

Japan Supply Chain Guide



About Seafood Industry Australia

Seafood Industry Australia (SIA) is the national peak-body representing the Australian seafood industry as a whole. With members from the wildcatch, aquaculture and post-harvest sectors of the Australian seafood industry, we are the voice of Australian seafood.

SIA provides consumers, Government and other stakeholders with confident and united representation. Our unity indicates that we love what we do, we stand by our products and that those products are the best in the world.

SIA provides services identified through a process involving member input to fill a critical gap that currently exists, to have more influence on Government decisions, to act as a national industry voice, to be a marketing and communications hub, and to remove obstacles to growth standing in the way of the Australian seafood industry.

Our vision is for the Australian seafood industry to be United, Effective and Respected.

Our mission is to Promote, Protect and Develop the Australian seafood industry on the national and international level.

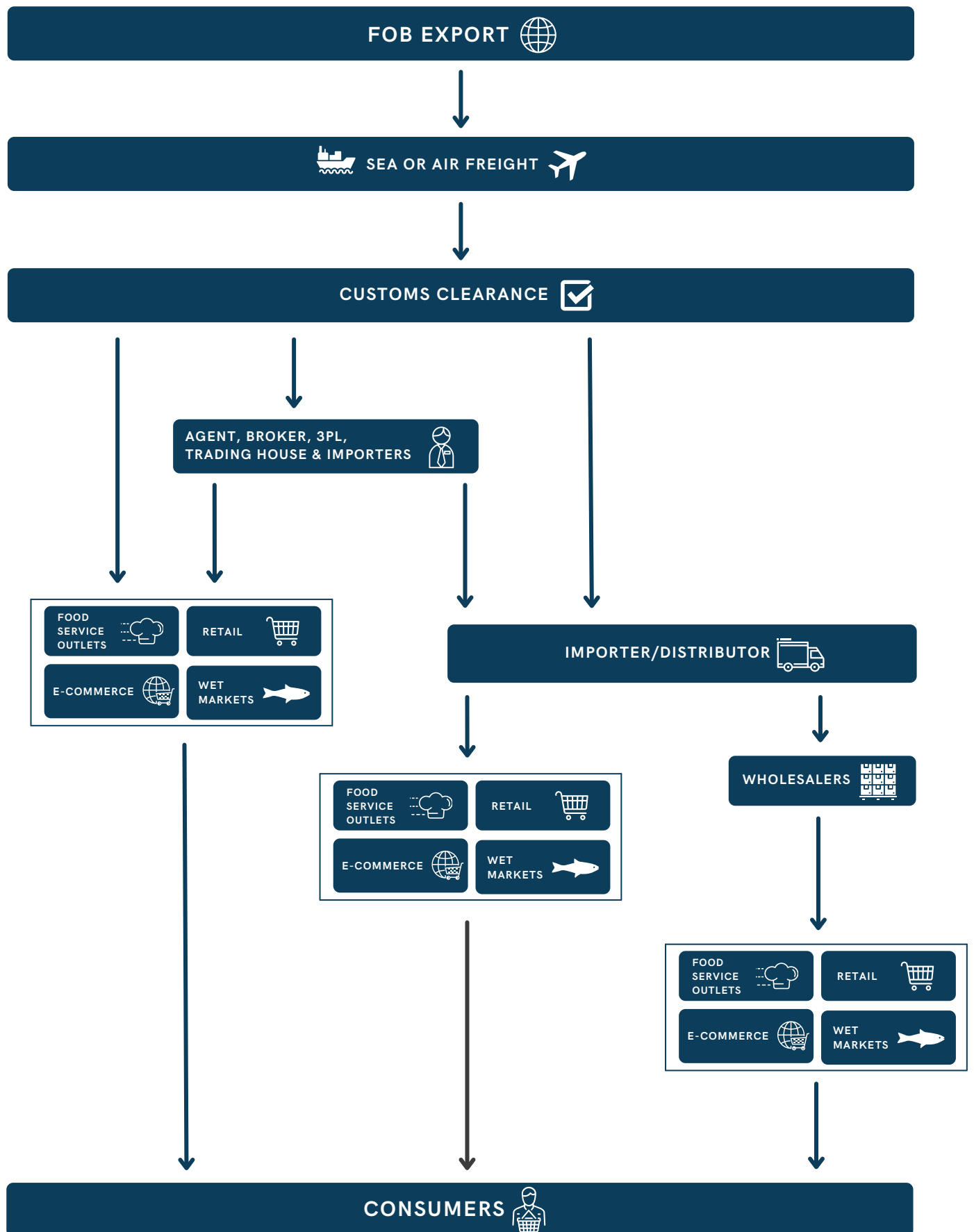
Agricultural Trade and Market Access Cooperation (ATMAC) Program

The ATMAC program is an Australian Government initiative, expanding trade in Australian agricultural, forestry and fisheries sectors into emerging export markets and/or export markets with high-growth potential. This will be achieved through support for diversification efforts that align with industry priorities.

Seafood Industry Australia's 'marketing, market access and export development for the Australian seafood industry' was funded under the ATMAC Program.



Supply Chain Overview



JAPAN-AUSTRALIA ECONOMIC PARTNERSHIP AGREEMENT

The Japan-Australia Economic Partnership Agreement (JAEPA) delivers substantial benefits for the Australian economy, making it easier to do business with Japan, our second-largest trading partner. JAEPA is the most liberalising bilateral trade agreement that Japan has ever concluded, providing Australian exporters, importers, investors and producers a significant advantage over their international competitors.

JAEPA eliminates or reduces barriers to trade in goods between Japan and Australia. This benefits Australian businesses that seek to export Australian goods to Japan or want to import Japanese goods for sale in Australia or for use as inputs into further manufacturing.

A key impediment to importing and exporting goods is tariffs (customs duties) – taxes imposed by governments on goods arriving from overseas. On full implementation, JAEPA will provide 97 per cent of Australian exports (by 2013 import value) with customs duty-free or preferential tariff access to Japanese markets. This includes rapid reduction of prohibitive tariffs on agricultural products and elimination of tariffs on 99.7 per cent of Australian resources, energy and manufacturing exports on day one of JAEPA's operation.

USEFUL LINKS

- [Japan-Australia Economic Partnership Agreement](#)
- [Using JAEPA to do business with Japan](#)
- [JAEPA fact sheets](#)
- [Austrade Industry Directories](#)
- [Fisheries Research and Development Corporation \(FRDC\)](#)
- [Micor - Manual of Importing Country Requirements](#)
- [Step-by-step guide to exporting fish and fish products](#)

[The FTA Portal](#) is a user-friendly Australian Government website that provides easy access to information for exporters, importers, and other stakeholders seeking to access the benefits from all of Australia's free trade agreements (FTA). [The FTA Portal](#) is the easiest way to determine the preferential FTA tariff rate on your product.

GUIDE TO USING JAEPA TO EXPORT OR IMPORT

FOUR STEPS TO USING JAEPA

1

IDENTIFY THE TARIFF CLASSIFICATION OF YOUR GOODS

Determining how JAEPA treats a particular good requires correct identification of that good. In JAEPA, as in all trade agreements and the WTO, goods are identified by reference to an internationally-recognised system known as the Harmonized Commodity Description and Coding System, commonly referred to as the Harmonized System (HS). The HS is a broad classification system of around 5000 six-digit product categories. Typically, countries further sub-divide the six-digit HS product categories into eight-digit or more tariff lines for greater specificity (Australia uses eight-digit tariff codes and Japan uses nine-digit codes). For exports to Japan, we suggest consulting the [Japanese Customs Service tariff schedule](#) to search for your product.

2

UNDERSTAND HOW YOUR GOODS WILL BE TREATED UNDER JAEPA

Once you have the tariff code, you can determine how your goods will be treated under JAEPA. Both Japan and Australia have set out their commitments to reduce duty rates on goods in lists, called tariff schedules.

The schedules contain thousands of rows of tariff lines that show in a column the base duty rate on which reductions occur (if required). In a separate column, a code is used to indicate the tariff staging category for that product. A further column indicates any specific notes applicable to that tariff line.

You can check how your goods will be treated by either country by reading their tariff schedules, both of which form [Annex 1 to the Agreement](#) and can be found here.

3

DETERMINE WHETHER YOUR GOODS MEET RULES OF ORIGIN REQUIREMENTS

JAEPA preferential rules of origin (ROO) are agreed criteria used to ensure that only goods that originate in either Japan or Australia enjoy preferential tariff rates. These criteria are required to prevent transshipment, where goods from a third party are redirected through either Japan or Australia to avoid paying higher tariffs.

Any imports into Japan or Australia that do not comply with the ROO set out in Chapter 3 and Annex 2: Product Specific Rules (PSRs) will be subject to the general rate of duty applied in Australia or Japan instead of the preferential tariff rates available under JAEPA.

In general, a good will qualify as 'originating' under JAEPA if it is:

- wholly obtained or produced entirely in Japan or Australia (or both);
- produced entirely in Japan or Australia (or both), from materials classified as 'originating' under the ROO; or
- produced in Japan or Australia (or both) using inputs from other countries, and meets the Product Specific Rule (PSR) applicable to that good.

4

PREPARE A CERTIFICATE OF ORIGIN FOR YOUR GOODS

Once you have completed the first three steps and determined that your goods will qualify for preferential tariff treatment under JAEPA, you will need to have the appropriate origin documentation to demonstrate this, should you be asked, to the importing customs. There are two ways to do this:

- Certificates of Origin (COOs) are one means of demonstrating the originating status of your goods. COOs can be obtained from organisations authorised by the Australian or Japanese Governments.
- Alternatively, an importer, exporter or producer may choose to complete an Origin Certification Document (OCD). This is often referred to as self-certification.

INCOTERMS®

International Commercial Terms or 'Incoterms®' are a set of 11 individual international rules for interpreting trade terms issued by the International Chamber of Commerce (ICC), which help traders in different countries understand one another. Incoterms clarify the obligations of buyers and sellers in trading internationally to avoid any confusion. These terms are updated periodically to adapt to changing trade practices. Some common examples of Incoterms for any mode of transportation include:

- EXW - Ex-Works OR Ex-Warehouse
- FCA - Free Carrier
- FOB - Free on Board
- CFR - Cost and Freight
- CIF - Cost, Insurance and Freight

See Appendix A for Incoterms Chart

Logistics

Having efficient and reliable logistics for export can give exporters a competitive advantage through better order handling and shortened product cycles. Export logistics is a crucial yet considerably complicated piece of the export puzzle that includes order handling, transportation, inventory management and handling, storage, packaging, and clearing of the export goods. Most new exporters and experienced exporters use a freight forwarder to navigate the various steps needed to get their products into international markets.

SEA FREIGHT

Ongoing sea freight disruption has caused massive problems to global logistics.

The closure of some of the world's largest ports, congestion and shortages of storage space has resulted in ships rerouting and changing their schedules at short notice. The flow-on effects have been:

- Difficulty in getting containers
- Difficulty in securing freight capacity
- The escalating cost of freight
- Longer shipping journeys due to changing schedules
- Bottlenecks at ports
- Delays in transit

Sea Freight, Full Container Load (FCL)

A container (20-foot or 40-foot) is exclusively used for a single shipment. The container is not shared with other cargo shipments, and the costs are borne by one party. It is generally used for heavy cargo (over 15 tons).

Sea Freight, Less than Container Load (LCL)

A container is shared by various cargo shipments. LCL is the preferred option when there aren't enough goods to fill up the entire container. This option allows the exporters to lower their shipping costs.

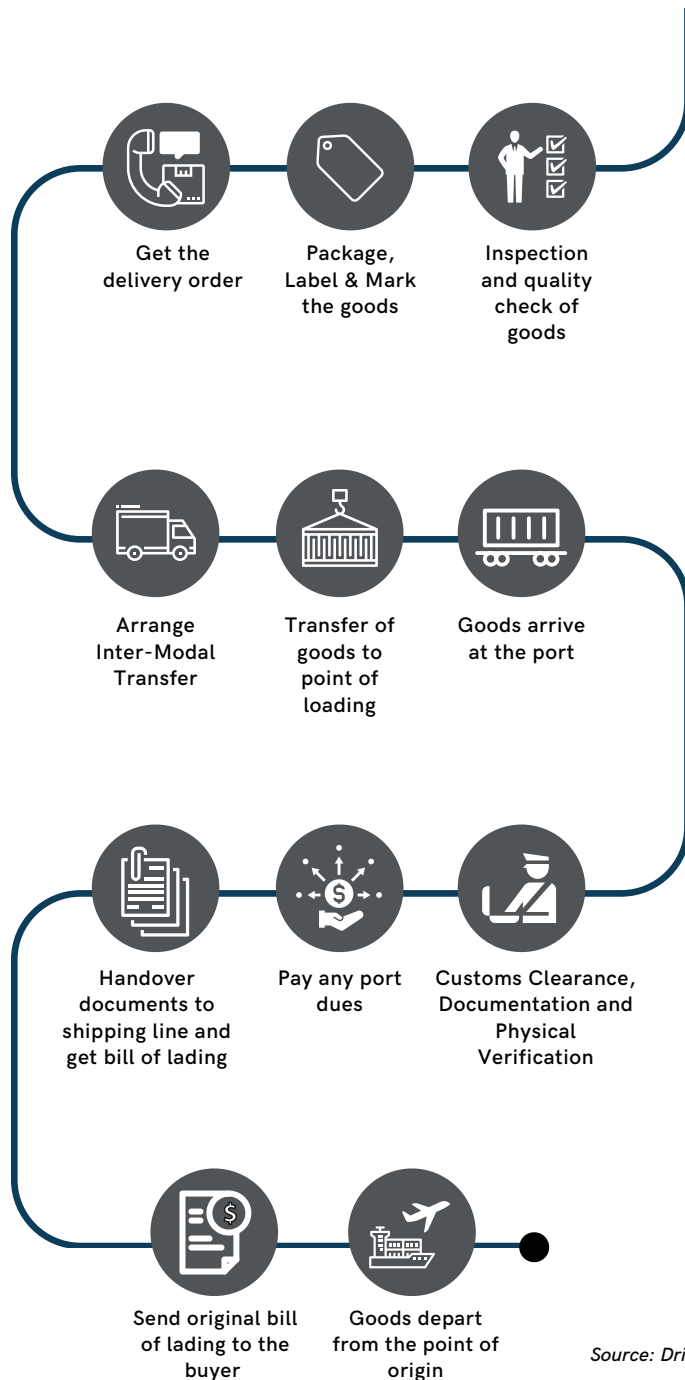
AIR FREIGHT

Air freight has been even more disrupted than sea freight at the onset of the pandemic and now appears to be settling into a new normal.

Most air freight is carried on passenger aircraft and with the closed border policy for international arrivals, freight has become problematic to many destinations and costs have escalated.

USEFUL LINKS

- [The International Federation of Freight Forwarders Associations \(FIATA\)](#)
- Search for a customs broker or freight forwarder on the IFCBAA site:
 - [International Forwarders & Customs Brokers Association of Australia \(IFCBAA\)](#)



Source: Drip Capital

Tariffs, Regulations and Special Certificates

TARIFFS

According to [Austrade](#), Japan maintains tariffs and restrictions on items, including agricultural items, which are relevant to some Australian exporters.

The Japan-Australia Economic Partnership Agreement entered into force in 2015. Tariffs are expected to reduce in a number of product areas, some immediately, some over several years. [Find out more about Japan's Tariff Schedule.](#)

Generalised preferences are granted to developing countries. A 'self-assessment' system designed to expedite customs clearance allows prior calculation of duty by importers.

REGULATIONS

Japanese importers are responsible for ensuring that imported products comply with strict regulations. Regulations applicable to imported seafood include:

- **Food Sanitation Law**
 - Just like other foodstuffs, seafood is subject to the Food Sanitation Law. Food additives and agricultural chemical residue in foods are often the main issues.
- **Japan Agricultural Standards**
- **Product labelling regulations**
- **Product liability law**
- other regulations may also apply in special cases (Import Quotas exist for herring, Pacific cod, yellowtail, mackerel, sardine, horse mackerel, saury, scallop, squid, kelp and laver).

Note: While Japanese importers are generally responsible for ensuring imported products comply with regulations, exporters should be aware that contracts may place legal responsibility for regulations on the exporter. Depending on the product, any of the following may be required as part of Japanese customs procedures:

- certificate of origin
- product process information - process flow chart
- laboratory test results - types of test vary according to the nature of the product
- product process information - process flow chart
- other certifications
- tariffs on seafood vary according to species, type of products and the degree of processing

LABELLING

Foodstuffs must have a sticker attached to each package showing a detailed description of contents, including artificial colourings or preservatives, name and address of importer and date of import or manufacture in Japanese.

Many food and consumer products are subject to very specific labelling requirements and importers should always be consulted on proposed labelling.

Containers of canned and bottled goods, soft drinks, small goods, frozen foods and pre-packed foods must be marked and labelled solely in metric measurement by the Australian exporter, even though responsibility for metric measuring rests with the Japanese distributor.

Labelling is governed by the [Consumer Affairs Agency](#). While their website provides no full English guidance, the following information is required on the labels of seafood products:

- Name
- Place of origin (the place where the subject seafood was caught) 3)
- “Defrosted” if applicable
- “Cultured” if applicable

In addition to the above, the following information is required for cut/split seafood eaten raw or frozen seafood other than cut/split seafood:

- Allergens which include additives derived from shrimp, crab, flour, soba, egg, milk or peanuts
- Storage method
- Best before date

The above is basic guidance and details should be confirmed for each product.

SPECIAL CERTIFICATES

According to [Austrade](#), animals, plants and their products require health certificates issued by an approved authority in the country of origin.

Meat for human consumption requires an additional certificate, issued by an approved authority in the country of origin, stating that the animals were free from designated infectious diseases prior to slaughtering and that subsequent processing was under hygienic conditions.

Imports of food require a food import permit issued by the Ministry of Health and Welfare.

PUBLIC HEALTH REQUIREMENTS

Strict controls govern the manufacture and sale of both fresh and preserved foodstuffs. All imports of food must be accompanied by an import permit, issued by the [Food Sanitary Inspection Service of the Ministry of Health and Welfare](#) and may also be subject to inspection on arrival.

When imported for the first time, a description of all ingredients and the manufacturing processes involved will be required for application, along with any other requested documents, e.g. health certificates from the country of origin.

The use of certain substances such as food additives are either strictly controlled or prohibited.

The use of chemicals whose residue remains in crops, soil or pollutes water is strictly controlled.

Imports of animals and plants and their products require health certification issued by an approved authority in the country of origin. In Australia, this is usually the [Department of Agriculture, Water and the Environment \(DAWE\)](#) or the relevant state department of agriculture.

Non-Tariff Barriers

Potential exporters to Japan should not be deterred by a widely perceived view that the market is closed and heavily regulated. Barriers to market access for merchandised and value added goods are mainly informal. Examples of informal barriers include, successful entrance into business networks, maintenance of market presence and product quality assurance.

Formal restrictions, mostly on agricultural produce, do exist and the Australian Government has a range of market access issues, which it continues to work on with the Japanese Government on behalf of Australian industry.

Customs laws, regulations and import processes are strict and need to be clearly understood by exporters. Find out more about [customs laws](#).

Import licensing may be required for some imports. Two categories exist:

1. Import Quota (IQ): Quotas set by [Ministry of Economy, Trade and Industry \(METI\)](#), range from moderately to severely restrictive. Quotas are imposed on a variety of foods including some dairy products, seafood, cereals and grains. Importers must obtain an import quota allocation certificate from METI, which entitles the importer to receive an import licence on application to a foreign exchange bank.
2. Import Declaration (ID): a wide range of raw materials, semi-finished products and manufactured goods can be imported without prior approval from [METI](#). Completed ID forms are freely verified by authorised foreign exchange banks on application, prior to import.

Goods must be cleared through customs within the validity period of the licence (usually six months).

Imports from Australia, which include most fresh fruits (excluding certain oranges, mangoes, Fuji apples, pineapples and green bananas) are subject to restrictions.

Tariffs and duty rates are constantly revised and are subject to change without notice. [Austrade](#) strongly recommends you reconfirm these prior to selling to Japan.

Market Entry

According to [Austrade](#), since the 1990s, Japan's seafood industry has been reviewing their traditional operating methods in order to gain a competitive advantage over rivals. Part of their competitive advantage has been to source products from overseas suppliers. Recent trends have seen firms respond to the high cost of producing seafood locally by relocating processing plants to other Asian countries. This has been undertaken for products such as prawns and whiting.

A number of Australian seafood companies have achieved success in Japan by having a good understanding of the market, meeting import approval requirements of the Japanese government, being competitive and forming good working relationships with Japanese partners.

Australia's geographical location is key to conducting business in Japan. Australian companies are able to take advantage of counter-seasonal supply, similar time zones and frequent direct flights to major Japanese business centres such as Tokyo and Osaka.

Potential buyers of seafood products in Japan include:

- existing importers or distributors for seafood products
- Japanese food processors
- Japanese food service industry.

IMPORTER/DISTRIBUTOR ROLES & RESPONSIBILITIES

- Purchases product from exporter
- May organise ocean transportation & insurance
- Clears customs and pays any duties applicable
- Warehouses, stores and dispatches stock
- Getting paid: payment terms & deductions
- Sales and marketing services
- Can specialise in foodservice or retail

The seafood sector is very competitive in Japan, and therefore it is advisable for exporters to:

- Draw up a comprehensive export-marketing plan covering target segments, strengths and weaknesses, threats and opportunities.
- Find the right partner (importer or distributor) and establish the foundations for a long-term relationship.
- Ensure that you exercise stringent quality control on your product, especially in terms of product safety.
- Ensure that you can supply consistent quantities within agreed timeframes.
- Demonstrate a willingness to support promotional activities to market your product.

KEY DISTRIBUTORS

Note these distributors may not specialise in seafood

- 1** Hanwa Co Ltd
Importer, distributor and processor of seafood. Imports processed seafood from China, Vietnam and Thailand. Set up office in Holland and Chile to import seafood. Handles salmon, shrimp, octopus, mackerel, horse mackerel, herring, crab, poultry, etc.



- 2** Kyokuyo Co Ltd
Wholesaler, importer and processor of seafood.



- 3** Marine Foods Co Ltd
Wholesaler, importer and processor of seafood.



- 4** Nichimo Co Ltd
Wholesaler, importer and processor of seafood. Handles fish paste, crab, Pollack egg, frozen fish.



- 5** Nichirei Fresh
Wholesaler, importer and processor of seafood.



- 6** Tsujino Co Ltd
Wholesaler, importer and processor of seafood.



MARGIN STRUCTURE

EST. DISTRIBUTOR MARGIN



25 - 35%

It is important that exporters take the adjacent indicative margins as a guide only. There are many conditions attached to trading terms and because they can be a crucial element of success, they need to be strategically negotiated.

The Retail Channel

OVERVIEW

- According to Seafish 2020, consumers in Japan are increasingly choosing supermarkets as their preferred outlet to buy seafood instead of fishmongers.
 - Supermarkets sell less whole fish and more fillets and slices. Since no one is present to offer guidance on how to prepare and cook the fish, there is less opportunity for consumers to become familiar with rarer fish and seafood than there is in speciality stores (fishmongers).
 - Consumers may also choose meat over fish because it's thought to be simpler to prepare and can be bought in larger quantities for the same price as fish or seafood.
- Japan is one of the most valuable grocery markets in the world, worth approximately \$US466 billion a year with Japanese consumers ranked 4th globally for grocery purchases per capita.
- The grocery retail sales market share of traditional grocery retailers has suffered increasingly over the last decade as convenience stores, supermarkets, and hypermarkets all simultaneously encroach on traditional retailers' popularity as a destination for grocery purchases.
- Like most of the world in the midst of the pandemic, spending on essential goods as a portion of expenditure has grown greatly, and consequently so has the sales volume of grocery products.
- With the Japanese population increasingly urbanising within certain districts, major shopping centres are rising in prominence and consequently, the ability of traditional grocery retailers to capture this geographically-mobile market segment has fallen.
- The traditional grocery retailers market is very fragmented, and consequently, these smaller, independent retailers usually have a very small market share in their respective areas. However, alcoholic drinks producer Yamaya has bucked the trend with large sales growth due to the home drinking trend, which is rising as Japanese people now spend much more time at their residences.
- Groceries that have a longer shelf life and are in locations where they can be very conveniently purchased (e.g. convenience stores) are progressively faring much better than less-durable products, leading major convenience stores like 7-Eleven to prioritize selling frozen and sealed pouch goods.
- The ageing population of Japan has necessitated more accessible grocery shopping methods, illustrated by the doubling of internet sales for groceries between 2019 and 2020 from 2.5% of total grocery sales to 5%. Also becoming influential are grocery trucks, whereby groceries are sold from a truck that is parked in areas with large foot traffic.

- Hypermarket retailers that operate 24/7 and have high-tech warehouses, such as Seiyu, have benefited the most from the trend toward demand for online grocery deliveries.
- Supermarkets dominate the grocery retail channel and have experienced higher growth due to the COVID-19 pandemic, with sales rising 2.6% from July 2019 to July 2020 after a fall between 2018 and 2019. Much of the increased growth came from food as same-store food sales grew 5% from 2019 to 2020.
- The improvement in demand amongst grocery products is largely concentrated in fresh fruit and vegetables, while other segments such as deli food have seen a reduction in purchase value since the COVID-19 pandemic began.

RETAIL MARGIN STRUCTURE



The margin structure of the various supply chain partners is highly dependent on many factors including, but not limited to, the level of service offered and if freight is included.

Margins also vary based on some of the following:

- Chilled and frozen carry bigger margins, chilled the highest
- The value and uniqueness of the product (the margin % is less for higher-value products)
- The size of the order
- The size of the customer
- The retailer's trading terms
- The level of marketing support

KEY PLAYERS



FISH & SEAFOOD CATEGORY TRENDS

- Fish and seafood sales increased somewhat in 2021 following a sharp fall in 2020. COVID-19 resulted in a reduction in fish and seafood sales in 2020 due to declining foodservice and institutional sales. In the first half of 2020, the government ordered foodservice companies to cut their operating hours and limit alcoholic drinks, while elementary, middle, and high schools were closed for spring vacation. These issues lowered foodservice and institutional fish and seafood sales.
- Foodservice and school closures shifted food consumption to the home, boosting retail revenues. Increasing numbers of organisations utilised remote working, which boosted retail sales. Japan's traditional work culture promotes physical presence and lengthy hours. Despite robust retail sales, overall fish and seafood volume sales decreased due to a decline in foodservice, which created much food waste.
- Japan has seen a steady increase in the rise of women in the workforce, as well as single-person households. Before the pandemic, time-poor Japanese consumers were frequently seeking more convenience, which was found through packaged fish and seafood, as compared to fresh seafood and fish. Packaged food as an overall category was also enticing customers away from fresh fish and seafood.
- Pacific Saury, one of Japan's most popular seafood products, has seen a rise in average price from approximately JPY75.00 per piece to over JPY100.00 per piece in 2020. This has primarily been due to fewer catches and an increase in demand from bordering countries like South Korea and China. These factors have led to a decrease in fish stocks around the shores of Japan.
- The economic impact of the pandemic, including fears over job security and income uncertainty, also resulted in consumers looking towards cheaper protein alternatives, including more economical cuts of meat. The latter has seen a surge in popularity during the review period. Hence, growth in retail volume sales notwithstanding, total volume sales for the fish and seafood industry did not see any notable rise.
- The Japanese eat specific seafood based on the time of year. For example, they eat more fatty fish like cod, salmon, and tuna in the winter. Shrimp can be eaten at any time of the year, but it is more popular in the spring and summer because of its bright pink colour, which goes well with the "cherry blossom" season.
- 2021-22 is expected to bring recovery for total volume sales of fish and seafood in Japan, along with a growth spike causing the pre-pandemic decline to reverse itself. This recovery will especially be due to the post-pandemic rising health consciousness of consumers who will see fish and seafood as a healthier source of protein and vitamins.

- Nevertheless, by the end of the forecast period, category sales are predicted to revert to pre-pandemic trends, which will cause a significant contraction in volume sales, thereby bringing about a strong slowdown.
- Consumption of seafood in Japan will be impacted by the increasing demand for seafood in neighbouring Asian countries since this is expected to cause unit prices of seafood to increase significantly. With these increasing prices and a trending pattern of a decline in consumption, especially among younger Japanese consumers, it is anticipated that both the private and public sectors will have to ramp up efforts in order to renew demand.
 - For instance, Japan's Fisheries Agency's "Delight of a Fish-Rich Country" project is hoping to unite fishing organisations, retailers, manufacturers, educators and the government, so that the common aim of increasing the consumption of fish and seafood may be achieved. Through this initiative, education about eating fish and its role in traditional Japanese culture will be delivered in schools. Member bodies will also promote the consumption of seafood through rigorous marketing and promotions, including the creation of new dishes and recipes.
- Due to their long history of eating seafood, Japanese people are thought to be some of the pickiest consumers in the world when it comes to quality and freshness. They also know that these needs come with a price: to get fresh, high-quality seafood, you have to move it quickly and use complicated distribution channels. Imported swordfish products are more expensive because of this, but buyers don't mind the high prices because, in general, Japanese buyers are willing to pay more for top quality and freshness. But recently, some types of customers, especially younger people, have been looking for cheaper products and more items that are easy to use.
- Sustainability is still low among Japanese consumers. COVID-19 has, however, helped Japanese consumers realise that little individual activities may affect societal concerns, increasing awareness of sustainability. These elements will boost Japan's sustainable seafood activities, helping it catch up to other nations in the predicted period.

The E-Commerce Channel

E-COMMERCE TRENDS

- E-commerce Food & Beverage sales have grown rapidly in the last decade, the rate of which has been increasing since the beginning of 2020 with the COVID-19 pandemic leading Japanese consumers to prioritise home delivery, government measures fostering more trust in cashless payment methods, and demands for improved convenience and accessibility of food products.
- The trend toward e-commerce purchases in recent years, which has led Japan to become the fourth largest e-commerce market globally valued at over US\$100 billion, is most profound amongst older generations in Japan, who have been slower to familiarise themselves with and trust the process of finding products and making purchases on the internet.
- The increase in dual-income families, long working hours, and overtime hours create a largely time-poor consumer base, leading Japanese consumers to progressively perform single bulk shops for their weekly groceries and prioritise purchasing methods that favour convenience, improving online retailer prospects.
- As consumers were very restricted from eating out during state of emergency declarations in Japan, gourmet options along with experimental DIY meal-kits began to appear on delivery menus that increasingly favour product differentiation for promotional items. A very successful example being Oisix's subscription-based delivery services offering a range of meal-kits, specialising in plant-based products.

KEY PLAYERS



The Foodservice Channel

OVERVIEW

Food & beverage services comprise establishments engaged in the sale of prepared food and drinks for immediate consumption. The various types of food and beverage services in Japan are:

- Restaurants
- Fast food restaurants
- Food caterers
- Ship chandlers
- Airport catering
- Armed forces
- Others
- Cafes, coffee houses and snack bars

FOODSERVICE TRENDS

- The trend toward eating at home was not only exacerbated by the COVID-19 pandemic, but also by an increase in the VAT from 8% to 10% at the end of 2019 and Japanese government measures that aim to encourage more cashless payments.
- The most successful foodservice businesses in recent years have offered new menus with innovative product items and partnered with delivery businesses operating through the internet, the likes of which have also seen positive business prospects. In particular, Demae-Can has partnered with over 20,000 restaurants nationwide and primarily utilises messaging app LINE to secure a growing customer base.
- COVID-19 impacted full-service restaurants in Japan for most of 2021. During the emergency, the government shortened operation hours and banned alcoholic drinks, and many stayed home. Without incoming tourists, full-service restaurants had to compete with alternative consumer foodservice channels for a saturated domestic market. Many full-service restaurants lacked agility in adopting takeaway and home delivery services because they had to modify their enormous menus.
- Burger limited-service restaurants performed well in 2021 because their business model fits well with the ongoing COVID-19 scenario, as consumers continued home isolation and chose takeout/home delivery rather than eating-in. While all players grew, McDonald's led with persistent initiatives including new product improvements, such as the meat-heavy Samurai Mac, which costs more than the Big Mac. It also boosted the distribution of its app, which offers promotions and coupons, facilitated efficient transactions with its mobile ordering system, increased delivery capacity, and captured the demand for drive-through.

- The biggest limited-service restaurants are all convenience store chains, which have over 50,000 outlets across the island nation. This is mainly due to the fact that these chains can offer many of the same services found in other limited-service restaurants such as making ice-creams and sandwiches on-demand yet in a much more accessible and prompt manner.
- Seven-Eleven Japan Co Ltd and Lawson Inc led Japan's limited-service eateries in 2021 owing to their statewide presence. Convenience stores have a large number of outlets where products are accessible at any time, anywhere for most consumers. However, competition from other foodservice players offering takeout or home delivery intensified during the review period, leading many convenience store players to develop new hot snacks sold next to the cash register to attract consumers' attention.
- Foodservice limitations hurt several local fish and seafood suppliers. Seafood sales, especially high-end fish, dropped and prices decreased. Unsold fish and seafood become food waste. During the epidemic, various business-support measures began. Toyosu Market, the world's largest fish market, where only wholesalers can usually enter, expanded its retail distribution by adding a page for individuals to Inaseri, a seafood e-commerce site, which was only for restaurants, sending high-quality seasonal fresh seafood directly from the market to consumers' homes.
- As the market normalises, seafood foodservice volume sales will rise. It will only witness a delayed recovery to its former sales level, which will be achieved beyond the end of the projected period, since consumption occasions that relocated from foodservice to the house will stay to some degree even after the vaccine rollout in 2021 and the easing of lockdown measures. Due to the pandemic's poor economic effects, many consumers will search for methods to conserve money, limiting purchase occasions. Working from home will also be more common than previously. While Japan's conventional corporate culture prevented working from home in the past, an increasing number of enterprises enforced or advised remote working for workers due to COVID-19. This trend is anticipated to continue, albeit to a lesser level, moving ahead. This will drive more people to eat at home, slowing fish and seafood restaurant revenues.

Appendix

APPENDIX A - INCOTERMS CHART

Incoterms® 2020											
Transportation	Any mode of transport		Sea and inland waterway transport				Any mode of transport				
	EXW	FCA	FAS	FOB	CFR	CIF	CPT	CIP	DAP	DPU	DDP
Incoterm	Ex Works (Place)	Free Carrier (Place)	Free Alongside Ship (Port)	Free On Board (Port)	Cost and Freight (Port)	Cost Insurance & Freight (Port)	Carriage Paid To (Place)	Carriage and Insurance Paid to (Place)	Delivered at Place (Place)	Delivered at Place Unloaded (Place)	Delivered Duty Paid (Place)
Export packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to port/place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export duty, taxes and customs clearance	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin terminal charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	*Seller	Negotiable	**Seller	Negotiable	Negotiable	Negotiable
Destination terminal charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Unloading at destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer
Import duty, taxes, and customs clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller

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