

Japanese Market Information on Specified Products



Edible Seaweed

1. The Japanese Market

Dried nori is in a constant state of oversupply and there have been little imports of the product. Although kombu enjoys strong demand because of its health benefits, it, too, remains in a state of oversupply. The same also holds for wakame, and producer organizations are instituting production controls.

Kombu, nori, and hijiki are distributed in dried form, but wakame are mostly distributed in boiled and salt-packed form. Dried edible seaweed often make souvenir and gift items.

Seaweed importers must ensure their merchandise remains fresh after shipping and storage. Furthermore, since edible seaweed is in a general state of oversupply, it is important to secure distribution channels ahead of time.

Prospective importers must bear in mind that certain seaweed items are subject to import quota requirements. Import quotas for kombu are set by the Hokkaido Federation of Fisheries Cooperative Association. Quotas for nori and other types of seaweed are allocated based on past results.

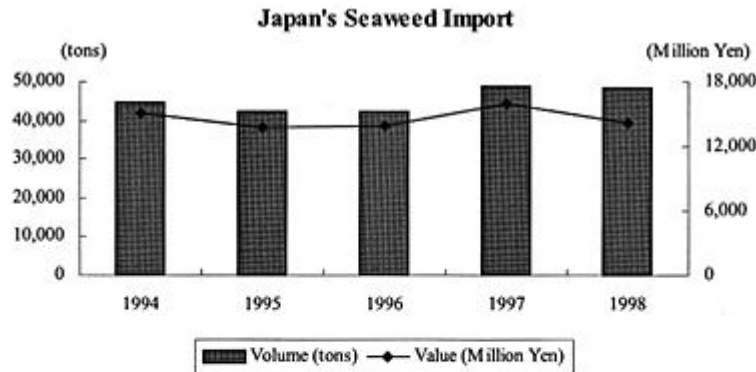
2. Imports

(1) Recent Developments

Imports of edible seaweed in Japan totaled 48,254 tons, down 1.0% from the previous year.

Although there have been some fluctuations, imports in the main have remained relatively stable in recent years. By product category, wakame imports have been most numerous, accounting for about 80% of imports by volume and 50-60% of imports by value. On the other hand, wakame is a main product of small fishermen along the Japanese coast and the small scale of their operations makes them vulnerable to imports, for which reason imports of wakame are subject to prior confirmation under the Import Trade Control Order that enables the government to keep track of accurate import figures.

Most wakame is imported in boiled and salted form. Kombu, hijiki, aonori, and hitoegusa are imported mainly in dried form.



	1994		1995		1996		1997		1998	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Dried <i>Nori</i>	0	0	n.a.	45	16	36	68	167	99	214
<i>Hijiki</i>	5,644	5,846	5,099	4,918	5,099	4,918	5,068	4,582	4,920	4,661
<i>Wakame</i>	36,343	8,162	34,264	6,983	34,620	7,890	40,418	10,040	40,954	8,560
Other Seaweed and Algae	2,708	1,054	2,282	882	2,688	1,071	3,169	1,203	2,281	795
Total	44,693	15,017	42,190	13,756	42,422	13,915	48,723	15,992	48,254	14,229

Unit: tons, Million Yen

Source: Japan Exports and Imports

(2) Countries of Origin

The Republic of Korea and China supplies nearly 100% of hijiki and wakame imports, with other countries accounting for less than 1%. For hijiki, the Republic of Korea supplies approximately 90% of imports, but for wakame, more is imported from China. The rise in consumer prices in the Republic of Korea, however, has made Korean imports more expensive, and cheaper Chinese imports are making ground. In addition to natural seaweed, China also farms natural seaweed in the Shandong and Fujian provinces, where Japan makes up the largest export market.

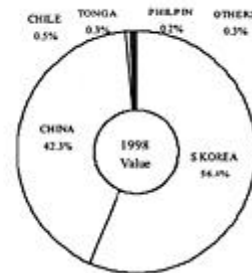
Imports of nori, except for a very small amount imported from the Republic of Korea, are non-existent. Similarly, although a few other edible seaweed are imported from Taiwan, Hong Kong, and the Philippines, again their numbers are insignificant.

Principal Exporters of Edible Seaweed to Japan

COUNTRY	1994	1995	1996	1997	1998	
	Value	Value	Value	Value	Value	Volume
S KOREA	12,150	10,723	9,321	9,153	8,029	16,585
CHINA	2,822	2,971	4,521	6,737	6,020	31,107
CHILE	0	1	3	15	69	31
TONGA	0	0	2	14	42	420
PHILPIN	8	15	17	22	28	60
OTHERS	36	47	52	51	40	53
TOTAL	15,017	13,756	13,915	15,992	14,229	48,254

Unit: Million Yen, tons

Source: Japan Exports and Imports



(3) Share Accounted for by Imports

Imports include both fresh and dried seaweed, making an accurate calculation of the share impossible, but it is estimated that about 30% of wakame are imported. For hijiki, unofficial sources place the share of imports at around 80%.

3. Laws and Regulations

Edible seaweed is subject to import quota allocation and prior confirmation under the Foreign Exchange and Foreign Trade Law (Import Trade Control Order). The importation and sales of seaweed are also subject to the provisions of the Food Sanitation Law and the Measurement Law.

(1) Import Trade Control Order

Import Quota System

Dried nori, porphyra spp. and other seaweed, and other categories (including kombu) are designated as import quota items. Government controls the amount of import.

Any persons or organizations seeking to import seaweed must submit three copies of the "Application for Import Allocation" along with other necessary documents to the Agricultural and Marine Products Division, International Trade Administration Bureau, Ministry of International Trade and Industry.

Prior Confirmation System

Wakame is subject to a prior confirmation requirement. This system, a part of voluntary restraint agreements between exporter countries and Japan, is used to adjust the import volume. Exporters limit their exports in years when Japanese production is high and market competition is stiff. An "Application for Prior Confirmation" must be submitted to the regional Bureaus of International Trade and Industry.

(2) Food Sanitation Law

Seaweed importers must submit the "Notification Form for Importation of Foods, etc." to the quarantine station at the port of entry. After examining the document, food sanitation inspectors may order inspections of the items at the bonded area. These inspections determine whether the items will be allowed into Japan. Importers may also elect to have the items inspected in advance at a testing facility in Japan or by a government agency of the exporting country designated by the Japanese Ministry of Health and Welfare. These inspection results may be substituted for corresponding inspection at the quarantine station, expediting the quarantine clearance process.

In February 1996, Japan set up a system for facilitating the monitoring of food imports. Under this system, quarantine officers of the Ministry of Health and Welfare, importers, and inspection organizations authorized by the Ministry are connected online. This system, too, is designed to speed clearance procedures.

(3) Measurement Law

Cabinet ordinance requires certain products that come in sealed wrappers or other containers to indicate their content volume as well as the name and address of their manufacturer (or importer). This law also requires the content volume to be stated to a certain range of accuracy. Edible seaweed covered by this requirement include oboro kombu, tororo kombu, cut kombu, chopped kombu, dried wakame, and dried hijiki.

This law also sets ranges of standard deviation for measurements of seaweed products sold by the measure.

4. Taxes

(1) Customs Duties

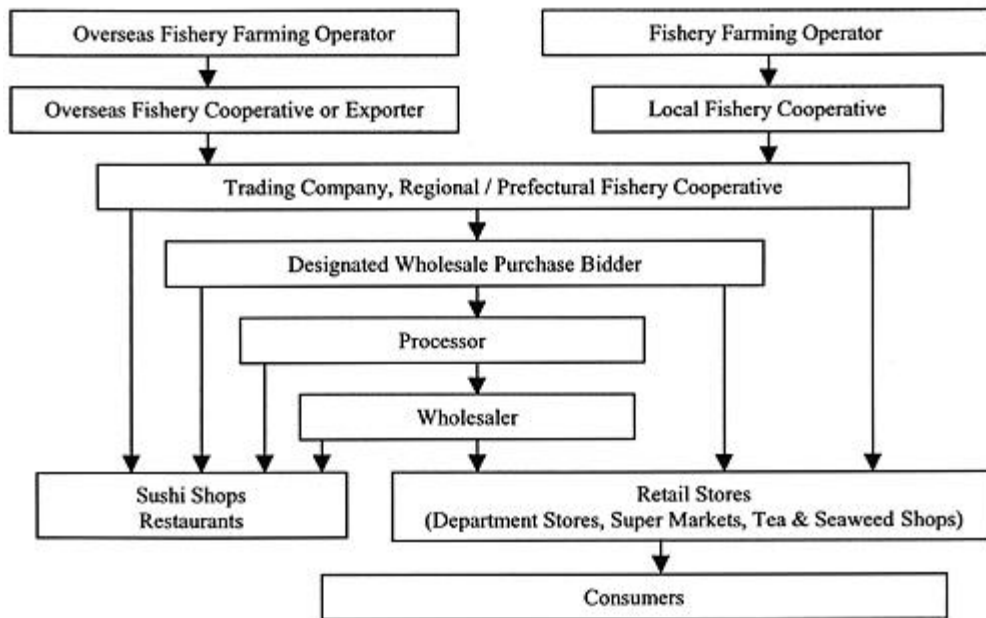
HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
1212	Locust beans, seaweed and other algae, sugar beet and sugar cane, fresh, chilled, frozen or dried, whether or not ground; fruit stones and kernels and other vegetable products (including unroasted chicory roots of the variety <i>Cichorium intybus sativum</i>) of a kind used primarily for human consumption, not elsewhere specified or included				
1212.20	1. Seaweeds and other algae				
	(1) Edible seaweed and other algae, fresh, chilled, frozen or dried				
-110	A Formed into rectangular (including square) papery sheets not more than 430 cm ² /piece	¥1,500/ sheet			
-120	B <i>Porphyra</i> spp. and other seaweed mixed with <i>Porphyra</i> spp. other than those specified in A above	40%			
	C Other	15%			
-131	i <i>Hijiki</i> (<i>Hizikia fusiforme</i>)		10.5%	8%	*Free
-133-139	ii <i>Wakame</i> (<i>Undaria pinnatifida</i>)		10.5%		

Note: Refer "Customs Tariff Schedules of Japan" (published by Japan Tariff Association) etc.
 "**Free" in Preferential applicable only for developing country.

(2) Consumption Tax
 (CIF + Customs Duty) x 5%

5. Distribution

Imported seaweed is usually distributed by an overseas fisheries collective or exporter through a trading house or a local fisheries cooperative in Japan and sent to retail outlets. Almost all Japanese seaweed is handled by the local fisheries cooperatives through joint sales arrangements. Joint sales occur between the local fisheries cooperatives and designated wholesale purchase bidders (wholesalers or processors).



6. Industry Contacts

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