

**ADDRESS BY HON D. GOKHOOL,
MINISTER OF INDUSTRY, SCIENCE
AND RESEARCH**

**WORKSHOP
ON
“ACCESSING THE JAPANESE FOOD AND
BEVERAGE MARKET SUCCESSFULLY”**

**Monday 3 August 2009
at 09 30 hrs**

La Cannelle, Domaine Les Pailles

A very good morning to you all.

Let me ,first of all, extend a very warm and cordial welcome to all our distinguished and eminent overseas guests form Jetro, *Japan External Trade Organization*

It gives me immense pleasure to be to be associated with this morning's very important event which aims at promoting increased economic co-operation between Mauritius and Japan.

Today's workshop form part of the continued efforts in the recent past, to strengthen cooperation and economic relations between Japan and Mauritius. As previous Minister of Education and Human Resources, I encouraged and supported the National Productivity and Competitiveness Council to work closely with the Japan Productivity Centre for Socio-Economic Development (JPC-SED) which has extended its technical cooperation to African Nations including Mauritius.

In November 2008, as new Minister of Industry, Science and Research, I met a delegation of SOJITZ Cooperation from Japan to explore investment possibilities. In July this year, my colleague Minister of Agro-Industry and Food Security was on official mission to Japan to discuss avenues of collaboration in the Fisheries Sector in the wake of the renewal of the agreement between the Mauritius and Japan Tuna Fisheries Cooperative Association for the fishing in the Mauritius Maritime Zone. I therefore take this opportunity to congratulate Enterprise Mauritius for taking the initiative for organising this Workshop in collaboration with JETRO.

1. Activities of JETRO

JETRO's main mission is to promote mutual trade and investment between Japan and the rest of the world.

Following the adoption of the Yokohama Action Plan at TICAD IV in Japan, JETRO launched a program aimed at boosting African exports to Japan called "Access Japan! – Program for African Products to Enter the Japanese Market"

The program consists of four phases:

1. Access potential of African products in the Japanese market
2. Provide guidance on product improvement and marketing
3. Support African firms in entering the Japanese market
4. Compile and communicate results of phases 1-3 at seminars

As part of Phase 1 of this program, JETRO implemented an Evaluation Service for African Products with the objective of assessing the marketability of African products for export to Japan and providing counsel to producers on future product development.

In line with the above objectives this Workshop is being organized in collaboration with Enterprise Mauritius for the interest of Mauritian Food and Beverages companies.

I am hopeful that our local enterprises in this sector will take full advantage of this unique opportunity to make their products known to our visitors and work towards securing export business. They will also have the opportunity to assess the quality and standards of their products for export markets.

2. Japanese Economy

Japan is densely populated country, the eighth most populated nation in the world with one of the strongest economy in the world. Even if most economies of the world are experiencing the impact of the global financial and economic crisis, and Japanese economy has not been spared, there is need to be proactive and prepare the road for recovery.

It is noteworthy that over the years, economic growth has raised the standard of living of the Japanese people and is now comparable to that of the United States. Income in Japan is evenly distributed which makes purchasing power of the Japanese quite high compared to many developed countries.

Japan's main export goods are cars, electronic devices and computers. The most important single trade partner is the USA which imports more than one quarter of all Japanese exports. Other major export countries are Taiwan, Hong Kong, South Korea, China and Singapore.

Japan has a large surplus in its export/import balance. The most important goods that Japan imports are raw materials such as oil,

foodstuffs, and wood. Major suppliers are the USA, China, Indonesia, South Korea, and Australia.

The United States and China remain the largest exporters of F&B products to Japan, accounting for 40 percent of Japan's F&B imports in 2008. The main products imported from the United States were corn, soybeans, pork and wheat. These products account for 63 percent of Japan's F&B imports from the United States.

The main imports from China are prepared or preserved chicken and pig meat, prepared or preserved fish, crustaceans and mollusks, and prepared vegetables. These products accounted for 25 percent of Japan's F&B imports from China.

The main reason for Japan's dependency on import of food and agro products is that the amount of land in Japan suitable for agriculture is insufficient to produce enough food for Japan's large population. It therefore imports more than 60 % of their requirements in food from other countries. Besides Japanese spending on food accounts for around 17.5 percent of total household expenditure, which is higher than in many other OECD countries.

However Japanese importers insist on high quality products. They have their own norms and standards and therefore Japanese importers may conduct product testing for quality and standards before concluding sales.

This workshop jointly initiated by JETRO & EM is precisely aimed to create awareness for our exporters of food products who want to penetrate the Japanese market.

3. Trade Flows Mauritius - Japan

As far as Mauritius is concerned, the main sectors of imports from Japan relate to the automobile and the electronic sectors. Exports to Japan is quite limited.

From trade flows, the trade balance between Mauritius and Japan is by far largely in favour of the latter. Exports from Mauritius to Japan in 2008 were only USD 524,000 in 2008 while imports exceeded USD 21,250,000 – a trade gap of 40 times. Our exports are mainly fresh cut flowers and some tea.

EXPORTS TO JAPAN in 2008	FOB VALUE(RS)
Other live plants excl heading 06.01 and 0602.10/20/30/40	14,142
Other fresh cut flowers and flower buds of a kind suitable for bouquets or for ornamental purposes	17,133,593
Cut flowers/bud for bouquet or ornamental purpose excl fresh	124,549
Fresh part of plant without flower/bud for bouquet/ornamental purposes	901,805
Black tea (fermented or partly fermented) in packing exceeding 3 kg	109,336
Oil seeds & oleaginous fruits excl. 120710/99, whether or not broken	23,173
USD 524,000	18,306,598

4. Actions initiated to penetrate the Japanese market

Inline with the Yokohama Action Plan mentioned above, at the end of last year, JETRO contacted EM to explore possibility of importing more products from Mauritius.

Following a call for interest to prospective exporters to Japan, EM sent free of charge 6 textile, 3 agro and 1 cosmetic sample products to JETRO in Japan for testing and evaluation. The report from JETRO has just been received and indicates that all three agro products have export potential to Japan. Some improvements in terms of quality and packaging may be required in some cases.

The size of the packagings must be adapted to suit the Japanese market.

5. The Japanese taste and requirements

Since Japanese consumers appreciate innovation and view food as art, they get easily bored with old products and always demand the best quality, the best looking, and the latest products and most importantly are highly brand-conscious.

I wish to remind the audience that as the Ministry in charge for Science and Research, a lot of emphasis is now being placed on the development of a culture of enterprise creativity and innovation. My Ministry is currently working towards the creation of a National Innovation System.

In this respect, EM has developed a financing scheme entitled “Upgrading of Product Quality, Standards and Packaging”. 26 applications from agro producers have already been processed. In addition, EM has also conducted seminars and carried out mini audits under a project partly financed by DCP which has benefited 9 agro-producers. Several of them have already applied for implementation of certification as per EU and other international norms (HACCP & ISO 22000).

6. Concluding note

As export diversification remains one of our main focus, EM with the support of the Ministry of Industry, Science and Research, its parent ministry of which I am the Minister, will spare no efforts to assist exporters in penetrating the Japanese markets.

This workshop therefore comes at a most opportune time and needs all our encouragement and support.

I am sure that all participants will take full advantage of this awareness campaign and will interact fully with the representative of JETRO present here.

I am also given to understand that there will be a Food and Beverage fair in Japan at the beginning of next year and that EM is preparing to participate along with exporters to this important fair. With these words, I thank for you attention and wish you all a very fruitful Workshop.

03 August 2009