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Global Analysis Report

Sector Trend Analysis

Crustacean Trends

In Japan

April 2017

Executive summary

In 2016, Japan was the second-largest importer of crustaceans in the world with US$3 billion in import sales. Vietnam, Thailand, and Russia accounted for 53% of imports, while Canada accounted for 7% and was the seventh-largest supplier with US$212.7 million in imports.

Japan's top imports were shrimp and prawns worth US$2.1 billion, followed by crab (worth US$738.2 million), and lobster (worth US$90.4 million). Frozen and processed crustaceans lead in sub-category imports.

Japan is a net importer of crustacean products with exports worth US$24.2 million in 2016, an 8% decline from 2015. The leading export products were crab and other crustaceans which accounted for 84% of exports.

Despite being one of the largest importers of crustaceans, Japan's domestic sales have been on a decline with a compound annual growth rate (CAGR) of -7% in retail volume sales. In 2016, the retail volume sales amounted to 514.6 thousand tons which made up 12% of Japan's fish and seafood sales.

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Trade Overview

In 2016, Japan was the second largest importer of crustaceans worth US$3 billion, with 41% of imports coming from Vietnam (17% market share), Thailand (12%), and Russia (12%). Although Japan accounts for 13% of the world's crustacean imports, the country saw a decline in imports with a compound annual growth rate of -8.1% from 2012 to 2016.

World imports also saw slow period growth with a compound annual growth rate of -2.1% from 2012 to 2016. Alternatively, China, South Korea, and the United States saw period development with a compound annual growth rate of 13.8%, 6.6%, and 0.2%.

Japan continues to be a net importer of crustaceans with imports of US$3 billion and exports of US$24.2 million in 2016. Most of Japan's exports went to Namibia, the United States, and Hong Kong. Crab accounted for 62% of Japans crustacean exports, followed by other crustaceans (with 22% share) and shrimp (with 14% share). Of all the crustaceans' categories Japan exports to the world, other crustaceans experienced a compound annual growth rate of 14% from 2012 to 2016.

Top 10 markets for crustacean imports in the world, US$ million

Country	2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
World total	**25,229.8**	**27,190.8**	**30,947.2**	**27,041.2**	**23,192.7**	**-2.1%**	**-**
1. United States	7,252.5	8,200.8	9,974.8	8,753.8	7,301.8	0.2%	31%
2. Japan	**4,177.8**	**3,834.6**	**3,678.6**	**3,087.0**	**2,978.6**	**-8.1%**	**13%**
3. China	1,134.0	1,437.5	1,671.4	1,861.4	1,904.8	13.8%	8%
4. Spain	1,251.1	1,341.5	1,524.8	1,409.4	1,140.1	-2.3%	5%
5. France	1,258.7	1,341.7	1,440.6	1,229.9	1,035.2	-4.8%	4%
6. South Korea	672.4	683.2	914.1	927.1	868.3	6.6%	4%
7. United Kingdom	879.4	945.1	1,123.6	1,043.0	805.8	-2.2%	3%
8. Canada	848.1	898.2	1,097.8	943.2	766.6	-2.5%	3%
9. Hong Kong	879.1	858.6	795.6	686.0	652.8	-7.2%	3%
10. Italy	744.7	808.0	940.2	803.6	621.1	-4.4%	3%

Top 10 crustacean suppliers and their top 3 markets & market share in 2016 US$ million

Country	Export value**	1st market	2nd market	3rd market
World total	22,730.93	United States - 27%	Vietnam - 11%	Japan - 8%
1. China	3,216.41	United States - 17%	Hong Kong - 15%	Taiwan - 15%
2. India	3,179.63	United States - 41%	Vietnam - 19%	Japan 9%
3. Canada	2,421.63	United States - 63%	China - 15%	Japan - 4%
4. Ecuador	2,158.17	Vietnam - 40%	United States - 22%	Spain - 10%
5. Thailand	1,871.17	United States - 42%	Vietnam - 22%	Japan - 7%
6. Indonesia	1,544.5	United States - 64%	Japan - 18%	China - 3%
7. United States	994.4	Canada - 39%	China - 17%	Italy - 5%
8. Argentina	947.8	Spain - 36%	China - 22%	Italy - 12%
9. Netherlands	646.0	Germany - 26%	Belgium - 25%	France - 13%
10. Denmark	605.4	Sweden - 22%	United Kingdom - 13%	Italy - 12%
44. Japan	**24.15**	**Namibia - 27%**	**United States - 24%**	**Hong Kong - 11%**

Source for both: Global Trade Tracker, 2016. *CAGR - Compound annual growth rate

****Note**: Partial data from November to December 2016.

Canada's performance

Canada is the third-largest supplier of crustaceans in the world with export sales of US$2.4 billion in 2016, a 14% decrease from the previous year. Despite this, Canada continues to be a net exporter of crustaceans with a surplus of US$1.7 billion in trade. The top markets Canada exported crustaceans to were the United States with export sales of US$1.5 billion, China (US$351.6 million), and Japan (US$107.6 million). The top crustacean products exported to the world were frozen crab (US$709.2 million), frozen lobster (US$ 531.0 million), live, fresh, chilled, dried, salted lobster (US$ 489.2 million), prepared/preserved lobster (US$ 276.0 million), and frozen-cold water shrimp and prawns (US$226.5).

Canada is the seventh-largest supplier of crustaceans to Japan, with import sales amounting to US$212.7 million in 2016. Over the five year period from 2012 to 2016, Japan's imports of Canadian crustaceans fluctuated resulting in a compound annual growth rate of -4.7% and a market share of 7%.

Top 10 suppliers of Japan crustacean products from the world, US$ millions

Country	2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
World total	**4,177.8**	**3,834.6**	**3,678.6**	**308.7**	**2,978.6**	**-8.1%**	**-**
1. Vietnam	588.0	651.5	703.8	583.1	507.3	-3.6%	17%
2. Thailand	811.8	623.5	451.9	381.5	361.7	-18.3%	12%
3. Russia	579.1	400.7	421.2	289.0	360.9	-11.1%	12%
4. Indonesia	467.9	509.4	450.1	397.1	351.3	-6.9%	12%
5. India	266.4	344.3	364.8	304.5	311.3	4.0%	10%
6. China	464.7	413.3	358.1	266.5	251.9	-14.2%	8%
7. Canada	**257.6**	**205.5**	**236.6**	**236.4**	**212.7**	**-4.7%**	**7%**
8. Argentina	116.5	121.8	150.1	125.6	129.8	2.7%	4%
9. United States	134.8	93.7	101.9	124.1	92.5	-9.0%	3%
10. Myanmar	63.7	70.9	71.8	54.5	46.6	-7.5%	2%

Crustacean supply gap, US$ millions

	2012	2013	2014	2015	2016**	CAGR* 2012-16
Japan's imports from the world	4,177.8	3,834.6	3,678.6	308.7	2,978.6	-8%
Japan's imports from Canada	257.6	205.5	236.6	236.4	212.7	-5%
Supply gap	**3,920.2**	**3,629.2**	**3,442.1**	**72.3**	**2,766.0**	**-8%**

Source for all : Global Trade Tracker, 2017. ***CAGR** – Compound annual growth rate

****Note**: Partial data from November to December 2016.

Consumer trends

Change in eating habits is affecting the consumption of seafood products. The acclimation of westernized diets among Japanese consumers is threatening the volume sales of fish and seafood. As a result, fish and seafood proodducts are eaten less in Japan. This decline in consumption is significant in age groups under 40 but also relevant to older Japanese consumers who also has a preference for western diets.

On average younger Japanses consumers under 40 purchase the lowest in fish and seafood in comparison to older generations (above 40), who are three times more likely to purchase fresh fish and seafood (Euromonitor, 2016). Futhermore, Japanse consumers find fish and seafood to be troublesome to cook at home and some lack the basic understanding of fish and seafood preparation. However, health and wellness trends could potential counterbalance the effect of this trend as Japanese become more aware of the health benefits associated with seafood consumptions. Overall, like in many other sectors, Japanese consumers are demanding more convenient and cheaper fish and seafood products (Euromonitor, 2016).

Retail Sales

Crustaceans recorded estimated volume sales of 514.6 thousand tonnes in 2016. Although this growth was marginal with an increase 0.7% from 2015, the per capita consumption of crustaceans resumed to 4.1kg in 2016 from 3.9kg in 2013.

Crustaceans are forecasted to grow at a negligible compound annual growth rate of 0.3% from 2017 to 2020 with total volume sales amounting to 522.1 thousand tonnes and per capita consumption expected to increase to 4.2kg.

Historic volume sales in tonnes ('000) of fish and seafoods in Japan, '000 tonnes

Categories	2012	2013	2014	2015	2016[E]	CAGR*	Market share
Fish and seafood	**4,236.8**	**4,133.8**	**4,190.5**	**4,214.3**	***4,232.9***	**0.0%**	**-**
Crustaceans	**528.5**	**491.5**	**505.4**	**511.0**	***514.6***	**-0.7%**	**12%**
Fish	2,822.6	2,780.2	2,863.6	2,906.6	*2,941.5*	1.0%	70%
Molluscs and cephalopods	885.7	862.0	821.4	796.7	*776.8*	-3.2%	18%

Forecast volume sales in tonnes ('000) of fish and seafoods in Japan, '000 tonnes

Categories	2017[F]	2018[F]	2019[F]	2020[F]	CAGR*	Market share
Fish and seafood	**4,246.4**	**4,255.5**	**4,263.0**	**4,268.3**	**0.2%**	**-**
Crustaceans	**517.2**	**519.2**	**520.8**	**522.1**	**0.3%**	**12.2%**
Fish	2,968.0	2,988.7	3,006.7	3,021.7	0.6%	70.8%
Molluscs and cephalopods	761.3	747.6	735.6	724.6	-1.6%	17.0%

Source for both: Euromonitor, 2017. E= Estimate F= Forecast ***CAGR** – Compound annual growth rate

****Note**: Partial data from November to December 2016.

Trade analysis by category

Japan`s top import category of curstaceans were shrimp and prawns which account for 72% of imports, followed by crab with 25% markets share of imports. Lobster and other crustaceans made up 3%. Shrimp, prawns, and crab continue to be the most commonly purchased crustacean products. However, they are continuing to suffer due to their expensive cost and association to high cholesterol, which is a factor middle aged Japanese consumers are concerned about according to Euromonitor.

Japan imports of crustacean products from the world, US$ millions

Category	2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
Total	**4,177.8**	**3,834.7**	**3,678.7**	**3,087.1**	**2,978.7**	**-8.1%**	**-**
Shrimp and prawns	2,972.4	2,947.6	2,751.9	2,272.5	2,138.7	-7.9%	71.8%
Crab	1,070.4	761.7	813.1	718.5	738.2	-8.9%	24.8%
Lobster	116.9	108.6	94.8	85.0	90.4	-6.2%	3.0%
Other crustaceans	18.1	16.7	18.8	11.1	11.3	-11.0%	0.4%

Source: Euromonitor, 2017. ***CAGR** – Compound annual growth rate

****Note:** Partial data from November to December 2016**.**

Shrimp and prawns

- Japan is the second-largest importer of shrimp and prawns in the world. Imports of shrimp and prawns experienced a decline in import sales with a compound annual growth of 8% from 2012 to 2016. This decline was partly due to a short supply of farmed shrimp and prawns in major exporting countries. There was an outbreak of disease caused by a virus.
- Frozen shrimp and prawns generated the most import sales of the category, representing 66% of shrimp and prawns imports in 2016.
- Japan imports 92% of its frozen coldwater shrimp and prawns from Canada, followed by frozen (4.4%) and prepared/preserved shrimp and prawns (3.8%). In Canada, coldwater shrimp is commonly cooked and peeled before being frozen. However the main demand for coldwater shrimp in the Japanese market is for sushi and sashimi, and the market's preference is frozen raw.

Japan's imports of shrimp and prawns products from the world, US$ millions

Category		2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
Total		**2,972.4**	**2,947.6**	**2,751.9**	**2,272.5**	**2,138.7**	-8%	-
030617	Frozen shrimp and prawns	1,908.0	1,940.4	1,814.3	1,465.0	1,413.0	-7%	66.1%
160521	Prepared or preserved shrimp and prawns	805.9	770.2	716.9	643.2	559.4	-9%	26.2%
030616	Frozen coldwater shrimp and prawns	226.6	213.2	202.7	155.3	153.7	-9%	7.2%
030627	Live, fresh, chilled, dried, salted shrimp and prawns	30.3	23.6	17.8	8.7	12.1	-20%	0.6%
160529	Prepared or preserved shrimp and prawns (in air tight containers)	1.59	0.19	0.25	0.30	0.39	-29%	0.0%
030626	Live, fresh, chilled, dried, salted cold-water shrimp and prawns	-	-	-	0.72	-	-	-

Japans imports of shrimp and prawn products from Canada, in US$ millions

Category		2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
Total		**88.78**	**74.41**	**79.56**	**74.37**	**69.30**	**-6%**	**-**
030616	Frozen coldwater shrimp and prawns	80.89	68.89	71.29	65.61	63.64	-6%	91.8%
030617	Frozen shrimp and prawns	4.23	1.79	0.45	1.20	3.03	-8%	4.4%
160521	Prepared or preserved shrimp and prawns	3.66	3.73	7.82	7.56	2.63	-8%	3.8%
030627	Live, fresh, chilled, dried, salted shrimp and prawns	-	-	-	-	0.01	0%	0.0%

Source for both: Global Trade Tracker, 2017. ***CAGR** – Compound annual growth rate

****Note**: Partial data from November to December 2016.

Crab

- Crab experienced positive growth with imports worth US$738.2 million in 2016, a 2.7% increase from 2015. However, this sub-category saw a negative compound annual growth rate of 9% from 2012 to 2016. In late 2014, Japan introduced a new regultation on imports of crabs from Russia in support of combatting IUU (illegal, unreported and unregulated) harvest. This caused a significant drop of imports of crabs from Russia in 2015.
- Frozen crab accounted for 70% of Japan's crab imports followed by prepared and preserved crab. These subcategories both saw negative period growth. However, live, fresh, dried, salted crab saw significant decline with a compound annual growth rate of -33% from 2012 to 2016.
- Canada is Japan's third largest supplier of crab products, worth US$92.75 million in 2016 and overall market share of 13% after Russia with 39% and China with 15% market share.
- 99% of Japan's crab imports were frozen crab, while the remaining 1% were prepared and preserved crab in 2016.

Japan's imports of crab products from the world, US$ million

Species		2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
Total		**1,070.4**	**761.7**	**813.1**	**718.5**	**738.2**	**-9%**	**-**
030614	Frozen crab	638.6	425.9	495.6	484.6	517.6	-5%	70%
160510	Prepared/preserved crab	294.5	255.7	237.9	206.8	192.3	-10%	26%
030624	Live, fresh, chilled, dried, salted crab	137.4	80.1	79.6	27.1	28.3	-33%	4%

Japan's imports of crab products from Canada, US$ million

Species		2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
Total		**130.97**	**90.08**	**110.11**	**119.15**	**92.75**	**-8.3%**	**-**
030614	Frozen crab	130.23	89.25	109.73	118.80	92.62	-8.2%	99.9%
160510	Prepared/preserved crab	0.65	0.82	0.37	0.32	0.13	-33.6%	0.1%
030624	Live, fresh, chilled, dried, salted crab	0.09	0.09	0.02	0.03	-	-	0

Source for both: Global Trade Tracker, 2016. *CAGR – Compound annual growth rate
****Note:** Partial data from November to December 2016.

Lobster

- Japan imports of lobster experienced a negative compound annual growth rate of 9% from 2012 to 2016 worth US$90 million.
- Canada is the largest supplier of lobster products to Japan in the world, with imports worth US$50.6 million in 2016. This accounted for 43% of Japan's imports from the world.
- Of the other crustacean products imported by Japan, lobster saw an increase in period growth of 0.1%.
- Live, fresh, chilled, salted and frozen lobsters account for 83% of Japan's lobster product imports from Canada.
- The number of live lobster importers is not increasing in Japan. Some of the exisiting importers have started looking into frozen or ultra high pressure (UHP) lobsters.
- It is still not common to cook a whole lobster at a regular household in Japan. Lobster is considered a seasonal item in the retail sector for Chrstmas.

Japan's imports of lobster products from the world, US$ million

Categories		2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
Total		**116.9**	**108.6**	**94.8**	**84.9**	**90.4**	**-6.2%**	**-**
030612	Frozen lobster	21.1	22.3	28.0	26.2	32.9	11.8%	36%
030611	Frozen rock lobster and other sea crawfish	54.8	48.4	32.6	29.7	28.5	-15.1%	32%
030622	Live, fresh, chilled, dried, salted lobster	23.4	24.7	24.8	21.4	18.1	-6.2%	20%
160530	Prepared or preserved lobster	0.9	1.7	2.1	2.6	6.4	63.4%	7%
030621	Live, fresh, chilled, dried, salted rock lobster and other sea crawfish	16.8	11.3	6.8	4.5	3.6	-32.1%	4%
030615	Frozen norway lobster	0.0	0.1	0.5	0.5	0.9	321.5%	1%

Japan's imports of lobster products from Canada, US$ million

Category		2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
Total		**37.8**	**41.0**	**46.9**	**42.9**	**50.6**	**8%**	**-**
030612	Frozen lobster	20.8	21.2	26.7	24.8	32.3	12%	64%
030622	Live, fresh, chilled, dried, salted lobster	16.0	18.2	18.3	16.5	14.6	-2%	29%
160530	Prepared or preserved lobster	0.9	1.5	1.9	1.5	3.7	44%	7%
030611	Frozen rock lobster and other sea crawfish	0.1	-	-	-	-	0%	0%
030612	Frozen lobster	-	-	-	0.1	-	0%	0%

Source for both: Global Trade Tracker, 2016. *CAGR – Compound annual growth rate
Note: Partial data from November to December 2016.

Other crustaceans

- The imports of other types of crustacean have dropped by a compound annual growth rate of 11% from 2012 to 2016, only accounting for US$11.3 million of Japan's imports from the world.

- The top suppliers of other crustaceans were China with 48% market share, New Zealand (with 37%), and South Korea (with 6%).

Japan's imports of other crustacean products from the world, US$ million

Type		2012	2013	2014	2015	2016**	CAGR* 2012-16	Market share
Total		**18.07**	**16.74**	**18.82**	**11.06**	**11.34**	**-11.0%**	**-**
030619	Frozen crustaceans	11.52	11.35	13.30	6.84	6.87	-12.1%	61%
160540	Prepared or preserved crustaceans	6.12	5.10	5.17	4.08	4.28	-8.6%	38%
030629	Live, fresh, chilled, dried, salted crustaceans	0.44	0.29	0.35	0.14	0.19	-18.6%	2%

Source: Global Trade Tracker, 2016. *CAGR – Compound annual growth rate
Note: Partial data from November to December 2016.

For more information

International Trade Commissioners can provide Canadian industry with on-the-ground expertise regarding market potential, current conditions and local business contacts, and are an excellent point of contact for export advice.

- **Overview of Trade Commissioner Services in Japan**
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Resources

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