

27. Salt

1. Definition of Category

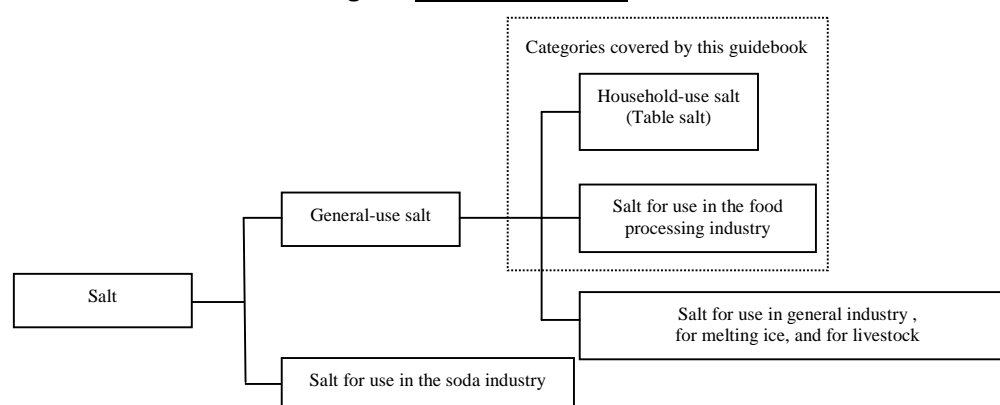
The salt discussed here is for human consumption.

HS Numbers	Commodity
2501.00	Salt (including table salt and denatured salt, whether or not in aqueous solution or containing anticaking agents)

Note: The above HS number also covers salt for applications other than human consumption as well as sea water.

At the time of importation, salt is not strictly categorized by application. All salt that is not “salt for use in the soda industry” is imported as “general-use salt.” Later, at the domestic distribution and consumption stage, “general-use salt” is categorized as shown below. The “salt for human consumption” discussed in this guidebook falls for the most part under the categories “household-use salt” and “salt for use in the food processing industry.”

Fig. 1 Categories of salt



2. Import Trends

(1) Recent Trends in Salt Imports

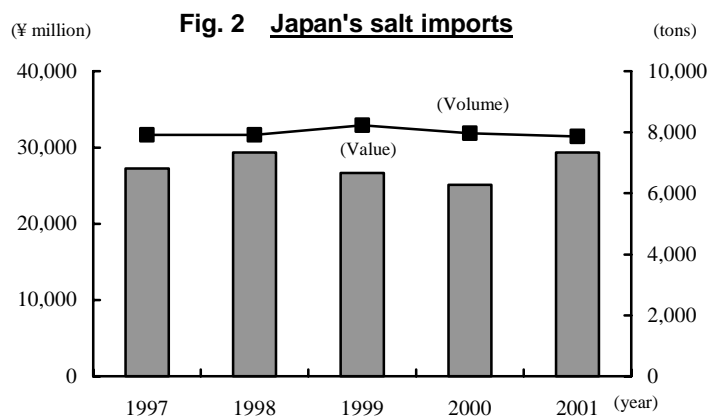
Overall salt imports (including salt for use in general industry and that for use in the soda industry) have experienced no major changes in volume. In 2001, salt imports reached 7.87 million tons (down 1.4% from the year before), worth about ¥29.35 billion (up 16.8%). (see Fig. 2)

As of April 1, 1997, the Salt Business Law abolished the salt monopoly system and greatly liberalized salt imports. Under the Law, foreign salt for human consumption to be sold as-is may be imported by submitting notification to the Customs. And as of April 2002, imports of salt for general use will be fully liberalized.

According to a survey by the Tobacco and Salt Industries Office, Ministry of Finance, in FY 2000, the total domestic supply of salt grew by 1.1% from the year before, to 9.531 million tons. Of this, 1.374 million tons was produced domestically, while 8.157 million tons was imported, for a 14.4-85.6 domestic-to-import ratio. Out of the foreign-produced table salt, 7.618 million tons (93.4%) is used in the soda industry, with only 539,000 tons for general use. This latter total includes not only household salt, but also general industrial use salt and livestock salt. Thus, it is impossible to determine exactly what proportion of imported salt goes to human end-users (household use, etc., sold at retail outlets).

(2) Imports by Place of Origin

Although no breakdown is available for salt for human consumption alone, Mexico (49.2%) and Australia (44.6%) account together for 93.8% of salt imports overall. Although the absolute volume involved is small, imports from China posted growth in 2001. (see Fig. 3)



	1997		1998		1999		2000		2001	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Salt	7,918	27,269	7,914	29,351	8,236	26,650	7,974	25,129	7,866	29,352

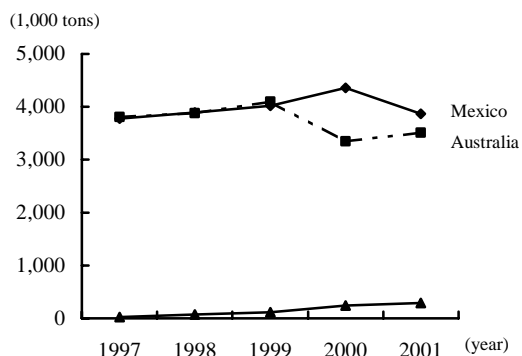
Units: 1,000 tons, ¥ million

Source: Japan Exports and Imports

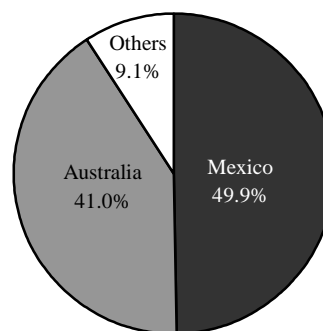
Note: Including salt for applications other than human consumption

Fig. 3 Principal exporters of salt to Japan

Trends in import volume by leading exporters



Shares of salt imports in 2001 (value basis)



	1997	1998	1999	2000		2001	
	Volume	Volume	Volume	Volume	Value	Volume	Value
Mexico	3,777	3,891	4,019	4,356	13,549	3,868	49.2%
Australia	3,805	3,877	4,096	3,347	10,079	3,508	44.6%
China	27	72	112	239	987	293	3.7%
India	67	69	0	22	67	187	2.4%
Vietnam	0	0	1	1	37	2	0.0%
Others	241	4	9	8	410	8	0.1%
TOTAL	7,918	7,914	8,236	7,974	25,129	7,866	100.0%
(E U)	1	2	4	2	191	3	0.0%

Units: 1,000 tons, ¥ million

Source: Japan Exports and Imports

Note: Including salt for applications other than human consumption

Fig. 4 presents trends in leading exporters of salt to Japan, based on the information by the Ministry of Finance.

(3) Imports' Market Share in Japan

No figures are available for imported products' share in the Japanese Market for salt for human consumption alone. Imported products account for 85.5% of the salt market overall, which accounts for about 80% of domestic consumption, relies entirely on imports for its salt. However, a look at general-use salt, which includes salt for human consumption, shows that imported salt accounted for 28.2% in FY 2000. (see Fig. 5)

Fig. 4 Leading exporters of salt to Japan by usage classification

	FY	1997	1998	1999	2000
General-use salt	Mexico	257	270	226	281
	Australia	256	212	257	258
	TOTAL	513	482	483	539
Salt for use in the soda industry	Mexico	3,622	3,659	3,803	4,361
	Australia	3,766	3,339	3,698	2,966
	China	49	56	113	244
	Chile	239	0	0	0
	India	103	15	0	47
	TOTAL	7,779	7,068	7,614	7,618

Unit: 1,000 tons

Source: Tobacco and Salt Industries Office, Ministry of Finance

Fig. 5 Imports' share in the Japanese market

	FY	1997	1998	1999	2000
General-use salt	Domestic production	1,329	1,293	1,327	1,374
	Imports	513	482	483	539
	Total supply	1,842	1,775	1,810	1,913
	Imports' share	27.9%	27.2%	26.7%	28.2%
Salt for use in the soda industry	Imports	7,779	7,068	7,614	7,618

Unit: 1,000 tons

Source: Tobacco and Salt Industries Office, Ministry of Finance

3. Key Considerations related to Importing

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

The importation of salt is subject to provisions of the Salt Business Law and the Food Sanitation Law.

1) Salt Business Law

The Salt Business Law abolished the monopoly sales system and greatly liberalized imports in April 1997. The interim-measures phase come to an end on March 31, 2002. From April 1, 2002, salt (except salt for use in the soda industry) may be freely imported by registering with the Director General of the Customs.

<Definitions under the Salt Business Law>

The following refers only to items related to the importation of salt for human consumption.

Designated salt sellers: Those who import salt as a business

Salt wholesalers:

Those who wholesale or retail salt purchased from salt manufacturers or designated salt sellers

Salt: Solids containing at least 40% sodium chloride

Special-purpose salt:

- (1) Items whose sodium chloride content is 60% or less and difficult to separate from the other ingredients.
- (2) Salt for trial uses or with special properties, including salt sold on a trial basis at a limited number of outlets and at quantities of no more than 100 tons a year.
- (3) Salt for special uses, including pharmaceutical or research, etc.

Salt made with special methods:

- (1) Salt made with special production methods, including the *hiragama* method and methods using hot-spring heat
- (2) Salt purchased from others and used as an ingredient in domestic production, mixed with spices, brine, sesame or other foods.

<Special-purpose salt>

The sale as-is of imported salt for human consumption produced overseas falls under the “special-purpose salt” category. Special-purpose salt may be imported and sold in Japan, by submitting notification to the Director-General of Customs of intend to engage in “special use salt specified sellers.”

<Ordinary salt (block salt, sea salt, etc.)>

During the interim-measures phase of the Salt Business Law (until March 31, 2002), only the Salt Industry Center of Japan was allowed to import ordinary salt for human consumption (except special-purpose salt). From April 1, 2002, importers (designated salt sellers) are required to register with the Director-General of the Customs at the time of importation. To apply for registration, applicants submit the prescribed form together with the necessary documents to the Customs with jurisdiction over their main place of business.

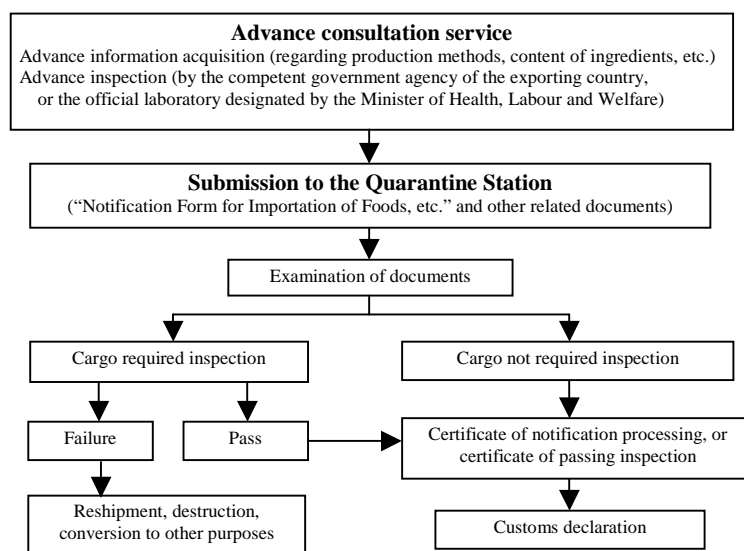
2) Food Sanitation Law

To ensure safety in terms of sanitation, the Food Sanitation Law regulates the importation of salt for human consumption. Under provisions of the Food Sanitation Law, an import notification is required for edible salt 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. A determination is made based on the document examination whether or not an inspection at the bonded area is required. Such notification is not required, however, for the importation of raw salt, even if it is for use as an ingredient in food products.

Other countries sometimes use ferrocyanide (also known as YPS) as a solidifying agent. However, this is not approved in Japan under the Food Sanitation Law. Prospective importers need to be aware of this fact.

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. 6 Procedures required under the Food Sanitation Law



In addition, importers who wish to submit their notifications by computer may make use of the computerized FAINS (Food Automated Import Inspection and Notification System) for processing import-related documentation. Importers who have the required hardware and software may apply for a security code from the Minister of Health, Labour and Welfare to access the system.

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

The sale of salt for human consumption is subject to the Salt Business Law, the Food Sanitation Law, the JAS Law, the Measurement Law, the Nutrition Improvement Law, the Containers and Packaging Recycling Law, and the Law for Promotion of Effective Utilization of Resources.

1) Salt Business Law

Companies wholesaling salt for human consumption must be registered with the Minister of Finance. To register, companies submit the prescribed application form together with the necessary documents to (the branch office of) the Director-General of the Local Finance Bureau. After expiring the law's interim-measures phase, it is not required to have at least five years' experience wholesaling salt.

Neither registration nor notification is necessary for the wholesale of special-purpose salt or salt made with special methods. However, the sales volume and customers are restricted for some types of special-purpose salt (please refer to definition 2 under "special-purpose salt" above). There are no registration or notification requirements for the retail of salt for human consumption.

Note: Under the Law, companies that import raw salt and process it domestically into salt for human consumption are considered manufacturers rather than importers. They must register as salt manufacturers (or submit notification, in the case of special-purpose salt and salt made with special methods). Thereafter, wholesale and retail procedures are as described above.

2) Food Sanitation Law

The Food Sanitation Law prohibits the sale of foods containing toxic or harmful substances and foods that are unsafe for human health. The sale of salt sealed in wrapping or containers for human consumption is subject to labeling requirements under provisions of the Law. (see 4. Labeling)

3) JAS Law

(Law Concerning Standardization and Proper Labeling of Agricultural and Forestry Products)

The JAS Law establishes quality labeling standard for all food and beverage products sold to ordinary consumers. (see 4. Labeling)

4) Measurement Law

Salt sealed in wrapping or containers is required the labeling of the net content to certain accuracy (range of error specified by Cabinet Ordinance).

5) Nutrition Improvement Law

When employing labeling for nutritional ingredients or calories, labeling must be in accordance with the requirements under the Nutrition Improvement Law. (see 4. Labeling)

6) Containers and Packaging Recycling Law (Law for Promotion of Sorted Collection and Recycling of Containers and Packaging)

The Containers and Packaging Recycling Law was enacted to promote recycling of container and packaging waste materials. It provides for sorting by consumers, sorted collection by municipalities, and product reuse (recycling) by product makers and distributors for glass bottles, PET bottles, paper and plastic containers and packaging. Consequently, salt importers incur the obligation for recycling of containers and packaging (although stipulated small-scale importers are exempt). Please consult the competent government agencies listed below for more information.

7) Law for Promotion of Effective Utilization of Resources

As of April of 2001, new identifier labeling requirements apply to paper (not including beverage containers not containing aluminum) and plastic container materials, in addition to previously existing labeling requirements for steel and aluminum cans and PET bottles. (see 4. Labeling)

(3) Competent Agencies

- Salt Business Law

General Administration Division, Financial Bureau, Ministry of Finance

TEL: 03-3581-4111

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

- 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>

- JAS Law
Standards and Labeling Division, General Food Policy Bureau, Ministry of Agriculture, Forestry and Fisheries
TEL: 03-3502-8111 <http://www.maff.go.jp>
- Measurement Law
Measurement and Intellectual Infrastructure Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
TEL: 03-3501-1511 <http://www.meti.go.jp>
- Nutrition Improvement Law
Department of Food Sanitation, Pharmaceutical and Medical Safety Bureau, Ministry of Health, Labour and Welfare
TEL: 03-5253-1111 <http://www.mhlw.go.jp>
- Containers and Packaging Recycling Law / Law for Promotion of Effective Utilization of Resources
Recycling Promotion Division, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry
TEL: 03-3501-1511 <http://www.meti.go.jp>
Recycling Promotion Division, Waste Management and Recycling Department, Ministry of the Environment
TEL: 03-3581-3351 <http://www.env.go.jp>
Food Industry Policy Division, General Food Policy Bureau, Ministry of Agriculture, Forestry and Fisheries
TEL: 03-3502-8111 <http://www.maff.go.jp>

4. Labeling

(1) Legally Required Labeling

When selling salt sealed in wrapping or containers, following items must be listed all together on the label, under provisions of the Food Sanitation Law, the JAS Law (Processed Food Quality Labeling Standards), and the Measurement Law.

<Labeling items to be listed all together>

- 1) Product name
- 2) List of ingredients
- 3) Net content
- 4) List of food additives (such as magnesium carbonate, an ant caking agent)
- 5) Date of minimum durability or best-before date
- 6) Preservation method
- 7) Country of origin
- 8) Importer's name and address

<Labeling under the Law for Promotion of Effective Utilization of Resources>

When paper or plastic is used as a packaging material for wrapping of individual product items, or for labels, external packaging or elsewhere, a material identifier mark must be displayed with information where the material is used.



(2) Voluntary Labeling based on Provisions of Law

1) Labeling under the Nutrition Improvement Law

When employing labeling for nutritional ingredients or calories in Japanese, either on the packaging or in accompanying documentation, labeling must be in accordance with the requirements under the Nutrition Improvement Law.

<Example> Labeling must contain the quantities of calories, proteins, fats, carbohydrates, sodium, and other nutritional ingredients present, in descending order by content volume.

(3) Voluntary Industry Labeling

The Japan Salt Industry Association has adopted Table Salt Safety Guidelines, effective as of April of 2001. The purpose of the Guidelines is to strengthen safety and sanitation control procedures in industrial salt production procedures and to improve production equipment control testing and finished product testing by the seven member producer companies.

Commercial salt for use in food processing that is produced at a plant compliant with standards in the Guideline may display the "Safety and Sanitation Standard Certified Factory Mark" (does not apply to table salt for home use sold in containers of 5 kg or less).

5. Taxes

(1) Customs Duties

Customs duties on salt for human consumption are free.

(2) Consumption Tax

CIF x 5%

6. Product Characteristics

Since ancient times, salt has been essential to human life. For this reason, it is a matter of national importance to secure a stable supply of salt, which Japan ensured until the end of March 1997 through a monopoly sales system. As a result, nearly all the salt seen in the domestic market on a daily basis was refined salt produced from raw salt by Japan Tobacco Inc. (JT) through ion-exchange filtration. However, because of the Salt Business Law that went into force in 1997, both domestic and foreign salt in various forms and made with various methods is expected to appear on Japanese tables.

About one quarter of the world's salt is sea salt, produced from seawater. The remainder is taken from rock salt and salt water from salt lakes or underground. Generally speaking, because the evaporation of seawater over many years and the crystallization of the remaining salt form rock salt, it contains very little water but many impurities. Sea salt, in contrast, has high water content but few impurities.

The salt for human consumption produced in Japan is all made from seawater salt, but among imported products both seawater salt and rock salt can be found. Color and grain size differs slightly by brand, rather than by country, resulting in differences in flavor. Imported products include so-called "natural salt," such as sun-dried salt made only with solar and wind power. There are also rock salt formed by the evaporation of seawater trapped by movements of the earth's crust and other types made with natural methods (including French-, Italian- and Indonesian-made sun-dried salt and rock salt from the German Alps).

Salt for human consumption is priced at about ¥200 per kilogram in the case of the refined salt under the purview of the Salt Industry Center of Japan. Some domestically produced salt for human consumption processed from imported salt is priced 1.5 to 4 to 5 times as high, while some salt that is already for human consumption at the time of import is sold in stores for more than ¥2,000 per kilogram.

7. Domestic Distribution System and Business Practices

(1) Domestic Market Conditions

Under the salt monopoly system that had continued since the Meiji era, government permission was required to manufacture or wholesale salt and it could be imported and processed only by assignment to the government. However, with the abolition of the monopoly system, the distribution of salt has for all practical purposes been liberalized.

With the importation and manufacture of salt liberalized, the Salt Industry Center of Japan is responsible for stockpiles, emergency supply of salt (called "salt for daily life" in the Salt Business Law) and its stable supply at other times nationwide, including isolated islands and depopulated areas. Stores with sales contracts with the center sell to the end user. It is believed that this distribution channel for "salt for daily life" will preserve the previous system's stability.

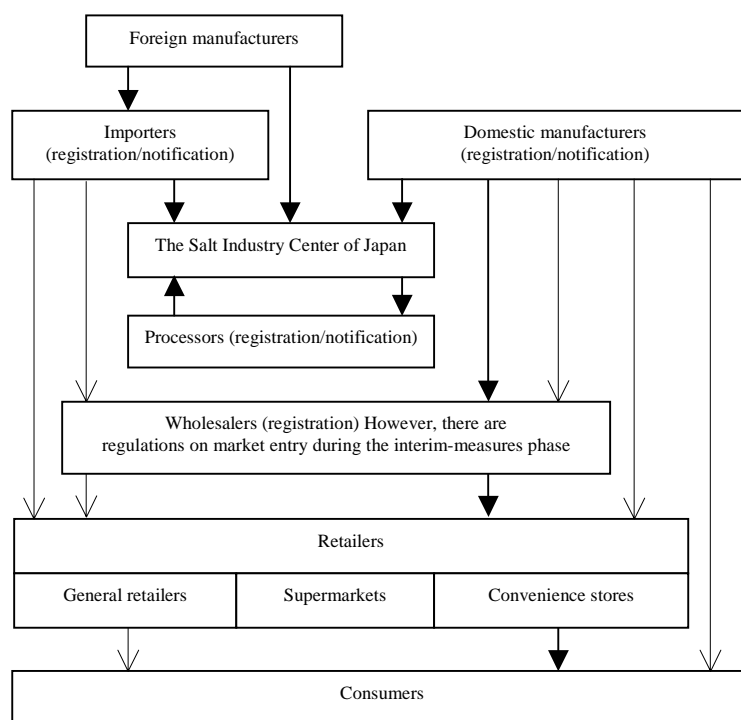
Meanwhile, with imports liberalized, the number of importers and sellers handling imported salt has increased and the number of new entrants has spiraled. The number of importers has risen to more than 100 since April 1997. Greater epicurianism and health consciousness among consumers is another reason for the rise. But demand for imported salt is not going up only in households; restaurant chefs are using different kinds of salt for different national cuisine. This is perhaps reflected in strong sales of sun-dried salt and rock salt (so-called natural salt rich in natural minerals) despite their high prices, and in expanding product lineups centering on European-made varieties.

Although some of the domestic and imported salt for human consumption sold in Japan bears words like "natural" prominently, there are no voluntary industry regulations on such labeling. Labeling standards in some form should be established to help consumers make more informed choices.

(2) Distribution Channels

In the diagram below, the black arrows indicate distribution channels for "salt for daily life" handled by the Salt Industry Center of Japan, while the white arrows indicate those for "special-purpose salt" and "specially processed salt." Domestic manufacturers and processors are often the same company.

Fig. 7 Distribution channels for salt for human consumption



(3) Key Considerations for entering the Japanese Market

Please be aware that the prescribed procedures for those entering the market as importers (“designated salt sellers” under the Salt Business Law) vary, depending on the type of salt to be imported (whether it is exclusively products that fall into the “special-purpose salt” category under the Salt Business Law).

8. After-Sales Service

There is no after-sales service for salt for human consumption. Generally, the retailers dealing with defective merchandise.

9. Related Product Categories

Salt for use in the soda industry and salt for use in general industry, which fall under the same HS Code as salt for human consumption are related product categories. These also fall under the Salt Business Law (for more information, please refer to the law). The Food Sanitation Law does not apply to these product categories.

There are also varieties of salt for human consumption mixed with other food products, such as garlic salt and spice salt. Those already mixed at the time of importation are treated under the Salt Business Law as “special-purpose salt,” while those mixed in Japan are treated as “salt made with special methods.”

10. Direct Imports by Individuals

There are no regulations on the direct importation by individuals of salt for human consumption. However, please inquire with the Customs as to the recognized scope of imports by individuals. Individuals returning to Japan from a trip overseas may bring in up to 30 kilograms of salt per person per entry.

11. Related Organizations

- The Salt Industry Center of Japan TEL: 03-5562-7711 <http://www.shiojigyo.com>
- The Japan Salt Industry Association TEL: 03-3402-6411 <http://www.sio.or.jp>