

13. Skating Goods

1. Definition of Category

This section takes up ice skates, roller skates, and in-line skates among the different types of skate products (including shoes to which these are attached).

HS Numbers	Commodity
9506.70	Skating goods (ice skate & roller skate)
9503.90	Roller skate for child use
6402.19	Skate shoes with uppers of rubber or plastics
6403.19	Skate shoes with uppers of leather
6404.11-090	Skate shoes with uppers of textile materials

Notes: Except "9506.70-000" include products are not treated in this guidebook. Because of this, statistics and graphs below based on data of "9506.70-000".

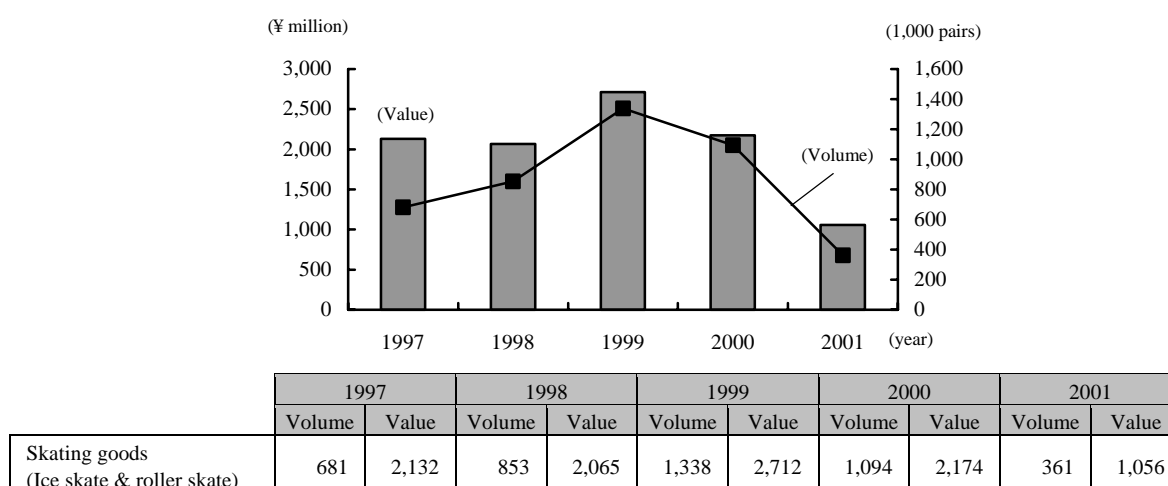
1. "In-line skates" refer to the new type of roller skates with three to five wheels arranged in a single line.
2. Imports of blades (metal portions coming into contact with ice surface) and rollers alone are classified as 9506.70-000.
3. "Skates" generally refer to shoes with the blades or rollers attached. Skate shoes without these are classified in class 64 as "footwear for sports use" according to the material of the sole (portion for attachment of the blade or roller) and the uppers.

2. Import Trends

(1) Recent Trends in Skating Goods Imports

Imports of ice skate and roller skate (belonging to categories of HS9506.70-000) increased steadily until 1995 against the background of the strong yen and the in-line skate boom. Since then, however, imports began falling sharply. In 1998, while the import value remains at the same level as the figure in 1993, the import volume is below the corresponding 1993 figure. Although it went up temporarily in 1999, imports of skates turned back downward once again in 2000, and 2001 finished with imports dramatically off, to just one-third of previous-year levels. Japan imported just 361,000 units, down 67.0%, worth ¥1.06 billion, down 51.4%.

Fig. 1 Trends in imports of skating goods



Units: 1,000 units, ¥ million

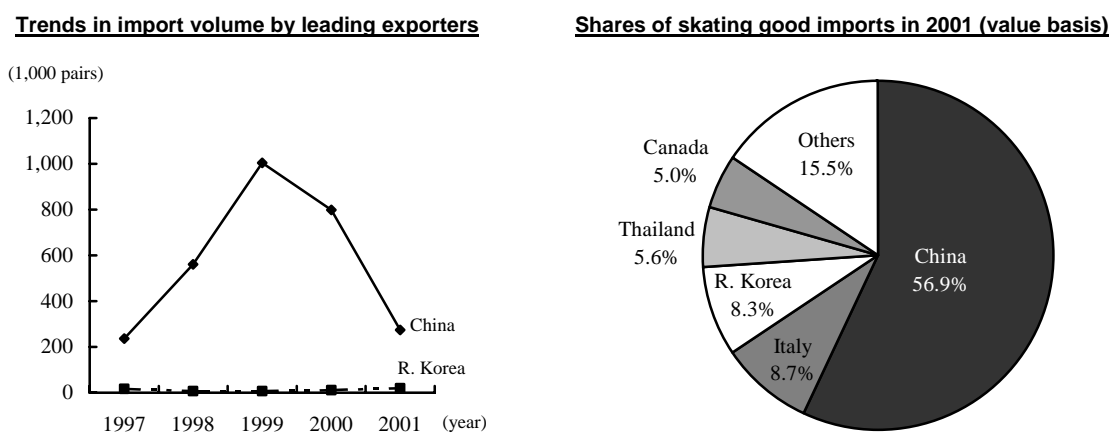
Source: Japan Exports and Imports

While it is not possible to examine the trends in imports of skating goods due to statistical limitations, industry sources indicate that imports of roller skates including in-line skates are showing a downward trend. Regarding ice skates, there has not been any major change from the past in the amount of imports of competition skates (figure, speed, and hockey skates). With a falling population of children, industry sources believe that imports of ice skates for general users are declining.

(2) Imports by Place of Origin

Previously Taiwan had been a major source of skating goods (belonging to categories of HS 9506.70-000). In recent years, however, imports from Taiwan are declining sharply. This is believed due to the increase in production shift by Japanese and Western skate manufacturers from Taiwan to China where labor costs are low. In 2001 China held the lead in skating good import share on a volume basis with 75.9% and on a value basis with 56.9%. Next leading supplier was Italy with 8.7%. (In 1997, Italy, which has been the recent largest exporter of in-line skates, surfaced as the largest exporter in value since imports of in-line skates from Italy recovered.)

Fig. 2 Principal exporters of skating goods to Japan



	1997	1998	1999	2000		2001			
	Volume	Volume	Volume	Volume	Value	Volume	Value	Volume	Value
China	236	561	1,004	798	1,370	274	75.9%	601	56.9%
R. Korea	17	8	7	11	49	20	5.5%	88	8.3%
Italy	77	25	54	37	243	15	4.1%	92	8.7%
U.S.A.	45	28	46	57	31	10	2.8%	22	2.1%
Thailand	9	11	11	12	87	9	2.5%	59	5.6%
Others	296	220	217	178	393	33	9.2%	194	18.4%
TOTAL	681	853	1,338	1,094	2,174	361	100.0%	1,056	100.0%
(E U)	105	32	65	49	306	21	5.8%	143	13.6%

Units: 1,000 pairs, ¥ million

Source: Japan Exports and Imports

It is impossible to obtain figures for each category of skates by main supply source. According to industry sources in statistics, however, ice skates are mainly imported from Canada and the United States, where ice-skating is very popular. Regarding blades for ice skates, U.K.-made products are preferred because skilled craftsmen, using a special type of steel suited for blades, produce blades from the United Kingdom.

While roller skates for competition are imported from European countries such as Italy and Spain, products for children are sourced mainly from Taiwan and China. In the case of in-line skates, the main exporters are Italy, the United States and the Netherlands. In recent years, many in-line skates are imported from Taiwan, due to increased production by U.S. and European manufacturers of less expensive products there. The products imported from Taiwan cost only about half the prices of U.S. and European products.

(3) Imports' Market Share in Japan

There are no statistics on the domestic production of skates, so it is not possible to calculate the share of imports. However, it is estimated in the industry that domestic production of skates (speed skates and figure skates) for rental businesses and for competition runs at an annual rate of 40,000 pairs, while about 60,000 pairs are imported. This means that imports account for about 60% of the total supply in Japan. The market for roller skates is dominated by in-line skates, excluding products for competition. Almost 100% of in-line skates are imported.

3. Key Considerations related to Importing

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

There are no legal regulations governing the importation of skates and their parts. However, the restrictions of the Washington Convention (Convention on International Trade in Endangered Species of Wild Fauna and Flora, so-called CITES) apply when the shoe portions use leather other than of cattle or pigskin, such as lizard or snakeskin.

1) Foreign Exchange and Foreign Trade Law (Import Trade Control Order)

Under terms of the Washington Convention, the Foreign Exchange and Foreign Trade Law regulates importing of species of wild fauna and flora listed in the Appendix to the Convention. It applies to three categories of species, as discussed below. For more information on the specific content and applicability of these classifications, please contact the Trade Licensing Division, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry.

Appendix I (All species threatened with extinction)

Commercial traffic in these species or products made from these species is prohibited. For customs purposes all of these animals are designated as import quota items and the Minister of Economy, Trade and Industry must approve an import quota before any such item can be imported.

Appendix II (All species requiring strict international regulation to prevent danger of extinction)

The importer of any such species or product made from a member of such species must present to Japanese customs authorities an export certificate or re-export certificate from the management authority of the exporting country. Some species need prior confirmation by the Minister of Economy, Trade and Industry.

Appendix III (All Species which any party identifies as being subject to regulation and as needing the cooperation of other parties in the control of trade)

The importer of any such species or product made from a member of such species must present to Japanese customs an export certificate and a certificate of origin issued by management authority of exporting country, or a certificate granted by the management authority of the country of re-export that specimen was processed in that country. Some species need prior confirmation by the Minister of Economy, Trade and Industry.

However, animals may be bred and raised in captivity for commercial purpose of providing animal hides is permitted so long as a certificate by the management authority of exporting country to that effect is granted. The text of the Convention specifically mentions the following endangered species as meriting special surveillance:

Russia:Lynxes
 China:Leopard Cats
 Canada:Coyotes Bobcats, Lynx Cats, and Lynxes
 Norway:Seals, Fur Seals

It can be difficult to determine whether leathers under its common name corresponds to a species covered under the Washington Convention, or whether the material came from animals that were systematically grown or not. Accordingly, it is preferable when importing skating shoes containing leather to list the scientific name on the invoice, even if the leathers indisputably came from a species not covered by the Convention.

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

The sale of skates in Japan is sometimes subject to the Law for Conservation of Endangered Species of Wild Fauna and Flora. The Act Against Unjustifiable Premiums and Misleading Representations requires labeling as to the country of origin. Until the amendment of the Consumer Product Safety Law in 1999, the Law required that compliance of roller skates (not including parts of roller skates) with certain safety standards be checked. However, roller skates removed from the designation on and after October 1, 2000. In addition, containers and packaging may be subject to provisions of the Containers and Packaging Recycling Law and the Law for Promotion of Effective Utilization of Resources. For more detailed information about the subject, scope, labeling method, etc., please consult the competent government agencies listed below.

1) 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. Animal furs, leathers and their products made from species, which are designated as specially identified for protection, may not be sold or transferred in Japan. However, species that are being raised for commercial purposes may be distributed in Japan, provided that proper registration procedures with the Minister of the Environment are completed. Registration procedures are with the Natural Environment Research Center, a registration organization officially designated by the Ministry of the Environment. For more details, please consult the Wildlife Division, Nature Conservation Bureau, Ministry of the Environment.

2) Act Against Unjustifiable Premiums and Misleading Representations

<Fair Competition Code Concerning Representations of Sporting Goods>

The Fair Trade Conference of Sporting Goods has voluntarily adopted labeling guideline in order to assure consumer product choice availability and preserve fair competition, based on the Act Against Unjustifiable Premiums and Misleading Representations. (see 4. Labeling)

(3) Competent Agencies

- Skates in general
Paper Industry, Consumer and Recreational Goods Division, Manufacturing Industries Bureau, Ministry of Economy, Trade and Industry
TEL: 03-3501-1511 <http://www.meti.go.jp>
- Foreign Exchange and Foreign Trade Law (Washington Convention)
Trade Licensing Division, Trade and Economic Cooperation Bureau, Ministry of Economy, Trade and Industry
TEL: 03-3501-1511 <http://www.meti.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>
- 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>
- Law Against Unjustifiable Premiums and Misleading Representations (Fair Competition Code)
Consumer Related Trade Division, Trade Practices Department, Fair Trade Commission of Japan
TEL: 03-3581-5471 <http://www.jftc.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 Environment
TEL: 03-3581-3351 <http://www.env.go.jp>

4. Labeling

(1) Legally Required Labeling

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

There are no legal requirements regarding the labeling for skating goods. But, when paper or plastic is used as a packaging material for wrapping of individual product items, or for labels, tags, external packaging or elsewhere, a material identifier mark must be displayed with information where the material is used.

< Example >



External packaging



Tag

(2) Voluntary Labeling based on Provisions of Law

There is no voluntary labeling based on provisions of law for skating goods.

(3) Voluntary Industry Labeling

1) SG Mark

Roller skates and in-line skates are covered by SG Mark system. Products that comply with safety criteria established by the Consumer Product Safety Association are eligible to display the SG (Safety Goods) 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>

2) Fair Competition Code Concerning Representations of Sporting Goods

The Fair Trade Conference of Sporting Goods, which covers five sporting goods related trade organizations, defines the following labeling items which apply to the manufacture and sale of sporting goods. These are voluntary regulations for the sporting goods industry that apply to member companies of the Conference. While they are not legally binding on non-members, when the law is enforced they are considered equivalent to the Fair Competition Code, the legal effect of which often extends to non-members.

Contacts:

- The Fair Trade Conference of Sporting Goods TEL: 03-3219-2531

Fig. 3 Required label items for sporting goods

Required items	Requirements for makers or importers			Requirements for retailers	
	Catalogue	Products	Instruction manual	Products at storefront	Flyers
1. Manufacturer name and trademark	O	O		O	O
2. Product and model name	O	O	O	O	O
3. Materials	O	O		O	
4. Dimensions or specifications	O	O		O	
5. Country of origin	O	O		O	
6. Description of accessories	O		O	O	O
7. Usage warning (only when required)	O		O		
8. Company name and address	O		O + Tel No.		O
9. Date of issuance	O				
10. Contacts for after-sales service and customer inquiries	O		O		
11. Retail price				O	O
12. Processing cost (only when required)				O	O
13. Sales quantity or sales term limitation, if applicable					O
14. Other items as required by regulation	O	O		O	

Source: The Fair Trade Conference of Sporting Goods

5. Taxes

(1) Customs Duties

Fig. 4 on the following page presents tariff rates on skating goods. In order to apply for preferential tariff rates, the importer should submit a certificate of origin issued by the Customs or other issuing agency in the country of export (not required if the total value of the shipment is no greater than ¥200,000). For more details, please contact the Customs and Tariff Bureau, Ministry of Finance.

(2) Consumption Tax

(CIF + Customs duty) x 5%

Fig. 4 Customs duties on skating goods

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
9506.70	Ice skates and roller skates	Free	(Free)		
9503.90	Roller Skate for child use	4.6%	3.9%	2.34%	
-011~-019	1. Of textile woven fabrics, of base metal or of plastics			*Free	
-020	2. Other roller Skate for child use	3.4%	2.8%	1.68%	
	Skate Shoes			*Free	
6402.19	With uppers of rubber or plastics	20%	6.7%		
6403.19	Other footwear (excluding ski boots and snowboard boots)				
-011~-019	1. With outer soles of rubber, leather or composition leather	27%	(27%)	*Free	
-090	2. Other footwear	30%	(30%)	*Free	
6404.11	Sport footwear	10%	8%	*Free	

Note 1: “*Free” in Preferential Rate is applicable only for Least Less Developed Countries.

Note 2: Refer to “Customs Tariff Schedules of Japan” (published by Japan Tariff Association) etc. for interpretation of tariff table.

6. Product Characteristics

Skating goods may be roughly classified into ice skates comprised of shoes with iron or steel blades for sliding on the ice and roller skates and in-line skates comprised of shoes with rollers for sliding on concrete or floors. The roller skates category includes products with two parallel blades and those with one blade (in-line skates).

(1) Ice skates

Ice skates are generally sold with the blades attached. They are classified by purpose of use into three types: figure skates, speed skates, and ice hockey skates. Figure skates have short blade portions curved in a bow shape at the front and rear at the surfaces coming into contact with the ice to enable quick turns. Their front ends have serrations used for quick starts and stops. Speed skates place stress on the smoothness of running, so have blades, which are longer than figure skates, are lighter in material, have narrower surfaces contacting the ice, and are sharp. Ice hockey skates require quick changes of speed, so resemble speed skates in the blade material and surfaces coming in contact with the ice, but are shorter since turning is also important.

(2) Roller skates with two blades

Double-blade roller skates have two parallel wheels at the front and back and come in two types. One is the type that the roller portion and the shoes are separate, which is called the sandal type, and the roller portion can be affixed to ordinary athletic shoes by string etc. The metal frames being attached rollers can be lengthened or shortened. This type is mostly sold as toy roller skates for children. Whether a roller skate is a “toy” is determined based on its practicality or performance. The other type is the higher-grade shoe type with the roller portion integrally attached to the shoe. This is popular among people practicing roller-skating as sports such as figure skating and hockey. Although demand has fallen since the appearance of in-line skates, frequent customers purchase some products.

(3) In-line skates

In-line skates with only one blade fixed on the sole of the roller skate were originally developed for training ice-skating athletes during the off-season. Those with plastic soles like those of ski boots replaced the early leather shoes. “In-line skates” feature a speedy feel not available in single-blade roller skates and are superior in performance. The amount of exercise involved is greater than with jogging or bicycling and little load is applied to the knees, waist, ankles, etc., so in-line skates have become popular in recent years for physical training or as summer sports for skiers and skaters.

7. Domestic Distribution System and Business Practices

(1) Domestic Market Conditions

1) Ice skates

The market for ice skates is relatively stable in size. Industry experts estimate that about 100,000 pairs are sold each year and do not believe there will be any major fluctuations from this figure in the future. Prices are varied and range from around ¥10,000 to as high as ¥60,000. Figure skates and other competition skates are mostly made to order, so are extremely high in price. Ice hockey skates are mostly ready made. (The market for athletes' products is virtually dominated by imports.) Most low-priced skates are used for students or are rentals. Ice skates enjoy large markets in regions like Hokkaido, Nagano, and Gunma where skating itself is popular. Due to the recent boom in in-line skates, indoor ice skating rinks are starting to be converted into roller skating rinks that are easier to maintain and manage. The ice skating population is believed to be stagnating or declining in warmer locations, due to smaller numbers of children.

2) Double-blade roller skates

The rising demand for in-line skates is causing the double-blade roller skate market to shrink. The market as a whole reached about 800,000 pairs in terms of sales in the late 1980s, but is estimated to have fallen to nearly zero except for sales of special-purpose products, such as racing products.

3) In-line Skates

In-line skates started growing in popularity in California in the late 1980s as a sports and leisure activity that can be enjoyed by everyone from children to adults even on city streets. Japan began importing them in earnest in 1992. The number of enthusiasts has grown rapidly ever since. Special facilities are being opened, courses are being given for beginners, the Japan In-line Skate Association has been established, in-line hockey meets are being held, etc. Recently, demand has declined due to the fall in the birth rate.

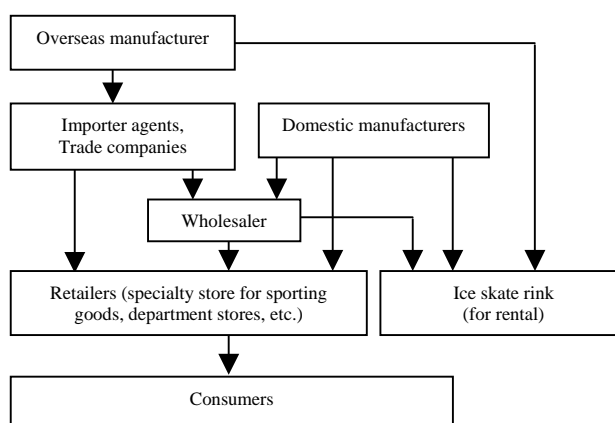
Industry observers say that the key to future market expansion will lie in whether or not young people in their late teens and early twenties take an interest in in-line skating, whether the necessary infrastructure, including the construction of skate parks and their opening to ordinary users, can be provided, and whether organizations can be created for in-line skating competitions. In-line skates are being sold in sporting goods stores and skateboard specialty and stores. Even in toy stores, lower priced goods designed for elementary school students are dealt. The name of the biggest manufacturer of in-line skates, Rollerblade, has become synonymous with in-line skates. Prices go as high as about ¥30,000 per pair for the high end products. On the other hand, low-end pairs are being sold for around ¥10,000 in supermarkets, mass merchandisers, etc.

(2) Distribution Channels

1) Ice Skates

The distribution channels for ice skates are pretty much established due to the small number of companies involved. Ice skating rinks generally rent out skates, so a certain amount of skates go to the skating rinks each year for rental use.

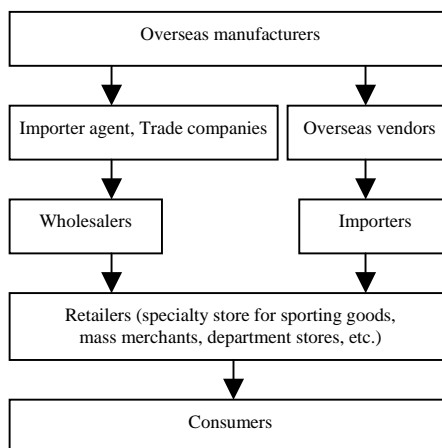
Fig. 5 Distribution channels for ice skates



2) In-line Skates

There are more retailers handling in-line skates than ice skates. Mass merchandisers etc. sometimes bypass the import agents and purchase directly from overseas manufacturers or retailers. Note that roller skates are distributed through substantially the same channels as in-line skates.

Fig. 6 Distribution channels for in-line skates



(3) Key Considerations for entering the Japanese Market

There are already well-established domestic and foreign manufacturers, and the market for skates as sporting goods is small. Accordingly, it might be difficult to enter the market. The blades and roller portions of skates easily break, so an after-sales service system must be established.

When not going through an import agent, it is not possible to leave the repairs to the agent, so some alternative should be considered. In addition, the enforcement of the Product Liability Law means that the importer will be held liable for any defect in the imported product that is shown to have caused bodily harm, so full care must be taken with quality control. Ice skates are seasonal products, so it is also necessary to consider warehousing costs.

8. After-Sales Service

Since the blades and roller portions of skates easily break, after-sales service is important. In particular, as the roller portions are consumable, it is necessary to keep a certain quantity in stock. In general, the after-sales service of skates is performed through the stores of purchase. That is, consumers bring broken skates back to the store they bought them. Then they are fixed by replacement of parts, sharpening of blades, etc. at the service center of the manufacturer or importer.

9. Related Product Categories

Related products include ski equipment, snowboards, skateboards, etc. There are no particular legal restrictions on the importation of any of these items. For ski products, see the section on “Ski Equipment” (III-12) in this guidebook. The SG mark may be used for the sale of ski bindings, skis, ski boots, and skateboards meeting the relevant standards. For more details, contact the Consumer Product Safety Association.

10. Direct Imports by Individuals

If the amount of imports is deemed appropriate for personal use, skates may be freely imported barring violation of the Washington Convention.

11. Related Organizations

- Association of Japan Sporting Goods Industries TEL: 03-3219-2041
- The Sporting Goods Importers Association of Japan TEL: 03-3265-0901