0602

5.14.3.3 EU GI products

No GIs on live plant products are protected under the EU Japan EPA.

5.14.3.4 Main competitors

As outlined in section 5.14.3.1, Japan's domestic production mostly relates to cut flowers, however approximately 25% of production applies to potted plants. Given the climate conditions, domestically produced live plants differ in terms of varieties. Main foreign competitors include importers from Taipei and China as well as from the Netherlands and Vietnam. However, as mentioned in section 5.14.3.2, more than 80% of imports applies to cut flowers.

5.14.4 Specific market entry requirements

Market Access and Entry

Live plants are subject of Plant Quarantine Inspection, which are aimed to prevent the entry of harmful pests from overseas to Japan and performed by the Plant Protection Station (as with fruit and vegetables - section 5.10.4).

Market entry is only allowed to listed products and/or country of origin.
The list can be consulted on:
http://www.pps.go.jp/eximlist/Pages/exp/conditionE.xhtml

However, there are also several import-prohibited items, regardless to the country of origin[268]:

- Soil
- Plants attached with soil
- Quarantine pests which are injurious to plants and plant products
- Rice straw or rice husks (excluding those from the Korean Peninsula and Taiwan)

Japan, similarly to the European Union, developed their Plant Variety Protection system, which imposes the requirement of variety registration for all plants. The control of imported plants is carried out to ensure that the product do not infringe the breeder's right at the customs[269].

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1. It should be noted though that importing live plants might require providing additional documentation concerning Quarantine Certificate for Plants and plant products as well as Phytosanitary Certificate Variety Registration and CITIES permit (International Trade in Endangered Species of Wild Fauna and Flora[270])

SPS measures

As in the case of fruit and vegetables, apart from import quarantine certificate issued by Japanese authorities after concluding import quarantine procedure, products should also have the phytosanitary certificate, issued by the plant health authorities in the country of export. From 1st October 2018, plants and plant products without phytosanitary certificates will be disposed[271].

Labelling

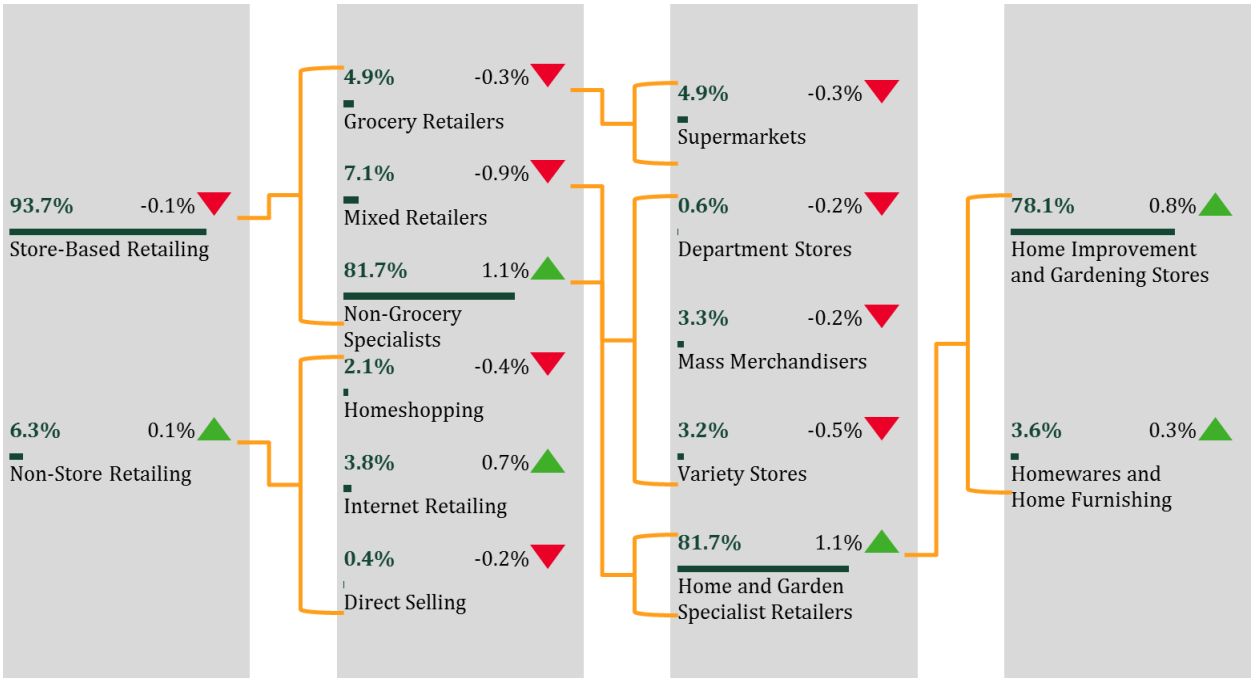
Labelling rules of live plants in Japan can be consulted with respective plant protection stations, which contacts can be found on MAFF website[272] .

[268] Plant Quarantine Inspections; MAFF; http://www.maff.go.jp/pps/j/introduction/english.html
[269] The Plant Variety Protection System in Japan; PVP Office, Intellectual Property Division; MAFF; http://www.hinshu2.maff.go.jp/en/about/overview.pdf
[270] How CITIES work; CITIES; https://www.cites.org/eng/disc/how.php
[271] Plant Quarantine Notice; MAFF; 2018; http://www.maff.go.jp/pps/j/guidance/leaflet/pdf/pc_en-2.pdf
[272] Major Plant Protection Stations; MAFF; http://www.maff.go.jp/pps/j/guidance/leaflet/pdf/l_en-2.pdf

5.14.5 Distribution

Live plants are in mainly distributed through store-based retailing. As seen in Figure 5-68 home improvement and gardening shops play a major role. Internet retailing accounted for 3.8% in 2017.

Figure 5-68:Distribution channel overview of live plants in Japan (2017); retail value



Source: Euromonitor International: Home and Garden, 2018

5.14.6 Challenges for EU products

EU producers could find it difficult to match Japanese preferences when it comes to live plants, as their meaning tend to be rooted in Japanese and Buddhist tradition. Required documentation and control measures could pose a challenge due to quarantine-related procedure.

Market Takeaway: Live plants

Consumption: *Consumption of live plants have been on decline in recent years, however consumption of some items is projected to increase, especially indoor plants and seeds.*
Competition: *Market dominated by domestic producers, which products are often specific for the region. Besides, foreign competitors mainly from Taipei and China.*
Distribution: *Live plants mostly distributed through store-based retailing, i.e. home improvement and gardening stores.*
Challenges*: Japanese preferences which are usually met by domestic producers as well as import-related control measures and documentation.*
Opportunities: *Projected upward trend in consumption of live plants in Japan.*

5.15 Honey

5.15.1SWOT analysis

5.15.2Consumption

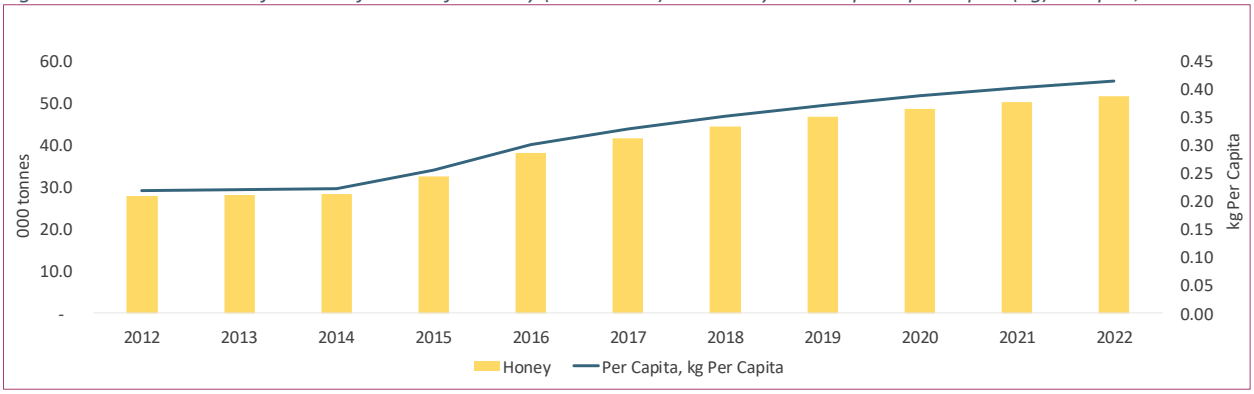
5.15.2.1 Evolution of consumption

With more consumers interested in their health and wellness, honey is becoming an increasingly popular product in Japan, as indicated in Figure 5-69. According to recent forecasts[273], yearly per capita consumption, which is currently 0.42 kg per year, is expected to raise to 0.51 by 2022. Given the limited domestic production, around 95% of the honey annually consumed in Japan is imported (mainly from China).[274]

[273]Euromonitor International: Packaged Food, 2018

[274] Japan abuzz with proliferation of beekeepers; 2018; Miyazawa T.; The Japan News; https://www.sfgate.com/g00/lifestyle/article/Japan-abuzz-with-proliferation-of-beekeepers-12755762.php?i10c.encReferrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmJlLw%3D%3D&i10c.ua=1&i10c.dv=14

Figure 5-69: Evolution and forecast of market for honey (000 tonnes) and honey consumption per capita (kg) in Japan, 2012-2022



Source: Euromonitor International: Packaged Food, 2018
Note: figures for 2017 to 2021 based on forecasts

5.15.2.2 Consumer profile and purchase criteria

Japanese consumers, especially old generations, are increasingly purchasing honey, mainly due to its health benefits and common use as an alternative medicine. Honey is also used a popular food product, mostly used in combination with yoghurt and as a toast spread.

Consumers

As one of the best sources of probiotics, and due to its antiseptic, antioxidant and cleansing properties, honey is considered to be a very healthy product among Japanese consumers. Furthermore, this product is commonly used to fight infection, to treat wounds, and as a natural cure for hair loss, insomnia, and acne, among other human diseases.[275] This may explain the strong appeal of honey among the consumer segment interested in health and wellness, i.e. Japanese women and older people.

Drivers and method of consumption

The positive impact honey has on health and wellness is the main driver for consumption. Japanese consumers have for example been educated by medias on the importance of probiotics, in which honey is rich, and have a good knowledge of the use of honey as an alternative medicine.

In Japan, honey is mostly consumed:

[275] Government of Canada: Consumer Trends - Honey and Maple Syrup in Japan; 2012; http://www.agr.gc.ca/eng/industry-markets-and-trade/international-agri-food-market-intelligence/asia/market-intelligence/consumer-trends-honey-and-maple-syrup-in-japan/?id=1410083148695

- As a natural remedy against cold and sore throat, in combination with e.g. the Daikon radish (the popular *Hachimitsu-Daikon*), or raw eggs (the so-called *Tamago-zake*). [276]
- In combination with bitter tasted medicines, in the place of sugar (as honey is perceived as healthier)[277];
- In combination with Greek yoghurt for breakfast; [278]
- Spread on toasts in the popular *Shibuya* Honey Toast, a rich dessert which is commonly served after lunch or dinner.[279]

Purchase criteria

In Japan, light honey with a pale colour, like acacia and milkvetch honey, are more popular than the darker varieties.[280] Furthermore, Japan is the biggest market for New Zealand's manuka honey. [281]

5.15.2.3 Recent market trends

As indicated in section 5.15.2.1, the growing interest of consumers in health and wellness, as well as the reliance on medicinal uses of honey are expected to drive a further growth in honey sales in Japan. In recent years, sales of honey have been growing in terms of value at a 13.8% per year[282]. However, the growth is expected to slow down between 2018 and 2022, honey sales will continue to grow in value at a greater extent than other categories of spreads.

[276] Japan's Best Natural Home Cures; 2018; Scemmer E.; https://savvytokyo.com/5-natural-japanese-remedies-fight-prevent-colds/
[277] Japan-Guide: How is honey perceived in Japan? ; https://www.japan-guide.com/forum/quereadisplay.html?0+41329
[278] Healthy eats in Japan: your guide to all things yogurt; 2018; https://www.city-cost.com/blogs/genkidesu/z4l9o-living_food_shopping
[279] 5 Things to Know about Shibuya Honey Toast; 2016; Tanjeena T.; http://trip-n-travel.com/listicle/13253/
[280] UNIDO Buckwheat Honey Market Study: Final Report; 2015; https://open.unido.org/api/documents/4673719/download/Buckwheat%20Honey%20Market%20Study%20Final%20Report
[281] New Zealand manuka honey favourite in Asia; 2017; Nadkarni A.; https://www.stuff.co.nz/business/small-business/91051173/new-zealand-manuka-honey-favourite-in-asia
[282] Euromonitor International, Packaged Food 2018

5.15.3 Offer

5.15.3.1 Domestic production

In 2016, Japan produced 2 800 tonnes per year, which accounted for 5% of the honey available on the domestic market. The local production has collapsed since 2005, mostly due to aging of population who are the traditional beekeepers. In 1985, indeed, there were about 370 000 hectares of bee plants in Japan, but by 2016 the figure had decreased by more than two-thirds. However, domestic production has been more dynamic in the last year, with an increasing amount of people interested in growing honeybees.[274] However, given the large consumption, Japan is expected to continue to rely on imports of honey, which currently exceed the amount of domestic production by a factor of over 10.

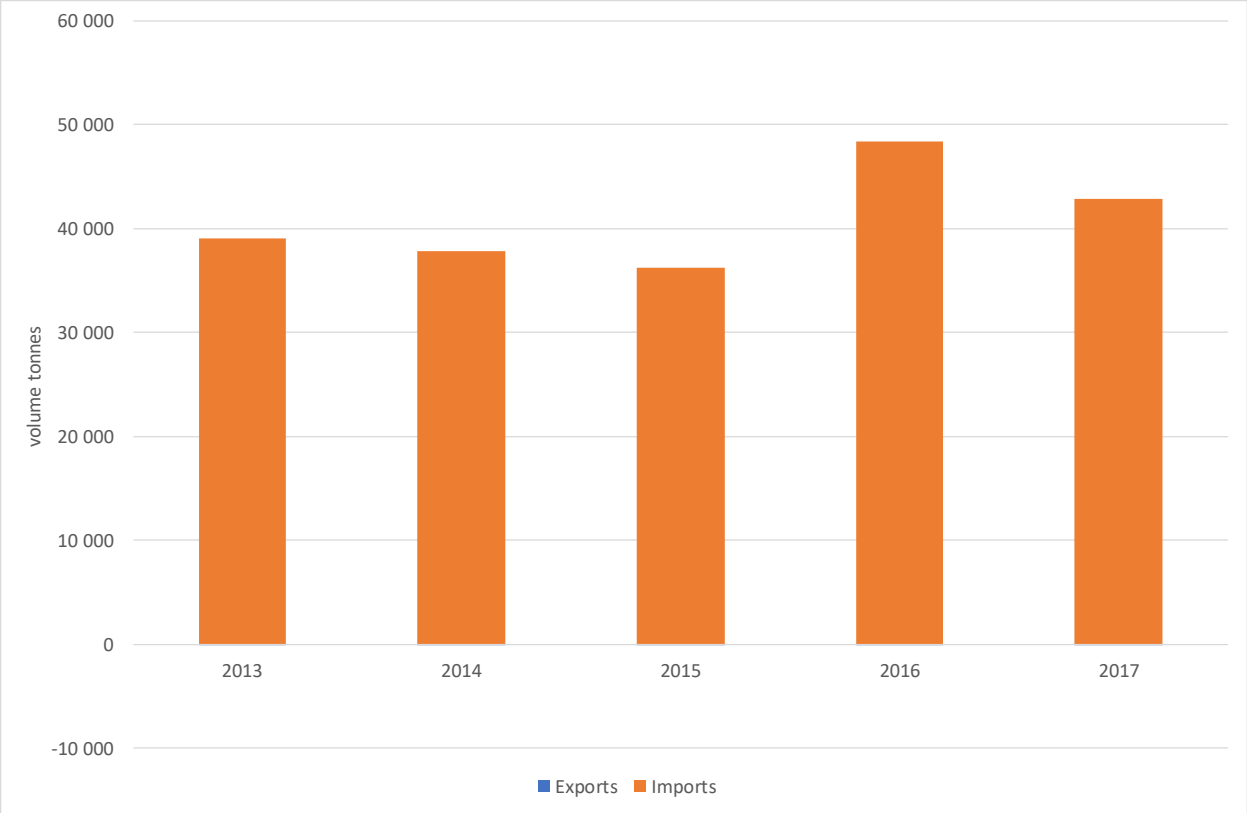
5.15.3.2 Imports and exports

Japan is the fourth main global destination for honey imports, due to the imbalance between domestic consumption and local production.[283] This explains also why imports of honey to Japan (i.e. 42 821 tonnes in 2017) largely exceed exports (i.e. 21 tonnes), as illustrated in Figure 5-70.

China is historically the leading exporter of natural honey to Japan. In 2017, China was indeed responsible for around 70% of Japanese total imports of natural honey by volume (i.e. approx. 30 000 tonnes). The large imports of natural honey from China can be explained by the fact that China is the largest honey-producing country in the world and produces honey similar to the Japanese one. The remaining 30% of exports was mostly shared between Argentina (10%), Canada and the European Union (7% each) (Figure 5-71).

[283] Which Countries Import the Most Honey?; 2017; Sergeeva A.; https://www.indexbox.io/blog/which-countries-import-the-most-honey/

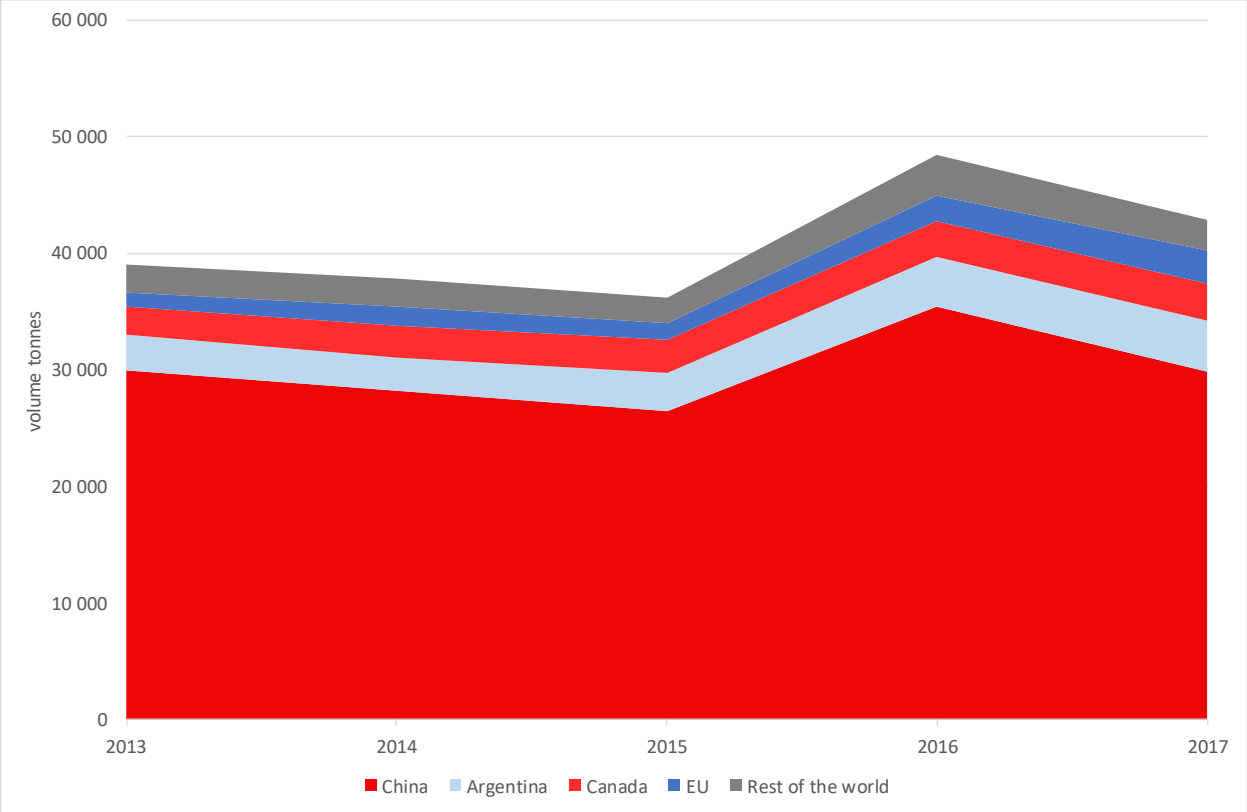
Figure 5-70: Trade balance (imports and exports) of honey in Japan, 2013-17; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 0409

Figure 5-71: Japanese imports of honey by country, 2013-2017; tonnes



Source: Trade Map, International Trade Centre - https://www.trademap.org/

Data for CN code 0409

Although limited, EU exports to Japan have recorded a rapid growth, roughly doubling exports in terms of volume between 2015 (1 444 tonnes) and 2017 (2874 tonnes). Imports from Romania are the most dynamic across the EU (they almost quadrupled between 2015 and 2017). Nonetheless, Hungary is the leading country in the EU exports of natural honey to Japan. In 2017, the country was responsible for 42% of the total EU exports of honey (i.e. 1 202 tonnes), followed by Romania, which exported 934 tonnes (i.e. 32% of the total EU exports), and Spain (266 tonnes, i.e. 9% of the total EU exports).

5.15.3.3 EU GI products

The recently signed Economic Partnership Agreement between the EU and Japan will bring recognition and protection of some EU GI products; however, honey products are not listed.

5.15.3.4 Main competitors

As mentioned in section 5.15.3.2, in terms of products, Chinese honey dominates the Japanese market. The main reason is that China is the largest producer of honey in the world. Furthermore, the Chinese honey is very similar to the honey produced in Japan, given that flower types are similar in the two

countries; and the country is geographically closer than most other. Consequently, most Chinese honeys belong to the categories which are highly demanded in Japan.

However, in terms of companies shares, the Japanese Kato Brothers Honey Co Ltd is the strongest player in the honey market, where it holds a retail value share of 15% (2017 figure). The company offers a wide variety of honey products across price ranges and production regions, including domestic, Canadian and Argentinian honey. Furthermore, Kato Brothers Honey offers variety even in terms of product packaging: convenient squeezable tube pack types, and small disposable sachets of honey are two innovations introduced by the company which have generally been well received by consumers. [273]

5.15.4 Specific market entry requirements

Market Access and Entry

Honey products do not face any market access restrictions, but their import is subject to a number of general regulations and entry procedures, complying with, *inter alia*¸ Food Sanitation Act. It should be noted that in the light of ongoing delisting procedure of food additives, some processed cereals products might be affected. The final list is to be concluded by the Japanese authorities in due time.

Customs procedures

A list of standard documents as well as the overview of the procedure is presented in section 4.2.1.

SPS measures

There are no particular SPS measures foreseen in case of honey products. However, prior to export, up to date information should be consulted on European Commission' website below.

Up to date information on appropriate documents concerning SPS measures
http://madb.europa.eu/madb/atDutyOverviewPubli.htm?countries=JP&hscode=0409

Labelling

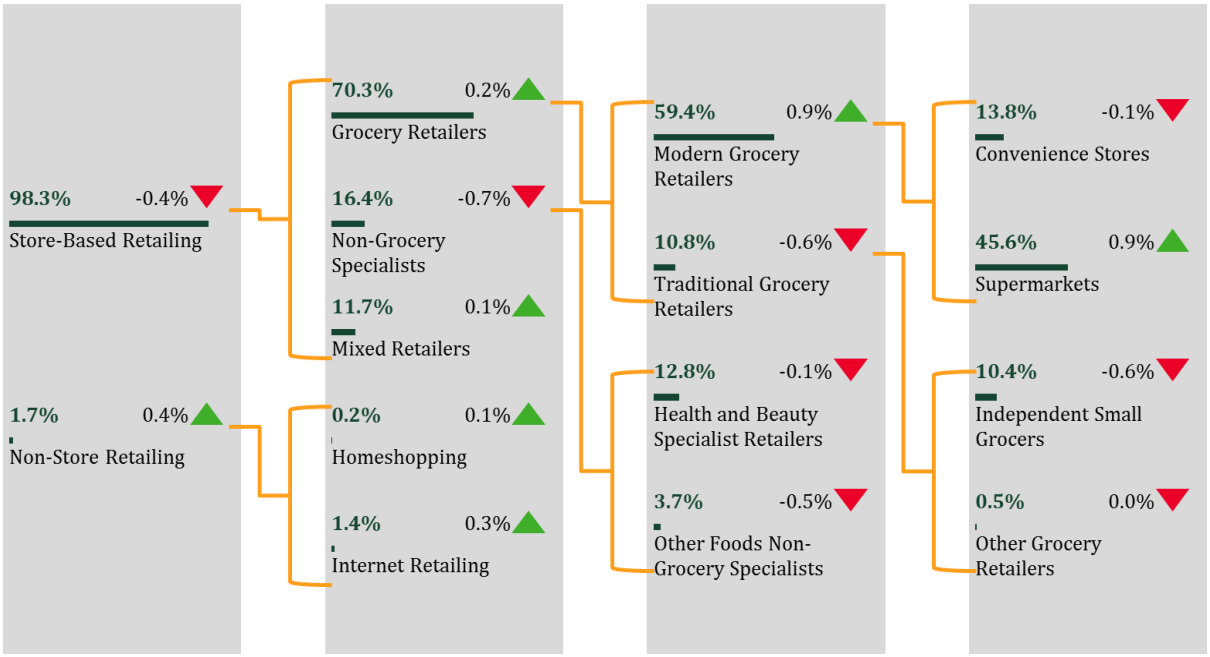
The section 4.2.3 provides an overview of Food Labelling Standard law in Japan. In general, in case of all processed foods, it imposes labelling requirements concerning allergens, nutritional components and countries of origin of ingredients as well as country of manufacture. Table 4-2 presents provisions of the labelling framework in Japan, pointing out the necessary requirements for processed foods, including honey products.

5.15.5 Distribution

As a result of Japan's reliance on imported honey, spreads (including natural honey) are mainly sold at modern grocery retailers (59.4%), especially in supermarkets and to a lesser extent in convenience stores. Natural honey is also sold at traditional grocery retailers, especially at independent small grocery retailers,

and non-grocery retailers, such as health and beauty specialist shops. Internet retailing of honey is not very popular in Japan, although it has a slightly rising profile (Figure 5-65).

Figure 5-72: Distribution channels overview of spreads (including honey) in Japan (2017); retail value



Source: Euromonitor International: Packaged Food, 2018

5.15.6 Challenges for EU products

Japanese consumers have a preference for varieties of honey with a light colour and taste. This type of honey can be easily found in China, which dominates the Japanese honey market. More generally, European companies account for a small share of exports of honey to Japan, mainly due to high tariffs and competition they face in this market.

Market Takeaway: Honey

Consumption: *Consumption of honey is on the rise, although light (in colour and taste) varieties are preferred.*
Competition: *Market dominated by Chinese, Argentinian and Canadian products; dynamic local production.*
Distribution: *Natural honey is mainly sold at modern grocery retailers, especially in supermarkets.*
Challenges*: Minimal EU exports and difficulty to compete with geographically closer competitors.*
Opportunities: *Increasing use of honey to treat medical diseases, among Chinese consumers.*

6 Communication

6.1 Communication strategy

This section sets out the main communication channels (new and traditional medias, as well as fairs) available, as well as key regulations for the advertisement of F&B.

6.1.1 Online & Digital Medias

Recent statistics indicate that in Japan there are around 104 million internet users, [284] and over half of the population is using social media platforms for approximately 40 minutes every day. [285]

As everywhere in the world, social media platforms provide several opportunities for brand marketing in the Japanese market. However, in order to plan and implement a successful advertising strategy through social medias, is essential to have an understanding of the different platforms and how they are used by your target customers.

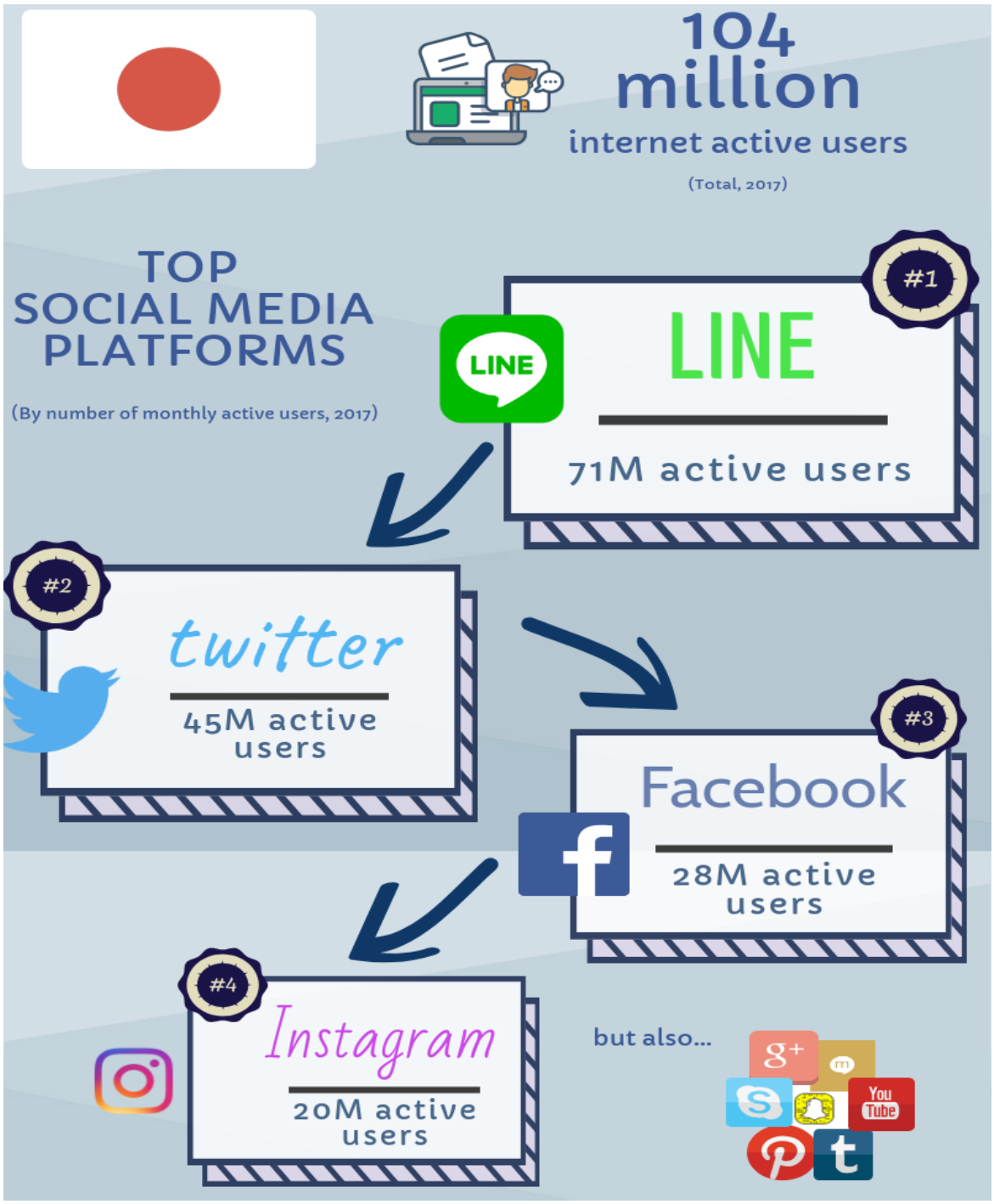
In terms of total users LINE is the most popular social media platform in Japan, followed by Twitter which is the most popular social network) and Facebook (***see infographic below***). Several brands that advertise through these platforms have succeeded in terms of enhancing brand awareness and online brand presence, as well as penetrating a specific target market. Instagram can't be ignored, as it is the fastest growing social network. This app has been successfully used to keep direct and instant communication between brands and their target customers. [286] [287]

[284] Statista (2017): Number of internet users in Japan from 2015 to 2022 (in millions), https://www.statista.com/statistics/266376/internet-users-japan/

[285] Impact of social media in Japan: Japan social media marketing, https://www.an-yal.com/new-blog/impact-of-social-media-japan

[286] Social Media in Japan 2018: Current Stage and Upcoming Trends, https://plusalphadigital.com/social-media-in-japan/

[287] The social media evolution and prediction for Japan, https://www.infocubic.co.jp/en/blog/social-media/social-media-evolution-prediction-japan/



Source: Agra CEAS / designed with Piktochart

6.1.1.1 Social media platforms

In Japan social media marketing is growing in importance, given that:

- 71% Japanese are more likely to make a purchase based on a social media reference;
- 86% Japanese women seek the advice of influencers before they make a purchase; [288]
- millennials and older (over 40's) users are increasingly populating social media platforms;
- young people are more and more active on multiple platforms. [289]

Therefore, it is essential that producers optimise their marketing strategies across multiple platforms. The top social media platforms offer several opportunities to advertise, as set out below.

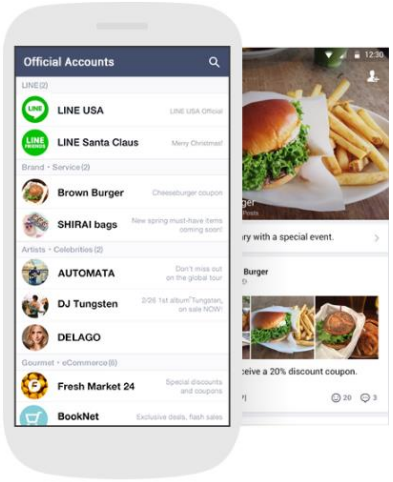
Line

This messaging app has features of Facebook Messenger and WhatsApp, but offers further services including news and entertainment, mobile payments, and discount vouchers[290]. Line is the most popular social media platform in Japan, with around 70 million active users in 2017, a figure that is expected to constantly grow, reaching almost 59 million by 2021. [291]

Once created an account Page, Line offers several opportunities for businesses to advertise, as set out below.

Tips to advertise products on Line messaging apps: Line

- Post content (i.e. text in Japanese, pictures, videos, stickers, links to an external page) on the Timeline for free.
- Send batch messages to followers.
- Send one-to-one messages.
- Share coupons and announcements (*figure on the left*[292]).
- Promote your products through the Hike Network, i.e. an external media network which allows to send advertisements to over 1 000 popular publishers (e.g. websites, apps etc). The estimated cost to access the network is right around 300 000 Yen (approx. EUR 2 700).



[288] Influencer Marketing in Japan, https://starngage.com/influencer-marketing-japan/
[289] Humble Bunny Report: Japan's Top Social Media Networks for 2018, http://www.humblebunny.com/japans-top-social-media-networks-2018/
[290] What is Line? Everything you need to know about the Japanese messaging app as it prepares to go public, https://www.independent.co.uk/life-style/gadgets-and-tech/line-everything-you-need-to-know-about-the-japanese-messaging-app-as-it-prepares-to-sell-sharesgo-a7137226.html
[291] Line will top 50 million users in Japan this year, https://www.emarketer.com/Article/Line-Will-Top-50-Million-Users-Japan-This-Year/1016207
[292] www.line.me

- Advertise through the Timeline and news platform. The audience can be selected on the basis of criteria e.g. age, gender, prefecture etc. Minimum spend to access this platform is 1 000 000 Yen (approx. EUR 7 580)[293][289].

Social networks: Twitter, Facebook, and Instagram

With over 45 million users in 2017, Twitter is the most popular social network in Japan, followed by Facebook (28 million), and Instagram (20 million). However, Instagram is the fastest growing in Japan, especially amongst women between the ages of 18-30, which account for two thirds of its users. In Japan, Twitter is the most diverse in terms of users' age and gender, thus allowing to easily achieve a mass audience. On the contrary, Facebook is mostly used by adults (i.e. over 30's), which account for nearly 75% of its users, and men (57% overall). Therefore, Facebook is the ideal platform to market brands aimed at an audience of adults, e.g. luxury and more traditional products. Finally, Instagram is mostly populated by young women, which tend to look to influencers for products.[286]

Video-sharing platforms

With 25% of Japanese internet users watching an online video every day, video-sharing platforms are becoming increasingly important for digital advertising in Japan. Videos have a higher rate of engagement than text and images, therefore almost all social media platforms have incorporated features to share and watch video. However, Japanese are also increasingly using video-sharing platforms like YouTube, which is the most active social media platform Japan, NicoNicoDouga, and AbemaTV. [285]

Tips to advertise products on social networks: Twitter, Facebook, and Instagram

- **Japanese account/page**: One way to enhance brand awareness on Twitter, Facebook, and Instagram is to create an account/page specifically for Japan, and post content. Figures below illustrate some examples of brands that are present on social networks with a page in Japanese (i.e. Belgian Godiva on Twitter, Italian Barilla on Facebook, and French 1883 on Instagram). Instagram is particularly useful to highlight the visual identity of the brand, while Facebook and Twitter accounts allow to interact with the consumers and catch them up with companies' news. A successful post on these social networks can increase traffic to the company's website. In this respect, understanding the target consumers and what best gain their attention is crucial. [294]

[293] 運用型 LINE 広告 LINE Ads Platform の Hike network の概要と特徴，https://marketer.jp/line-line-ads-platform-hike-network-overview-characteristic.html#2Hike_network

[294] 6 Social Media Tips to Market on SNS in Japan, http://www.humblebunny.com/6-social-media-tips-to-market-on-sns-in-japan/

- **Paid advertising:** Facebook, Twitter, and Instagram allow to start a paid campaign, which can be personalised according to the campaign objective (e.g. attract new followers, send traffic to the website), the audience, and the budget. The audience can be selected on the basis of several criteria e.g. location, gender, interests etc. There is no minimum campaign spend, however Twitter suggests a minimum of approximately EUR 26 per day to obtain good results.

- **Influencers**: working with an influencer is key to enhance brand awareness and penetrate a specific target audience. Through native speaking celebrities indeed the brand can connect more personally with target users. Furthermore, influencers' advertising ensures more exposure through spreading the brand among their followers [294] (see image on the left, i.e. Italian brand Campari in an Instagram post of Masaki Higuchi, a popular Japanese food influencer). Influencers can be remunerated with a fee, or (mostly micro-influencers) with an exclusive experience (e.g. a discount), and/or recognition (e.g. share their posts on the company's social media accounts). [288]

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.
ツムギ&カンパリのソーダ割り、
蒸し暑くなってきたこの季節に、
とってもおすすめな一杯ですよ。
サボテンと。
@wapirits.tumugi
.
.
.
.
#TUMUGI #Campari #wapiritsTUMUGI
#wapirits #Kojisour #麹 #こうじ #宇佐 #発酵 #ミクソロジー #Mixologyart #Cozysour
#Cozystyle #日本 #三和酒類 #madeinjapan
#cocktail #スピリッツ #和ピリッツ #おうちカクテル #おうちバー #カンパリ #うすはり

6.1.1.2 Food blogs

Another successful strategy to promote a product in Japan is to work with food bloggers to write a promotional post on their blog. The tips indicated in section 6.1.1.1 are valuable also with regards to food blogs. Popular food bloggers are also influencers, therefore working with them often means the opportunity to expose the brands on several platforms. Below are some entries from the food blog of Masaki Higuchi, presenting French Cointreau and Croatian Dingač brands[295].

「コーヒーゼリー」

「パテ・ド・カンパーニュ」

[295] Entries were retrieved from Masaki Higuchi 's blog 'The Last Order': http://lard.blog87.fc2.com/

6.1.2 Traditional Medias

Television

Television is very popular in Japan, especially among adults, thus it continues to be one of the main marketing channels. Indeed, a recent survey indicated that 79% of respondents had watched television every day. Furthermore, 56% of respondents had watched television for 3 to 6 hours per day, many of whom however were over 50 years old. Most young people indeed reported to find online videos more interesting than TV. [296]

The main News Networks in Japan are: Nippon News Network (NNN), Japan News Network (JNN), Fuji News Network (FNN), All-Nippon News Network (ANN), TXN Network (TXN).

The major Stations are: Nippon Television Network Corporation, Tokyo Broadcasting System, Inc., Fuji Television Network, Inc., TV Asahi Corporation, TV TOKYO Corporation. [297]

Companies can promote their brand through time and spot ads, as set out below.

- **Time ads** differ according to commercial broadcast area (national vs. local) and whether or not the brand name is displayed during the TV program.
  These commercials can be purchased through six-month contracts with sponsors, with renewal authorisation and fees renegotiated in April and October (when timetables are reorganised). Fees consist of airwave fees, program production costs and network airwave fees associated with net time sales. However, they vary according to the popularity of the program and the balance of advertising supply and demand. [297] For example, the approximate cost of a 15-second commercial on Fuji ranges between 400 000 and 750 000 yen. [298] (approx. EUR 3 000-5 600)
- **Spots ads** are differentiated by commercial broadcast slot: commercials in the station break slot are shown between programs, while commercials sin the participating commercial slot are shown during programs. Spot ads purchaser can select the desired length, day of the week and time slots.

Print media

Similarly to television, but to a lesser extent, print media, i.e. newspapers and magazines, are more popular among adults. Indeed a 2015 survey showed that 58% of respondents read the newspaper every day, and 71% once a week or more. However, the majority of those respondents are over 40 years old. [296]Therefore, print media may be used to market brands that target older generations. The approximate

[296] NHK Report: Television Viewing and Media Use Today: From "The Japanese and Television 2015", https://www.nhk.or.jp/bunken/english/reports/pdf/report_16042101.pdf
[297] NTNC Handbook: Japanese Television Broadcasting Industry http://www.ntvhd.co.jp/english/ir/annual/annual/2010b.pdf
[298] APPROXIMATE Advertising Costs in Japan, https://adamacar.wordpress.com/2012/02/15/approximate-advertising-costs-in-japan/

cost to advertise on print media largely vary among newspapers, ranging from 25.3 million yen (EUR 191 800) (Nikkei) to around 49.6 yen (EUR 376 000) (Asahi).

6.1.3 E-commerce

Japan is the world's third largest, and one of the fastest growing, e-commerce markets in the world. In 2016, e-commerce was estimated to account for 2.8% of the total GDP, with over 76.9 million people (70%) making online purchases. Food and beverage sales online have seen steady grow continue to grow, with high quality items leading the demand. [299]

The three major e-commerce platforms are Rakuten, Amazon Japan, and Yahoo! Japan Shopping, which account for 50% of the country's online sales. [300] Furthermore, retailers e.g. Ito-Yokado, Maruetsu, Daiei, and Apita have open an online shop. [299]

Source: Agra CEAS / designed with Piktochart

6.1.4 Fairs and exhibitions

Apart from the digital approach, some investors decide to advertise their products on various trade fairs, which presence on the Japanese market is constantly growing. Most of them are endorsed by governmental ministries and agencies, or other bodies such as Japan External Trade Organization (JETRO). Exhibitions constitute a promising opportunity to develop better brand recognition and initiate market interest. However, as some shows might only reach local audience, it is advisable to research the exhibition's profile in advance. On the other hand, some of them might match exhibition approach and online presence. It is also worth to remember that participation costs are usually directly proportional to the rank of the exhibition and its scope.

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[299] US Export.gov Guide: Japan – eCommerce, https://www.export.gov/article?id=Japan-E-Commerce
[300] How to Sell Online in Japan, http://blog.btrax.com/en/2014/09/05/sell-online-in-japan-ecommerce/

A list of upcoming exhibitions is included in an annex to this document, and further lists may be found online on websites such as:

- https://www.eubusinessinjapan.eu/library/trade-fairs
- https://www.jetro.go.jp/en/database/j-messe/
- https://10times.com/japan/food-beverage/tradeshows
- http://www.tofairs.com/fairs.php?fld=&rg=2&cnt=1057&cty=&sct=124
- https://www.tradefairdates.com/Fairs-Japan-Z112-S2.html

6.2 Advertising regulations

In Japan, advertising is regulated by the following acts:

- the Act against Unjustifiable Premiums and Misleading Representations (AUPMR);
- the Act on Specified Commercial Transactions (ASCT);
- the Medical Care Act;
- the Act on Pharmaceuticals and Medical Devices (formerly the Pharmaceutical Affairs Act);
- the Health Promotion Act; and
- the Outdoor Advertisement Act.
- There is also a 'fair commission code' applicable to advertising, and a number of advertising guidelines issued by government bodies responsible for specific industries.

Regulation on advertising is generally issued by The Secretary General of the Consumer Affairs Agency and prefecture governors. The Minister of the Economy, Trade and Industry (METI) also has responsibility in accordance with the ASCT. Furthermore, the Japan Advertising Review Organization (JARO)[301], a self-regulatory body established by the advertising industry, handles complaints from companies and consumers, and makes recommendations for the modification of disputed representations. [302]

[301] www.jaro.or.jp

[302] Advertising & Marketing: Japan, https://gettingthedealthrough.com/area/64/jurisdiction/36/advertising-marketing-japan/

7 Japanese Etiquette

7.1 Quick facts

Being aware of cultural and business etiquette in Japan might ensure better odds of success as well as avoid any confusion when meeting with Japanese trade partners. The sections below summarise the main points that should be taken into consideration.

People

- Japan are very punctual and take time management very seriously.
- The literacy rate is almost 100% in Japan.

Meetings and greetings

- When Japanese people meet, they traditionally bow rather than shake hands; the lowest bow is a demonstration of the deepest respect.

Languages

- There are four different writing systems in Japan; Romaji, Katakana, Hiragana, and Kanji.
- English is not a widely spoken language. Furthermore, many Japanese people worry about their English skills and fear saying something incorrectly.

Corporate culture

- Business cards are essential.
- The Japanese will do business with a company only if they feel that they can trust the individuals that they meet.
- Japanese are fascinated by creative and original ideas.

Dining and entertainment

- It is polite to make a slurping sound when eating noodle soups.
- Sticking the chopsticks straight up in a bowl of rice is rude.
- It is considered rude to leave a dirty plate covered with a pile of napkins and garbage.
- It is common to allow people seated close to pour your drinks from their bottles.

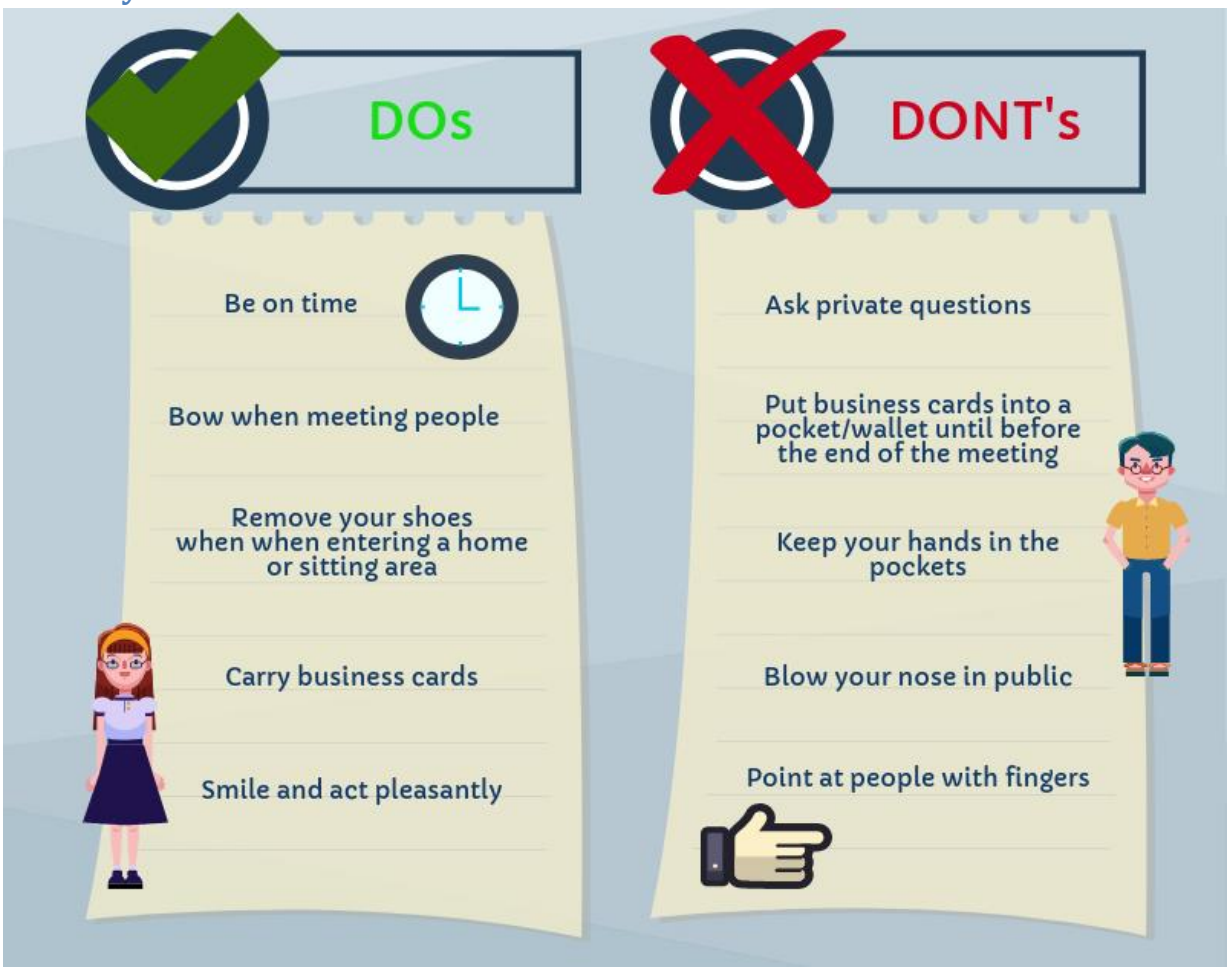
Dress

- Black suit, white shirt, and black tie are funeral attire.

Gifts

- It is considered rude to give a present to only one person when in a group of many people
- Presents are much appreciated at the end of a meeting or encounter.

7.2 Key DOs and DON'T's



Source: Agra CEAS / designed with Piktochart

8 Directory of Trade Support Projects, Organisations, and Service Providers

There are a variety of services available, both within the EU and in Japan, for producers wishing to develop their business in Japan. These service providers include EU funded projects, services provided by Member States and their embassies, and other organisations and service providers.

- Section 8.1 contains the project profiles for EU funded initiatives operating in Japan.
- Section 8.2 contains the contact information for Member State embassies within Japan.
- Section 8.3contains a listing of service providers including some information on the services available.
- Section 8.4 provides a calendar of exhibitions, trade shows, and other events to be held in Japan in 2018/2019.

8.1 European Union Organisations

Several EU funded, or co-funded, projects within Japan offer a range of business facilitation services and information providing important insights into the Japanese market. Depending on your company profile these services can be free or fee based; and are available for companies from any EU Member State.

EU-Japan Centre
for Industrial Cooperation
日欧産業協力センター

The EU-Japan Centre for Industrial Cooperation is a unique venture between the European Commission and the Japanese Government. It is a non-profit organisation established as an affiliate of the Institute of International Studies and Training (IIST). It aims at promoting all forms of industrial, trade and investment cooperation between the EU and Japan and at improving EU and Japanese companies' competitiveness and cooperation by facilitating exchanges of experience and know-how between EU and Japanese businesses.

Website: www.eu-japan.eu

Contacts:

Office in Europe

Rue Marie de Bourgogne 52

B-1000, Brussels, Belgium

Tel: + 32 2 282 00 40

Fax: + 32 2 282 00 45

Email: office@eu-japan.eu

The European Business Council (EBC) in Japan is the trade policy arm of 17 European National Chamber of Commerce and Business Associations in Japan and has been working to improve the trade and investment environment for European companies in Japan since 1972. The EBC was registered with the Ministry of Economy, Trade and Industry (METI) in 2008 as the European (EU) Chamber of Commerce in Japan.

The EBC currently works for around 2,500 local European corporate and individual members through fees paid via their respective national chamber of commerce. Some 350 companies participate directly in one or more of the EBC's 24 industry committees, whose work covers a wide variety of economic sectors, including food and agriculture.

Website: www.ebc-jp.com

Contacts:

Sanbancho POULA Bldg. 2F, 6-7 Sanbancho, Chiyoda-ku, Tokyo 102-0075

Tel: +81 3 3263 6222

Fax: +81 3 3263 6223

Email: ebc@ebc-jp.com

8.2 Directory of EU Member State Embassies

EU MS	Address	Website	Contact information
Austria	1-1-20 Moto Azabu, Minato-ku Tokyo 106-0046	https://www.bmeia.gv.at/en/austrian-embassy-tokyo/	Tel: +81 3 3451 8281
Belgium	Nibancho 5-4, Chiyoda-ku 102-0084 Tokyo	https://japan.diplomatie.belgium.be/fr https://japan.diplomatie.belgium.be/nl	Tel: +81 3 326 201 91 Email: tokyo@diplobel.fed.be
Bulgaria	5-36-3 Yoyogi, Shibuya-ku, Tokyo 151-0053	https://www.mfa.bg/embassies/japan	Tel: +81 3 3465 1021 Email: Embassy.Tokyo@mfa.bg
Croatia	3-3-10 Hiroo Shibuya-ku, Tokyo 150-0012	http://jp.mvep.hr/	Tel: +81 3 5469 3014
Cyprus	7F, Hibiya Marine Bldg. 1-5-1 Yurakucho Chiyoda-ku, Tokyo 106-0006		Tel: +81 3 3592 0611 Email: info@cyprus-hcg.jp (Consulate General)

EU MS	Address	Website	Contact information
Czech Republic	2-16-14 Hiroo Shibuya-ku, Tokyo, 150 0012	https://www.mzv.cz/tokyo/cz/index.html	Tel: +81 3 3400 8122 Email: tokyo@embassy.mzv.cz
Denmark	29-6, Sarugaku-cho Shibuya-ku, Tokyo 150-0033	http://japan.um.dk/	Tel: +81 (0)3 3496 3001 Email: tyoamb@um.dk
Estonia	2- 6- 15 Jingu-mae Shibuya-ku,Tokio 150-0001	http://www.estemb.or.jp/est	Tel : +81 3 54 12 72 81 Email: Embassy.Tokyo@mfa.ee
Finland	3-5-39, Minami-Azabu, Minato-ku Tokyo 106-8561	http://www.finland.or.jp	Tel : +81 3 5447 6000 Email: sanomat.tok@formin.fi
France	4-11-44, Minami-Azabu, Minato-ku, Tokyo 106-8514	https://jp.ambafrance.org/	Tel: +81 3 5798-6000 Email: infoconsul.tokyo-amba@diplomatie.gouv.fr
Germany	4-5-10 Minami-Azabu Minato-ku, Tokyo 106-0047	https://japan.diplo.de/ja-de	Tel: +81 3 5791 7700
Greece	3-16-30 Nishi-Azabu Minato-ku, Tokyo 106-0031	https://www.mfa.gr/missionsabroad/japan.html	Tel: + 81 3 3403 0871/2 Email: gremb.tok@mfa.gr
Hungary	2-17-14 Mita Minato-ku, Tokyo 108-0073	https://tokio.mfa.gov.hu/	Tel: +81 3 5730 7120/1 Email: mission.tio@mfa.gov.hu
Ireland	Ireland House 2-10-7 Kojimachi Chiyoda-ku, Tokyo 102-0083	https://www.dfa.ie/irish-embassy/japan/	Tel: +81 3 3263 0695
Italy	2-5-4 Mita Minato-ku, Tokyo 108-8302	https://ambtokyo.esteri.it/ambasciata_tokyo/it/	Tel: +81 3 3453 5291/2 Email: ambasciata.tokyo@esteri.it
Latvia	37-11 Kamiyama-cho, Shibuya-ku, Tokyo, 150-0047	http://www.mfa.gov.lv/japan	Tel: +81 3 3467 6888 Email: embassy.japan@mfa.gov.lv
Lithuania	3-7-18 Moto-Azabu Minato-ku, Tokyo 106-0046	http://jp.mfa.lt/jp/lt/	Tel: +81 3 3408 5091 Email: amb.jp@urm.lt
Luxembourg	1F, Luxembourg House 8-9 Yonban-cho Chiyoda-ku, Tokyo 102-0081	https://tokyo.mae.lu	Tel: +81 3 3265 9621
Malta	c/o Institute for Political Studies in Japan (IPSJ) Room 207, 2F Silk Road Building 1-16-16 Ohara Setagaya-ku, Tokyo 156-0041	https://foreignaffairs.gov.mt/en/Pages/Maltese%20Consular%20Representations%20Overseas/Japan.aspx	Tel: +81 3 3460 2392 Email: maltaconsul.tokyo@gov.mt

EU MS	Address	Website	Contact information
Netherlands	3-6-3 Shibakoen Minato-ku, Tokyo, 105-0011	https://www.nederlandwereldwijd.nl/landen/japan	Tel: +81 3 5776 5400
Poland	Tokyo, 2-13-5 Mita, Meguro-ku, 153-0062	https://tokio.msz.gov.pl/pl/root	Tel: +81 3 57947020
Portugal	5F, Kamiura Kojimachi Bldg. 3-10-3 Kojimachi Chiyoda-ku, Tokyo 102-0083	http://embaixadadeportugal.jp/pt/	Tel: +81 3 5226 0614 Email: portugal@embportjp.org
Romania	3-16-19 Nishi Azabu, Minato-ku, Tokyo-to 106-0031	http://tokyo.mae.ro	Tel: +81 3 3479 0311 Email: tokyo@mae.ro
Slovakia	2-11-33, Moto-Azabu, Minato-ku, 106-0046, Tokyo	https://www.mzv.sk/web/tokio	Tel: +81 3 3451 2200 Email: emb.tokyo@mzv.sk
Slovenia	14-12 Minamiaoyama 7-chome Minato-Ku Tokyo 107- 0062	http://www.tokyo.embassy.si/	Tel: + 81 3 54 68 62 75 Email: vto@gov.si
Spain	1-3-29 Roppongi Minato-ku, Tokyo 106-0032	http://www.exteriores.gob.es/Embajadas/TOKIO/es/Paginas/inicio.aspx	Tel: +81 3 3583 8531 Email: emb.tokio@maec.es
Sweden	1-10-3-100 Roppongi Minato-ku, Tokyo 106-0032	https://www.swedenabroad.se/ja/embassies/japan-tokyo/#	Tel: +81 3 5562 5050 Email: ambassaden.tokyo@gov.se
United Kingdom	1 Ichiban-cho Chiyoda-ku, Tokyo 102-8381	https://www.gov.uk/world/organisations/british-embassy-tokyo	Tel: +81 3 5211 1100 Email: public-enquiries.tokyo@fco.gov.uk

8.3 Other organisations and service providers

Service provider	Website	Address	Contact information
Services for Austrian companies			
Advantage Austria	www.advantageaustria.org	Austrian Embassy - Commercial Section 3-13-3 Motoazabu, Minato-ku 106-0046 Tokyo	Tel: +81 3 3403 1777 Email: tokyo@advantageaustria.org
Services for Belgian companies			
Belgian-Luxembourg Chamber of Commerce in	www.blccj.or.jp	Dai10 Daitetsu Bldg. 5F, Arakicho 23 Shinjuku-ku, Tokyo 160-0007	Tel: +81 3 6457 8662 Email: info@blccj.or.jp

Service provider	Website	Address	Contact information
Japan (BLCCJ)			
Belgium - Japan Association (BJA) & Chamber of Commerce	www.bja.be	Avenue Louise 287, box 7 - 1050 Brussels	Tel: +32 2 644 14 05 Email: info@bja.be
Flanders Investment & Trade Japan Office	www.flandersinvestmentandtrade.com/en/contact/foreign-offices/japan	c/o Embassy of Belgium in Tokyo Government of Flanders – Belgium 5-4 Nibancho, Chiyoda-ku Tokyo 102-0084	Tel: +81 3 52 10 58 84 Email: tokyo@fitagency.com
Services for British companies			
British Chamber of Commerce in Japan - BCCJ	www.bccjapan.com	Ark Hills Front Tower RoP 2-23-1 Akasaka Minato-ku, Tokyo 107-0052	Tel: +81 3 6426 5739 Email: info@bccjapan.com
Scottish Development International in Tokyo	www.sdi.co.uk/about-sdi/global-offices/asia-and-pacific/japan-tokyo	10F The Imperial Hotel Tower, 1-1-1 Uchisaiwaicho Chiyoda-ku, Tokyo, 100-0011	Tel: +81 3 5501 3480 Contact form: www.sdi.co.uk/about-sdi/contact-us
Services for Bulgarian companies			
Bulgarian-Japanese Economic Council	www.bcci.bg/bulgarian/bjec	1058 Sofia, 9 Iskar Str., Bulgaria	Tel: +359 2 8117 489 Email: g.dimitrova@bcci.bg
Services for Croatian companies			
Croatian Chamber of Economy (CCE)	www.hgk.hr	Rooseveltov trg 2, 10000 Zagreb	Tel: +385 1 456-1555 Email: hgk@hgk.hr
Services for Czech companies			
Czech Chamber of Commerce	www.cccij.com	2-24-17, Hiyoshi, Kokubunji, Tokyo 185-0032	Contact form: https://www.cccij.com/contact-form

Service provider	Website	Address	Contact information
and Industry in Japan			
Services for Cypriot companies			
Cyprus Chamber of Commerce and Industry – Department of Services and Trade	www.ccci.org.cy	38, Grivas Dhigenis Ave. & 3, Deligiorgis Str., P.O.Box 21455, 1509 Nicosia	Tel: +357 22889890 Email: martha@ccci.org.cy
Services for Danish companies			
Danish Chamber of Commerce in Japan (DCCJ)	www.dccj.org	C/O The Royal Danish Embassy Tokyo 29-6 Sarugaku-cho Shibuya-ku,Tokyo 150-0033	Contact form: https://www.dccj.org/contact
Services for Dutch companies			
Dutch & Japanese Trade Federation	www.dujat.nl	Prof. J.H. Bavincklaan 3 1183 AT Amstelveen, The Netherlands	Tel: +31 20 3050930 Email: vangastel@dujat.nl
The Netherlands Chamber of Commerce in Japan (NCCJ)	www.nccj.jp	MBE145, 4F Tokusui Blg, 3-5 Koji-machi Chiyoda-ku, Tokyo 102-0083	Tel: 048 952 3250 Email: contact@nccj.jp
Services for Estonian companies			
Japanese-Estonian Chamber of Commerce (JECC)	www.jecc.ee	Embassy of the Republic of Estonia in Japan, 150-0001 2-6-15 Jingumae, Shibuya-ku, Tokyo	Tel: +81 3 5412 7281 Email: jecc.tallinn@gmail.com
Services for Finnish companies			
Finnish Chamber of Commerce in Japan	www.fcc.or.jp	Forest View Meguro 101 5-11-17, Shimomeguro Meguro-ku, TOKYO 153-0064	Tel: +81 3 5725 9596 Email: fccj@gol.com
Finnish-Japanese	www.kauppayhdistys.fi		Tel: +358 9 4242 6200

Service provider	Website	Address	Contact information
Chamber of Commerce			Emails: hanna-leena.harma@chamber.fi, or anne.hatanpaa@chamber.fi
Business Finland Japan office in Tokyo	www.businessfinland.fi/en/locations/asia-india-and-oceania/japan	3-5-39 Minami Azabu, Minato-ku 106-8561 Tokyo Japan	Tel: +81 3 6432 5270 Email: pekka.laitinen@businessfinland.fi
Services for French companies			
Comité d'Echanges Franco-Japonais (CEFJ)	www.cefj.org	CCI de région Paris Ile-de-France, 6/8 avenue de la Porte de Champerret 75838 CEDEX 17	Tel : +33 1 55 65 36 53 Emails: ntominaga@cefj.org adejulliard@cefj.org
French Chamber of Commerce & Industry in Japan (CCIFJ)	www.ccifj.or.jp	Iida bldg 2F, 5-5 Rokubancho, Chiyoda-ku, Tokyo 102-0085	Tel: +81 3 3288 9621 Email: appui.entreprises@ccifj.or.jp
Business France Japan office	www.export.businessfrance.fr/japon	4-11-44, Minami-Azabu Minato-ku, TOKYO 106-8514	Tel: +81 3 5798 6079 Email: tokyo@businessfrance.fr
Services for German companies			
Deutsch-Japanischer Wirtschaftskreis	www.djw.de	Graf-Adolf-Straße 49, 40210 Düsseldorf, Germany	Tel: +49 211 99 45 91 91 E-Mail: info@djw.de
German Chamber of Commerce & Industry in Japan (DIHKJ)	www.japan.ahk.de	Sanbancho KS Bldg., 5F, 2-4 Sanbancho, Chiyoda-ku 102-0075 Tokyo	Tel: +81 3 5276 9811
Japanisch-Deutsches Zentrum Berlin (JDZB)	www.jdzb.de	Japanisch-Deutsches Zentrum Berlin (JDZB) Saargemünder Straße 2, 14195 Berlin, Germany	Tel: +49 30 839 07 0 Email: jdzb@jdzb.de
Services for Greek companies			

Service provider	Website	Address	Contact information
Greek Chamber of Commerce in Japan	www.grccj.jp	3-16-30 Nishi Azabu, Minato Ku, Tokyo 106-0031	Email: admin@grccj.jp
Services for Hungarian companies			
Hungarian Chamber of Commerce and Industry (HCCI)	www.mkik.hu	H-1054 Budapest, Szabadság tér 7	Tel: (+36-1)-47-45-180 Emails: vb@mkik.hu; lukacs.jozsefne@mkik.hu
Services for Irish companies			
Ireland Japan Association (IJA)	www.ija.ie	C/O Unique Japan Tours, 54 Dawson Street, 3rd Floor, Dublin 2	Email: info@ija.ie
Services for Italian companies			
Italian Chamber of Commerce in Japan	www.iccj.or.jp	FBR Mita Bldg. 9F 4-1-27 Mita, Minato-ku 108-0073 Tokyo	Tel: +81 3 6809 5802 Email: iccj@iccj.or.jp (to fix an appointment)
ICE - Italian Trade Commission Tokyo	www.ice-tokyo.or.jp	Minami Aoyama, Minato-ku, Tokyo 1-1-1 Minami Aoyama 16th Floor Shin-Aoyama Building	Tel: +81 3 3475 1401 Email: tokyo@ice.it
Services for Latvian companies			
Investment and Development Agency of Latvia	www.liaa.gov.lv	2 Perses Street, Riga, LV-1442, Latvia	Tel: +371 67039400 Email: liaa@liaa.gov.lv
Services for Lithuanian companies			
Vilnius Chamber of Commerce	www.cci.lt	T. Kosciuškos str. 30, LT-01100 Vilnius	Tel: +370 (5) 213 5550 Email: vilnius@cci.lt
Services for Luxembourgian companies			
Belgian-Luxembourg Chamber of Commerce in	www.blccj.or.jp	Dai10 Daitetsu Bldg. 5F, Arakicho 23 Shinjuku-ku, Tokyo 160-0007	Tel: +81 3 6457 8662 Email: info@blccj.or.jp

Service provider	Website	Address	Contact information
Japan (BLCCJ)			
Services for Maltese companies			
Malta - Japan Chamber of Commerce	www.mjcc.com.mt		
Services for Polish companies			
Polish Chamber of Commerce and Industry in Japan (PCCIJ)	www.pccij.or.jp	2F, Kobunecho 243 Bldg., 7-2 Kobune-cho, Chuo-ku, Tokyo, 103-0024 Japan	Tel: +81 3 3665 1991
Polish Investment & Trade Agency (PFR Group) in Tokyo	www.paih.gov.pl	2th Floor, Orix Meguro Building, 1-24-12 Meguro, Meguro-ku, Tokyo 153-0063	Tel: +81 3 5437 5050/15 Tel (mobile): +81 80 5004 8995 Emails: eliza.klonowska@paih.gov.pl; japan.trade.gov.pl
Services for Portuguese companies			
Japanese-Portuguese Chamber of Commerce and Industry (CCILJ)	www.ccilj.pt	Rua de Artilharia Um, n.º 104 - 5.º Esq. 1070-015 Lisboa	Tel: 213 889 632 Email: geral@ccilj.pt
Portuguese Business Development Agency (AICEP) Tokyo	www.portugalglobal.pt/EN/Pages/Index.aspx	Kamiura Kojimachi Buildg 4F, 3-10-3 Kojimachi, Chiyoda-Ku, Tokyo 102 0083	Tel: +81 3 3511 2871 Email: aicep.tokyo@portugalglobal.pt
Services for Romanian companies			
Japanese Romanian Business Association (JRBA)	www.jrba.org	Tokyo, Chiyoda, Kojimachi 3-1-1, Kojimachi 311 Building	Tel: +81 3 3230 1765 Contact form: http://www.jrba-ro.org/contact.html

Service provider	Website	Address	Contact information
Romanian Japan Chamber of Commerce and Industry	www.ccirj.ro	World Trade Center Bucuresti, intrarea D3, camera 3.04, Pta. Montreal, nr.10, sector 1	Tel: +4021 346 7243 Email: office@ccirj.ro
Services for Slovakian companies			
Slovak-Japanese Chamber of Commerce	www.sjok.sk	Račianska 22/A, 831 02 Bratislava, Slovak Republic	Tel: +421 2 4437 1899 Email: contact@sjok.sk
Services for Slovenian companies			
Chamber of Commerce and Industry of Slovenia	www.eng.gzs.si	Dimičeva 13, SI-1504 Ljubljana	Tel: + 386 1 5898 000 E-mail: info@gzs.si
Services for Spanish companies			
Spanish Chamber of Commerce in Japan	www.spanishchamber.main.jp	Embassy of Spain 3F, 1-3-29 Roppongi, Minato-ku, Tokyo 106-0032	Tel: +81 3 3505 1730 Email: info@spanishchamber.or.jp
Spanish-Japanese Chamber of Commerce	www.camarajaponesa.es	Apartado 10124 - 28080 Madrid, Spain	Tel: +34 91 851 12 11 Email: camara@camarajaponesa.es
Extenda - Trade Promotion Agency of Andalusia in Japan	www.extenda.jp	Roppongi, Minato-ku, Tokyo 1-3-29 Embassy of Spain in the third floor	Tel: +81 03 3560 9010 Email: Japon@toextenda.Es
Services for Swedish companies			
Sweden - Japan Foundation	www.swedenjapan.se	Grev Turegatan 14, SE-114 46 STOCKHOLM, Sweden	Tel: +46 8 611 68 73 Email: info@swedenjapan.se
Swedish Chamber of	www.sccj.org	c/o Embassy of Sweden	Tel: +81 3 5562 5140 E-mail: office@sccj.org

Service provider	Website	Address	Contact information
Commerce & Industry in Japan - (SCCJ)		1-10-3-403 Roppongi, Minato-ku, Tokyo 106-0032	
Swedish Trade Council in Tokyo	www.business-sweden.se/en/Trade/international-markets/asia-pacific/Japan	1-10-3-200 Roppongi, Minato-ku, 106-0032 Tokyo	Tel: +81 3 5562 5000 Email: tokyo@business-sweden.se

8.4 Calendar of trade events and exhibitions

Event	Date	Recurrence	Venue	Organiser Details
	OCTOBER 2018			
Healthy Ingredients Japan	03-05	Annual	Tokyo International Exhibition Center (Tokyo Big Sight)	UBM Japan Co., Ltd. Contact: Yosuke Horikawa Tel: +81 3 5296 1017 Email : Yosuke.Horikawa@ubm.com Website: http://www.hijapan.info/
Food Ingredients for Taste	03-05	Not available (New event)	Tokyo International Exhibition Center (Tokyo Big Sight)	UBM Japan Co., Ltd. Contact: Yosuke Horikawa Tel: +81 3 5296 1017 Email : Yosuke.Horikawa@ubm.com Website: http://www.hijapan.info/eng/info/fit.php
Vinexpo Tokyo	16-17	Biannual	Tokyo Prince Hotel	VINEXPO Tel: +33 (0)5 56 56 00 22 Email: info@vinexpo.com Website: http://www.vinexpotokyo.com/
Food Selection	23-24	Annual	Tokyo International Exhibition Center (Tokyo Big Sight)	Tel: +81 3 3282 7712 Email: info@food-selection.com Website: http://food-selection.com/
The World Food & Beverage Great Expo (FABEX)	23-25	Annual	Intex Osaka	Email: info@fabex.jp Website: http://kansai.fabex.jp/

Event	Date	Recurrence	Venue	Organiser Details
Concurrent event: **- Kansai Dessert Suites & Drink Exhibition**				
	NOVEMBER 2018			
Italian Wines & Traditional Food (WTFoodExpo)	6-8	Biannual	Academie Du Vin Tokyo	Academie du Vin Tel: +81 90 6045 4571 Website: http://www.wtfoodexpo.com/jap-%E6%97%A5%E6%9C%AC/
	DECEMBER 2018			
	JANUARY 2019			
St. Moritz Gourmet Festival	11-19	Annual	Kumamoto	WOEHRLE PIROLA AG, Events & Public Relations Tel: +41 81 834 54 30 Email: grasern@woehrlepirola.ch Website: https://www.stmoritz-gourmetfestival.ch/en
Medi-Care Foods Expo	23-24	Annual	Tokyo International Exhibition Center (Tokyo Big Sight)	Tel: +81 3 5296 1009 Email: info@care-show.com Website: https://www.care-show.com/medicarefoods/
Health Food & Supplements Show	23-25	Annual	Tokyo International Exhibition Center (Tokyo Big Sight)	UBM Japan Co Ltd Contact : Ms.Miho Oishi Tel: +81 3 5296 1025 Email : miho.oishi@ubm.com Website: http://www.this.ne.jp/eng/info/index.php#beauty
Beauty and health Food Expo	30-1 February	Annual	Makuhari Messe	Reed Exhibitions Japan Ltd. Tel: +81 3 3349 8587 Email: inb-tokyo@reedexpo.co.jp

Event	Date	Recurrence	Venue	Organiser Details
				Website: https://www.ib-expo.jp/en/Home
	FEBRUARY 2019			
Meat Food EXPO – Yakiniku Business Fair	5-6	Annual	ATC Hall (Asia and Pacific Trade Center)	Yaniku Business Fair Executive Committee Tel: +81 3 3523 2722 Website: www.yakinikufair.com
Supermarket Trade Show	13-15	Annual	Makuhari Messe	Space Media Japan Co., Ltd. Tel: +81 3 3512 5673 Email: super@smj.co.jp Website: http://www.smts.jp/en/index.html
Food Table in Japan	13-15	Annual	Makuhari Messe	Food Table Executive Committee Tel: +81 3 6812 9424 Email: ft@trso.co.jp Website: https://www.foodtablegaishoku.jp/outline/
Japan Food Service Equipment Show	19-22	Biannual	Tokyo International Exhibition Center (Tokyo Big Sight)	HCJ Secretariat Tel: +81 3 3434 1377 Email: hcj@jma.or.jp Website: https://www.jma.or.jp/hcj/en/
	MARCH 2019			
International Food & Beverage Exhibition (Foodex) Japan	5-8	Annual	Makuhari Messe	Inquiry form: https://www2.jma.or.jp/foodex/en/inquiry Email: foodexglobal@jma.or.jp Website: https://www.jma.or.jp/foodex/en/
Japan International Franchise Show	6-8	Annual	Tokyo International Exhibition Center (Tokyo Big Sight)	Space Media Japan (overseas contact office) Tel: +81 3 3512 5670 Email: tradefairs2019@smj.co.jp Website: https://messe.nikkei.co.jp/en/fc/
	APRIL 2019			
Wine and Gourmet Japan	17-19	Annual	Tokyo International	Koelnmesse Contact: Sven Schaefer

Event	Date	Recurrence	Venue	Organiser Details
			Exhibition Center (Tokyo Big Sight)	Email: s.schaefer@koelnmesse.com.sg Website: http://www.wineandgourmetjapan.com/
The World Food and Beverage Great Expo (FABEX) **Concurrent event:** **- Dessert, Sweets, Bakery & Drink Festival**	17-19	Annual	Tokyo International Exhibition Center (Tokyo Big Sight)	Koelnmesse Contact: Makoto Takagi Email : kmjpn@koelnmesse.jp Website: http://en.fabex.jp/
	MAY 2019			
Kansai Eating Out Business Week	14-16	Annual	Intex Osaka	Inquiry form: https://39auto.biz/trso/touroku/thread114.htm Email: k-gaisyokubusiness@trso.co.jp Website: https://gaishokubusiness.jp/english/
Olive Oil Kansai International	14-16	Biannual	Intex Osaka	Inquiry form: https://www.olive-kansai.com/en/contact.html Tel: +81 6 6612 8863 Website: https://www.olive-kansai.com/en/
West Food Industry Creation Exhibition	15-17	Annual	Marine Messe Fukuoka	Contact: Ms. Oba Email : foodinfo@media.nikkan.co.jp Website: http://www.nikkanseibu-eve.com/food/outline.html
International Food Ingredients/Additives Exhibition And Conference	22-24	Annual	Tokyo International Exhibition Center (Tokyo Big Sight)	Food Chemicals Newspaper Inc. Tel: +81 3 3238 7520 Email: ifia@foodchemicalnews.co.jp Website: http://www.ifiajapan.com/en
Worlds Leading Wines Tokyo	27	Annual	Park Hyatt Tokyo	Commerce Interact Ltd. Contact: Paul Catchpole Email: info@worldsleadingwines.com

Event	Date	Recurrence	Venue	Organiser Details
				Website: http://worldsleadingwines.com/events_china/tokyo-worlds-leading-wines/
	JUNE 2019			
International Food Machinery & Technology Exhibition (FOOMA)	12-15	Annual	Tokyo International Exhibition Center (Tokyo Big Sight)	Contact: Ms. Shoko Mizuno Email: mizuno@foomajapan.jp Website: http://www.foomajapan.jp/english/index.html
	JULY 2019			
Tokyo Cafe Show & Conference **Concurrent event:** **- Pizza&Pasta Show**	3-5	Annual	Pacifico Yokohama	CAFERES JAPAN Show Management Tel: +81-3-5363-1701 Email: info@caferes.jp Websites: http://cafeshow.jp/ http://pizzapasta.jp/en/
Patisserie & Bakery Japan	22-24	Annual	Tokyo International Exhibition Center (Tokyo Big Sight)	EJK Japan, Ltd. Tel: +81 3 6459 0444 Email: bakery-expo@ejkjapan.co.jp Website: http://www.bakery-expo.com/2018/en/index.html

ANNEX I European products registered or set to be registered as GIs under the Economic Partnership Agreement between the EU and Japan (September 2018)

Geographical indications for agricultural products

Country	Trademark Name	Japanese Name	Product Category
Austria	Steirischer Kren	シュタイリッシャー・クレン	Fruit, vegetables and cereals, fresh or processed [horseradish]
Austria	Steirisches Kürbiskernöl	シュタイリッシェス・キュルビスケルネール	Oils and fats (butter, margarine, oil, etc.) [pumpkin seed oil]
Austria	Tiroler Speck	ティローラー・シュペック	Meat products (cooked, salted, smoked, etc.) [pork ham]
Belgium	Beurre d'Ardenne	ブール・ダルデンヌ	Oils and fats (butter, margarine, oil, etc.) [butter]
Belgium	Jambon d'Ardenne	ジャンボン・ダルデンヌ	Meat products (cooked, salted, smoked, etc.) [pork ham]
Cyprus	Λουκούμι Γεροσκήπου (Transliteration into Latin alphabet: Loukoumi Geroskipou)	ルクミ・イェロスキプ	Bread, pastry, cakes, confectionery, biscuits and other baker's wares [confectionery]
Czech Republic	Žatecký chmel	ジャテツキー・フメル	Other products of Annex I to the TFEU (spices etc.) [hops]
Denmark	Danablu	ダナブル	Cheeses [blue cheese]
France	Brie de Meaux	ブリー・ド・モー	Cheeses [soft cow milk cheese]
France	Camembert de Normandie	カマンベール・ド・ノルマンディ	Cheeses [soft cow milk cheese]
France	Canard à foie gras du Sud-Ouest (Chalosse, Gascogne, Gers, Landes, Périgord,	カナール・ア・フォアグラ・ド・スゥドウエスト（シャロス、ガスコーニュ、ジェルス、ランド、ペリゴール、ケルシー）	Meat products (cooked, salted, smoked, etc.) [duck meat and fresh liver]

Country	Trademark Name	Japanese Name	Product Category
	Quercy)		
France	Comté	コンテ	Cheeses [hard cow milk cheese]
France	Emmental de Savoie	エメンタール・ド・サヴォワ	Cheeses [hard cow milk cheese]
France	Huile essentielle de lavande de HauteProvence / Essence de lavande de Haute Provence	ウィール・エサンスィエル・ド・ラヴァンド・ド・オート・プロヴァンス / エサンス・ド・ラヴァンド・ド・オート・プロヴァンス	Essential oils
France	Huîtres Marennes Oléron	ウィートゥル・マレンヌ・オレロン	Fresh fish, molluscs, and crustaceans and products derived therefrom [non processed molluscs /oysters]
France	Jambon de Bayonne	ジャンボン・ド・バイヨンヌ	Meat products (cooked, salted, smoked, etc.) [pork ham]
France	Pruneaux d'Agen / Pruneaux d'Agen micuits	プルノー・ダジャン / プルノー・ダジャン・ミキュイ	Fruit, vegetables and cereals, fresh or processed [dried plums/prunes]
France	Reblochon / Reblochon de Savoie	ルブロション / ルブロション・ド・サヴォワ	Cheeses [hard cow milk cheese]
France	Roquefort	ロックフォール	Cheeses [blue sheep milk cheese]
Germany	Hopfen aus der Hallertau	ホップヘン・アウス・デア・ハラータウ	Other products of Annex I to the TFEU (spices etc.) [hops]
Germany	Lübecker Marzipan	リューベッカー・マジパン	Bread, pastry, cakes, confectionery, biscuits and other baker's wares [confectionery]
Germany	Nürnberger Bratwürste / Nürnberger Rostbratwürste	ニュルンベルガー・ブラートブルスト / ニュルンベルガー・ローストブラートブルスト	Meat products (cooked, salted, smoked, etc.) [preparations from pork / sausage]
Germany	Nürnberger Lebkuchen	ニュルンベルガー・レープクーヘン	Bread, pastry, cakes, confectionery, biscuits and other baker's wares [biscuits]

Country	Trademark Name	Japanese Name	Product Category
Greece	Φέτα (Transliteration into Latin alphabet: Feta)	フェタ	Cheeses [soft mixed milk cheese]
Greece	Ελιά Καλαμάτας (Transliteration into Latin Alphabet: Elia Kalamatas)	エリャ・カラマタス	Fruit, vegetables and cereals, fresh or processed [table olives]
Greece	Μαστίχα Χίου (Transliteration into Latin Alphabet: Masticha Chiou)	マスティハ・ヒウ	Natural gums and resins [natural gum]
Greece	Σητεία Λασιθίου Κρήτης (Transliteration into Latin alphabet: Sitia Lasithiou Kritis)	シティア・ラシティウ・クリティス	Oils and fats (butter, margarine, oil, etc.) [olive oil]
Hungary	Szegedi szalámi / Szegedi téliszalámi	セゲディ・サラーミ / セゲディ・テーリサラーミ	Meat products (cooked, salted, smoked, etc.) [other cured meats/salamis]
Italy	Aceto Balsamico di Modena	アチェート・バルサミコ・ディ・モデナ	Other products of Annex I to the TFEU (spices etc.) [wine vinegar]
Italy	Aceto balsamico tradizionale di Modena	アチェート・バルサミコ・トラディツィォナーレ・ディ・モデナ	Other products of Annex I to the TFEU (spices etc.) [wine vinegar]
Italy	Asiago	アジアーゴ	Cheeses [hard cow milk cheese]
Italy	Bresaola della Valtellina	ブレザオラ・デッラ・ヴァルテッリーナ	Meat products (cooked, salted, smoked, etc.) [dry cured beef meat]
Italy	Fontina	フォンティーナ	Cheeses [hard cow milk cheese]
Italy	Gorgonzola	ゴルゴンゾーラ	Cheeses [blue cow milk cheese]
Italy	Grana Padano	グラナ・パダーノ	Cheeses [hard cow milk cheese]
Italy	Mela Alto Adige / Südtiroler Apfel	メーラ・アルト・アディジェ / スティロル・アプフェル	Fruit, vegetables and cereals, fresh or processed [apples]
Italy	Mortadella Bologna	モルタデッラ・ボローニャ	Meat products (cooked, salted, smoked, etc.)

Country	Trademark Name	Japanese Name	Product Category
			[preparations from pork/sausage
Italy	Mozzarella di Bufala Campana	モッツァレッラ・ディ・ブファーラ・カンパーナ	Cheeses [soft buffalo milk cheese]
Italy	Parmigiano Reggiano	パルミジャーノ・レッジャーノ	Cheeses [hard cow milk cheese]
Italy	Pecorino Romano	ペコリーノ・ロマーノ	Cheeses [hard sheep milk cheese]
Italy	Pecorino Toscano	ペコリーノ・トスカーノ	Cheeses [hard sheep milk cheese]
Italy	Prosciutto di Parma	プロシュット・ディ・パルマ	Meat products (cooked, salted, smoked, etc.) [dry cured pork ham]
Italy	Prosciutto di San Daniele	プロシュット・ディ・サン・ダニエレ	Meat products (cooked, salted, smoked, etc.) [dry cured pork ham]
Italy	Prosciutto Toscano	プロシュット・トスカーノ	Meat products (cooked, salted, smoked, etc.) [dry cured pork ham]
Italy	Provolone Valpadana	プロヴォローネ・ヴァルパダーナ	Cheeses [soft cow milk cheese]
Italy	Taleggio	タレッジョ	Cheeses [soft cow milk cheese]
Italy	Zampone Modena	ザンポーネ・モデナ	Meat products (cooked, salted, smoked, etc.) [preparations from pork]
The Netherlands	Edam Holland	エダム・ホラント	Cheeses [hard cow milk cheese]
The Netherlands	Gouda Holland	ゴーダ・ホラント	Cheeses [hard cow milk cheese]
Portugal	Pêra Rocha do Oeste	ペラ・ロッシャ・ドゥ・オエステ	Fruit, vegetables and cereals, fresh or processed [pears]
Portugal	Queijo S. Jorge	ケイジョ・サン・ジョルジュ	Cheeses [hard cow milk cheese]
Spain	Aceite del Bajo Aragón	アセイテ・デル・バホ・アラゴン	Oils and fats (butter, margarine, oil, etc.) [olive oil]
Spain	Antequera	アンテケラ	Oils and fats (butter, margarine, oil, etc.) [olive oil]

Country	Trademark Name	Japanese Name	Product Category
Spain	Azafrán de la Mancha	アサフラン・デ・ラ・マンチャ	Other products of Annex I to the TFEU (spices etc.) [saffron]
Spain	Baena	バエナ	Oils and fats (butter, margarine, oil, etc.) [olive oil]
Spain	Cítricos Valencianos / Cítrics Valencians	シトリコス・バレンシアノス / シトリックス・バレンシアンス	Fruit, vegetables and cereals, fresh or processed [oranges, clementines, lemons]
Spain	Guijuelo	ギフエロ	Meat products (cooked, salted, smoked, etc.) [pork ham]
Spain	Idiazabal	イディアサバル	Cheeses [hard sheep milk cheese]
Spain	Jabugo	ハブーゴ	Meat products (cooked, salted, smoked, etc.) [pork ham]
Spain	Jamón de Teruel / Paleta de Teruel	ハモン・デ・テルエル / パレタ・デ・テルエル	Meat products (cooked, salted, smoked, etc.) [pork ham]
Spain	Jijona	ヒホナ	Bread, pastry, cakes, confectionery, biscuits and other baker's wares [confectionery]
Spain	Mahón-Menorca	マオン・メノルカ	Cheeses [hard mixed milk cheese]
Spain	Priego de Córdoba	プリエゴ・デ・コルドバ	Oils and fats (butter, margarine, oil, etc.) [olive oil]
Spain	Queso Manchego	ケソ・マンチェゴ	Cheeses [hard sheep milk cheese]
Spain	Sierra de Cazorla	シエラ・デ・カソルラ	Oils and fats (butter, margarine, oil, etc.) [olive oil]
Spain	Sierra de Segura	シエラ・デ・セグラ	Oils and fats (butter, margarine, oil, etc.) [olive oil]
Spain	Sierra Mágina	シエラ・マヒナ	Oils and fats (butter, margarine, oil, etc.) [olive oil]

Country	Trademark Name	Japanese Name	Product Category
Spain	Siurana	シウラナ	Oils and fats (butter, margarine, oil, etc.) [olive oil]
Spain	Turrón de Alicante	トゥロン・デ・アリカンテ	Bread, pastry, cakes, confectionery, biscuits and other baker's wares [confectionery]
United Kingdom	Scottish Farmed Salmon	スコティッシュ・ファームド・サーモン	Fresh fish, molluscs, and crustaceans and products derived therefrom [salmon]
United Kingdom	West Country farmhouse Cheddar cheese	ウエスト・カントリー・ファームハウス・チェダー・チーズ	Cheeses [hard cow milk cheese]
United Kingdom	White Stilton cheese / Blue Stilton cheese	ホワイト・スティルトン・チーズ / ブルー・スティルトン・チーズ	Cheeses [blue cow milk cheese]

Geographical indications for wine, spirits and other alcoholic beverages

Country	Trademark Name	Japanese Name	Product Category
Austria	Inländerrum	インレンダールム	Spirits
Austria	Jägertee / Jagertee / Jagatee	イェーガーテー / ヤーガーテー / ヤーガテー	Spirits
Austria	Korn / Kornbrand	コルン / コルンブラント	Spirits
Belgium	Genièvre / Jenever / Genever	ジェニエーヴル / ユネーフェル / ジュネフェル	Spirits
Belgium	Korn / Kornbrand	コルン / コルンブラント	Spirits
Bulgaria	Тракийска низина (Transliteration into Latin Alphabet: Trakijska nizina)	トラキイスカ・ニズィナ	Wine
Bulgaria	Дунавска равнина (Transliteration into Latin alphabet: Dunavska ravnina)	ドゥナフスカ・ラヴニナ	Wine
Cyprus	Ζιβανία / Τζιβανία / Ζιβάνα / Zivania	ジヴァニア / ジヴァニア / ジヴァナ / ジヴァニア	Spirits

Country	Trademark Name	Japanese Name	Product Category
Cyprus	Κουμανδαρία (Transliteration into Latin alphabet: Commandaria)	クマンダリア	Wine
Cyprus	Ouzo / Ούζο	ウゾ / ウーゾ	Spirits
Czech Republic	Budějovické pivo	ブジェヨヴィツケー・ピヴォ	Beers
Czech Republic	Budějovický měšťanský var	ブジェヨヴィツキー・ムニェシュチャンスキー・ヴァル	Beers
Czech Republic	České pivo	チェスキー・ピヴォ	Beers
Czech Republic	Českobudějovické pivo	チェスコブジェヨヴィツケー・ピヴォ	Beers
Finland	Suomalainen Marjalikööri / Suomalainen Hedelmälikööri / Finsk Bärlikör / Finsk Fruktlikör / Finnish berry liqueur / Finnish fruit liqueur	スオマライネン・マルヤリコーリ / スオマライネン・ヘデルマリコーリ / フィンスク・バールリコール / フィンスク・フルクトリコール / フィニッシュ・ベリー ・リキュール/ フィニッシュ・フルーツ・リキュール	Spirits
Finland	Suomalainen Vodka / Finsk Vodka / Vodka of Finland	スオマライネン・ヴォトゥカ / フィンスク・ヴォトゥカ / ウォッカ・オブ・フィンランド	Spirits
France	Alsace / Vin d'Alsace	アルザス / ヴァン・ダルザス	Wine
France	Armagnac	アルマニャック	Spirits
France	Beaujolais	ボジョレー	Wine
France	Bergerac	ベルジュラック	Wine
France	Bordeaux	ボルドー	Wine
France	Bourgogne	ブルゴーニュ	Wine
France	Calvados	カルバドス	Spirits
France	Chablis	シャブリ	Wine
France	Champagne	シャンパーニュ	Wine
France	Châteauneuf-du-Pape	シャトーヌフ・デュ・パップ	Wine

Country	Trademark Name	Japanese Name	Product Category
France	Cognac / Eau-de-vie de Cognac / Eau-devie des Charentes	コニャック / オドゥビィ・ドゥ・コニャック / オドゥビィ・デ・シャラントゥ	Spirits
France	Corbières	コールビエール	Wine
France	Coteaux du Languedoc / Languedoc	コトー・デュ・ラングドック / ラングドック	Wine
France	Côtes de Provence	コート・ドゥ・プロヴァンス	Wine
France	Côtes du Rhône	コート・デュ・ローヌ	Wine
France	Côtes du Roussillon	コート・デュ・ルシヨン	Wine
France	Genièvre / Jenever / Genever	ジェニエーヴル / ユネーフェル / ジュネフェル	Spirits
France	Graves	グラーブ	Wine
France	Haut-Médoc	オーメドック	Wine
France	Margaux	マルゴー	Wine
France	Médoc	メドック	Wine
France	Minervois	ミネルヴォア	Wine
France	Pauillac	ポイヤック	Wine
France	Pays d'Oc	ペイドック	Wine
France	Pessac-Léognan	ペサック・レオニャン	Wine
France	Pomerol	ポムロール	Wine
France	Rhum de la Martinique	ラム・ドゥ・ラ・マルティニック	Spirits
France	Saint-Emilion	サンテミリオン	Wine
France	Saint-Julien	サンジュリアン	Wine
France	Sancerre	サンセール	Wine
France	Saumur	ソミュール	Wine
France	Sauternes	ソーテルヌ	Wine
France	Val de Loire	ヴァル・ドゥ・ロワール	Wine

Country	Trademark Name	Japanese Name	Product Category
Germany	Bayerisches Bier	バイエリッシェス・ビア	Beers
Germany	Franken	フランケン	Wine
Germany	Genièvre / Jenever / Genever	ジェニエーヴル / ユネーフェル / ジュネフェル	Spirits
Germany	Korn / Kornbrand	コルン / コルンブラント	Spirits
Germany	Mittelrhein	ミッテルライン	Wine
Germany	Mosel	モーゼル	Wine
Germany	Münchener Bier	ミュンヘナー・ビア	Beers
Germany	Rheingau	ラインガウ	Wine
Germany	Rheinhessen	ラインヘッセン	Wine
Greece	Ρετσίνα Αττικής (Transliteration into Latin Alphabet: Retsina Attikis)	レツィーナ・アティキス	Wine
Greece	Σάμος (Transliteration into Latin alphabet: Samos)	サモス	Wine
Greece	Ouzo / Ούζο	ウゾ / ウーゾ	Spirits
Hungary	Békési Szilvapálinka	ベーケーシ・シルヴァパーリンカ	Spirits
Hungary	Gönci Barackpálinka	グンツィ・バラツクパーリンカ	Spirits
Hungary	Kecskeméti Barackpálinka	ケチケメーティ・バラツクパーリンカ	Spirits
Hungary	Szabolcsi Almapálinka	サボルチ・アルマパーリンカ	Spirits
Hungary	Szatmári Szilvapálinka	サトマーリ・シルヴァパーリンカ	Spirits
Hungary	Törkölypálinka	トゥルクゥイパーリンカ	Spirits
Hungary	Újfehértói meggypálinka	ウーイフェヘールトーイ・メッジパーリンカ	Spirits
Hungary	Tokaj / Tokaji	トカイ / トカイ	Wine
Ireland	Irish Cream	アイリッシュ・クリーム	Spirits

Country	Trademark Name	Japanese Name	Product Category
Ireland	Irish Whiskey / Uisce Beatha Eireannach / Irish Whisky	アイリッシュ・ウィスキー / イシュケ・バハー・エールナック / アイリッシュ・ウィスキー	Spirits
Italy	Asti	アスティ	Wine
Italy	Barbaresco	バルバレスコ	Wine
Italy	Bardolino	バルドリーノ	Wine
Italy	Bardolino Superiore	バルドリーノ・スペリオーレ	Wine
Italy	Barolo	バローロ	Wine
Italy	Bolgheri / Bolgheri Sassicaia	ボルゲリ / ボルゲリ・サッシカイア	Wine
Italy	Brachetto d'Acqui / Acqui	ブラケット・ダクイ / アクイ	Wine
Italy	Brunello di Montalcino	ブルネッロ・ディ・モンタルチーノ	Wine
Italy	Campania	カンパーニア	Wine
Italy	Chianti	キアンティ	Wine
Italy	Chianti Classico	キアンティ・クラシコ	Wine
Italy	Conegliano - Prosecco / Conegliano Valdobbiadene - Prosecco / Valdobbiadene - Prosecco	コネリアーノ・プロセッコ / コネリアーノ・ヴァルドビアデーネ・プロセッコ / ヴァルドビアデーネ・プロセッコ	Wine
Italy	Dolcetto d'Alba	ドルチェット・ダルバ	Wine
Italy	Franciacorta	フランチャコルタ	Wine
Italy	Grappa	グラッパ	Spirits
Italy	Lambrusco di Sorbara	ランブルスコ・ディ・ソルバーラ	Wine
Italy	Lambrusco Grasparossa di Castelvetro	ランブルスコ・グラスパロッサ・ディ・カステルヴェトロ	Wine
Italy	Marsala	マルサーラ	Wine

Country	Trademark Name	Japanese Name	Product Category
Italy	Montepulciano d'Abruzzo	モンテプルチャーノ・ダブルッツォ	Wine
Italy	Prosecco	プロセッコ	Wine
Italy	Sicilia	シチリア	Wine
Italy	Soave	ソアーヴェ	Wine
Italy	Toscana / Toscano	トスカーナ / トスカーノ	Wine
Italy	Valpolicella	ヴァルポリチェッラ	Wine
Italy	Vernaccia di San Gimignano	ヴェルナッチャ・ディ・サンジミニャーノ	Wine
Italy	Vino Nobile di Montepulciano	ヴィーノ・ノビレ・ディ・モンテプルチャーノ	Wine
Lithuania	Originali lietuviška degtinė / Original Lithuanian vodka	オリギナリ・リエトゥヴィシュカ・デクティネ / オリジナル・リトゥアニアン・ヴォトカ	Spirits
The Netherlands	Genièvre / Jenever / Genever	ジェニエーヴル / ユネーフェル / ジュネフェル	Spirits
Poland	Polska Wódka / Polish vodka	ポルスカ・ヴトゥカ / ポーリッシュ・ヴォトカ	Spirits
Poland	Herbal vodka from the North Podlasie Lowland aromatised with an extract of bison grass / Wódka ziołowa z Niziny Północnopodlaskiej aromatyzowana ekstraktem z trawy żubrowej	ハーバル・ヴォトカ・フロム・ザ・ノース・ポドラシエ・ロウランド・アロマタイズド・ウィズ・アン・エクストラクト・オブ・バイソン・グラス / ヴトゥカ・ジョウォーヴァ・ズ・ニジニ・プウノツノポダラスキエイ・アロマティゾヴァナ・エクストラクテム・ズ・トラヴィ・ジュブロヴェイ	Spirits
Portugal	Alentejo	アレンテージョ	Wine
Portugal	Bairrada	バイラーダ	Wine
Portugal	Dão	ダン	Wine
Portugal	Douro	ドウロ	Wine
Portugal	Lisboa	リスボア	Wine

Country	Trademark Name	Japanese Name	Product Category
Portugal	Madeira / Vinho da Madeira / Vin de Madère / Madère / Madera / Madeira Wijn / Vino di Madera / Madeira Wein / Madeira Wine	マデイラ / ヴィーニョ・ダ・マデイラ / ヴァン・ドゥ・マデール / マデール/マデーラ / マデイラ・ウェイン / ヴィーノ・ディ・マデーラ / マデイラ・ヴァイン / マデイラ・ワイン	Wine
Portugal	Oporto / Port / Port Wine / Porto / Portvin / Portwein / Portwijn / vin de Porto / vinho do Porto	オーポルト/ ポート/ポート・ワイン/ポルト/ ポートヴィン/ ポルトヴァイン / ポルトウェイン / ヴァン・ドゥ・ポルト / ヴィーニョ・ド・ポルト	Wine
Portugal	Tejo	テージョ	Wine
Portugal	Vinho Verde	ヴィーニョ・ヴェルデ	Wine
Romania	Coteşti	コテシティ	Wine
Romania	Cotnari	コトナリ	Wine
Romania	Dealu Mare	デアル・マーレ	Wine
Romania	Murfatlar	ムルファトラール	Wine
Romania	Odobeşti	オドベシュティ	Wine
Romania	Panciu	パンチウ	Wine
Romania	Recaş	レカシュ	Wine
Slovakia	Vinohradnícka oblasť Tokaj	ヴィノフラドニーツカ・オブラスティ・トカイ	Wine
Slovenia	Vipavska dolina	ヴィパウスカ ・ドリナ	Wine
Spain	Alicante	アリカンテ	Wine
Spain	Bierzo	ビエルソ	Wine
Spain	Brandy de Jerez	ブランディ・デ・ヘレス	Spirits
Spain	Cataluña	カタルーニャ	Wine
Spain	Cava	カバ	Wine
Spain	Empordà	エンポルダー	Wine

Country	Trademark Name	Japanese Name	Product Category
Spain	Jerez / Xérès /Sherry	ヘレス / シェレス / シェリー	Wine
Spain	Jumilla	フミージャ	Wine
Spain	La Mancha	ラ・マンチャ	Wine
Spain	Málaga	マラガ	Wine
Spain	Manzanilla-Sanlúcar de Barrameda	マンサニージャ・サンルーカル・デ・バラメーダ	Wine
Spain	Navarra	ナバーラ	Wine
Spain	Pacharán navarro	パチャラン・ナバーロ	Spirits
Spain	Penedès	ペネデス	Wine
Spain	Priorat	プリウラット	Wine
Spain	Rías Baixas	リアス・バイシャス	Wine
Spain	Ribera del Duero	リベラ・デル・ドゥエロ	Wine
Spain	Rioja	リオハ	Wine
Spain	Rueda	ルエダ	Wine
Spain	Somontano	ソモンターノ	Wine
Spain	Toro	トロ	Wine
Spain	Utiel-Requena	ウティエル・レケーナ	Wine
Spain	Valdepeñas	バルデペーニャス	Wine
Spain	Valencia	バレンシア	Wine
Sweden	Svensk Vodka / Swedish Vodka	スヴェンスク・ヴォトカ / スウェディッシュ・ヴォトカ	Spirits
United Kingdom	Scotch Whisky	スコッチ・ウィスキー	Spirits

ANNEX II Database of professionals' contacts

List of relevant buyers, importers and distributors

Company name	Type	Phone	Email	Website
1. **Alishan Organics**	E-commerce	+81 42 982 4811	tengu@alishan.jp	https://store.alishan.jp/en/
2. **Anzco Foods Ltd.**	Distribution	+81 3 5470 8211		http://www.anzco.co.jp/
3. **Chikaramochi Honpo Co., Ltd.**	Import/ Wholesale	+81 4 8193 12124		
4. **Circle K Sunkus**	Retail	+81 3 6220 9000		http://www.circlek sunkus.jp/
5. **Cordon Vert Co.,Ltd.**	Retail/ Wholesale	+81 2 2742 3120		http://www.cordonvert.jp/
6. **Dah Chong Hong (Japan) Ltd.**	Distribution	+81 3 3582 0711	foods-related@dch-japan.com	http://www.dch-japan.com/
7. **Daily Yamazaki**	Retail	+81 3 38643111		http://www.daily-yamazaki.jp/
8. **E.A.T Japan Ltd.**	Import/ Distribution	+81 3 3451 3398	EAT@eat.co.jp	http://www.e-a-t.co.jp/
9. **El Olivo Japan**	Retail	+81-3-6261-5248	eloj@katarunya.com	https://www.olivo.co.jp/
10. **Ezaki Glico Co., Ltd.**	Import/ Distribution	+ 81 6 6477 8352	g-ingredients@glico.com	https://www.glico.com/
11. **Family Mart**	Retail	+81 3 3989 6600		http://www.family.co.jp/
12. **Food Unitech Co., Ltd.**	Import/ Distribution	+81 2 2396 5080	info@foodunitech.co.jp	http://www.foodunitech.co.jp/

Company name	Type	Phone	Email	Website
13. **First International Corporation**	Import/ Distribution	+81 1 7871 2282	info@firstintl.co.jp	http://www.firstintl.co.jp/en/
14. **Genky Stores, Inc.**	Retail	+81 7 7667 5240		http://www.genky.co.jp/
15. **Hanwa Foods Co., Ltd.**	Import	+81 03 6228 3401	info@hanwa-as.co.jp	http://www.hanwafoods.co.jp/
16. **Health Tokyo**	E-commerce	+81 3 4405 6202	info@healthytokyo.com	https://healthytokyo.com/
17. **Hilo Market**	E-commerce	+81 4 7455 8575	support@hilomarket.com	https://hilomarket.com/
18. **Hokuren Trading Co.,Ltd.**	Import	+81 1 1222 7856		
19. **HonestBee**	E-commerce		ph@honestbee.com	https://www.honestbee.jp/en/
20. **Inoue Seikoen Co., Ltd.**	Import	+81 8 7975 0057		
21. **i.P.U. Trading Co., Ltd**	Import	+81 1 1584 3780		http://www.ipu-trading.com/
22. **Itochu Shokuhin**	Retail/ Wholesale	+81 3 3497 2121	amlo@itochu.co.jp	https://www.itochu-shokuhin.com/
23. **Itoham Foods Inc.**	Distribution	+81 3 5723 6201	mpyamakt@itoham.co.jp	http://www.sfoods.co.jp/
24. **JA Zen-Nou Meat Foods Co.Ltd.**	Import	+81 3 5783 9711		http://www.jazmf.co.jp/
25. **Kaifudo Co.,Ltd.**	Retail/ Wholesale	+81 2 2284 2525	info@kaifudo.com	http://www.kaifudo.com/

Company name	Type	Phone	Email	Website
26. **Kakaku**	E-commerce	Contact form: https://ssl.kakaku.com/help/inputform.asp?cd=2660		http://kakaku.com/
27. **Kamei Co, Ltd.**	Import	+81 2 2264 6123		http://www.kamei.co.jp/
28. **Kanezen Corporation**	Import	+81 6 6975 4000	daihyo@kanezen.com	http://www.kanezen.com/english/
29. **Ken Global Co., Ltd**	Import	+81 6 6251 2650		
30. **Kirin Holdings Co., Ltd.**	Import	+81 3 6837 7000		https://www.kirinholdings.co.jp/english/
31. **Koike Industries**	Retail/ Wholesale	+81 2 2594 9434		
32. **Kokubu Tokyo**	Retail/ Wholesale	+81 3 3276 4146		http://www.kokubu.co.jp/english/
33. **Kubota Bussan Co., Ltd.**	Import	+81 8 7746 3102		http://www.shikoku.ne.jp/kbk/
34. **Kuji Food Company Co., Ltd. Japan**	Import/ Wholesale	+85 2 6976 8612	kuji_golden@yahoo.com.hk	http://www.kujifood.com.hk/
35. **Kyojirushi Kyoto Nanbu Seika Co., Ltd.**	Retail/ Wholesale	+81 7 7423 5455	soumu@kyojirushi.co.jp	http://www.kyojirushi.co.jp/
36. **Kyoka Trading Co., Ltd.**	Retail/ Wholesale	+81 7 5708 8989		http://www.kyoka-td.com/
37. **Lacto Japan**	Wholesale	+81 3 6281 9701	lacto@lacto-asia.com	http://www.lactojapan.com/
38. **Lawson Inc.**	Retail			http://lawson.jp/en/
39. **Mary Chocolat**	Distribution	+81 03-3763-5111	mary-info@mary.co.jp	https://www.mary.co.jp/mary/

Company name	Type	Phone	Email	Website
e Co., Ltd.				
40. Maruichi Meat Co.,	Import	+81 9 8875 0155	info@01m.co.jp	http://01meat.karii.net/
41. Maruyo Yoshizumi store Co., Ltd.	Distribution	+81 1 6435 2316		http://numasyou.web.fc2.com/b3/yoshizumisyouten.html
42. Matsuura Bussan K.K.	Distribution	+81 9 5672 2278		
43. Mihama citrus fruits corporation	Distribution	+81 5 9792 1021	mihamakankitsu@ztv.ne.jp	http://www.mihamakankitsu.jp/
44. Ministop	Retail	+81 4 3212 6471		https://www.ministop.co.jp/english/
45. Mitsubishi Shokunin Co., Ltd.	Retail/ Wholesale	+81 3 3767 5111		https://www.mitsubishi-shokuhin.com/en/index.html
46. Mitsui Foods	Retail/ Wholesale	201 750 0500	foods@mitsuifoods.com	http://www.mitsuifoods.com/
47. Mojiko Local Beer Brewery	Import	+81 9 3321 6885	info@mojibeer.ntf.ne.jp	http://mojibeer.ntf.ne.jp/
48. Morinaga Milk Industry Co., Ltd.	Distribution	+81 3 3798 0152	sa-yamashita@morinagamilk.co.jp	http://www.morinagamilk.co.jp/english/
49. Muso Co., Ltd	Import	+81 6 6316 6012	info@muso-intl.co.jp	http://www.muso-intl.co.jp/
50. Nakayama Kato Co., Ltd.	Distribution	+81 2 2347 9876	nakayama-kato@k6.dion.ne.jp	http://www.kome-miyagi.com/
51. NH Foods Ltd.	Import/ Distribution	+81 3 4555 8250		http://www.nipponham.co.jp/

Company name	Type	Phone	Email	Website
52. Nippon Access Tokyo	Retail/ Wholesale	+81 3 5435 5800		http://www.nippon-access.co.jp/
53. Ocha No Igeta Co.,Ltd	Retail/ Wholesale	+81 2 2224 1371		http://www.ocha-igeta.co.jp/
54. Odani Kokufun Co., Ltd.	Import	+81 8 8882 2645		http://www.osk-odani.co.jp/
55. Ogata Village Akitakomachi Rice Producers Co., Ltd.	Import/ Distribution	+ 81 1 8525 2851		http://www.akitakomachi.co.jp/english/
56. Okamura Trading Co Ltd	Import/ Distribution	+81 3 3553 2235		http://kamurashokuhin.co.jp/en/
57. Okinawa Products Associated Co., Ltd.	Import	+81 9 8859 6325	kaiji@washita.co.jp	http://www.washita.co.jp/
58. Overseas Trading Support Inc.	Import	+81 5 3488 1338	info@otsjapan.com	http://www.otsjapan.com/en
59. Patissieres Koyama	Import/ Distribution	+81 79 564 3192	es-koyama@sea.sannet.ne.jp	http://www.es-koyama.com/
60. Pomu Pomufel Iwate Fujisawa corporation	Distribution	+81 2 2823 0311		
61. Popolar Co., Ltd.	Retail	+81 8 2837 3500		http://www.poplar-cvs.co.jp
62. Ringer Hut Co., Ltd.	HoReCa	+81 3 5745 8611		http://www.ringerhut.co.jp

Company name	Type	Phone	Email	Website
63. **Royal Co., Ltd.**	Import	+81 7 5325 1661	royal@royal-jp.com	http://www.royal-jp.com/english/
64. **S Foods Inc.**	Distribution	+81 7 9843 1065		http://www.sfoods.co.jp/
65. **Sakurai Foods Co., Ltd.**	Import	+81 5 7454 2251	info@sakuraifoods.com	http://sakuraifoods.com/
66. **Sanmari Co., Ltd.**	Distribution	+81 2 2256 8381		http://www.4147navi.com/company.html
67. **Sanuki Kanzume Company**	Import	+81 8 7567 3121		http://www.sanukikanzume.co.jp/
68. **Sanuki Livestock Foods Co., Ltd.**	Import	+81 8 7583 6262	contact@meatpia-sanuki.com	http://www.meatpia-sanuki.com/
69. **Sanyo Food Products Co., Ltd.**	Import	+81 8 7833 7011		https://www.sanyo-foods.co.jp/eng/
70. **Sanyo Trading Co., Ltd.**	Import	+81 3 3518 1141		http://www.sanyo-trading.co.jp/
71. **Sapporo Gurmet Foods Co., Ltd.**	Distribution	+81 1 1865 0141		
72. **Seinan Kaihatsu Company, Ltd.**	Import	+81 8 9436 0651	info@seinankaihatsu.co.jp	www.seinankaihatsu.co.jp/en/
73. **Shiga Biwako Seika Co., Ltd.**	Retail/ Wholesale	+81 7 7543 8200	s-b-s@wine.ocn.ne.jp	http://www.kyoka.co.jp/biwakoseika.htm
74. **Takahashi Shoten**	Import	+81 8 7982 1101	husya@mvh.biglobe.ne.jp	http://www.shodoshima-yamamo.com/

Company name	Type	Phone	Email	Website
75. The Flying Pig.com	E-commerce			https://www.theflyingpig.com/
76. The Meat Guy	E-commerce	052 618 3705	info@themeatguy.jp	ttps://www.themeatguy.jp/en/
77. Tsukamoto Co., Lts.	Import	+81 3 3551 5501	info@k-tsukamoto.co.jp	http://www.k-tsukamoto.co.jp/
78. United Foods International Co., Ltd.	Import	+81 3 3295 7550		http://www.ufi.co.jp/
79. Village Cellars	E-commerce	0766 72 8680	wine@village-cellars.co.jp	http://www.village-cellars.co.jp/
80. Wajo Co., Ltd.	Import	+81 9 2406 0808	info@wajo.biz	http://wajo.biz/
81. **Yakult Honsha Co., Ltd.**	Distribution	+81 03 3574 8960	yakultph@nifty.com	http://www.yakult.co.jp
82. Yamahei Co., Ltd.	Import/ Wholesale	+81 2 6723 2255	otsukemono@yamahei.com	http://www.yamahei.com/
83. Yonezawa Shokuniku Kosha	Wholesale	+81 2 3822 0025		http://www.yoneyoku.com/
84. Yuki Co., Ltd.	Import	+81 4 8285 2261	office@yuki-mfg.co.jp	http://www.yuki-mfg.co.jp/

List of key journalists and experts

Name	Profession	Specialisation	Contacts
Hiroko Sasaki	Independent journalist	Japanese kitchen/ Modern French cuisine	*Not available*
Makiko Itoh	Journalist at The Japan Times	Japanese kitchen	Twitter: @MAKIWI
Melinda Joe	Journalist at The Japan Times	Japanese drinks	Twitter: @MELINDAJOE

Name	Profession	Specialisation	Contacts
Robbie Swinnerton	Journalist at The Japan Times	Food in Tokyo	Twitter: @TOKYOFOODFILE

List of key influencers

Name	Profession	Social Network pages/Blogs
Ahiru Bento	Food creator	Instagram: @ahiru_bento Blog: www.ameblo.jp/aurora-dreams
Asu Chin	Food creator	Instagram: @asu_chin
Ayu Jinja	Food creator	Instagram: @a.jinja Blog: www.lineblog.me/ayu_jinja
Fumino Kimura	Actress	Instagram: @fuminokimura_official
Heavydrinker	Food creator	Instagram: @heavydrinker Blog: www.linktr.ee/heavydrinker
Kokoronotane	Food coordinator	Instagram: @kokoronotane
Kyoko	Food creator	Instagram: @kyoko_plus Blog: www.lineblog.me/kyoko_plus
Little Miss Bento - Shirley	Artist/Author	Instagram: @littlemissbento Blog: www.littlemissbento.com
Masaki Higuchi	Food creator	Instagram/Twitter/Facebook: @higuccini Blog: www.higuccini.com
Wappadegohann	Food creators	Instagram: @wappadegohann Blog: www.linktr.ee/wappadegohann
Yuko Makotsu	Food creator	Instagram: @yuko.makotsu
Yutori No Kūkan	Cookery writer	Instagram: @yutorino_kukan Blog: www.yutori.co.jp/en

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