



10. Sunglasses

1. Definition of Category

Only non-visually corrective or protective sunglasses.

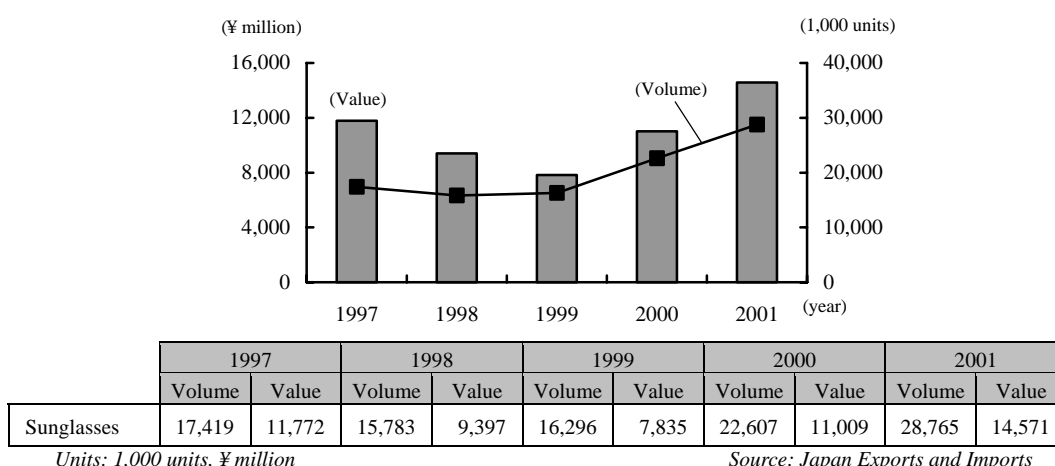
HS Numbers	Commodity
9004.10	Sunglasses

2. Import Trends

(1) Recent Trends in Sunglass Imports

Imports of sunglasses have been growing on both a volume and value basis since 1992, and reached to 2.13 million units in 1996. Imports were off temporarily in 1997 and 1998, but showed a turnaround in 1999. After recording an all-time record in 2000 of 22.6 million units (up 38.7% from a year earlier), imports leaped another 27.2% in 2001 to 28.8 million units. On a value basis, imports grew substantially for the second straight year, finishing at ¥14.6 billion.

Fig. 1 Japan's sunglass imports



(2) Imports by Place of Origin

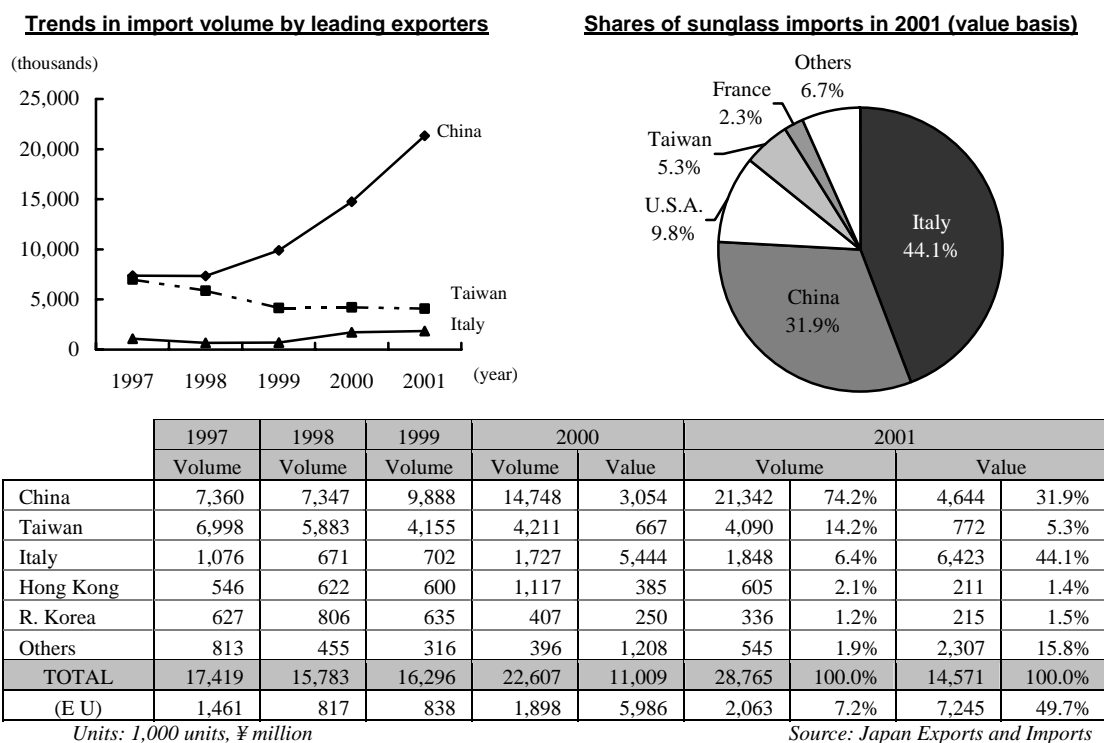
By place of origin in 2001, the leading exporters of sunglasses on a value basis were Italy (44.1%) and China (31.9%). These two suppliers together command 76.0% of the Japanese import market. In contrast, the leading exporters on a volume basis were China (74.2%) and Taiwan (14.2%), which together have a 88.4% share of the import market. As is clear from Fig. 2, imports from China increased abruptly in three years recently, and the difference with Taiwan is greatly large.

Most imports from Europe and the United States consist of expensive and fashionable brand products, whereas imports from China and Taiwan consist mainly of less expensive mass-market products. The prices of products from Hong Kong and the Republic of Korea are more than those from other Asian countries. Industry sources say that there is very little offshore manufacturing by or OEM production for Japanese-owned makers. Rather, most exports to Japan come from local manufacturers. Other Asian countries/areas have grabbed an ever-larger share of the mass-market sunglasses business in Japan in recent years, and Japanese makers are now concentrating on higher added-value products.

(3) Imports' Market Share in Japan

Domestic production of sunglasses is not known, therefore it is not possible to calculate the share of imports.

Fig. 2 Principal exporters of sunglasses to Japan



3. Key Considerations related to Importing

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

There are no regulations that apply to the importation of sunglasses generally. However, imports of sunglasses with frames made from some special material (such as *bekko*) may be restricted or prohibited under provisions of the Washington Convention (Convention on International Trade in Endangered Species of Wild Fauna and Flora, so-called CITES). 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.

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

The Household Goods Quality Labeling Law requires that certain items of information appear in a particular format on the product label. (see 4. Labeling)

Sale of sunglasses with frames made from some special material (such as *bekko*) is subject to provisions of the Law for Conservation of Endangered Species of Wild Fauna and Flora. For more details, please contact the Wildlife Division, Nature Conservation Bureau, Ministry of the Environment. 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.

(3) Competent Agencies

- Foreign Exchange and Foreign Trade Law (Import Trade Control Order)
Trade Licensing Division, Trade and Economic Cooperation 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>
- 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>

- 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>

4. Labeling

(1) Legally Required Labeling

1) Household Goods Quality Labeling Law

The Household Goods Quality Labeling Law requires product labels to list the following items of information in the prescribed manner. Please refer to the Labeling Requirements for Miscellaneous Industrial Products, which is based on provisions of the Law, for information about format specifications.

- | | |
|--|-----------------------------------|
| 1) Product name | 2) Lens material |
| 3) Frame material | 4) Visible light penetration rate |
| 5) Ultraviolet ray transmittance | 6) Usage warnings |
| 7) Name, trademark and address or approval number of labeler | |

2) 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, tags, 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

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

(3) Voluntary Industry Labeling

There is no voluntary industry labeling for sunglasses.

5. Taxes

(1) Customs Duties

Following table presents customs duties on sunglasses.

Fig. 3 Customs duties on sunglasses

HS No.	Description	Rate of Duty (%)			
		General	WTO	Preferential	Temporary
9004.10	Sunglasses	6.4%	5.3%	Free	

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

(2) Consumption Tax

$(\text{CIF} + \text{Customs duty}) \times 5\%$

6. Product Characteristics

(1) Comparison with Japanese Products

High-fashion sunglasses are in steady demand for use not only for leisure and vacation use but for every-day use as well. Young adults in particular view sunglasses as an important type of fashion accessory, and many different types of frames and styles are now available. The market for sunglasses in Japan is clearly divided into two sub-markets: one for branded products and one for non-branded products. The former consists of imports from Europe and the U.S.; the latter, of imports from China. Japanese products can be found somewhere in between. A look at Japanese-made product shows that an increasing proportion consists of foreign brand name products manufactured under license by Japanese makers. Direct European and American imports fall mainly into the ¥20,000-30,000 and over high price range. Products without famous brand names dominate imports from Asia. Fashion appeal is just as important a factor as functionality for non-prescription sunglasses, and while there are differences in product characteristics among brands there are also significant differences by place of origin, as described below.

(2) Characteristics by Countries

1) Direct imports from Europe and the United States

- United States

When General MacArthur got off the airplane to assume command of the Japanese occupation he was wearing a pair of Ray Ban sunglasses, and those sunglasses became very famous as a result. Even today many Japanese think of Ray Bans as the quintessentially American type of sunglasses. Pilots originally developed Ray Ban sunglasses more than 50 years ago for use. The styling has changed little over time, and it retains strong appeal today.

- France

Most sunglasses imported from France are designer label items from haute couture designer with high fashion appeal and concomitantly high prices.

- Austria

Austrian sunglasses are known for being trendy and having high fashion appeal along with high product quality. Austria has its own specialty maker brands, but it also produces French designer label brands under license.

- Italy

Italian sunglasses are currently very popular in Japan, perhaps partly as a result of the general fad for all things Italian. Italian designer label brands are known for their uniqueness and high fashion appeal. Currently Italian products dominate the market for the European-made sunglasses imported into Japan.

2) Imports from other Asian countries/regions

Most exports to Japan consist of mass-market products sold in the ¥1,000-5,000 price range. Most do Asian manufacturers make ready-to-wear products.

7. Domestic Distribution System and Business Practices

(1) Domestic Market Conditions

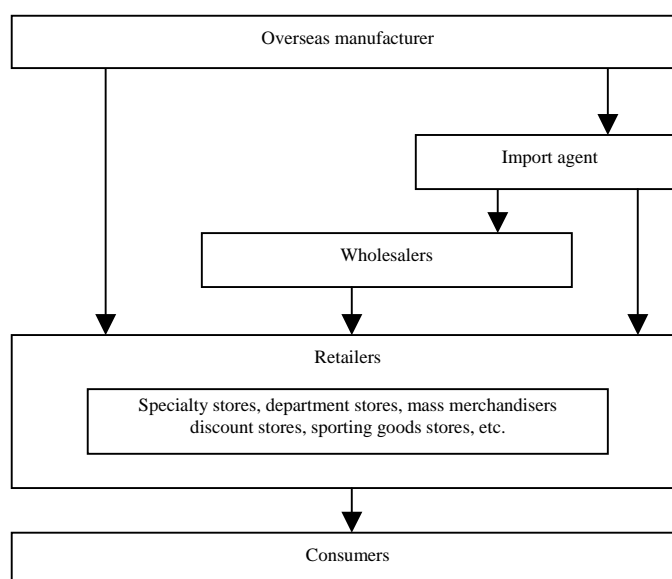
As is clear from Fig. 2, the market for famous brand products imported from EU countries and the U.S.A. accounts for only several percent of total sunglasses sales in Japan. On the other hand, products from Asia hold a large percentage of supply. Sales of expensive famous brand products are less subject to fluctuations in the economy. As a result, their sales remain relatively stable. On the other hand, low-priced products are affected by shifting fashion trends as well as by seasonal changes. As a result, retailers do not maintain large inventories, and most merchandise is sold on consignment rather than being purchased outright by the retailer. The same is largely true for wholesalers as well.

Most Japanese makers allow retail stores to discount prices in order to move inventory. In the past it was uncommon for European and American name brands to allow discounting by retailers, but now this is no longer true except for a small number of brands.

(2) Distribution Channels

Normally imported sunglasses are distributed from the overseas manufacturer to an importer agent and then through wholesalers to retail stores. However, importer agents are increasingly by passing wholesalers and doing business directly with large-scale retailers. Direct imports from Europe and the United States are mostly sold through eyewear specialty stores, department stores and boutiques. The status value of their brand names gives them comparatively steady sales volume.

In recent years Japanese makers have sought to differentiate their products from Asian country imports by under-taking licensed manufacturing of foreign brand names and otherwise shifting into high-end products with higher fashion appeal. In this process Japanese makers have sought to develop new distribution channels for their products, and they have come to rely not only on eye wear specialty stores but also on department stores, mail order houses and sporting goods stores, among others, as retail outlets. Imports from other Asian countries/areas are strongly competitive in the lower price ranges, and are mostly sold through supermarkets, discount stores and other mass merchandiser outlets.

Fig. 4 Principal distribution channels for sunglasses

8. After-Sales Service

Unlike visual corrective eyewear, there are comparatively few consumer requests for after-sales service for sunglasses. Retail stores only rarely stock replacement parts, and in practice the retailer generally only fields service requests that the manufacturer or importer agent must fulfill.

9. Related Product Categories

Visual corrective lenses are considered a type of medical devices, and license and approval must be obtained under provisions of the Pharmaceutical Affairs Law in order to import and sell them in Japan. For more information, please consult a following section on “Visual Corrective Lenses” (VI-3) in this guidebook.

10. Direct Imports by Individuals

There are no legal restrictions on direct imports by individuals. However, unlike handbags and other types of personal accessory items, sunglasses often need to be adjusted for proper fit. Japanese people tend to have wider heads and smaller noses than Europeans and Americans, and sometimes foreign-made sunglasses literally slide off their faces. Individual importers should bear this fact in mind.

11. Related Organizations

- Japan Eye Wear Importers Societies

TEL: 03-3563-5711