

JAPANESE SEAFOOD MARKET

The Japanese are the largest consumers of fish and fishery products in the world: that country's fishery imports account for roughly 30% of the world trade in fishery products. Per capita consumption in 1992 of fish and shellfish, in terms of estimated live weight, was 69.8kg in Japan, compared to 7.1kg in Canada and 6.8kg in the U.S. Since the institution of the 200-mile limit Japan has had to rely increasingly on imports to satisfy domestic demand. With the curtailment of access to foreign waters and the implementation of various restrictive measures for fisheries on the high seas, Japanese fishing companies have been forced to rationalize their fishing fleets. Once home to one of the world's largest fishing fleets, Japanese fishing companies are increasingly being forced to mothball their ships, contract them out to other countries, or sell them outright.

Domestic landings of seafood have fallen off, due to restricted foreign access and to overfishing and pollution of domestic waters. Although Japan has an active aquaculture industry, they have not been able to compensate for the lower wild landings. While Japan's total catch had not gone down below 10 million MT for over 10 years, the catch went down to 9,978 thousand MT in 1991. In 1992, the total catch went down further to 9,290 thousand MT. This decline has been one of the major reasons for the increase in imports of fish.

By the end of 1993 the strong yen against the U.S. dollar contributed to increasing the import of fishery products into Japan. As a result of the stronger yen lower priced species such as mackerel, capelin, and horse mackerel have become large import items -- and Canada experienced the highest import value ever. Over the past few years the seafood market has been characterized by a state of over-supply largely due to increased imports. This tendency was particularly noticeable in 1993 as the long-continuing economic slowdown led to a serious curtailment in consumer expenditures on various goods including seafood.

Under the economic boom which lasted until 1991, the fishery industry was referred to as one of the typical "three-k industry" (*kiken*: dangerous, *kitanai*: dirty, and *kitsui*: hard work) and suffered a serious shortage of labour. Young workers in particular did not want to work in a three-k industry as they could find much easier and cleaner as well as better-paid jobs in other industrial sectors. In addition, any substantial increase in the acquisition costs of fish for further processing has in some cases resulted in fewer fish processors willing to process low margin products, such as capelin.

Due to the hike in the acquisition costs of capelin, many processors who had specialized in capelin processing have now stopped processing this product or started processing other species. Many fish processors have looked to set up processing operations abroad to take advantage of lower costs, especially lower labour costs. One of the largest items produced in foreign countries with Japanese know-how and imported into Japan in finished or semi-finished forms has been eel from Southeast Asian countries.