

3. Beddings (*Futons*)

1. Definition of Category

Japanese bedding “*futons*” are a kind of extra-thick quilts with a variety of natural and synthetic material (including cotton, flax, wool, down, silk, polyester or acrylics) stuffed inside the fabric cover. This section examines down *futons*, wool *futons* and under-table warmer *futons*, which fall into the HS No. 9404 category in trade statistics (articles of bedding and similar furnishing), but does not discuss mattresses or sleeping bags.

HS Numbers	Commodity
9404.90-010	Eiderdown, down or feather
9404.90-090	Other <i>futons</i>

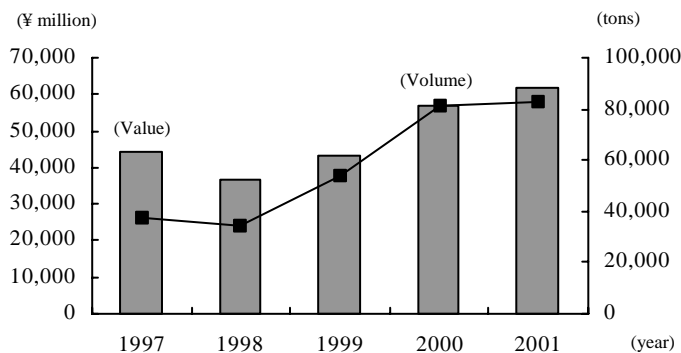
2. Import Trends

(1) Recent Trends in Futon Imports

Until the collapse of the bubble economy, expensive down bedding mainly came from Europe. Since the collapse of the bubble economy, however, many supermarket chains began importing low priced down *futons*, mainly from China, and set retail prices for these products at very low levels. The increased import of low priced down *futons* from China contributed to a sharp increase in the market. However, demand for these low priced products already peaked. As a result, since 1996, a reaction against the sharp increase in imports in previous years began appearing.

Much of the rapid increase in imports from 1999 onward has been due not to imports of these down *futons*, but rather to growth in cotton and wool *futons*, and in *futons* used with traditional under-table warmers (so called *kotatsu*). Most of these imports come from China. As is the case with other textile products, China has improved its technical capabilities with Japanese assistance, and it is now able to export *futons* in large quantity at low prices, yet with high quality. This is the reason why imports have grown so dramatically. Even after the sizable increases posted in 1999 and 2000, imports still managed further growth in 2001, to 82,675 tons (up 1.8%) worth ¥61.8 billion (up 9.1%).

Fig. 1 Japan's bedding (*futon*) imports



	1997		1998		1999		2000		2001	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Eiderdowns, stuffed with feather or down	9,460	13,025	6,705	8,168	9,722	9,127	9,732	10,459	10,217	13,301
Other <i>futons</i>	28,278	31,106	27,317	28,343	43,977	34,013	71,460	46,193	72,458	48,506
TOTAL	37,738	44,131	34,022	36,511	53,700	43,140	81,192	56,652	82,675	61,807

Units: tons, ¥ million

Source: Japan Exports and Imports

(2) Imports by Place of Origin

Most *futon* imports come from China, with a share of 97.4% on a volume basis, and 89.1% on a value basis. Expensive, high quality down bedding comes mainly from Germany, Hungary and Poland, though volume is very small. Imports of other *futons* from China also increased rapidly from 1999 onward. China accounted for 94.9% of total imports of other *futons* as well on a volume basis. Imports from China now have a virtual lock on the low-price mass-market segment.

Fig. 2 Principal exporters of down futons to Japan

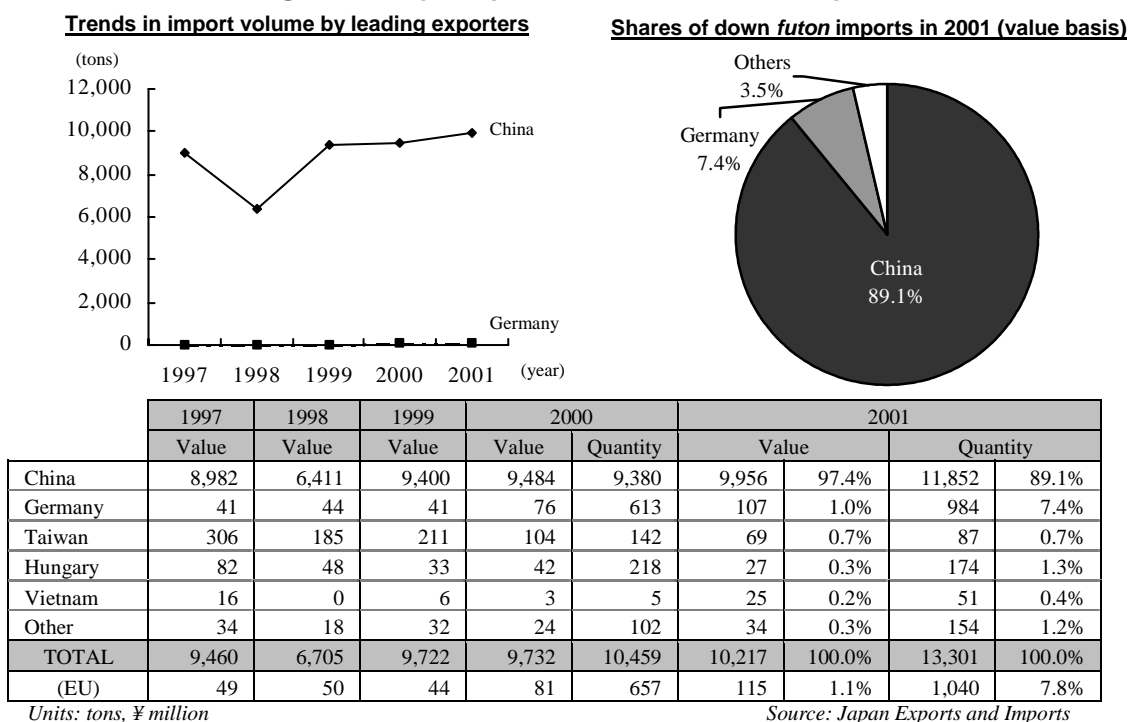
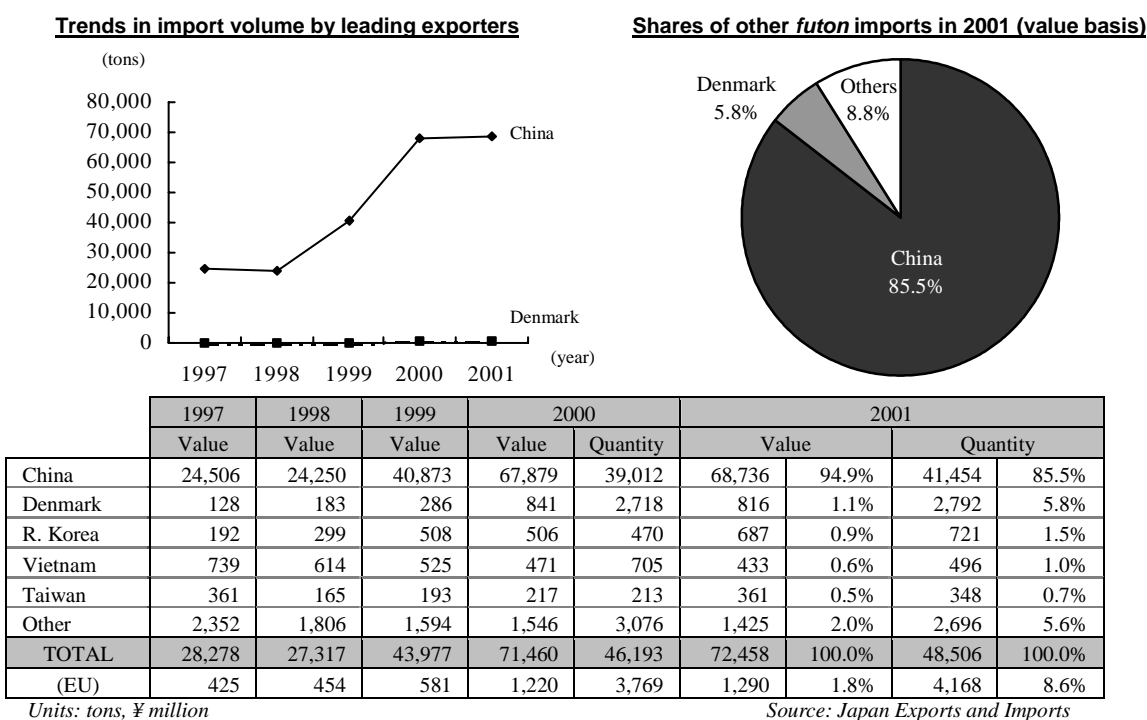


Fig. 3 Principal exporters of other futons to Japan



(3) Imports' Market Share in Japan

Domestic production of futons shrank dramatically between 1997 and 2000, falling from ¥85.3 billion to ¥64.4 billion. Since overall demand for futons is not increasing, this meant that imports' market share soared to 46.8% in 2000. Imports account for 57.3% of the market in regular futons (other than down futons). Makers have to cut prices due to deflationary pressures, and it is impossible to compete on price with futons made in Japan. The low end of the market is likely to become still more dependent on China in the future.

There is little growth in demand for down futons, but domestic products have been able to maintain superiority. Imports' market share in this segment was just 25.8% in 2000, about half the level of other types of futons.

Fig. 4 Imports' share in the Japanese market

		1997	1998	1999	2000
Down futons	Domestic production	35,794	32,182	30,399	30,077
	Imports	13,025	8,168	9,127	10,459
	Market total	48,819	40,350	39,526	40,536
	Imports' share	26.7%	20.2%	23.1%	25.8%
Other futons	Domestic production	49,558	40,829	39,264	34,313
	Imports	31,106	28,343	34,013	46,193
	Market total	80,664	69,172	73,277	80,506
	Imports' share	38.6%	41.0%	46.4%	57.3%
TOTAL	Domestic production	85,352	73,011	69,653	64,390
	Imports	44,131	36,511	43,141	56,652
	Market total	129,483	109,522	112,794	121,042
	Imports' share	34.1%	33.3%	38.0%	46.8%

Unit: ¥ million

Sources: Statistics of Textile, Japan Exports and Imports

3. The Importing and Distribution Process

(1) Legal Regulations and Administrative Procedure

Bedding imports are not subject to any restrictions or regulations.

(2) Regulations and Procedural Requirements at the Time of Sale

1) Household Goods Quality Labeling Law

Bedding must bear labeling as specified by the Household Goods Quality Labeling Law. Products may not be sold without labels. (see 4. Labeling)

2) Law for Control of Household Products Containing Harmful Substances

Bedding is subject to content standards for insecticides and fire-retardant compounds based on provisions of the Law for Control of Household Products Containing Harmful Substances. Importers and distributors may not sell, give away, or display *futons* for commercial purposes unless the merchandise complies with those standards.

3) Law for Conservation of Endangered Species of Wild Fauna and Flora

The Law established a comprehensive legal framework of protection for species considered to be in danger of extinction. Bedding made from furs, which are designated as species specially identified for protection, may not be sold or transferred in Japan. For more details, please consult the Wildlife Division, Nature Conservation Bureau, Ministry of the Environment.

(3) Competent Agencies

- Household Goods Quality Labeling Law

Consumer Affairs Policy Division, Consumer Affairs Department, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry

TEL: 03-3501-1511

<http://www.meti.go.jp>

- Law for Control of Household Products Containing Harmful Substances

Safety Division, Pharmaceutical and Medical Safety Bureau, Ministry of Health, Labour and Welfare

TEL: 03-5253-1111

<http://www.mhlw.go.jp>

- Law for Conservation of Endangered Species of Wild Fauna and Flora

Wildlife Division, Nature Conservation Bureau, Ministry of the Environment

TEL: 03-3581-3351

<http://www.env.go.jp>

4. Labeling

(1) Legally Required Labeling

1) Household Goods Quality Labeling Law

The Textile Product Labeling Standards based on the Household Goods Quality Labeling Law specify both the label content and format. The label must list fabric cover and stuffing materials of *futons* and the name and place of contact of the labeler (address or telephone number).

Note that amendments to the Household Goods Quality Labeling Law in 1997 added down *futons* to the list of designated goods and made labeling of the content of down obligatory.

Covering	Cotton 100%
Filling	Cotton 100%
(Urethane-foam use)	
XYZ Co., Ltd.	
TEL: 01-2345-6789	

Example label of futon

(2) Voluntary Labeling Based on Provisions of Law

1) Fire Service Law

Futon cover fabrics and *futon* stuffing materials that comply with fire-retardant may bear fire-retardant label in the stipulated format (shown at right). This labeling is not obligatory, but some localities have ordinances or administrative advisories recommending the use of such products in hotels, inns and other public buildings as well as in health care and social welfare facilities. To qualify for this labeling bedding must be tested not only for fire retardant but also for toxicity.



Contact:

- Japan Fire Retardant Association TEL: 03-3246-1661 <http://www.jfra.or.jp>

(3) Voluntary Industry Labeling

1) G.F. (Good *Futon*) Mark

The G.F. Mark is awarded for compliance with standards established by the All Japan Wadding Goods Association. The Mark indicates that the product has undergone testing administered by the Association and conforms to unified labeling standards for product name, material content and care instructions. All *futon* products are eligible to qualify for this labeling.

G.F. Mark



Contacts:

- All Japan Bedding Goods Association (JBA) TEL: 03-3281-2679

2) Gold Labels

Down *futons* that comply with standards established by the Japan Down Product Co-Operative Association may display the Gold Labels. The Gold Labels indicate compliance with quality standards for content, size and cleanliness set by the Association. Three types of labels are used depending on the bulk : New Gold Label, Excel Gold Label, and Royal Gold Label. The standards for bulk of the different labels are as follows :

- The Excel Gold Label ----- 120 mm or more
- The New Gold Label ----- 145 mm or more
- The Royal Gold Label ----- 165 mm or more

Excel Gold Label / Royal Gold Label



New Gold Label



Note: The "Excel Gold" Label featured a gold pattern against a red background.

Note: The "Royal Gold" Label featured the same pattern in gold against a gold background.

Contacts:

- Nippon Umo Shingu (Japan Down Products Co-Operative Association) TEL: 03-3281-7828

3) The Wool Mark

Wool *futons* that meet quality standards established by The Woolmark Company, Japan may display the 100% Wool Mark. Only 100% wool *futons* made at production facilities that have received permission may attach the Wool Mark to their products. The 100% Wool Mark quality standards include standards for wool type and mass, oil content and quilting technique, as well as guidelines for shrinkage and pesticide content.

Wool Mark Label



Contacts:

- The Woolmark Company, Japan TEL: 03-5950-9371 <http://www.wool.co.jp>

5. Taxes

(1) Customs Duties

Fig. 5 Customs duties on *futon*

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
9404.90-010	Eiderdowns	4.6%	3.8%	Free	
90-090	Other articles of bedding and similar furnishing				

Note: Refer to "Customs Tariff Schedules of Japan" (published by Japan Tariff Association) etc. for interpretation of tariff table.

(2) Consumption Tax

(CIF + Customs duties) x 5%

6. Product Characteristics

Down *futons* and wool *futons* began appearing in the Japanese market alongside their more common cotton and synthetic stuffed counterparts around 1975. Down, wool and other animal hair and feather materials are characterized by their natural capacity to shrink, expand, and absorb or repel moisture as external conditions change. Down *futons* are noted for their lightweight and temperature retention, aeration, and natural ability to absorb body moisture and carry it away from the skin. Because of this trait, down *futons* can be used even during hot and humid Japanese summer weather without discomfort. Wool *futons* also have excellent heat retention and elasticity. Wool also does not burn or soil easily. Recently some consumers have sought to maximize the benefits from each type of *futon* by sleeping on top of wool *futons* and using down *futons* as blankets. New types of *futons* have also appeared on the market, including 50% wool 50% polyester bled stuffing *futons* and interior cover type down *futons*. However, one problem with all *futons* is that it is difficult to assess the quality of the stuffing material, since it is packed entirely inside the covering. In addition, down and wool stuffing can develop problems with insect pests and with odor resulting from their natural characteristic scent.

1) Down *futons*

Hardly any imported *futons* contain cotton or synthetic fiber stuffing, although this type of *futon* is the most commonly used in Japan. All *futons* containing feather stuffing are commonly referred to as down stuffing, but strictly speaking down *futons* are classified as either down feather *futons* or shuttlecock *futons* according to established standards criteria. Down feather *futons* have at least 50% down (the soft feathers on a bird's breast) content in the stuffing, while shuttlecock *futons* have less than 50% down content. The term shuttlecock *futon* also denotes small feather stuffing. Products with higher down content are lower in weight and the higher in bulk (thickness and cushioning), and are considered high-performance products. In general, European imports tend to be high-end, higher-priced products, while Asian (mostly China) imports tend to be lower-priced mass-market products.

2) Wool *futons*

100% wool *futons* come mainly from Europe (especially Germany), but in very small quantities. Most wool *futons* are luxury-grade products made according to traditional methods. As stated before, nearly two-thirds of wool *futon* sales consist of wool blends containing other textile materials. The most popular mix of materials for bedspread blankets is wool and polyester, which feels soft to the touch and is very warm yet lightweight.

3) Under-table warmer *futons*

This type of bedding material is unique to Japan, but recently there have been some imports from China. However, consumer demand for under-table warmer has been weak overall.

7. Domestic Distribution System and Business Practices

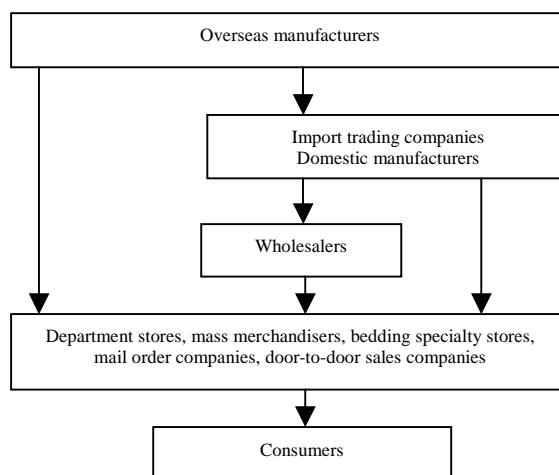
(1) Domestic Market Conditions

The domestic *futon* market as a whole has been fairly stable over the past several years despite some slight contraction. Industry observers believe that down and wool *futons* are passing from the high growth phase to the mature phase of their product life cycle, and that declining unit prices have been responsible for lower sales figures. Bedding is considered to be a type of consumer durable, and it has one of the slowest turnover rates of any household necessity. In the future the *futon* market is likely to be affected not only by upscale trends and brand name preferences but also by the emergence of health-oriented products (such as magnetized *futons* and spinal corrective floor *futons*) as part of an increasing trend toward product differentiation.

(2) Distribution Channels

In the past the most common distribution channel was from overseas manufacturer to import trading company to wholesaler to retailer and finally to the consumer. However, recently there have been more moves to bypass the intermediary stages in the process. In the case of down *futons* in particular, it has become more common for import trading companies to sell direct to retailers and for foreign manufacturers to sell direct to mass merchandisers. At the retail stage, down *futons* are often sold through to mass merchandisers and mail order companies. Wool *futons* are sold through department stores, and under-table warmer *futons* are sold through department stores, supermarkets, bedding specialty stores and appliance stores. Until several years ago, there were a number of small-sized retailers specializing in sales of *futon* and other bedding products. The number of these specialized retailers recently has dropped sharply.

Fig. 6 Distribution channels for imported futons



(3) Key Considerations for entering the Japanese Market

Futons are not subject to stringent regulatory requirements, and distribution channels are fairly diverse, which means that prospective importers have a broad range of opportunities. However, problems with product quality can come up if the *futons* are not checked carefully for insect pests and for odor. In addition, business customs are different in other countries, and prospective importers should be fully prepared to deal with the likelihood of product return requests.

8. After-Sales Service

The retail outlet deals with defective merchandise and requests for exchanges. Some retailers provide fee-based repair services for holes or rips in the fabric. However, consumers need to be warned not to put pins in down or wool *futons* and otherwise given proper care instructions. Consumers should use the services of specialized *futon* care providers for reconditioning and cleaning.

9. Related Product Categories

Related product categories include cotton, wool and synthetic fiber blankets, bedspreads and bed pads. These products are subject to virtually the same legal and regulatory requirements as *futons*.

10. Direct Imports by Individuals

There are no restrictions on imports of *futons* for personal use.

11. Related Organizations

- All Japan Bedding Goods Association (JBA) TEL: 03-3281-2679
- All Japan Cotton Wadding and Bedding Goods Manufacturers Co-Operative Association
TEL: 03-3281-2714 <http://www.zennichimen.or.jp>
- Japan Down Products Corporative Association TEL: 03-3281-7828 <http://www.nichiukyo.org/>
- Japan Down Association TEL: 03-3294-0108 <http://www.jda.gr.jp>