

EXPORT TO JAPANESE MARKET

Fabrics/Garment/Interior Items

The Japan Textiles Importers Association
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- 1. First, check the latest statistics of Japan's textiles import (2013)**
- 2. Next, check current tendency of Japanese import of mainly garment**
- 3. Then, what's necessary for export business for the Japanese market**

Japanese Textile Import from World/Pakistan

(Please view distributed paper)

2013

(Value: Million Yen)

	World Over	From Pakistan
• Yarns Total	128,866	3,695(2.9%)
• Fabrics Total	211,107	2,233(1.1%)
• Clothing Total	3,153,331	1,907(0.1%)
• Other Made-Up Goods	509,851	1,509(0.3%)
• Grand Total	4,003,156	<u>9,344(0.23%)</u>

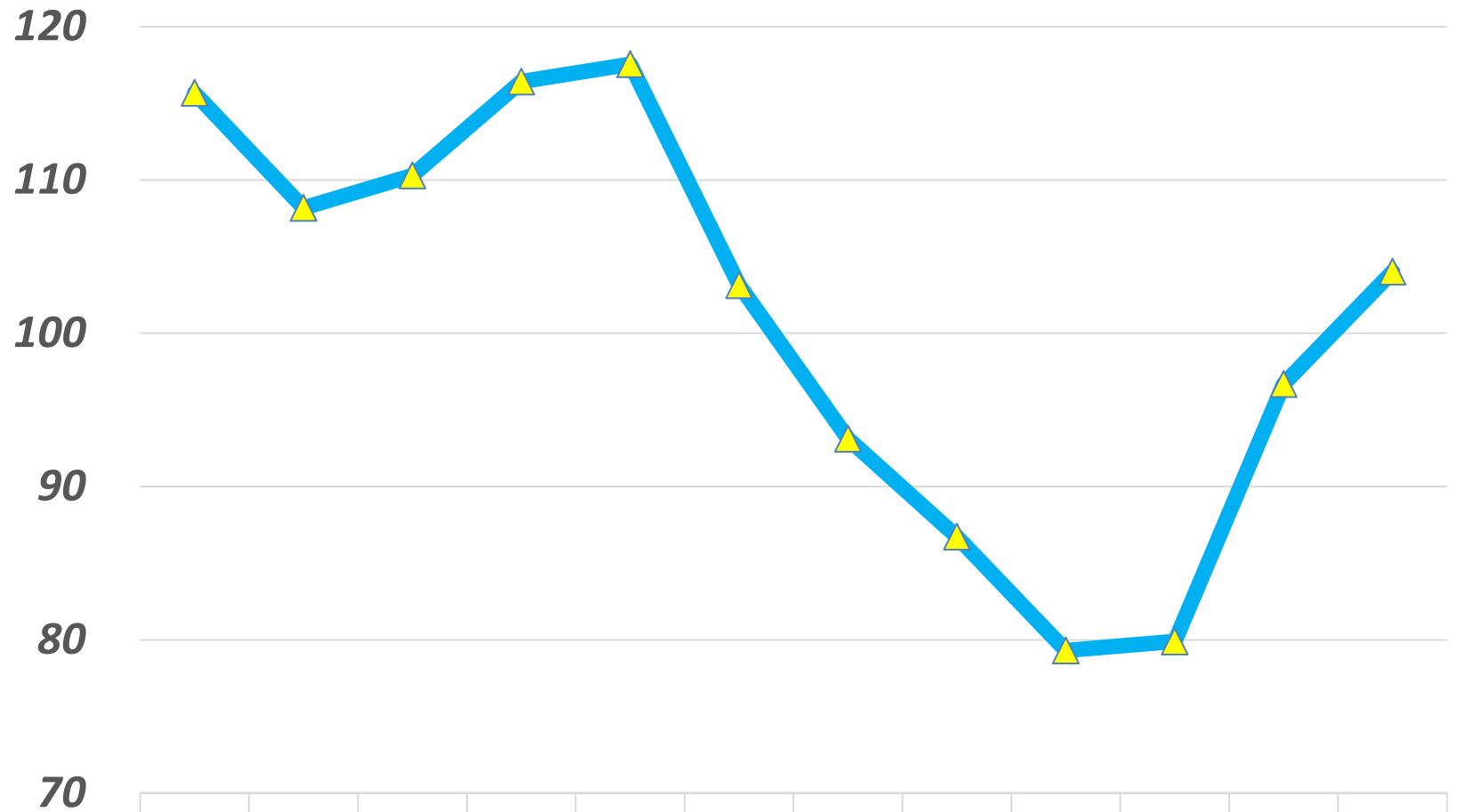
10 Biggest import countries of garment in the World

million US\$

Rank	Country	2009	2010
1	USA	72,064	81,942
2	German	30,552	32,622
3	Japan	25,552	26,867
4	England	21,861	23,142
5	France	21,072	21,795
6	Hong Kong	15,508	16,645
7	Italy	15,540	16,257
8	Spain	13,270	13,983
9	Netherlands	8,521	9,079
10	Canada	7,560	8,309

Source: WTO

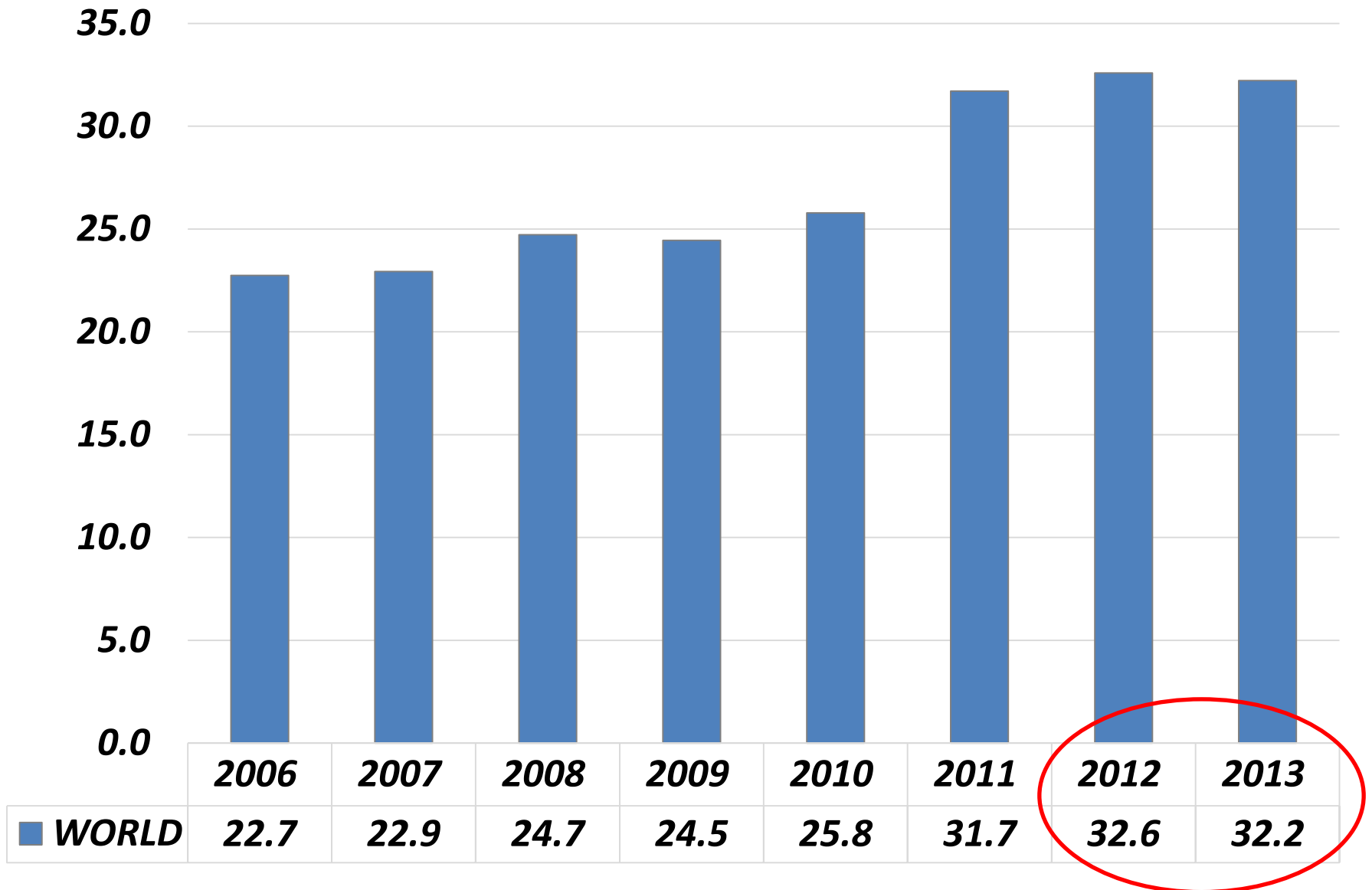
YEN/US\$



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
YEN/US\$	116	108	110	116	118	103	93	87	79	80	97	104

<Japan import> garment

Unit: *BLN.US\$*

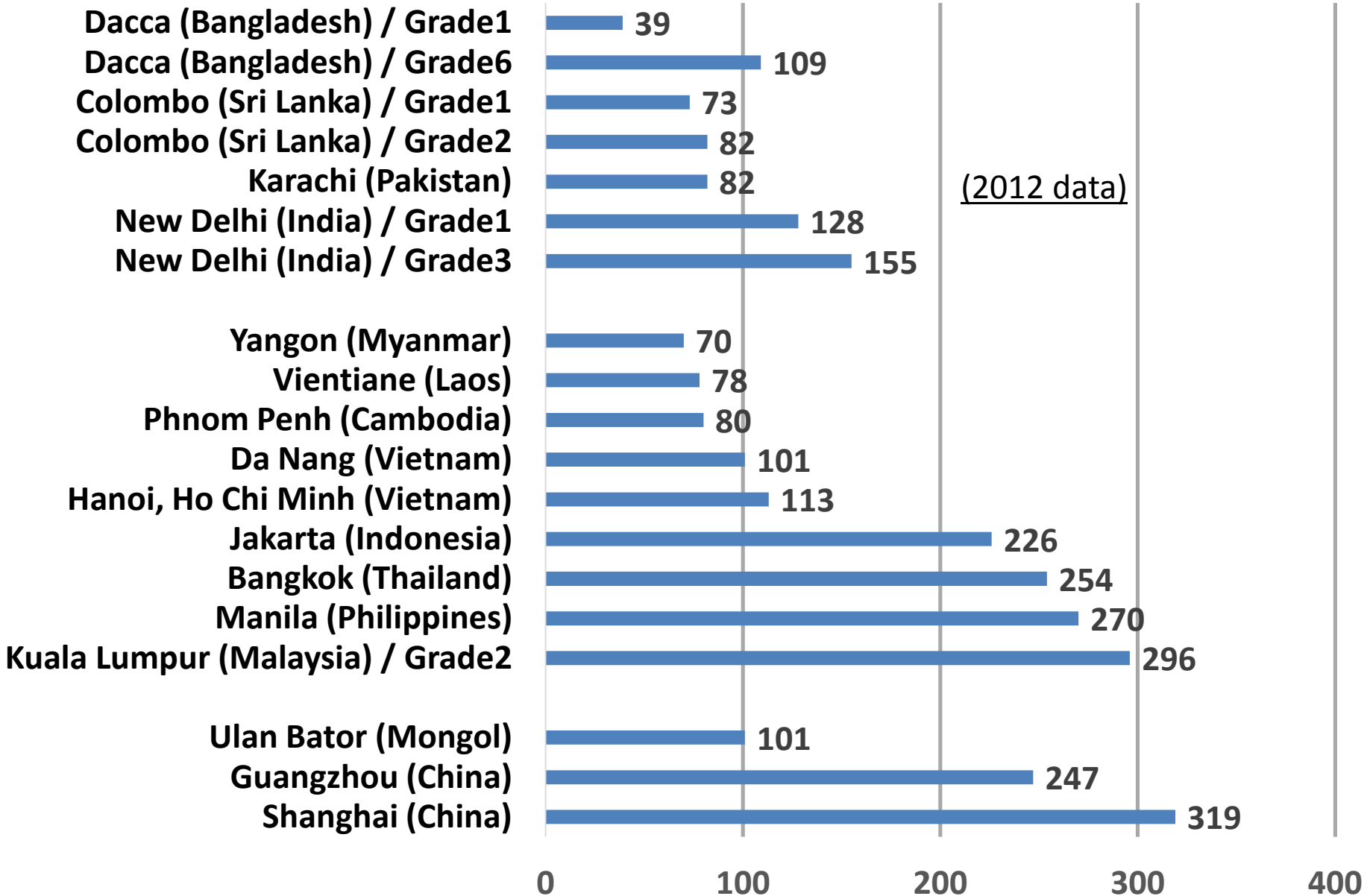


<Japan import> garment 2013

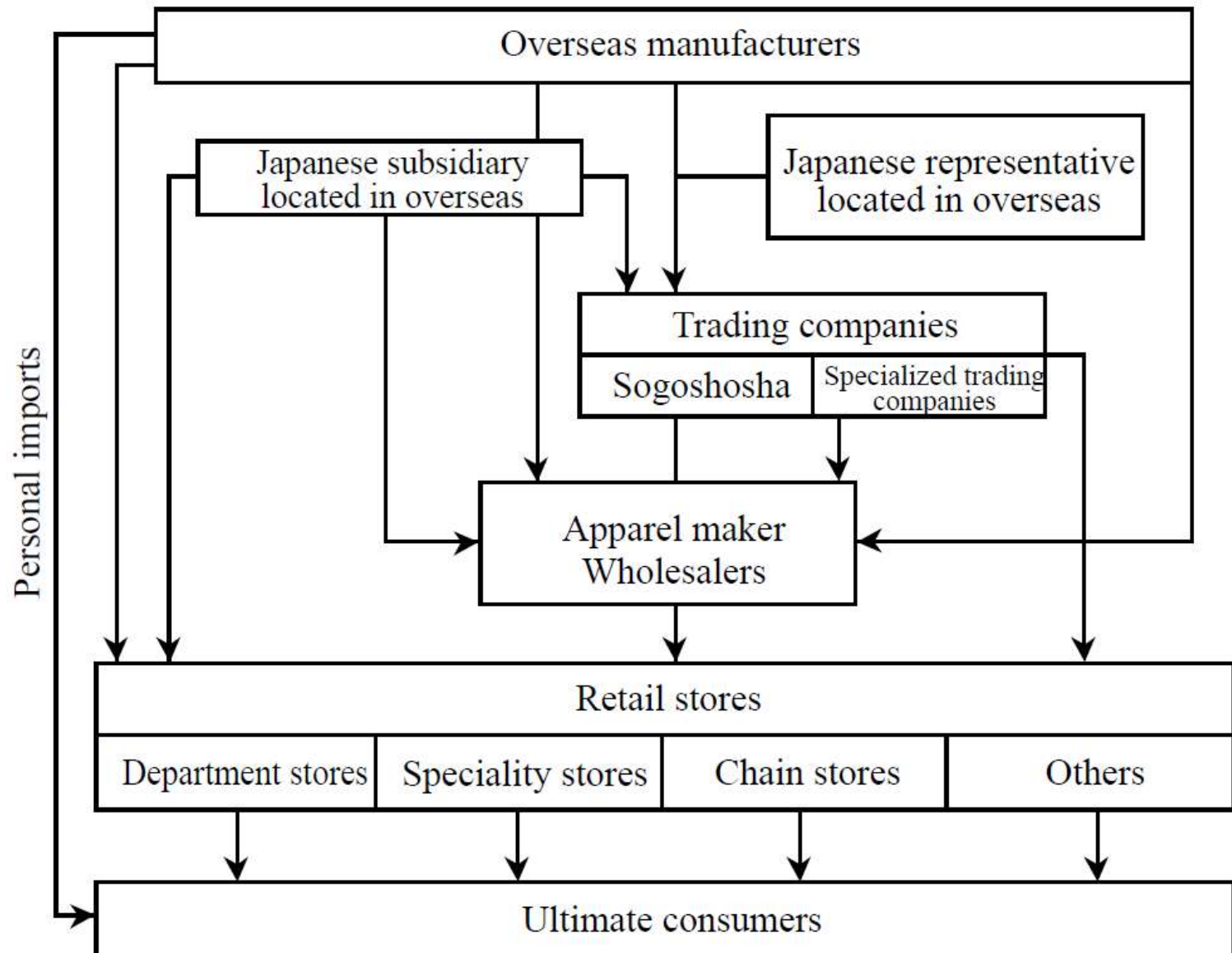
<i>@Million Yen</i>	KNIT	WOVEN	A'SSARY	TOTAL	SHARE
1 CHINA	<i>1, 083, 883</i>	<i>1, 009, 936</i>	<i>290, 808</i>	<i>2, 384, 626</i>	<i>75. 6%</i>
2 VIETNAM	<i>91, 893</i>	<i>121, 645</i>	<i>20, 383</i>	<i>233, 920</i>	<i>7. 4%</i>
3 ITALY	<i>23, 537</i>	<i>41, 131</i>	<i>18, 038</i>	<i>82, 706</i>	<i>2. 6%</i>
4 INDONESIA	<i>32, 969</i>	<i>42, 529</i>	<i>5, 394</i>	<i>80, 891</i>	<i>2. 6%</i>
5 BANGLADESH	<i>23,282</i>	<i>31,572</i>	<i>390</i>	<i>55,244</i>	<i>1.8%</i>
6 MYANMAR	<i>1,937</i>	<i>44,817</i>	<i>44</i>	<i>46,798</i>	<i>1.5%</i>
7 THAILAND	<i>22,939</i>	<i>7,352</i>	<i>15,313</i>	<i>45,604</i>	<i>1.4%</i>
8 CAMBODIA	<i>10,509</i>	<i>17,253</i>	<i>1,102</i>	<i>28,864</i>	<i>0.9%</i>
9 INDIA	<i>3,269</i>	<i>18,462</i>	<i>4,773</i>	<i>26,504</i>	<i>0.8%</i>
10 USA	<i>5,282</i>	<i>9,493</i>	<i>3,799</i>	<i>18,574</i>	<i>0.6%</i>
ASEAN	<i>169,068</i>	<i>241,536</i>	<i>51,801</i>	<i>160,169</i>	<i>14.7%</i>
EU	<i>34,530</i>	<i>59,277</i>	<i>27,249</i>	<i>121,056</i>	<i>3.8%</i>
TOTAL	<i>1,349,202</i>	<i>1,412,073</i>	<i>391,143</i>	<i>3,152,418</i>	<i>100.00%</i>

A'SSARY=SOCKS, STOCKINGS, FOUNDATIONS, HANDKERCHIEFS, SCARVES, NECKTIES, GLOVES, HATS, ETC.)

Legal minimum wage in Asia (US\$/month)

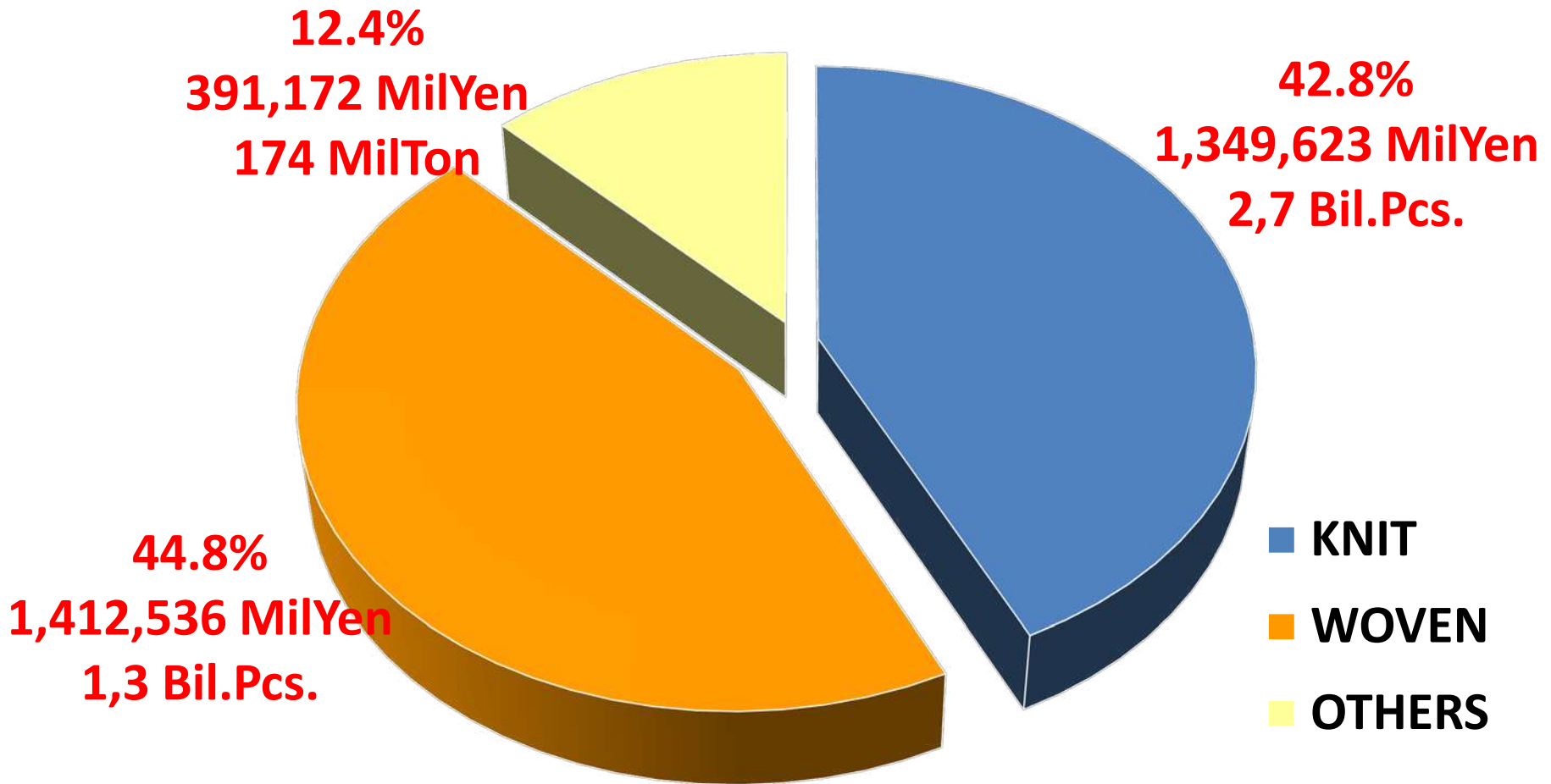


Distribution Channels of Imported Wear



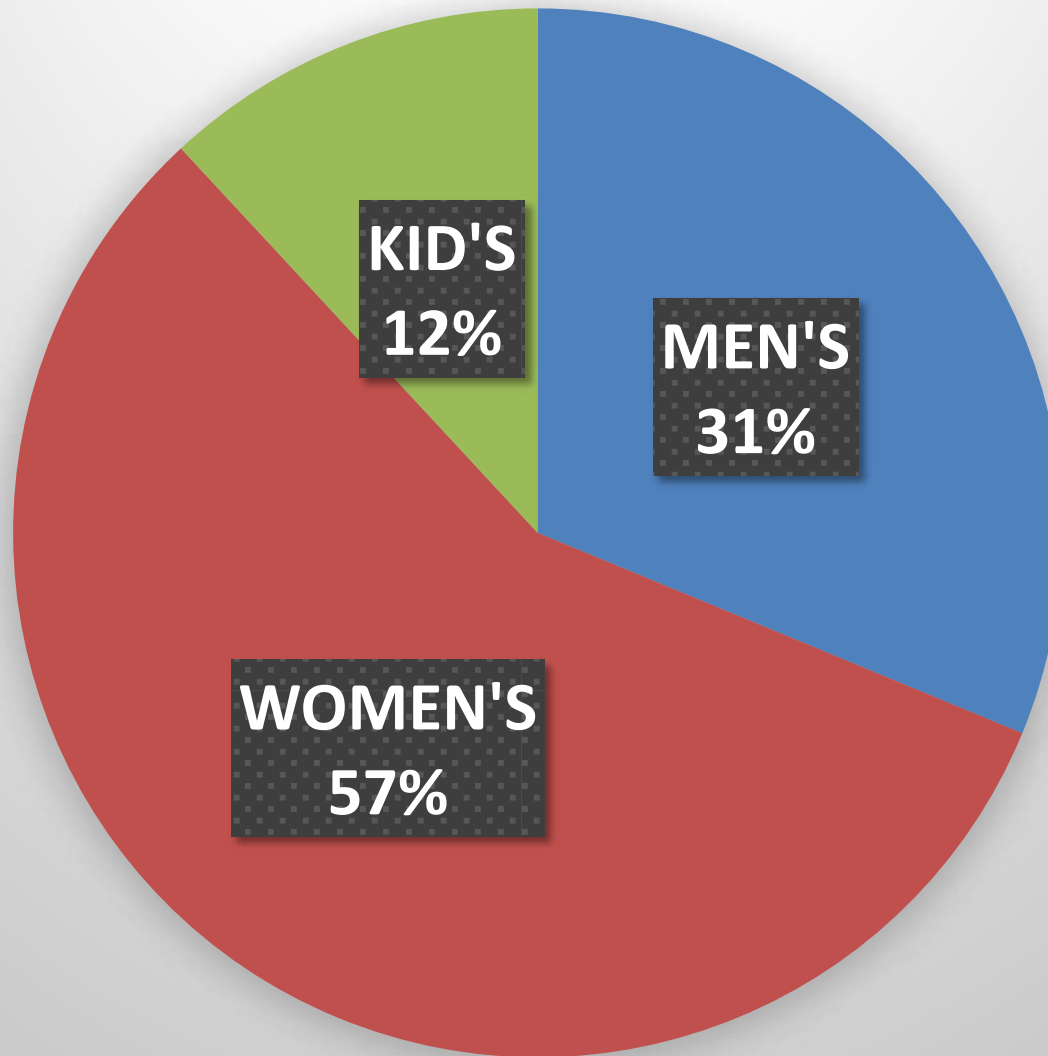
<Japan import>

proportion of knitted/woven/others garment import 2013



other garment : socks, stockings, foundations, handkerchiefs, scarves, neckties, gloves, hats, etc.,

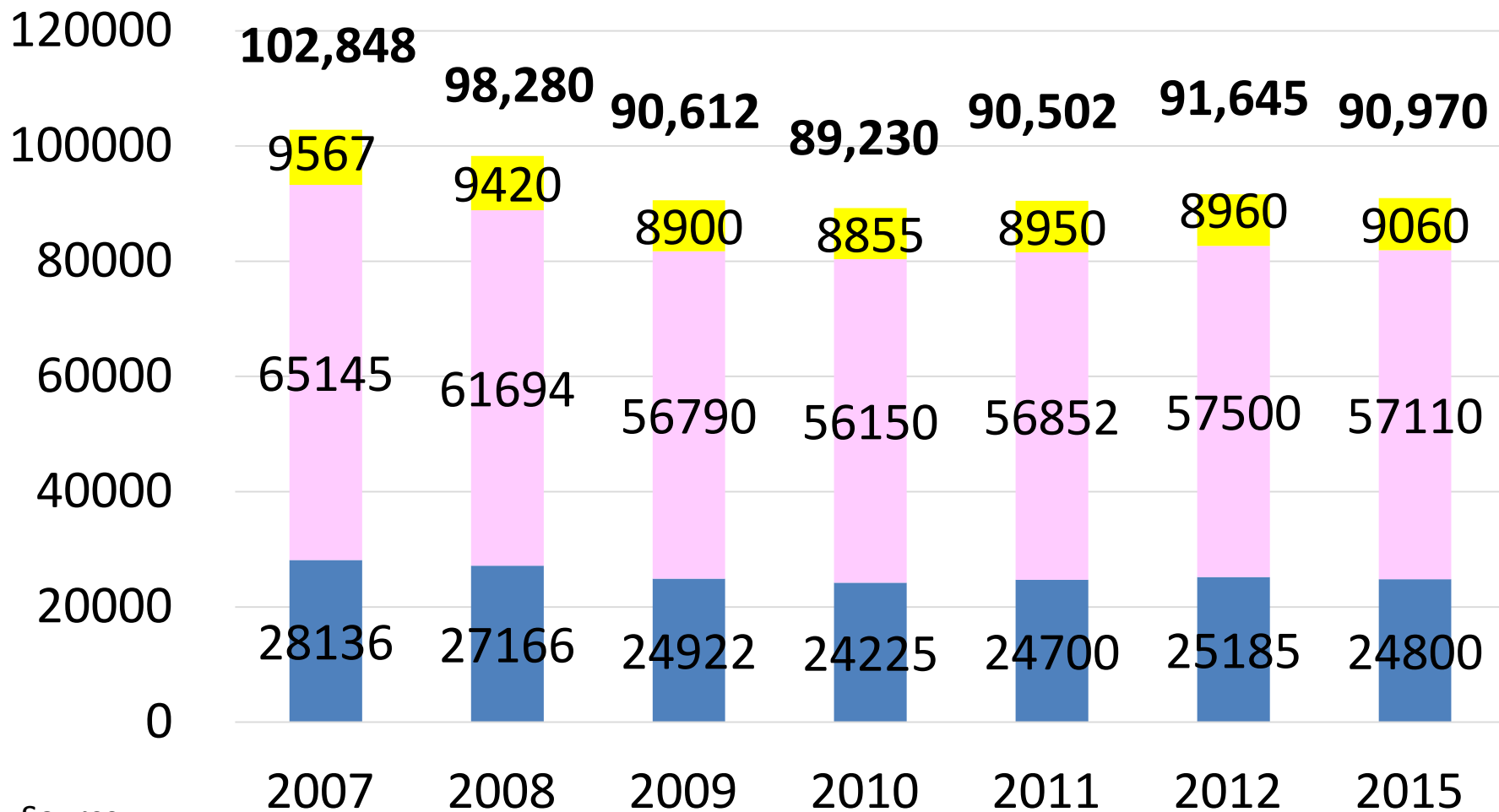
Garment sold in Japan



** in terms of monetary amounts*

Market Volume of Japanese garment

(hundred million YEN)



Source:

Yano Research Institute Ltd.

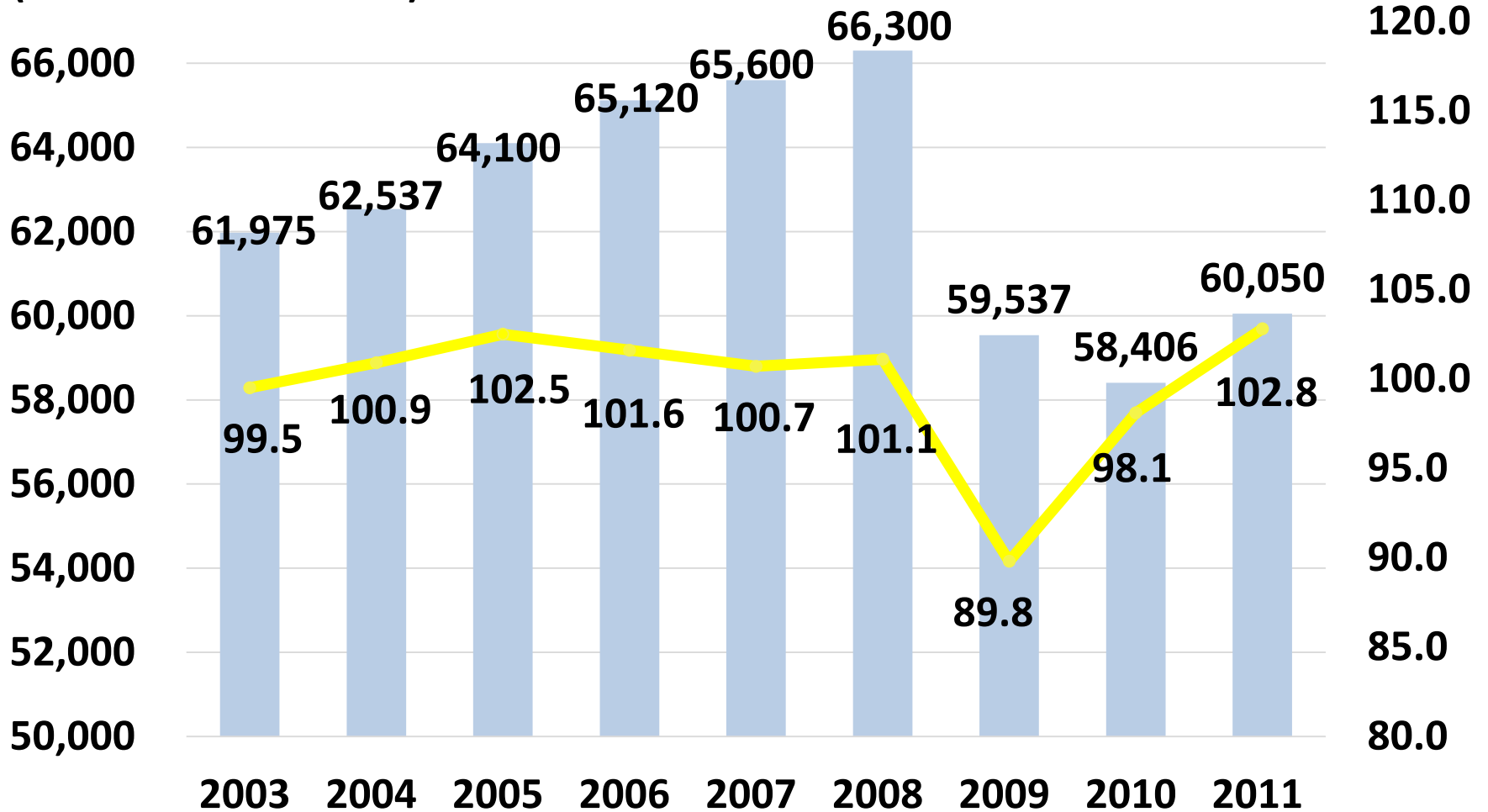
■ Men's & boys'

■ MWomen's & girls'

■ Kids & babies'

Market Volume of Casual wears in Japan

(hundred million YEN)



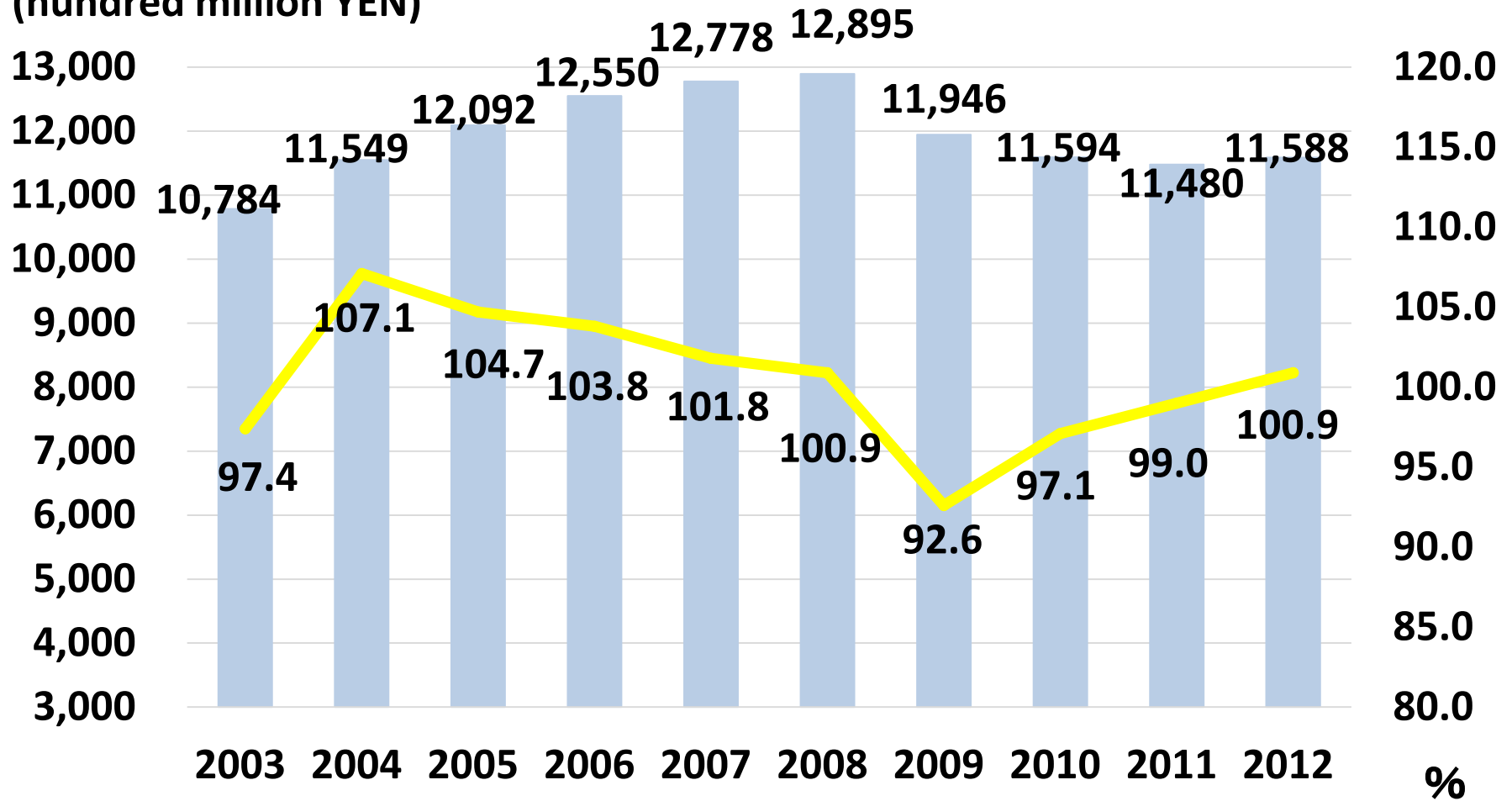
Source:

Yano Research Institute Ltd.

 Comparison

Market Volume of Japanese Jeans wears

(hundred million YEN)



Source:

Yano Research Institute Ltd.

 Comparison

Tendency of CHINESE BUSINESS

1..Labor cost increase

wage hike

labor shortage

2..reevaluation of RMB

3..materials price hike(dyeing)

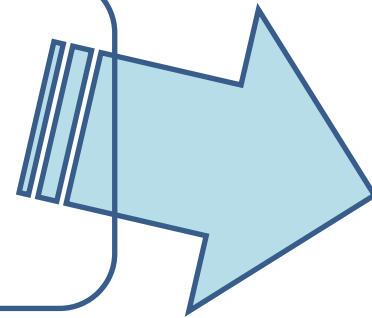
4. Frictions

Japanese garment buyers are tending to reduce garment import from China taking these reasons into consideration.

<Japan import> garment : market share of China
“84.0%” in 2008 → “75.6%” in 2013

China

-8.4%

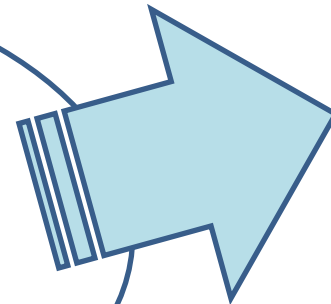


ASEAN

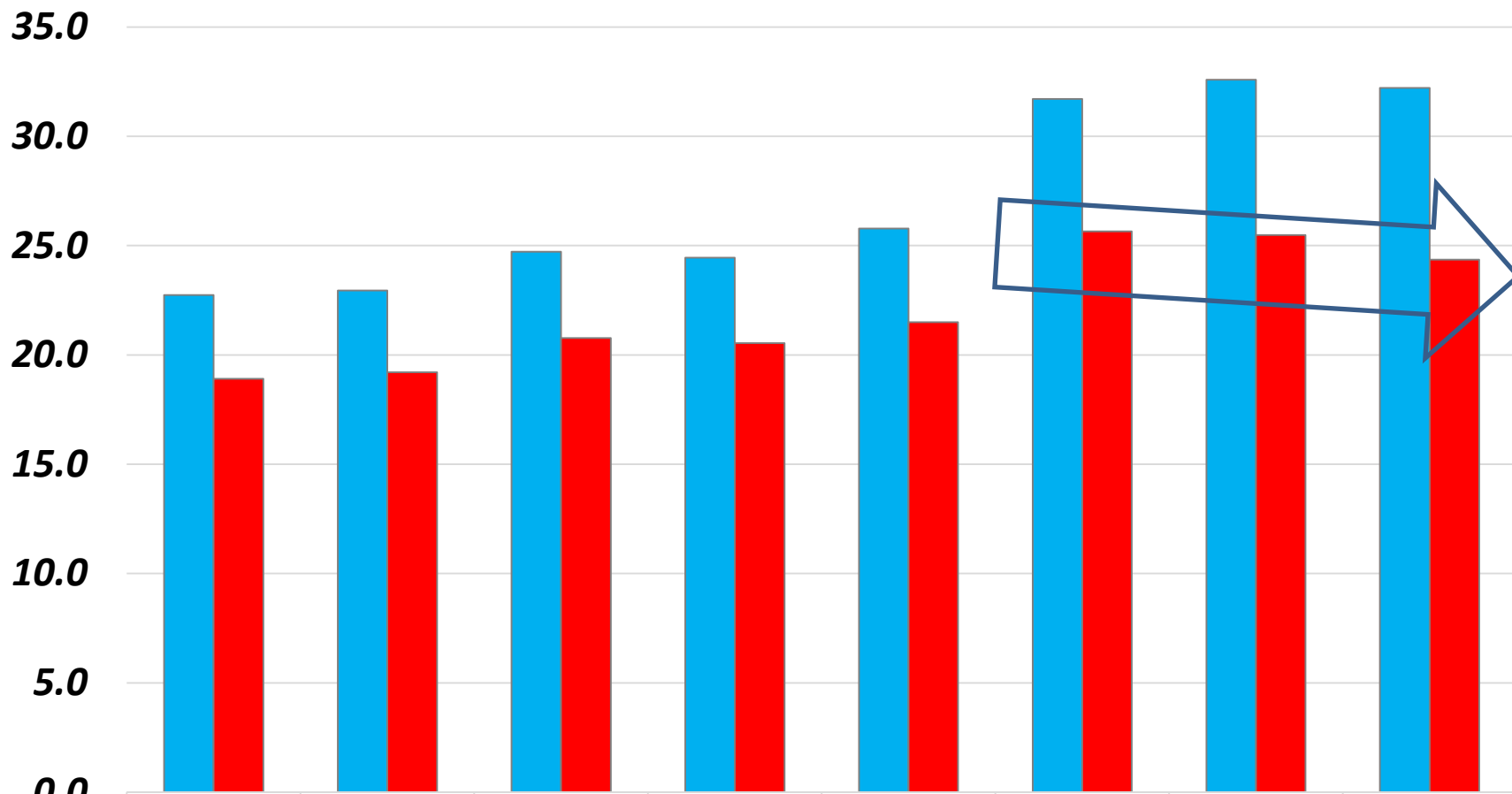
+8.4%

Bangladesh

+1.6%



<Japan import> garment from World/China Unit:BLNUS\$



	2006	2007	2008	2009	2010	2011	2012	2013
WORLD	22.7	22.9	24.7	24.5	25.8	31.7	32.6	32.2
CHINA	18.9	19.2	20.8	20.5	21.5	25.7	25.5	24.4

Peak

-0.2

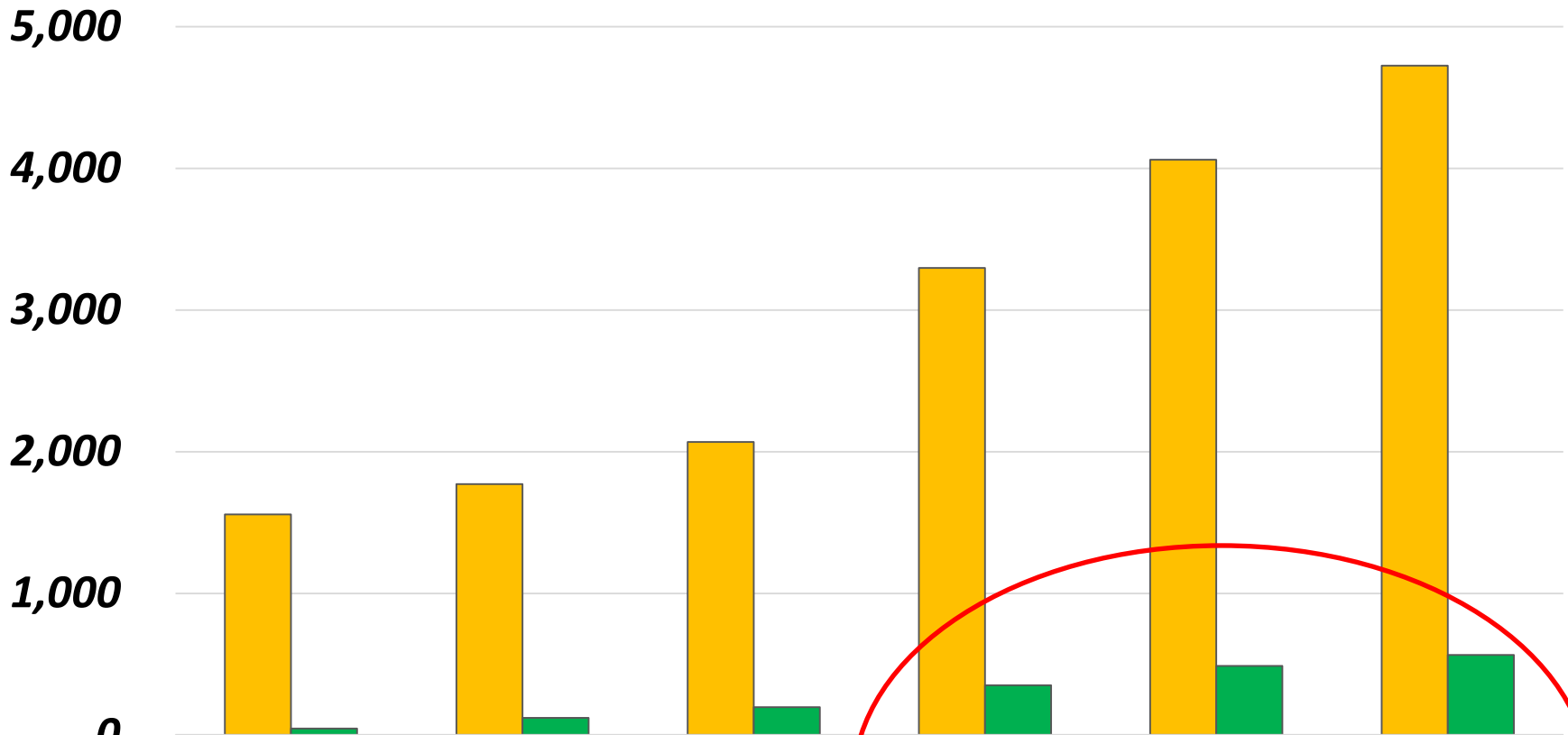
-1.1

<Japan import> garment share of China



	2006	2007	2008	2009	2010	2011	2012	2013
▲ SHARE	83.1%	83.7%	84.0%	84.0%	83.4%	80.9%	78.2%	75.6%
			Peak	-0.0	-0.6	-2.5	-2.7	-2.6

<Japan import> garment from ASEAN Countries
Unit:MIL US\$



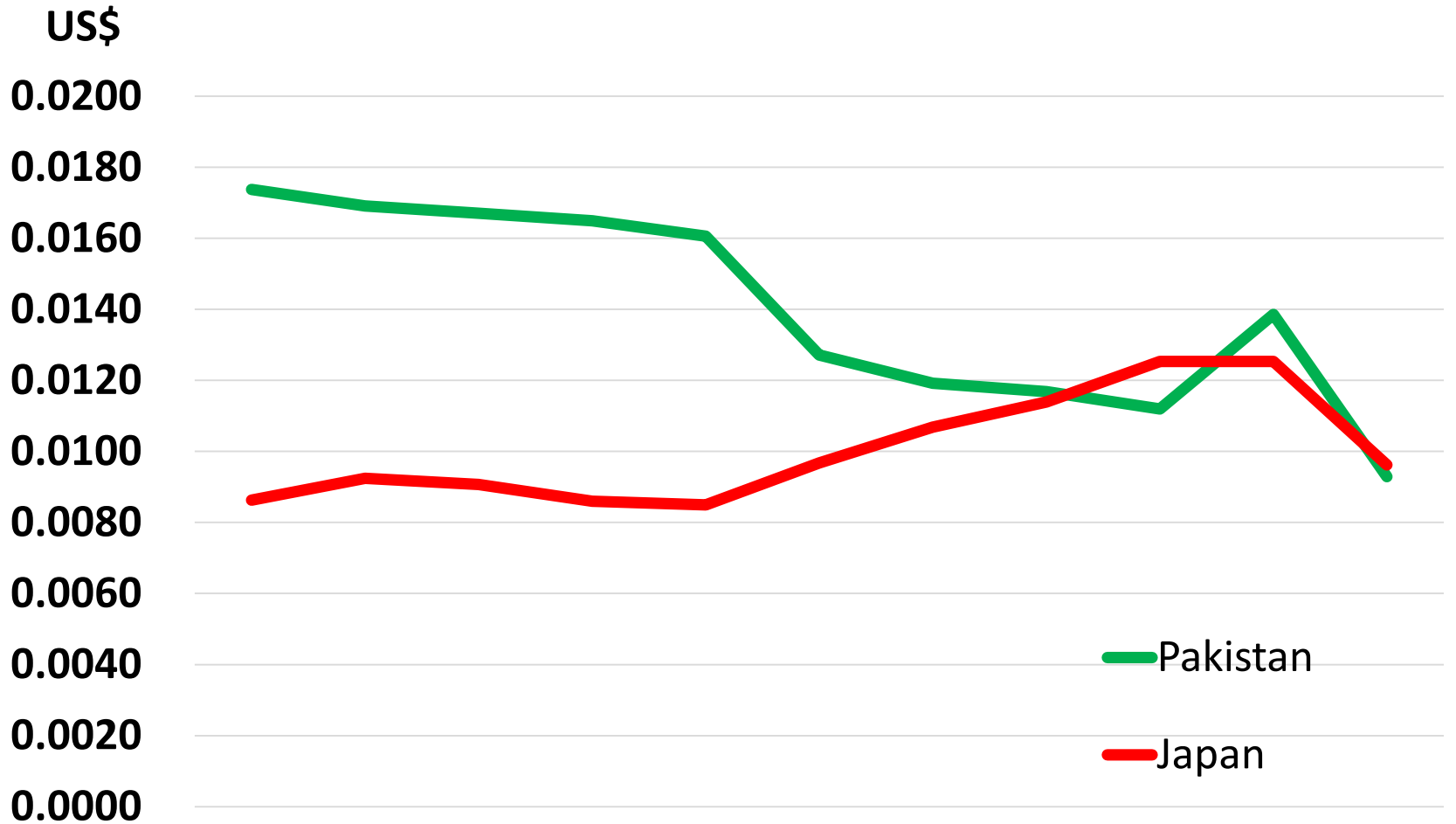
	2008	2009	2010	2011	2012	2013
ASEAN	1,558	1,772	2,070	3,297	4,061	4,726
B'desh	46	121	196	351	487	565

« exchange rate » US\$ / PRs ▪ JYEN

US\$
0.0200
0.0180
0.0160
0.0140
0.0120
0.0100
0.0080
0.0060
0.0040
0.0020
0.0000

2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2014.01

— Pakistan
— Japan

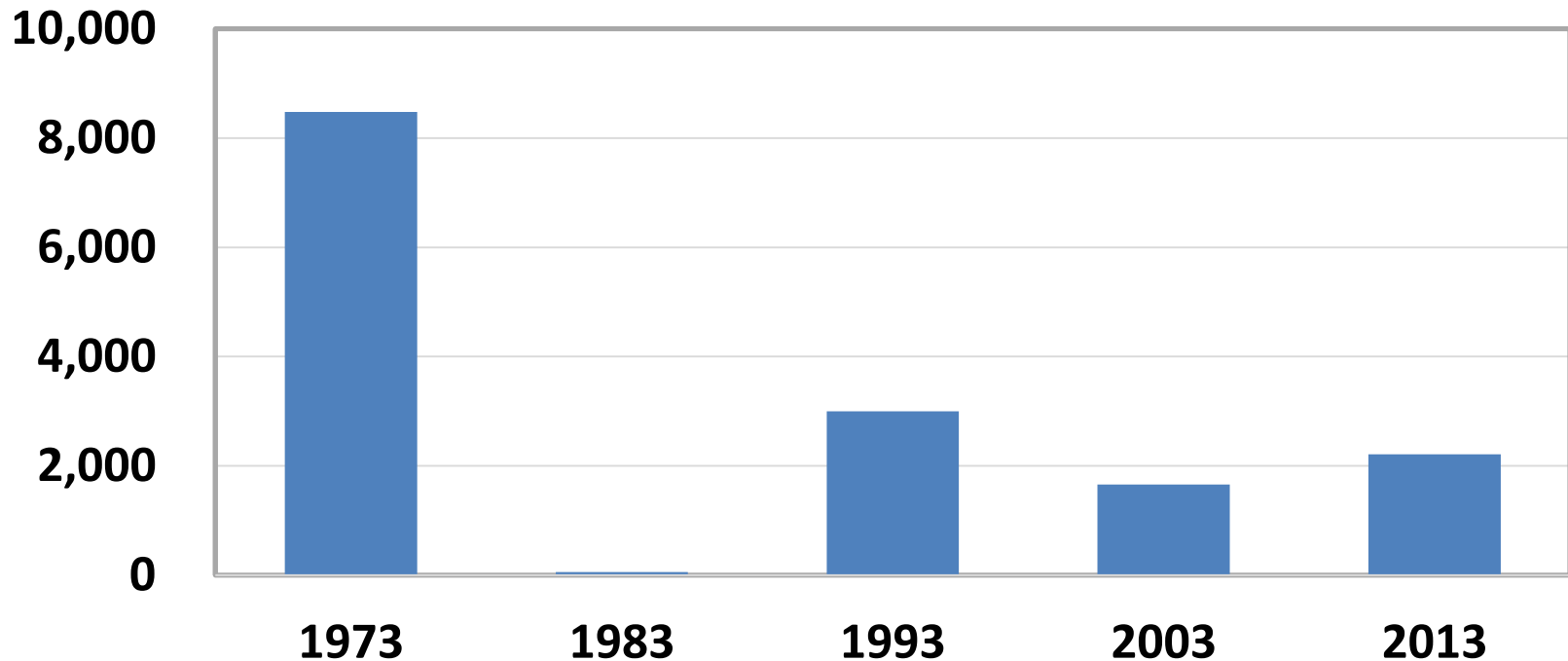


Japan Import From Pakistan

《 Cotton Fabrics 》

(Million Yen)

Japan Import From Pakistan 《 Cotton Fabrics 》



	1973	1983	1993	2003	2013
Pakistan	8,477	61	2,998	1,660	2,213
World	79,006	42,146	44,999	42,089	34,063

**<Japan import>
knit garment from Pakistan**

: 1000pcs.

	2011	2012	2013	13/11	13/12
pieces	656	815	800	122%	98%
YEN/PCE	474	577	623	131%	108%
Share			(0.297%)		

**<Japan import>
Woven garment from Pakistan**

: 1000pcs.

	2011	2012	2013	13/11	13/12
pieces	475	692	1,125	237%	195%
YEN/PCE	1,000	860	964	96%	112%
Share			(0.086%)		

**<Japan import>
men's & women's woven Trousers from Pakistan**

: 1000pcs.

	2011	2012	2013	13/11	13/12
pieces	265	522	926	349%	177%
YEN/PCE	955	776	917	96%	118%
Share			(0.228%)		

<Japan import>
men's & women's woven Trousers of Cotton from Pakistan
: 1000pcs.

	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>13/11</i>	<i>13/12</i>
pieces	260	519	911	350%	176%
YEN/PCE	946	773	906	96%	117%
			(0.245%)		

Import Data of Interior Items

(Value: Million Yen, Quantity: 1000 DOZ)

Commodity: 6302, Bed Linen, Table Linen, Toilet Linen And Kitchen Linen

Rank 2013	Partner Country	2011		2012		2013					
		Value	Quantity	Value	Quantity	Value	Quantity	share (%)		'13/'12(%)	
								V	Q	V	Q
-	World	107,589	126037	105,159	125716	124,193	126892	100.0	100.0	118.1	100.9
7	Pakistan	498	327	787	832	848	726	0.7	0.6	107.7	87.3

Commodity: 6303, Curtains (Including Drapes) And Interior Blinds; Curtain Or Bed Valances

Rank 2013	Partner Country	2011		2012		2013					
		Value	Quantity	Value	Quantity	Value	Quantity	share (%)		'13/'12(%)	
								V	Q	V	Q
-	World	20,003	4,312	20,261	3,983	22,881	4,044	100.0	100.0	112.9	101.5
15	Pakistan	3	1	3	1	26	6	0.1	0.1	943.4	600.0

Commodity: 6304, Other furnishing Articles Of Textile Materials (Bedspreads, etc)

Rank 2013	Partner Country	2011		2012		2013					
		Value	Quantity	Value	Quantity	Value	Quantity	share (%)		'13/'12(%)	
								V	Q	V	Q
-	World	12,810	8,506	13,158	7,789	16,842	8,722	100.0	100.0	128.0	101.5
29	Pakistan	1	0	1	0	3	0				

upgrade company's ability

****provide good services to resolve buyers' inconvenience and enrich value of garment***

improve proposition ability on fabric, accessory, pattern, design, sewing technique, interlining, thread

advanced OEM

ODM/OBM

primitive OEM

very important :
human resources development
**** pattern maker***
**** designer***

OEM Original Equipment Manufacturing,
ODM Original Design Manufacturing,
OBM Original Brand Manufacturing

***hints to upgrade quality level
approach to higher zone***

***minimize causes
to depress
value of garment***

DUST

WRINKLE

OIL STAIN

SOIL & STAIN

FINGER PRINT

IRREGULAR SEAM

SEAM PUCKLING

looks neat and clean

Countermeasures to cope with wage hike realize high efficiency and quality

1. installation of new machines

visit exhibition for textile machineries to study advanced machines

- CAD/CAM, fabric cutting machine***
- high speed sewing machine with dry head***
- special sewing machine***
- needle detector***

test word : labor saving, high speed, high accuracy

⇒ Higher Productivity

2. adequate allocation of operators and machines based on skill evaluation and process analysis

Japanese Business

Quality

*Quality Standard of Japanese garment is the most severe in the world. Size/Color fastness/Shrinkage/ Needle deducting/ Prohibited to use Azo dye(Law)
For interior goods complete Whiteness is necessary (Japanese do not like yellowish color)
Inspection must be done by third party*

Delivery

Quick response required/delivery punctual(many seasons in Japan)

Order

Small(300-500pcs. per design)

Prices

Always compared with Chinese cost

Payment

No unreasonable cancelation(Adv.)

Contract

Long term business possible(Adv.)

Technic

Assistance is possible(Adv.)

Total Competitiveness is Necessary

What's Necessary for Suppliers

----More Mutual Communication----

1. To understand Japanese business rule and circumstances.
2. To understand needs of Japanese market Quality/Price/Design etc.
3. To exhibit Fairs
IFF(International Fashion Fair
(Every Jan. & Jul.)
Interiorlifestyle Tokyo (Jun.)
4. More PR of Pakistan cotton
(e.g. **Indus Cotton** etc.)

5. To have good reliable buyers .
First check their financial situation
and business manners
 - Trading Company
 - Wholesaler ▪ Apparel makers
 - Retailer
6. To supply special items which no other cannot make.
7. To find suitable items which can be competitive with other countries.
8. To understand Japanese CMT business.

9. To concentrate on basic items instead of Fashion Items:

e.g.

Interior linen items/jeans/

T-shirts/Under wear

/Towels/Leather

**/Uniform wear/leather items
etc.**

10. To have famous Brand

European or American

Team by Pakistan members

11. To hold Pakistan (basic) Fair

**12. Lastly : PR of Safety and Clean
Pakistan**

As a Conclusion

- Each country must select export items according to their structure of domestic production (yarn/fabrics).
- Seller's effort is more necessary, important and effective.
- Please come to Japan more often to see changing Japan.
 - PR with the State and private sector acting together. **Image Change of Pakistan**

***Thanks for your kind attention.
I believe we can expand mutual textile business in future by
good long term relation and partnership.***