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**EXPORTADOR**

DEPARTAMENTO DE  
INTELIGENCIA DE MERCADOS

## Trade Opportunities

Japan



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# Japan

## 1. Background Data

Official Name	Japan
Capital	Tokyo
Language	Japanese
Currency	Yen
Population (2016)	127 million

Source: World FactBook. Prepared by: Promperú

## 2. Macroeconomic Indicators

Year	2014	2015	2016*
GDP Growth (%)	0.0%	0.5%	0.5%
Per Capita GDP (US\$)	37,442	38,054	38,731
Inflation Rate (%)	2.7%	0.8%	-0.2%

Source: IMF. Prepared by: Promperú. Note: \*Projected

## 3. Exports Peru - Japan (FOB US\$ million)

Sector	2011	2012	2013	2014	2015	Var. % 15/14	TCP % 15/11
Traditional	2,040	2,440	2,092	1,453	1,003	-31.0	-16.3
Nontraditional	134	131	135	131	114	-12.9	-4.0
Total	2,175	2,571	2,226	1,584	1,117	-29.5	-15.3

Source: SUNAT. Prepared by: Promperú

## 4. Preferences Obtained in Trade Agreements

- Economic Partnership Agreement Peru-Japan (Effective): The Economic Partnership Agreement Peru-Japan, effective March 1, 2012, allows preferential access to a consolidated international market, which also has a consumption capacity of high value-added products. In this context, the agreement allows products of the Peruvian export supply such as coffee, asparagus, sacha inchi, giant squid, purple corn, Cusco giant corn, swordfish, among others, to enter the Japanese market with preferential access.

- Trans-Pacific Partnership Agreement (TPP) (About to become effective): Peru and Japan are signatory parties to the Trans-Pacific Partnership Agreement (TPP), which will allow preferential relations between twelve economies of the Pacific Rim. In this context, products of interest to Peru that do not currently enjoy relief in Japan, such as grapes, preserved asparagus, pre-cooked shrimp, citrus juices, among others, may enter this market duty-free. For more information about the tariff reduction applied by Japan to products originating in TPP members see: [List of products for export to Japan](#)

## 5. Trade Opportunities<sup>1</sup>

### Foods

<sup>1</sup>Through ECLAC (Economic Commission for Latin America) methodology, it has been possible to identify opportunities for products classified into two main groups: "Star" and "Promising". The "Star" products are those that have shown strong dynamism in their respective sales volumes during the last five years and have a significant share of total imports. In other words, they are the products that have the greatest potential for success in the destination market today. On the other hand, the "Promising" products are those whose imports are growing at above-average rates but do not yet have a significant share of the total sales volume.

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'080390	Bananas, fresh	Star	842	4.6%	Philippines - 86% Ecuador - 10%
2	'071080	Legumes and vegetables, other (frozen asparagus/cherry tomatoes)	Star	392	0% - 5.4%	China - 75% Ecuador - 10%
3	'200899	Fruit, prepared or preserved, fresh or in syrup	Star	258	0% - 18.6%	China - 49% Thailand - 13%
4	'160559	Shellfish, prepared or preserved: Other (Giant squid/abalone)	Star	216	0% - 15%	China - 82% Peru - 5%
5	'080440	Avocado, fresh	Star	153	0%	Mexico - 95% USA - 3%
6	'200591	Vegetables, prepared or preserved, other than with vinegar or acetic acid	Star	134	6.2% - 22.4%	China - 99% Thailand - 1%
7	'160415	Mackerels, preserved, whole or in pieces	Promising	93	0%	China - 49% Thailand - 31%
8	'160556	Shellfish, prepared or preserved: Clams, cockles and arkshells	Promising	85	0%	China - 82% South Korea - 8%
9	'081110	Strawberries, frozen	Promising	65	4.4% - 5.4%	China - 42% USA - 20%
10	'080610	Grapes, fresh	Promising	58	10.6%	USA - 42% Chile - 40%

Source: Trademap. Prepared by: Promperú

### Clothing and Decorations

RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'611020	Knitted cotton sweaters, pullovers, cardigans and similar	Star	1,177	0%	China - 69% Vietnam - 11%
2	'620342	Cotton pants and shorts	Star	956	0%	China - 48% Bangladesh - 14%
3	'610443	Knitted or crocheted synthetic fiber dresses for women and girls	Star	314	0%	China - 86% Vietnam - 3%
4	'610462	Knitted cotton, pants and shorts	Promising	245	0%	China - 78% Vietnam - 12%
5	'620211	Woolen or fine hair overcoats, raincoats, short coats and capes	Promising	208	0%	China - 62% Italy - 13%
6	'611120	Knitted cotton garments and accessories, for babies	Promising	190	0%	China - 81% Cambodia - 4%

7	'611012	Knitted wool or fine hair sweaters, pullovers, cardigans and similar	Promising	159	0%	China - 52% Cambodia - 23%
8	'630231	Cotton bedding, linen, other	Promising	153	0%	China - 95% Bangladesh - 2%
9	'620212	Cotton overcoats, raincoats, short coats and capes	Promising	133	0%	China - 63% Vietnam - 12%
10	'621420	Woolen or fine hair neckerchiefs, scarfs, and ski masks	Promising	136	0%	China - 38% Italy - 28%

Source: Trademap. Prepared by: Promperú

Miscellaneous Manufactured Articles						
RK	Tariff Item	Description	Class	Imports 2015 Million US\$	Tariff Peru	Participation Supplier
1	'392690	Plastic manufactures, other	Star	2,114	0%	China - 56% USA - 11%
2	'870899	Motor vehicle parts and accessories, other	Star	878	0%	China - 40% Thailand - 13%
3	'330499	Makeup preparations, other (Natural cosmetics)	Star	738	0%	France - 33% USA - 22%
4	'870830	Motor vehicle parts and accessories, brakes and power-assisted brakes	Star	568	0%	China - 52% Thailand - 11%
5	'401699	Vulcanized rubber manufactures without hardening, other	Star	434	0%	China - 39% Thailand - 21%
6	'841391	Centrifugal pumps, parts and pieces	Star	417	0%	China - 37% S. Korea - 14%
7	'841370	Centrifugal pumps, other	Promising	193	0%	China - 29% Norway - 21%
8	'730840	Iron or steel materials for scaffolding, shuttering or propping	Promising	154	0%	China - 62% South Korea - 24%
9	'901580	Instruments and apparatus for geodesy, topography and surveying	Promising	104	0%	USA - 41% Switzerland - 13%
10	'843143	Machine parts for sounding or drilling equipment	Promising	90	0%	China - 26% USA - 17%

Source: Trademap. Prepared by: Promperú

## 6. Consumer Trends

- ✓ **AGING OF THE POPULATION.** In 2030, Japan will have 117 million inhabitants, which means a decrease of 7.7% compared to the 2015 census. It is also expected that about a third (31.5%) of the population will be represented by the elderly (over 65 years), making the country the nation with the highest average age in the planet. This will create opportunities for providers of healthful products such as fresh fruits and functional foods, as well as tour operators and providers of services related to well-being

- ✓ **STAGNATION OF INCOME** Although Japan has the second highest per capita income in Asia Pacific, equivalent to US\$31,654, during the last five years this indicator has only increased at an average annual rate of 0.1%, which was almost imperceptible if one takes into account the increase in the sales tax in 2014 and the uncertainty created by the early elections. For the period 2015-2030 no substantial improvement is expected; in fact, Euromonitor International estimates an average growth of 1.1% to US\$36,882, which would make Japan drop to third place in Asia Pacific with respect to income level.
- ✓ **CONTRACTION OF SALES OF FRESH FISH AND SHELLFISH.** Sales of fresh fish and shellfish have been significantly affected by the VAT increase and the weakening of the yen. The greatest impact has been on sales of shellfish, while the average price of prawns (40% imported /60% domestic) increased by 15%, the price of crabs rose by 25%, which brought a reduction in the sales volumes of these products and increased demand for deep-water fish, which is usually less expensive. Nevertheless, it should be noted that Japan maintains one of the highest consumption per capita levels in the world in terms of seafood products, equivalent to 32 kg in 2014, a figure seven times greater than recorded for the United States, for example.
- ✓ **THE FRUITS ARE POSITIONED.** "Fresh" and "Healthful" are increasingly important concepts in Japan, and thus, fruits are becoming a key food within the modern diet of the consumers. While it is true that apples, bananas and citrus continue to lead consumption rankings, in the medium term it is expected that the fruits that will have the best sales performance will be blueberries and, to a lesser extent, cherries.
- ✓ **NEW FCC LABEL CREATES OPPORTUNITIES FOR FUNCTIONAL CONSUMABLES.** The Japanese Government introduced the new FCC label in April of 2015, thus replacing the expensive and complex FUSHO certification. The FCC accreditation allows the publication in the packaging of healthful properties of relatively new consumables for industry, requiring only the presentation of a scientific research, or clinical test, conducted by third parties, that endorses such benefit, and is no longer based on a prior study by the government as required by the FUSHO certification.

## 7. OCEX

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