



# Japan food market a tough nut to crack

Companies from the UAE and wider Middle East showcased their wares last week at what is one of Asia's largest produce exhibitions, Foodex 2017. However, they are finding Japan a competitive and demanding market.



The Foodex 2017 event in Chiba, Asia's largest food and beverage show, lured 3,282 exhibiting companies from 77 countries including the UAE. Christopher Jue / EPA



Richard Smith  
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CHIBA CITY // A Japanese woman approached the stand of Baghdad-based company Iraqi Dates for Processing and Marketing at the Foodex international food fair last week.

She said her company imported dates from Tunisia and was interested in importing the fruit from Iraq.

“Ask for her business card and give her information on this company,” Omar Al Shammari told the Japanese interpreter on hand to facilitate communications.

Mr Al Shammari works as the projects manager for the Japan External Trade Organisation (Jetro), a Japanese government-related organisation that focuses on promoting foreign direct investment into Japan, as well as helping small to medium size Japanese firms maximise their global export potential. A yearly international food fair, the four-day Foodex ended on Friday.

Iraqi Dates For Processing and Marketing represents just a small part of the Middle East date sector. The region, with 48 per cent of total global date production in 2015/16, leads the world in the output of dried fruits.

Table dates and dried grapes were the main dried fruits produced in the region. Almost the 80 per cent of world table date production is located in Middle East, according to the International Nut and Dried Fruit Council Foundation (INC).

World production of table dates reached 836,500 tonnes in 2015/16. The Middle East and Africa account for 94 per cent of world production, the INC reports.

Dates exported in 2014 hit almost 825,000 tonnes, 2 per cent up over the previous year and 49 per cent up compared with 2004, the INC says. Iraq exported 149,811 tonnes, being the top exporter in 2014.

The market analyst Technavio predicts the global packaged fruit snacks market will post a compound annual growth rate of more than 12 per cent by 2021

Away from fruit, UAE companies are also involved in the Japanese food market and face different challenges.

For the Dubai-based Emirates Macaroni Factory, the competition for its Pastarina brand, launched last year, resides in Italy. At Foodex for the second time, the company also exhibited its Emirates Macaroni brand. Emirates Macaroni Factory first came to Foodex two years ago.

“We hope to find [buyers] from Japan, Thailand or South Korea,” says the company’s sales director Khaled Ebraheem.

Another Dubai company, Mai Dubai, was at the show to push its bottled water. At the Gulfood trade event in Dubai last month, the company met representatives from a Japanese importer who then visited Mai Dubai’s bottling plant, says the chief

executive Jay Andres.

High quality is a must in the market in Japan, and Mr Andres says Mai Dubai meets that requirement, partly because it is owned by the Dubai Government. “[Sheikh Mohammed bin Rashid, Vice President of the UAE and Ruler of Dubai] follows our project, we cannot compromise on quality,” he says.

Other companies from the Middle East have not been so diligent and have faced the consequences.

Persian Gesture has been exporting 40 to 50 tonnes of nuts to Japan annually since 2015.

“I export to the US and Canada, but Japan is very sensitive about health and safety,” says its managing director Mohammad Hassan Salmanzade. Two of the firm’s shipments to Japan, one of pistachio and one of figs, were recently returned as they were deemed by Japanese authorities to be below acceptable quality standards.

Exhibiting at Foodex for the first time, meanwhile, the Jeddah, Saudi Arabia-based Sunbullah Group showcased its Alshifa honey brand. Despite having participated in food fairs in many countries, the company had not previously focused on Japan, says its general manager Khalid Saleh.

However, “Japan is definitely a good market for us”, he now believes.

Entering the Japanese market is hard because of the difficulty of obtaining visas and the geographic location of the country, says Mr Al Shammari, who supports Iraqi Dates’ venture into Japan. Nonetheless, Jetro sees a good fit for Iraqi dates in the country, he adds. “So [Jetro] wants to introduce Iraqi dates to Japan through Foodex.”

Foodex exhibitors sponsored by Jetro receive a subsidy for their participation. Instead of paying about US\$5,000 for their booth, they pay only about \$1,300, Mr Al Shammari says.

Any exporter wanting to penetrate a new market must first study it, not easy if the company has no presence in-country, Mr Al Shammari says. “That is why we think Foodex is so good, to help know about [Japan’s] market,” he says.

Still, some entrepreneurs from this region have become well established in the Japanese market.

Founded in Tokyo in 2003 and exhibiting at Foodex many times, Tistria is run by the Middle East-born Kiarash Rafieh, who has lived in Japan for 25 years. Mr Rafieh previously set up a Japan-based company that had imported food into the country since 1995. Tistria deals in dried fruits and vegetables, nuts, flours, essential oils and water. “Our dried fruits have more vitamins and minerals than fresh fruits,” Mr Rafieh says.

The company buys Japan-manufactured processing machinery that it ships to its Middle East plant, where they are used by local employees. Among the products Tistria imports to Japan are pistachios – a nut with an aflatoxin problem.

Aflatoxins are poisonous and contain cancer-causing chemicals that are produced by certain molds.

Whereas European Union countries allow pistachios with up to 18 per cent aflatoxin content, Japan restricts that to 10 per cent. It used to import 7,000 tonnes of pistachios a year from the Middle East but when the aflatoxin problem came to light in 1999, imports plummeted, hitting just 200 tonnes last year, Mr Rafieh says. So his company brought in a scientist to study how to resolve the problem. “We found a way to fight [aflatoxin] and started a new production process this year,” Mr Rafieh says.

In the past, Japanese consumers did not have much understanding or appetite for dried fruits and what they did buy were usually low-cost products from China, containing sugar, chemicals and artificial colouring, which Tistria says it never uses.

That is not the case today, Mr Rafieh adds. “The users in Japan did not know that, but now, after 10, 15 years, they have gained knowledge.

“In Japan, there a lot of old people who need to stay healthy, and they now know about that,” he adds.

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