

**GENERAL SESSION: TRADE ENVIRONMENT**

**Currency Changes and Impact on Trade** - M. Yoshioka - Managing Director, MITSUI and President, Japan Marine Products Importer Association. (JMPIA)

- Appreciation of the yen since 1985 has provided a major impetus for the increase of imports and total demand has grown 3 1/2 times in the last decade, particularly in shrimp, tuna and salmon. Japanese imports are affected by the price of products, supply and demand. The importation of fish and seafood products in Japan reached 2.4 million tonnes in 1988, value equivalent to \$10 billion US. The exchange rate has weakened 8 percent since early 1989, which has, in turn, decreased import volume.

- Domestic consumption has now levelled off in shrimp and salmon, leaving significant inventories of shrimp, salmon and squid imported in 1988/89. This oversupply due to both the yen's appreciation and a lack of market studies done in Japan) has lowered domestic prices. If the yen stays stable, the market will remain steady for imports. This is also linked to cooperation between exporters and Japanese importers who must remain in close contact to stabilize marketing in Japan and acquaint each other with the characteristics of both the producing areas and the buyers market.

- His personal opinion - the yen will remain weak and not see 130 again - from 140Y-155Y to the US\$ - thus increasing the cost of imports. (As of 24/4/90, the yen is 158Y to the US\$).

**Alternative Market Channels: Supermarkets, Department Stores** - Takashi Takatsu, Manager, Foods Merchandising Division, Seibu Department Stores.

- 1985 Data: Retail sales totalled Y32,500 trillion - supermarkets are 20 percent of this total, department stores 5 percent, smaller stores account for nearly 50 percent of sales.

- Items are divided into meats, foods and marine products, with marine products showing the greatest increase - shrimp is highest, 6th is salmon, 8th is tuna and 11th is crab.

- 1988 data shows fresh fish remaining the favourite in small stores - import share of Seibu group is small but growing, as the distribution network grows away from the smaller stores to the supermarkets and department stores.

- ratio of imported products in Seibu and other stores is 35-40 percent, mostly tuna, salmon and crab, as higher incomes and reduced domestic catches have lead to higher imports.