

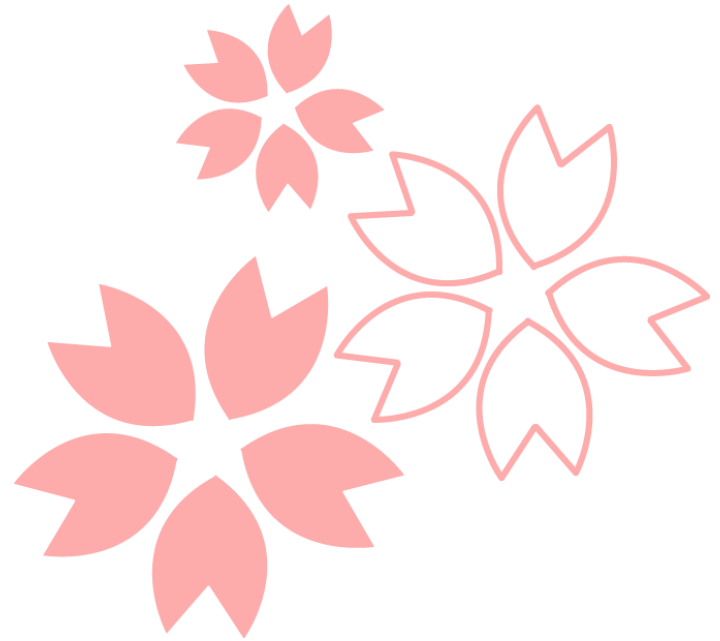
Japanese Food Market & JETRO's Investment in Japan Promotion Service

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3rd October 2013



1. Belgium – Japan Food Trade Overview
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Belgium – Japan Food Trade Overview



Belgian import and export with Japan for 2012:

Total amount for **Belgian import from Japan** amount to **6.3 Bil US\$**

Total amount for **Belgian export to Japan** amounted to **2.7 Bil US\$**

Unit: Million US\$, %

	Import (Japan->Belgium)	Export (Belgium->Japan)	Trade Balance
Agricultural Food/Beverages (Million US \$)	12	252	-241
Composition of Agricultural food/beverages(%)	0.2%	9.2%	-
Total (Million US\$)	6272	2742	3530

Source: Ministry of Finance

Food/beverage import from Japan in 2012 : Japan => Belgium

Top five products for agricultural food are: scallops, tobacco, carp, sauce & flavoring, and yeast. Total amount reached to 11.6 M US\$.

	Import (1000 US\$)	Share (%)
Scallops	1279	11.0
Tobacco	1067	9.2
Carp (Nishiki goi)	1009	8.7
Sauce, flavoring	994	8.5
Yeast	352	3.0
Total (agri-food)	11630	100

Source: Ministry of Finance

Food/beverage export to Japan in 2012 : Belgium => Japan

Top 5 export products to Japan are chocolate, alcohol drinks (beer), frozen vegetable, malt, fat-free milk. Total amount 252 M US\$.

	Export (1000 US\$)	Share (%)
Chocolate	46167	18.3
Alcohol Drinks (mainly beer)	22945	9.1
Frozen Vegetable	19254	7.6
Malt	13593	5.4
Fat-free milk	9676	3.8
Total (agri-food)	252180	100

Source: Ministry of Finance

Market Entry with Japanese Distribution Partner



Check points for **selecting an optimal distribution partner**:

- ✓ Strong enough in food sector?
- ✓ Has experience in selling import products from other foreign company?
- ✓ Size of the company: large enough?

Check points for **concluding a distribution contract with local partner**:

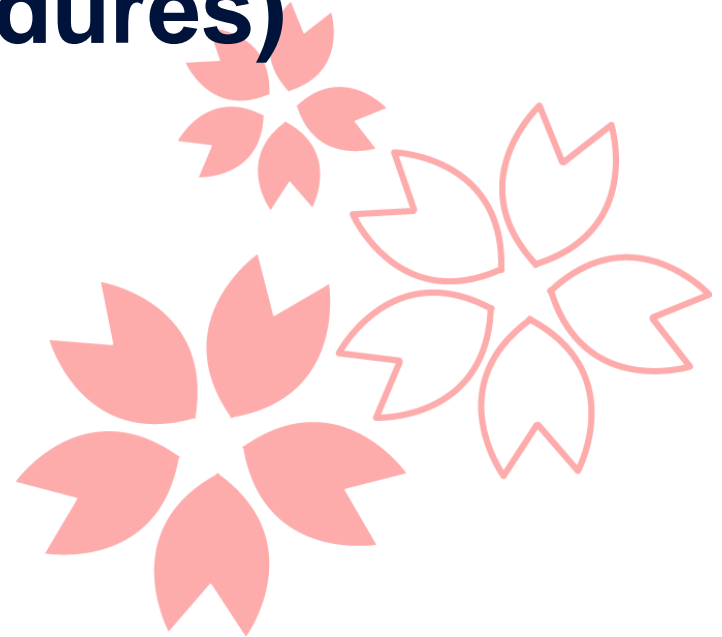
- ✓ Royalty (royalty fees with a partner)
- ✓ Transport (Transportation method, duration, conditions)
- ✓ Quarantine (food safety control)
- ✓ Stock capacity
- ✓ Risk of exchange fluctuations (how to cover exchange fluctuations)

3 advice for your market entry strategies:

1. Foreign food company without any know-how in Japanese food market concludes (exclusive) **distribution contract with Japanese distributor for 1 – 2 years**. Then, if the Japanese business goes smoothly and if the company wants to have long-term business with Japan, the legal entity in Japanese market is recommended. (joint venture, 100% capital, branch)
2. New products coming in must be adept at demonstrating a **unique selling point**. This combined with a **clear market entry strategy** will enhance the chances of success.
3. The quality-conscious Japanese consumer is easily bored and expects **product innovation and new improved product offerings especially in the food and beverage sector due to commoditization**. Japanese consumer views food as **art**, so presentation is absolutely key.

	Pros	Cons
Large trading companies (Ito-chu, Mitsui, Mitsubishi etc)	<ul style="list-style-type: none"> •They have many different retailers and large market scale •Possibility for market entry in unexplored area, increase of reliability for credit, license business •Fast product launch 	<ul style="list-style-type: none"> •Can be buried in other products which are run by same trading company •Branding development is not easy without the mutual agreement on clear branding strategy at the initial stage
Food specialized trading companies (Meiji-Ya, Kinokuniya, Seiyō-Ishii etc)	<ul style="list-style-type: none"> •Strong in food specialized sales channel (retailers) •Some trading companies have its own stores/shops where your products can be sold •Fast product launch 	<ul style="list-style-type: none"> •Know-how is limited to the existing products •Might take time to develop sales in other new stores
Own capital	<ul style="list-style-type: none"> •Easy to handle brand control/strategy •Easy to distribute the products at the stores whose concept match with the products 	<ul style="list-style-type: none"> •Requires time and cost to understand the local market •Rapid and large business development is difficult

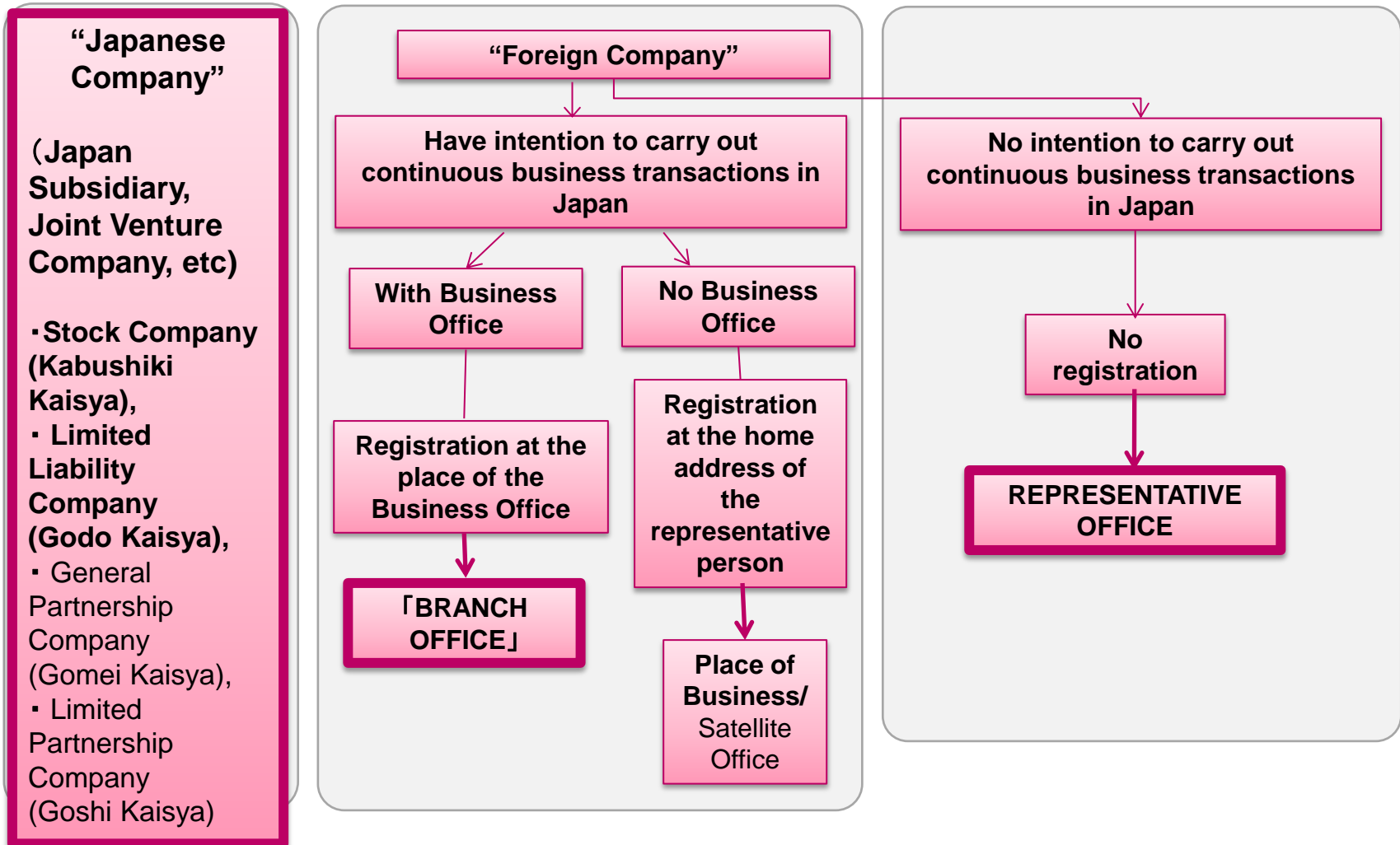
How to Set up a legal entity in Japan (Main Procedures)



Overseas

Head Office

Japan



Foreign company

Japanese subsidiary

	Rep Office	Branch	Limited Liability Company	Stock Company
Legal Status	No legal status	Japan Branch of foreign company	Corporation	Corporation
Registration	None	Required	Required	Required
Business activity	Not allowed	Allowed	Allowed	Allowed
Share Capital	None	None	1 yen or more	At least 1 M yen
Credibility	No Office contract should be made by private name and not company name	Yes/No Less noted by traditional Japanese companies	Yes/No Started in 2005 and still unfamiliar to most people	Yes Preferable capital amount
Required time for registration	1 day	Approximately 1 month	Approx. 2-3 month	Approx 1-3 months
Registration cost (handling charges included)	none	400,000 – 500,000 yen	400,000 – 600,000 yen	600,000 – 650,000 yen
Legal registration fees	None	90,000 yen	Min. 60,000 yen	Min. 150,000 yen
Number of investor	-	1	1	1
		At least 1 representative must have an address in Japan		

✓ Need to consult the health department of local government

http://www.fukushihoken.metro.tokyo.jp/shokuhin/kyoka/kyoka_1.html

✓ Manufacturing license (If the company wants to manufacture food in Japan)

✓ Distribution license for food sales

✓ Import of food requires “import license” since the local quarantines assess the ingredients and manufacturing process of food to check if there are any ingredients prohibited or regulated and could stop the import.

Success Stories

**Belgian Food Companies invested
in Japan & Supported by JETRO**



- NEWTREE established their office in Japan in 2007
- Market Entry with 100% of own capital (Japanese subsidiary) :
Stock Company
- Healthy Chocolate made from natural ingredients: Chocolate bar, jam, cookies, ecological goods (water bottle made in bamboo, watch etc)
- Sales in Japan: Increasing every year
- Target market: High-end market



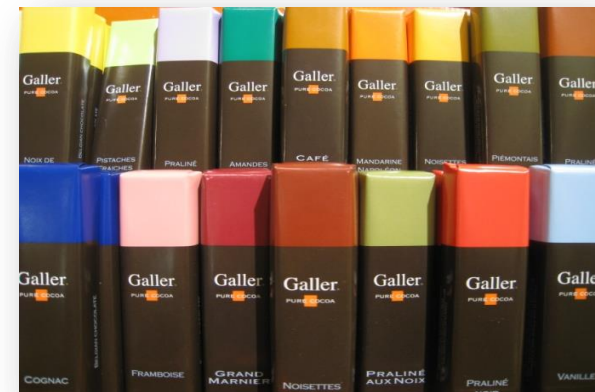
- How did they enter into Japanese market?
 - ✓ Before market entry in 2007, they had sales agreement with Japanese importer and provided chocolate products to high-end supermarket known as Meiji-Ya.



- ✓ However, Japanese importer started to import other competitive chocolate brands, so NEWTREE decided to end the contract and enter the market on their own with establishment of Japanese subsidiary “Newtree Japan”.
- ✓ After 2007, they started to build their own sales channels => **Kinokuniya, National Azabu, Pantry, Bebebe**

- How did JETRO assist them?
 - ✓ At the timing of making decision for market entry into Japan, JETRO provided NEWTREE a free office space (IBSC) for 1 month to prepare to set up legal entity.
 - ✓ Provide the consultation service for legal entity establishment.
 - ✓ Provide the list of candidate office spaces and real estates
 - ✓ Arrangement of the meeting with Human Resources Recruitment agency to hire local staff

- Galler established their office in Japan in early 2003: **Japanese subsidiary called Galler Japan** (JV with Takemoto Food)
- **Exclusive distribution and license agreement with Takemoto Food which covers** a) whole distribution of Galler products and b) development of the Galler Café
- Sales Channels: Shops, Retailers, Convenient stores, Internet Vendors, Department stores etc
- Key Success Factors:
 - ✓ Understanding of the market => requires local partner
 - ✓ Global products (product concept, packaging)
 - ✓ Finding the credible partner
- Export is a key driver for growth but if you have intention to be further presence in the market, **investment (establish office) is necessary.**



- How did JETRO assist Galler?
 - ✓ After the market entry into Japan, JETRO provided them the list of recruitment agencies in order to hire the local business development manager.

- Maison Dandoy entered into Japanese market in August 2012.
- First store outside of Belgium: Tokyo Daimaru Department Store.
- Sales Channel : Department store
- **Exclusive distribution partnership** (7 years contract) with “C’ Select” who is SME packaging company for food industry.
- Their ambition is to open 4-5 stores in Japan in 2-3 years
- Offers pret à manger “Gauffre” (customized for Japanese market)



Dandoy corner in the Daimaru Department Store

- Key Success Factors:
 - ✓ **Understanding of the market** : Mr.Laeuffer who was in charge of business development in Japanese market has strong passion in Japan throughout his experiences in working for Monde Selection, projects for Belgian-Japanese Association Chamber of Commerce, and several participations at **Foodex** etc. He had good contacts with Japanese food retailers, C>Select was one of them.
 - ✓ **Provide good quality and unique concept** :
Dandoy maintains the same quality for Japanese market (same speculous taste, cookies, gauffres, etc). Product with the unique concept is very important for Japanese customers.
- How did JETRO assist Maison Dandoy?
Provided food market information (main players by categories)

- Le Pain Quotidien (PQ Licensing S.A.)
 - ✓ Market entry in March 2010, first Asian market
 - ✓ Exclusive store licensing, exclusive import sales & manufacturing licensing with **Ito-chu** (Master Licensee)
 - ✓ Store and products development by **Hokkoku** (chain operation)
 - ✓ Opened store in Tokyo in 2011. Targeting outlet on the street, shopping malls, department stores.
 - ✓ Plan to expand to 20 stores, sales up to 30M euro in 6 years in Japan

What is JETRO?

How can we assist you?



Japan External Trade Organization

- A government-related organization that works to promote mutual trade and investment between Japan and the rest of the world
- Originally established in 1958
- Worldwide network comprising:
 - JETRO headquarters in Tokyo
 - JETRO Osaka
 - Institute of Developing Economies (IDE)
 - Domestic offices 39
 - Overseas offices 73 (As of 2013 September)
- Employees: 1540 (800 domestic and 740 overseas)

The logo for JETRO, featuring the word "JETRO" in a large, bold, serif font.

Japan External Trade Organization

- Boost **Foreign Direct Investment** (FDI) in Japan and promote cross-border business tie-ups. Help European companies to enter Japanese market.
- Carry out **economic research** overseas and collect extensive information for dissemination to business circles (JETRO Brussels Office is European research hub)
- **Promote EU-Japan FTA**
- Help Japanese firms, especially SMEs, **expand business overseas**
- Variety of other services **to promote trade and investment activities between Japan and third country**

- Consultation Services
 - ✓ Market information (market report, list of distributors, etc)
 - ✓ Laws and regulations
 - ✓ National and local governments incentives
 - ✓ Cost simulation
 - ✓ Incorporation procedures
 - ✓ Employment and labor issues
- Facilities
 - ✓ 5 IBSC centers provide free temporary office spaces (Tokyo IBSC has 35 separate rooms) for **free of charge up to 50 business days**
 - ✓ Well-stocked library
 - ✓ Exhibition space and auditorium
 - ✓ Every year, over **1200** firms utilize JETRO's support & services
 - ✓ Every year, more than **120** companies actually set up bases in Japan

Location: Tokyo, Osaka, Yokohama, Nagoya, Fukuoka, Kobe

<http://www.jetro.go.jp/en/invest/ibsc/>

Reception IBSC



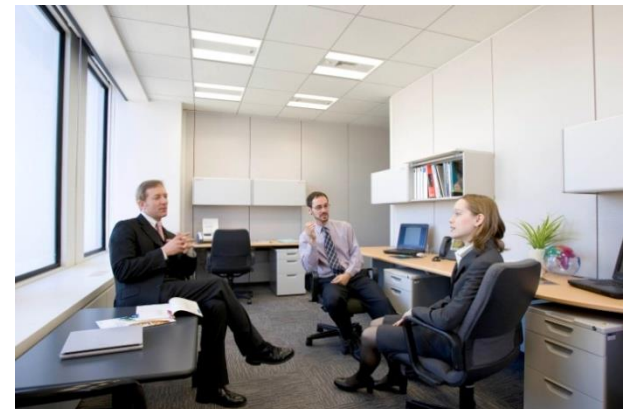
Business Library



Multipurpose hall and conference room



Temporary Office Space



Setting up business in Japan: www.jetro.go.jp/en/invest

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Open a Japan Office

Invest Japan Business Support Center

JETRO provides No-cost Service

- 50 Days Temporary Office Space
- Market Entry Info
- Business Partner Matching
- Expert Business Consulting

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Who we are



JETRO is a government-related organization promoting mutual trade and investment between Japan and the rest of the world...

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Check the most up to date government incentives.

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Regional Information



We introduce you to the in-depth profiles of Japan's regions, by highlighting major industries and clusters—including size, attractive features and level of R&D functions—as well as other aspects of the general business environment

Japanese market information: www.jetro.go.jp/en/reports/market/

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Market Reports



Analytical reports on Japanese sectors categorized by industries and report titles. Section covers a wide range of products, services, business and industrial environments, regional enterprises, current market trends and more, with case studies and advice on market entry.

Guidebook for Export to Japan

Guidebook for foreign companies to penetrate the Japanese market, introducing updated market trends, statistics, relevant regulations as well as import procedures of the 17 selected items.

Food

- ▶ ["Coffee"](#)  (535KB)(March, 2011)
- ▶ ["Spices and Herbs"](#)  (595KB)(March, 2011)
- ▶ ["Nuts"](#)  (496KB)(March, 2011)
- ▶ ["Dried Fruits"](#)  (513KB)(March, 2011)
- ▶ ["Cereals"](#)  (812KB)(March, 2011)
- ▶ ["Vegetables, Fruits, and Processed Products"](#)  (1.2MB)(March, 2011)
- ▶ ["Alcoholic Beverages"](#)  (750KB)(March, 2011)
- ▶ ["Soft Drinks"](#)  (708KB)(March, 2011)
- ▶ ["Seafood and Processed Products"](#)  (854KB)(March, 2011)
- ▶ ["Health Foods and Dietary Supplement"](#)  (545KB)(March, 2011)

Others

- ▶ ["Cosmetics"](#)  (738KB)(March, 2011)
- ▶ ["Essential Oils"](#)  (586KB)(March, 2011)
- ▶ ["Interior Goods \(Tableware, etc.\)"](#)  (790KB)(March, 2011)
- ▶ ["Cut Flowers"](#)  (699KB)(March, 2011)
- ▶ ["Precious Metal and Jewelry"](#)  (748KB)(March, 2011)
- ▶ ["Apparel Products and Materials"](#)  (3.6MB)(March, 2011)
- ▶ ["Building Stone and Tiles"](#)  (619KB)(March, 2011)

Standards and regulations: www.jetro.go.jp/en/market/regulations



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Standards and Regulations



Numerous documents devoted to Japan's standards and regulations concerning import procedures, quarantine periods, technical requirements, etc. Section also details laws/ordinances and amendments concerning import standards and regulations.

Please direct inquiries or comments to

Business Services Division
E-mail: bu-ref@jetro.go.jp

Section 1 (View only)

Documents in this section can be viewed at no charge (they cannot be printed). Click below to order a printed version. ▸ [To Purchase](#)

- [Specifications, Standards and Testing Methods for Foodstuffs, Implements, Containers and Packing, Toys, Detergents](#)  (145p.,610KB) Jun.2006
- [Food Sanitation Law](#)  (145p.,617KB) Apr.2006
- [Handbook for Consumer Products Import Regulations](#)  (332p.,1.9MB) Mar.2008
- [Handbook for Industrial Products Import Regulations](#)  (292p.,2.2MB) Mar.2008
- [Handbook for Agricultural and Fishery Products Import Regulations](#)  (143p.,775KB) Mar.2008
- [Specifications and Standards for Foods, Food Additives, etc. Under The Food Sanitation Law](#)  (153p.,833KB) Mar.2007
- [Guide to the JAS System for Agricultural and Forest Products](#)  (95p.,450KB) Mar.2007

Section 2 (View and print)

Thank you for your attention

For more information:

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Organization

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