

5 Imports

Bottled water imports increased from zero in 1980 to more than 4 million litres in 1987 and an expected 10 million litres in 1988 with a value of about \$7 million. Imports now supply about 10 per cent of total demand and are increasing much more rapidly than domestic production. If the current growth rates are maintained, it is a market segment which is expected to expand significantly in the next few years. The rapid growth in bottled water imports is reflected in Table 2.

Table 2

Volume of Imports

Year	Volume (Litres)	Value (000 yen)
1982	205 149	46 247
1984	1 412 905	298 743
1986	1 503 474	177 997
1987	4 224 545	445 850
1988 (Jan-Nov)	9 444 087	687 847

Source: Japan Trade Statistics

Note: \$1 Cdn = 100 yen

6 Supplying Countries

France is by far the leading supplier with approximately 80 per cent market share in 1988. Canada is in the initial stages of what should develop into a significant market penetration and volume increase over the next several years. One could easily project volume of 2-3 million litres in the next year or two if sales forecasts come close to being reached. Major Canadian brands include Western Canadian Water's Canadian Blue, which is distributed by Mitsubishi Heavy Industries directly to home and office markets, Quebec Brand, Canadian Rocky, Quill, and Bourassa.

Table 3

Volume and Value from Major Importers

Country	Volume (Kilolitres)	Value (yen million)
France	7 517	555
Canada	323	24
United States	447	23
Republic of Korea	121	11
North Korea	60	5
Norway	549	32
Italy	50	4
F.R.G.	29	5
United Kingdom	88	5
Switzerland	54	4
Denmark	13	2
Chile	50	4
Greenland	7	3
Turkey	37	1
Belgium	70	5
Total	9 444	688

7 Tariff Classification

According to Japanese statistics, bottled water enters Japan under two classifications:

- CCCN number 2201-10 spa waters and aerated waters — 3.2% tariff; and
- CCCN number 2201-90 others — free of duty.

8 Packaging

The most popular retail package, particularly for the imported product, is the 1.5 litre flexible clear plastic bottle. The major exception is Perrier which is distributed in 200 ml, 330 ml and 700 ml sizes.

The Japanese image of Canada as a land of clean air, pure water, open space and natural beauty can be utilized to advantage in the packaging/labelling design process for a bottled water product geared to the Japanese market.

9 Pricing

The following is a non-exclusive listing of brands of bottled water available in the Tokyo area in March 1988. Canadian firms should have no difficulty remaining price competitive with other suppliers, particularly European as a result of a freight and currency advantage.