V

10. Cookware

1. Definition of Category

This report addresses cooking pots and pans (including pressure cookers), frying pans, kettles, and their parts and components.

HS Numbers	Commodity
6911.10	Tableware and kitchenware of porcelain or china
6912.10	Tableware and kitchenware of ceramic
7013.10	Tableware and kitchenware of glassware
.31	Of lead crystal, other than drinking glasses
.32, .39	Of glassware other than drinking glasses or glass-ceramics
7323	Table, kitchenware and other household articles of iron or steel
.91	Of iron, not enameled
.92	Of iron, enameled
.93	Of stainless steel
.94	Of iron or steel, enameled
.99	Other iron or steel
7418.19	Table, kitchenware and other household articles of copper
7615.19	Table, kitchenware and other household articles of aluminum

Note: These HS numbers include a broad range of kitchen accessories, tableware products and other household accessories in addition to the product categories addressed in this guidebook.

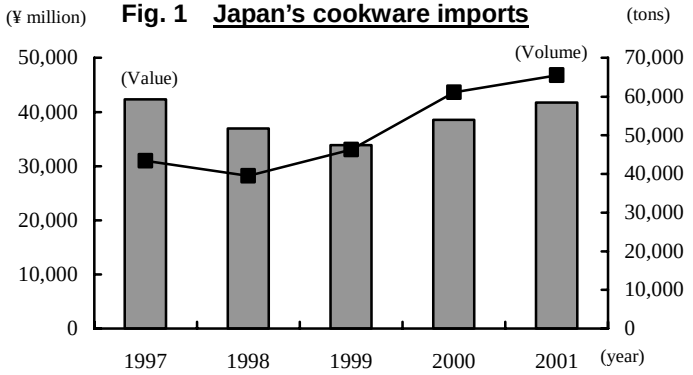
2. Import Trends

(1) Recent Trends in Cookware Imports

Because the HS numbers listed above include a wide range of kitchenware, tableware and other household articles in addition to cookware, it is difficult to determine the precise volume and monetary value of cookware imports. This report examines import trends in the HS number categories kitchenware and tableware made of aluminum, stainless steel, enameled cast iron and copper, which are believed to consist primarily of cookware.

Although import of the kitchenware and tableware including cookware fell temporarily in 1998, it recovers in the short term and the highest ever weight (65,515 tons) is imported in 2001. Moreover, a high level called the ¥41.75 billion (up 8.3% from the year before) is recorded on a value basis.

Fig. 1 Japan's cookware imports



	1997		1998		1999		2000		2001	
	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume
Of aluminum	24,324	19,309	23,474	17,772	27,593	18,487	30,668	18,536	29,026	17,831
Of stainless steel	16,144	21,067	13,616	17,580	15,441	13,857	23,077	17,368	27,995	20,702
Of enameled cast-iron	2,711	1,508	2,214	1,281	3,128	1,378	7,238	2,471	8,402	3,081
Copper	239	458	172	360	107	177	153	176	91	135
TOTAL	43,417	42,341	39,476	36,993	46,269	33,899	61,135	38,551	65,515	41,750

Units: ¥ million, tons *Source: Japan Exports and Imports*

By material, import growth in 2001 occurred in stainless steel kitchenware and tableware. On a volume basis the ratio of aluminum to stainless steel changed from 57:43 to 51:49, and on a value basis the ratio changed from 52:48 to 46:54. Stainless steel surpassed aluminum on a value basis for the first time since 1997, when media reported about a connection between aluminum cookware and Alzheimer's disease. Although the volume is very small, it has shown the pace of expansion also with products made from enameled cast-iron, rising from 2,711 tons (¥1.5 billion) to 8,402 tons (¥3.1 billion) over the five-year period from 1997 to 2001.

(2) Imports by Place of Origin

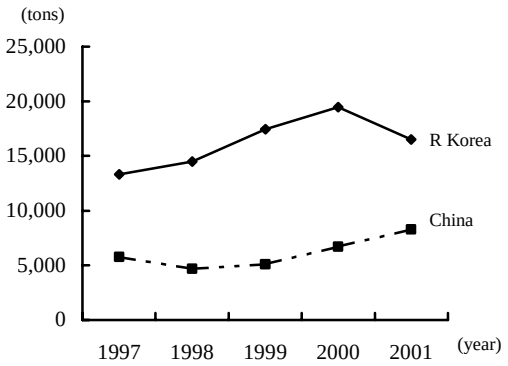
Since no precise statistics are available on imports of cookware, as discussed earlier, the discussion below focuses on aluminum and stainless steel kitchenware and tableware, as in subsection (1) above.

<Aluminum kitchenware>

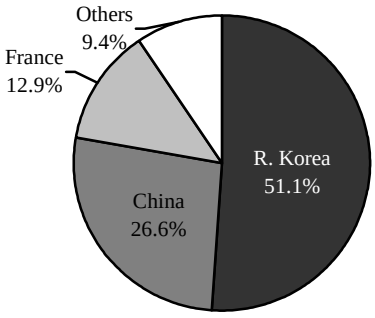
The Republic of Korea leads in exports to Japan of aluminum kitchenware and tableware, with China close behind in second. 2001 saw the Republic of Korea's exports fall by 15.2% from the year before to 16,523 tons (56.9% import share), compared with 23.4% growth for China's exports, to 8,281 tons (28.5% share). The next leading exporter was France, which experienced a partial rebound in exports of high-grade pots and pans from the drop-off the year before, to 2,229 tons (7.7% share). People in the industry say that the Republic of Korean cookware costs only a third of cookware made in Japan. Since it has become uneconomical to manufacture low-end products in Japan, Japanese makers have shifted production sites to the Republic of Korea. They are also moving to procure products from local makers in other Asian countries, and to set up OEM production arrangements. For its part, high-performance cookware from France enjoyed popularity in the market for a time due to its removable handles, ease of storage and high level of functionality. Imports from France contributed to growth in demand for high-grade aluminum cookware generally.

Fig. 2 Principal exporters of aluminum kitchenware to Japan

Trends in import volume by leading exporters



Shares of aluminum kitchenware imports in 2001 (value basis)



	1997	1998	1999	2000		2001			
	Volume	Volume	Volume	Volume	Value	Volume		Value	
R. Korea	13,305	14,480	17,437	19,489	11,047	16,523	56.9%	9,113	51.1%
China	5,767	4,670	5,087	6,709	3,565	8,281	28.5%	4,749	26.6%
France	1,378	1,515	2,546	1,961	2,049	2,229	7.7%	2,296	12.9%
Indonesia	1,167	1,090	1,404	1,256	745	1,051	3.6%	702	3.9%
Italy	1,206	588	288	221	229	318	1.1%	333	1.9%
Other	1,500	1,130	831	1,032	901	624	2.1%	638	3.6%
TOTAL	24,324	23,474	27,593	30,668	18,536	29,026	100.0%	17,831	100.0%
(E U)	2,639	2,197	2,898	2,288	2,418	2,700	9.3%	2,818	15.8%

Units: ¥ million, tons *Source: Japan Exports and Imports*

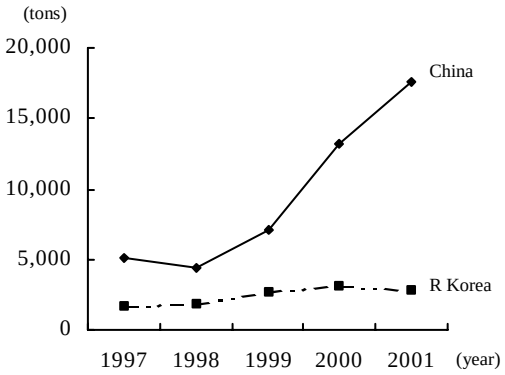
<Stainless steel kitchenware>

The United States had long been the leading exporter of stainless steel kitchenware and tableware to Japan, but after peaking at ¥9.1 billion (3,777 tons) in 1997, American exports have fallen dramatically on both a value and volume basis, sinking to just ¥3.2 billion (1,092 tons) in 2001. Taking up the slack has been China, which increased its exports from ¥3.3 billion (5,112 tons) to ¥9.38 billion (17,569 tons) over the five-year period from 1997 to 2001.

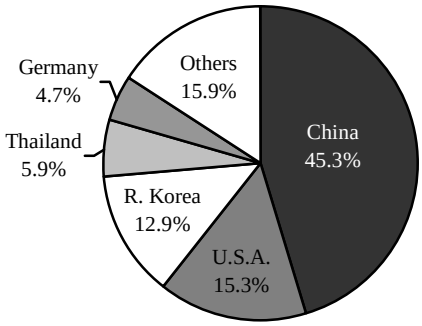
China now holds the lead in exports on both a value and volume basis to Japan. Industry sources say that virtually all imports from China consist of OEM production and development imports for makers in Japan and other countries. Today the only remaining production of stainless steel cookware in Japan is in Tsubame City, Niigata Prefecture.

Fig. 3 Principal exporters of stainless steel kitchenware to Japan

Trends in import volume by leading exporters



Shares of stainless steel kitchenware imports in 2001 (value basis)



	1997	1998	1999	2000		2001			
	Volume	Volume	Volume	Volume	Value	Volume		Value	
China	5,112	4,428	7,121	13,134	6,810	17,569	62.8%	9,380	45.3%
R. Korea	1,694	1,791	2,686	3,091	2,314	2,844	10.2%	2,673	12.9%
Thailand	2,352	2,402	1,849	2,018	1,352	1,888	6.7%	1,212	5.9%
India	663	392	407	801	328	1,372	4.9%	530	2.6%
U.S.A.	3,777	2,313	1,468	1,243	3,224	1,092	3.9%	3,162	15.3%
Other	2,546	2,291	1,910	2,790	3,340	3,231	11.5%	3,745	18.1%
TOTAL	16,144	13,616	15,441	23,077	17,368	27,995	100.0%	20,702	100.0%
(E U)	1,345	1,071	853	1,154	1,947	1,244	4.4%	2,290	11.1%

Units: tons, ¥ million *Source: Japan Exports and Imports*

Though the overall volume is small, China leads in exports to Japan of enameled cast-iron (69.5%). Leading exporters of copper kitchenware and tableware are China (38.2), India (18.3%), and the Republic of Korea (13.4%).

(3) Imports' Market Share in Japan

There are no official statistics on the overall size of the Japanese cookware market, or on the size of the import market. Therefore, no one knows exactly what share imports have of the overall market. Domestic production of aluminum cookware has been on a downward slope for several years. Observers believe that imported products now make up nearly 90% of the market. As stated previously, most mass-market products are imported from the Republic of Korea, but imports of upscale products from France have also helped boost imports' market share.

Fig. 4 Imports' share of aluminum cookware in the Japanese market

	1996	1997	1998	1999	2000
Domestic shipments	8,458	6,816	5,515	4,322	3,868
Exports	709	657	438	560	520
Imports	25,498	24,324	23,474	27,593	30,668
Imports' share	76.7%	79.8%	82.2%	88.0%	90.2%

Unit: tons *Source: Yearbook of Miscellaneous Goods Statistics*

With regard to stainless steel cookware, industry sources put domestic products at about only 10-20% of imports. Many observers believe that imports will continue to grow from China. Pressure cookers are subject to a requirement to display the PS-Mark under provisions of the Consumer Product Safety Law. In nearly all cases, makers simultaneously apply for both the PS Mark and the SG Mark (detailed discussion below). Based on SG Mark grant statistics, imports' share is estimated at around 30%. Upscale brands are recognized for their product quality, and these brands have turned in a solid performance.

3. Key Considerations related to Importing

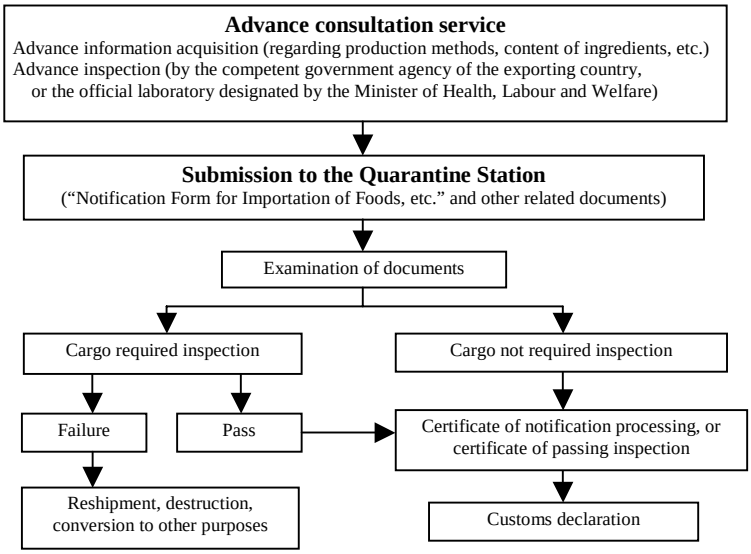
(1) Regulations and Procedural Requirements at the Time of Importation

1) Food Sanitation Low

Under provisions of the Food Sanitation Law, importation and sale of cookware that pose a potential threat to the human health is prohibited. An import notification is required for cookware being imported for the purpose of sale or for other commercial purposes. Importers are required to submit the completed "Notification Form for Importation of Foods, etc." to the Quarantine Station at the port of entry. Metal cookware is subject to lead content standards, while glass, porcelain and enameled cookware is subject to lead and cadmium leaching standards. A determination is made based on the document examination whether or not an inspection at the bonded area is required.

Prior to importing, the importer may take a sample of forthcoming imports to official laboratories designated by the Minister of Health, Labour and Welfare in Japan or in exporting countries. Those test results may be substituted for the corresponding inspection at the port of entry, which expedites the quarantine clearance process.

Fig. 5 Import Inspection (Quarantine) Procedures under the Food Sanitation Law



An importer who plans to repeatedly import the same aluminum, stainless steel or clear glass cookware product over time, may be exempted from subsequent import inspections for a set interval (normally 3 years). To qualify for the exemption, the importer must append copies of the initial notification form and inspection result forms. In addition, importers of products for which no violation has been logged in the past 3 years may make use of the planned importation program. Under this program, the importer submits an import plan for the following year, and the imports are exempt from requirements to file the notification at each customs clearance.

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

The sale of cookware is subject to provisions of the Food Sanitation Law, Household Goods Quality Labeling Law, and the sale of pressure cookers is subject to provisions of the Consumer Product Safety Law.

1) Food Sanitation Law

The Law prohibits the manufacture or importation of apparatus, containers or packaging that contain or have attached to them toxic or harmful substances that pose a threat to human health. Metal cookware is subject to lead content standards, while glass, porcelain and enameled cookware is subject to lead and cadmium leaching standards.

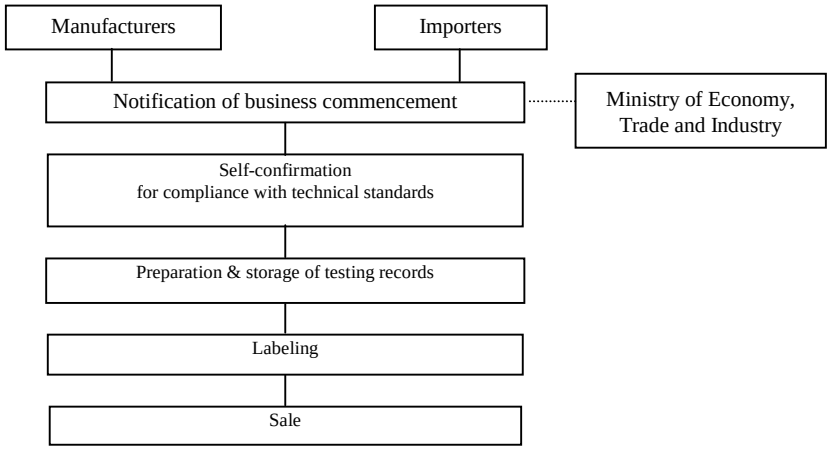
2) Household Goods Quality Labeling Law

The Law defines the content and format of product quality labeling for daily life household goods. Cookware and teakettles with a capacity of no greater than 10 liters that have no heating element and are made from aluminum, enameled cast iron or stainless steel must display in their labeling specific items of information stipulated by the Law. Items that do not bear this labeling may not be sold in Japan. (see 4. Labeling)

3) Consumer Product Safety Law

Household pressure cookers and pressure pans (volume of 10 liters or less, gauge pressure of 9.8 hectopascal or less) are designated as “specific products” under provisions of the Consumer Product Safety Law. Manufacturers or importers of these products must carry out in-house testing, and preserve its records of self-confirmation for compliance with technical standards stipulated by the Minister of Economy, Trade and Industry. Products verified as compliant must label the name of the importer and usage instructions. Products that are not labeled in accordance with the Law may not be sold in Japan. Importer must notify the commencement of business to the Director-General of the competent Bureau of Economy, Trade and Industry (or to the Minister of Economy, Trade and Industry, for importers with business sites in multiple areas) prior to commencing import operations (see 4. Labeling).

Fig. 6 Procedures under the Consumer Product Safety Law



<References>

1) Electrical Appliance and Material Safety Law

Cookware with electric thermal combustion units is subject to provisions of the Electrical Appliance and Material Safety Law. Manufacturers or importers must confirm on their own that their products are compliant with technical standards, and must display required label items and PS mark on the product to be sold in Japan. Also, importers must file a notification of business commencement by each type classification with the Director-General of the competent Bureau of Economic, Trade and Industry (or with Minister of Economic, Trade and Industry in case of multiple business sites) within 30 days of commencing import operations. Importers are also required to prepare and maintain self-testing records.

2) Industrial Safety and Health Law

Large-scale pressure cookers for industrial and commercial use are defined as "presser vessels" under the Law, and are subject to inspection by the Prefectural Labor Bureau. Products that fail to comply with safety standards may not be acquired or transferred.

(3) Competent Agencies

- Food Sanitation Law
  Policy Planning Division, Department of Food Sanitation, Pharmaceutical and Medical Safety Bureau, Ministry of Health, Labour and Welfare
  TEL: 03-5253-1111 http://www.mhlw.go.jp
- Consumer Product Safety Law
  Product Safety Division, Commerce and Information Policy Bureau, Ministry of Economy, Trade and Industry
  TEL: 03-3501-1511 http://www.meti.go.jp
- 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

4. Labeling

(1) Legally Required Labeling

1) Household Goods Quality Labeling Law

The Law requires the following items of information on labeling for cookware (including pressure cookers) and teakettles made of aluminum, steel, enameled cast iron, stainless steel, and copper, with a volume of no greater than 10 liters and no built-in heating apparatus: surface processing (only when applicable), type of material, dimensions, capacity when full, and name and contact information for the labeler. The Law also mandates labeling items to indicate in the cautions on handling for certain material types, depending on their properties.

Note: In addition to the above, the Law also requires electric hot plate labeling to list the type of hot plate, usage warnings, and the name and contact information for the labeler.

Fig. 7 Labeling items required under the Household Goods Quality Labeling Law

Labeling items on "cautions on handling"	Alumite	Aluminum	Stainless steel or multi-layer stainless steel	Cast iron, enameled	Copper	Pressure cookers
1. Don't heat with nothing inside.	O	O	O	O	O	O
2. Wash completely and dry after use	O	O	O	O	O	O
3. Handle or grip may get hot	(may be omitted when not applicable)					
4. Do not use with water, etc., filled to the rim	O	O	O	O	O	
5. Remove any rust-preventive film applied to the surface prior to use	(may be omitted when not applicable)					
6. Do not store food in pan	O	O	O		O	O
7. Do not use steel wool or abrasive cleansers	O			O	O	O
8. Do not use a knife to remove food residue	O	O		O	O	O
9. Avoid using acidic or alkaline substances	O	O				
10. Do not heat oil to over 200˚C with tempura and similar foods					O	
11. Do not use to prepare sautéed or stir-fried foods				O	O	
12. If dropped from a high location or subjected to a sudden shock or blow, or if heated with nothing inside, do not use water to cool rapidly				O		
13. Do not fill implement to more than 2/3 full (1/3 full for legumes)						O
14 Do not prepare foods requiring added baking soda						O
15. Do not use excessive amounts of oil						O
16. Do not strike pan when hot						O
17. Do not take off the lid while in use or immediately after use for no reason.						O

Labeling under the Household Goods Quality Labeling Law

Surface processing	Alumite, non-stick surface, nickel-plated, enameled, etc.
Material type	Aluminum (minimum 99% content), aluminum alloy, stainless steel (with chrome or nickel content), steel plating for enameling (carbon content no greater than 12 parts per 10,000), standard steel plating
Dimensions	Aluminum and aluminum alloy products show maximum inside diameter and maximum outside diameter, while other products show inside diameter and maximum outside diameter, all in centimeters.
Capacity when full	Volume to rim shown in liters (tolerance of +/- 5%).
Cautions on handling	See Fig. 7 for the applicable material types.
Name, address or TEL No.	Maker name or retailer name also permitted.

2) Consumer Product Safety Law

Pressure cookers and pressure pans designated as "specific products" under provisions of the Law must stuck the PS Mark on its product label, thereby indicating compliance with technical standards. Labeling must also include other specified items of information.

- The PS Mark must appear on the main unit, cover, or handle surface in a readily visible location, and must be affixed so it will not readily come off or wear off.
- The following items of information must also appear, affixed so they will not readily come off or wear off:

  Name of the applicant and approval symbol or code granted by the Minister of Economy, Trade and Industry, any warnings about proper usage as needed to assure safe usage.

PS Mark (specific products)

(2) Voluntary Labeling based on Provisions of Law

1) Industrial Standardization Law (JIS Mark)

JIS Mark

Aluminum plated and enameled cookware is designated eligible for the JIS Mark labeling program. Products that comply with Japan Industrial Standards (JIS standards) may display the JIS Mark in their product labels. Manufacturing facilities that pass a certification review by the competent government Minister are allowed to display the JIS Mark on all products made at those facilities.

Contacts:

• Japanese Standards Association TEL: 03-3583-8005 http://www.jsa.or.jp

(3) Voluntary Industry Labeling

1) SG Mark

SG Mark

Metal plated cookware and aluminum-plated cookware (other than items with non-stick surfaces) are eligible for SG (Safety Goods) Mark designation by the Consumer Product Safety Association. Products that comply with safety criteria established by the Association are eligible to display the SG Mark. When consumers are injured during the use of a SG-approved product, each injured party is eligible to receive up to ¥100 million in damages. The guarantee is only valid, however, for personal injuries.

There are two methods for obtaining compliance certification: the lot inspection method, under which a test facility performs compliance testing on behalf of the Association, or the type approval system, under which Association approval is granted to registered factories. Lot inspection and factory registration may both be conducted abroad.

Contacts:

• Consumer Product Safety Association TEL: 03-5255-3631 http://www.sg-mark.org

5. Taxes

(1) Customs Duties

Tariff rates for cookware differ according to the material, but aluminum and stainless steel cookware, the two leading products in the market, are both duty-free.

Fig. 8 Customs duties on cookware

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
6911.10	Tableware and kitchenware, of porcelain or china	3.4%	2.3%	Free	
6912.10	Ceramic tableware, kitchenware, other household articles and toilet articles	3.4%	2.3%	Free	
7013	Glassware of a kind used for table, kitchen, toilet, office, indoor decoration or similar purposes				
10	- Of glass-ceramics	4.6%	3.1%	Free	
31, 32,	- Tableware or kitchenware of lead crystal	5.8%	3.9%	Free	
39	- Tableware or kitchenware of other glass	5.8%	3.9%	Free	
7323	Tableware, kitchenware, or other household article and parts thereof, of iron	Free	(Free)		
7418.19	Tableware, kitchenware, or other household article and parts thereof, of copper	Free	(Free)		
7615.19	Tableware, kitchenware, or other household article and parts thereof, of aluminum	Free	(Free)		

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

(2) Consumption Tax

(CIF + Customs duty) x 5%

6. Product Characteristics

(1) Characteristics by Material

Cookware is made not only from the familiar aluminum and stainless steel, but also from porcelain and ceramic materials, from heat-resistant glass, and glass-ceramic mixtures. The following table lists the distinct properties of each type of material. Mid-range and high-end metal cookware often attempts to compensate for the disadvantages and enhance the advantages of their material by using multiple layers of steel.

Fig. 9 Cookware characteristics by material

Material	Main advantages	Main disadvantages
Aluminum	Light weight, good heat conductivity, inexpensive	Susceptible to acids and alkaline substances, deforms easily
Stainless steel	Durable, sanitary, and easy to clean	Poor heat conductivity, food sticks easily
Cast iron	Good heat retention, not easily damaged	Heavy and difficult to clean, susceptible to salt, rusts easily
Copper	Exceptionally good heat conductivity	Heavy, rusts if not cleaned
Enamel	Beautiful appearance, sanitary	Susceptible to rapid temperature fluctuations, an enamel portion tends to come off
Ceramic	Good heat retention	Susceptible to rapid temperature fluctuations, surface glaze forms cracks
Glass ceramic	Good heat retention, cooking food remains visible	Poor heat conductivity, susceptible to sudden blows

Multi-layer stainless steel cookware is the main type of cookware used in developed countries. Moreover, as mentioned above, for a time stainless steel enjoyed extra popularity when reports came out linking aluminum with Alzheimer's disease. But as the recession persisted, and as the initial uproar about Alzheimer' s died down, aluminum cookware made a comeback. Enamel cookware has only a small presence numerically, but it is attractive enough to use as a serving dish as well as a kitchenware. This has made it very popular among younger women. Copper cookware is favored as commercial cookware among restaurant chefs.

(2) Characteristics by Features and Functionality

Life styles and eating habits are diversifying in Japan today. Housewives and single adults increasingly rely on instant foods and prepared snack items, rather than cooking for themselves. At the same time, more and more consumers are becoming discriminating about food ingredients and are seeking out high-performance cookware. This cookware is rather expensive, priced from several thousand yen to ¥40-50,000 per item. But it addresses consumer needs for cookware that is easy to use and prepares good tasting food quickly with no loss of nutritional value. High-performance cookware has grown increasingly popular, and Japan now imports pressure cookers, multi-layer steel cookware and other multi-function cookware. High-performance cookware can be divided into three broad categories. High-end products consist mainly of upscale name brands imported from France, Germany and the United States. Mid-range products are primarily made in Japan, while mass-market products mainly are imported from Republic of Korea, China, Indonesia and other countries in Asia. There is no major differential in features and product quality between cookware made in Japan and upscale European and American brands. The main reason for their popularity lies in their design qualities, which especially appeal to young housewives. These makers have focused on building and establishing their brands as part of the standard product line of retail stores. As for mass-market cookware products, consumers are often unaware that they are purchasing imports. The following section summarizes the salient points of some of the major types of cookware.

- Pressure cookers

  The Pressure Cooker Council estimates the household penetration rate for pressure cookers at over 40%, with imports accounting for 20-30% of all sales. Recently the domestic market has seen new models that seek to appeal to purchasers of second units and to younger adults. These include models in compact single-handle sizes that are easier to use, as well as models that can be used with electromagnetic cookery. More electronic jar type models are also available.

• Multi-Layer stainless steel cookware

Stainless steel is layered with high heat-conductivity steel and with aluminum to improve its heat retention and durability. Most common are three-layer and five-layer models. This cookware works with all kinds of heating sources, including electromagnetic cookery, and it can be used to cook soups and a variety of other foods on low heat. As a result, it saves on energy costs, while facilitating waterless cooking and oil-less cooking, which is healthier. These are the main selling points for multi-layer cookware. This type of cookware is standard in the developed countries. For a time, imports from the United States, Germany and France were so popular that they were in short supply. But from 1998 onward, weak consumer demand has made the high prices of these brands more problematic. Leading department stores have cut back noticeably on the floor space devoted to these imported brands.

• Multifunction cookware

The term "multifunction cookware" has come to refer generally to high-performance cookware with multiple convenience features. Some of these features include removable handles that turn the item into a serving dish, compatibility with dishwashers, stackable for storage, multiple sizes, and cooking plates adaptable to different food dishes. In 1999 a product from France became an instant hit through mail order catalog listings and TV commercials highlighting its convenient removable handle. Ever since that time, both Japanese and foreign makers have been announcing multifunction cookware with a variety of features.

7. Domestic Distribution System and Business Practices

(1) Domestic Market Conditions

On a volume basis, demand for cookware is at or near the saturation point. There is some deferred purchasing due to the sluggish economy, but the market as a whole is shrinking. A variety of cookware products are available in the market, ranging from low-end products selling for a few hundred yen to upscale products costing over ¥40,000. The best-selling cookware products are those priced in the ¥2,000-3,000 range, a field dominated by imports from the Republic of Korea, China, and Southeast Asian nations. At the same time, high-grade cookware has established a place for itself in the market despite its somewhat high price, thanks to its superior functionality, its excellent design qualities, and its ease of use. In this sector, upscale brands from Europe and the United States are very popular.

In this market environment, Japanese makers have sought to address consumer needs by avoiding price competition and instead focusing on high product quality and functionality at an affordable price. Japan's diversifying culinary culture is creating more diverse needs for cookware. Also, there are generational differences in the kinds of cookware used. It is predictable that consumer needs and wants will increase for cookware that uses not just direct gas flame, but also for electric cookery, halogen heater, 200V, and other heating sources.

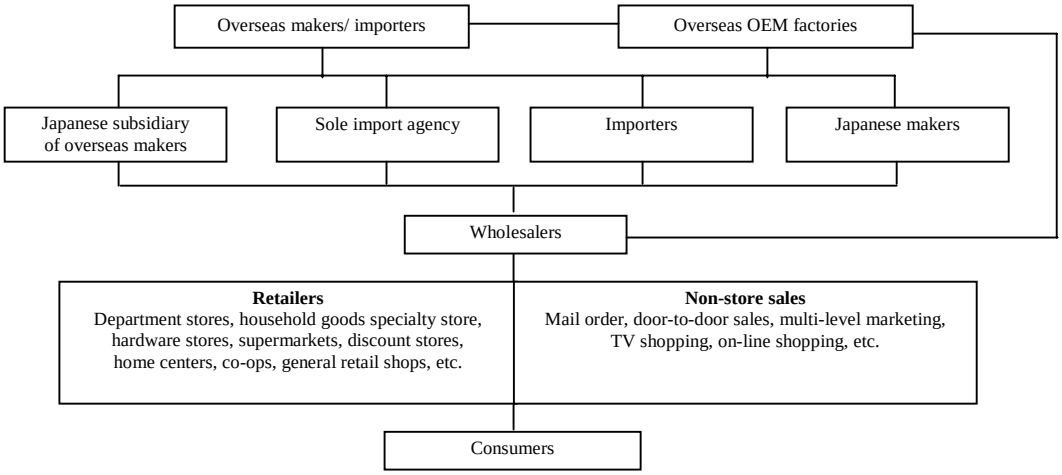
(2) Distribution Channels

Cookware made in Japan is usually distributed from manufacturers through wholesalers to retailers. In contrast, imported products are sold through many different channels, partly because they come in so many different price ranges and functional varieties. Imported cookware is sold not only through normal retail stores, but also through limited demonstration sales programs, through mail order, door-to-door sales, and by multi-level marketing method. While nowadays most sales are storefront sales, at one time cookware was often sold door-to-door. Recently mail order sales and Internet sales have become more common.

Imports of mass-market products made elsewhere in Asia include some spot purchases by importers, some development imports by wholesalers and leading retailers, and some procurements and OEM production by Japanese makers seeking to round out their product lines. At the distribution stage, these products are handled through the same channels as products made in Japan. Name-brand products from Europe and the United States generally distribute through a Japanese authorized agent or through the maker's own Japanese subsidiary. They tend to focus on a particular retail sales channel, such as department stores, specialty stores, or leading supermarkets, as part of efforts to develop and establish the brand. There have been noteworthy cases when new brands started out selling through mail order or TV shopping channels, and later moving on to time-limited promotional sales at department stores and specialty stores, before eventually becoming part of the stores' regular product line. Consumers with a strong interest in cookware have a fairly high awareness level of European and American brands, and in some instances they have greater confidence in those brands than in Japanese brands. High-grade cookware is the kind of product that needs to have its product characteristics and performance features explained. Accordingly, common sales promotions for these products include demonstration sales, cooking classes, featuring the products in TV cooking shows, and other public events.

Many makers create different product sample groupings for each retail channel (mail order, department store, mass merchandiser, etc.), according to the customer attributes of each channel.

Fig. 10 Distribution channels for cookware



(3) Key Considerations for entering the Japanese Market

The cookware market is a mature market, and it is a difficult market to enter even with affordable pricing and good product quality. A new market entrant has to be able to offer performance and features beyond what is expected for the price, along with good value for the money, and originality lacking in other products on the market. Upscale cookware in particular needs an explanation at the time of sale, plus strong maintenance and after-sales service programs.

8. After-Sales Service

Pressure cookers and high-performance multi-layer stainless steel cookware often comes with 5-15 year warranties. Some makers are willing to repair or replace products free of charge even if they fail under normal use. This is particularly true of upscale European and American brands, many of which promise to carry replacement parts on a long-term basis. When needed, the maker or importer through the retail store generally handles after-sales service. However, problems sometimes arise with replacement parts for parallel imports and spot imports from Southeast Asia. Also, the Product Liability Law assigns legal responsibility to importers for any proven harm to human health by a defect in an imported product. Thus, careful attention is needed to product quality control.

9. Related Product Categories

Related product categories include ceramic and glass kitchenware and tableware, and electric cookery. Please refer elsewhere in this guidebook to sections “V-12 Ceramic and Porcelain Tableware,” “V-13 Glassware,” and “V-6 Household Electrical Appliances.”

10. Direct Imports by Individuals

If a product is being imported not for the purpose of resale, and in a quantity deemed consistent with personal use, then such importation is not subject to regulations imposed under the Food Sanitation Law.

11. Related Organizations

- Japan Houseware Importers Association
  TEL: 03-5609-9333 http://www.jhi.co.jp
- Aluminum Products Association TEL: 03-3583-7971 http://member.nifty.ne.jp/ALUMINUM
- Pressure Cooker Council TEL: 03-3583-7971