

Overall, Japanese imports of value-added fishery products, eel in finished or semi-finished form has occupied a substantial portion. Japanese fish companies have also been diversifying their operations into beef (with the liberalization of imports), restaurants and other food services. They are essentially trying to expand on their traditional strengths. The expected increases in beef consumption, with the removal of import restrictions, will not likely be significant in the short term, as beef prices will likely remain high due to the new import tariffs. Although import quotas were removed, tariffs were increased to 70% from 25% and will only gradually be reduced by 10 points a year in fiscal 1992 and 1993. Compared to the expenditures on three most popular meats, those on fish and shellfish are still high.

Domestic tastes are also changing as the Japanese consumer is wealthier and has more leisure time. With an almost zero immigration policy, women are being encouraged to enter the workforce, and are doing so in increasing numbers. Because of this less time is devoted to preparing and cooking meals, changes which are reflected in the increases in demand for ready-to-eat, pre-cooked and prepared foods. The eating-out category also continues to be strong. These trends indicate a continued shift in consumer preference and demand toward more convenience and a greater variety in food and seafood. The Japanese consumer is very demanding in terms of quality and freshness and with limited storage space, fresh foods, such as fish, are often purchased daily.

The traditional structure of Japan's domestic market is also changing. The previously complicated distribution system characterized by a series of middlemen, and consequently many mark-ups, is slowly being transformed by supermarkets and other institutional players who are increasingly bypassing wholesale markets or are importing directly from the international markets. These changes have come about through the development of increased buying power for entities such as supermarkets.

The strong yen has resulted in a dramatic increase in the supply of foodstuffs in the domestic market. Seafood imports in 1993 to Japan were at a record level, and this has caused prices for most seafood to decline 20% to 30%. Since the recession, consumers in Japan have had more power to decide what type of products they will purchase. This new consumer power is not expected to change in the future, even when the economy recovers. There are three key words to describe the current preferences of consumers: health, convenience and gourmet.

The Japanese supermarket has bin after bin displayed with whole, processed, fresh and frozen seafood. Virtually every marine species you can think of is available to the Japanese consumer. Eel, squid, octopus, lobster, shrimp, capelin, dried sardines, salmon, geoduck, mussels, oysters, clam, trout, herring, herring roe, whitefish, tuna, sea urchin roe, surimi, and kelp, etc. are neatly packaged and of excellent quality.