

# 2. Analysis of Japanese Import Rejections of Asian Agri-food Products

Given that Japan is only about 40 per cent self-sufficient in foods (based on caloric intake), 60 per cent of foodstuffs are imported, implying that Japan is a large market for agricultural and food products. In 2010, about 2 million items of food, additives, equipment, containers and packages and toys<sup>3</sup> (weighing 31.8 million tons in volume) entered Japan for commercial purposes. Some of these are inspected to ensure their safety before entry into Japan (MHLW, 2012). In addition to paying attention to foods imported into Japan, Article 8 of the Food Sanitation Act (1947) stipulates that food business operators (including importers) must recognise their own responsibility for food safety and take appropriate measures at each stage of the food supply process to ensure it. The Act also requires food business operators to retain detailed records relating to the imported foods. The Japanese Ministry of Health, Labour and Welfare (MHLW) provides guidelines<sup>4</sup> to food business operators in how to conduct voluntary safety controls to ensure food safety. Article 55 specifies that repeated violation of the food safety regulations can lead to suspension of or ban on importation by the food business operators (MHLW, 2012).

The guidelines to importers and food business operators suggest that they should make sure that food is manufactured and processed in compliance with the laws and regulations of the exporting countries. In addition, the standard of establishments, facilities and equipment of the manufacturer should be at least equal to the standards concerning establishments, facilities and equipment stipulated in related Japanese laws and ordinances. This also covers hygiene control in manufacture and introduction of the HACCP system is recommended (MHLW, 2008).

Once the quality of manufacturing and processing has been controlled, importers should confirm that the food (including raw materials) complies with the specifications and standards of the Japanese laws. This includes proper use of food additives, sterilisation, drug substances, preservatives, agricultural chemicals, veterinary drugs and feed additives. Furthermore, even if monitoring is done in the exporting countries, importers should confirm the results by importing and testing samples inside Japan whenever necessary (MHLW, 2008).

To ensure that food imported complies with Japanese laws, im-

porters are encouraged to provide education and guidance on Japanese food hygiene regulations. Importers should also dispatch technicians or other personnel to local establishments whenever necessary to harmonise levels of technology, knowledge and awareness with respect to Japanese food hygiene regulations. Furthermore, importers should retain all relevant documentation so that the condition of imported foods can be confirmed at all times (MHLW, 2008). Thus, the guidelines to food business operators pay specific attention to the management of food safety across the value chain.

The next section describes briefly the regulatory system in place in Japan for imported food safety, and is followed by an analysis of rejections of imports from East Asian countries.

## 2.1 Imported food safety inspection system in Japan

The food safety regulations in Japan are governed by the Food Safety Basic Act of 2003 (Act No. 48, 2003) and the MHLW is in charge of ensuring the safety of foods imported into Japan. The responsibilities of the MHLW include promotion of awareness of food safety during the production, manufacture, and processing of foodstuffs in exporting countries; provision of information on Japanese food safety regulations to embassies located in Japan and to importers; publication of the information through the MHLW website; holding bilateral discussions with exporting countries;<sup>5</sup> conducting onsite inspections; and provision of technical support. In addition, the MHLW conducts onsite inspection at facilities in exporting countries to verify safe management practices if necessary. The MHLW also has the authority to enforce an import ban on food products from a certain country or those produced by a certain manufacturer. It can also ban or suspend importation of foods manufactured by a firm that has repeatedly violated the food safety regulations (MHLW, 2012).

The MHLW conducts regular inspections based on the guidelines (Article 28 of the Act) and in line with a schedule laid out in Schedule 1 of the “Development of Imported Foods Monitoring and Guidance Plan for FY2012”. According to the interim report for the Inspection Results of the Imported Foods Monitoring and

<sup>3</sup> The Food Sanitation Act (1947) also covers toys (Article 68 of the Act) targeted at children under the age of six years because these toys can be in contact with the mouth or accidentally ingested.

<sup>4</sup> These are listed in Schedule 2 of the “Development of Imported Foods Monitoring and Guidance Plan for FY2012” (MHLW, 2012).

<sup>5</sup> For instance, in May 2010, the first ministerial-level international conference on Japan–China Food Safety Promotion Initiative was held and the “Memorandum on Japan–China Food Safety Promotion Initiative” was signed by the ministers in Japan and China (MHLW, 2012).

Guidance Plan for FY2011, there were notifications of more than 1 million imports (weighing 13 million tons) from April to September 2011. Of these notifications, around 11.5 per cent were inspected, resulting in identification of 619 violations (MHLW, 2012).

The MHLW also conducts “enhanced inspections” when violations (such as residues of agricultural chemicals) are identified. In such cases, for a limited time period the MHLW will inspect foods exported from the violating country more frequently and more thoroughly.<sup>6</sup> If no similar violations are found within one year or 60 additional inspections, the inspections will return to normal. In addition, the MHLW will inspect those foods that are imported into Japan for the first time when accidents were reported during transportation or in other circumstances (MHLW, 2012).

Furthermore, Article 26 of the Act stipulates that the MHLW can order additional inspections of imported foods manufactured by the same manufacturer, processed by the same processor or imported from the same exporting country when certain foods have caused or are likely to cause health-related problems<sup>7</sup> or when aflatoxin, pathogenic micro-organisms, or other severe contaminations are found (MHLW, 2012).<sup>8</sup>

In the case of repeated offences such as detections of banned substances or excess levels of substances in foods from the same manufacturer, same processor, or imported from the same country, the MHLW can order inspections of all or part of the imported foods concerned, taking into account regulations and safety control in the exporting country, and its past history of compliance (MHLW, 2012).

Inspections ordered in accordance with Article 26 can be cancelled in a number of ways. The first is when the MHLW has determined that the exporting country has taken preventive measures, such as investigation of causes, issuance of new regulations corresponding to the results of investigations and enhancement of controls on agricultural chemicals and inspection systems,<sup>9</sup> and such measures are deemed to be effected through bilateral discussions,<sup>10</sup> onsite inspections or inspec-

6 In fact, ethoxyquin was discovered in cultured shrimp imported from Viet Nam. Because of this, the enhanced inspection of shrimp imports from Viet Nam was ordered (30 per cent sampling) (Notification by the Imported Food Inspection Services, 2012/05/18, [www.forth.go.jp/keneki/kanku/syokuhin/tsuuchi/2012/5/18\\_2.pdf](http://www.forth.go.jp/keneki/kanku/syokuhin/tsuuchi/2012/5/18_2.pdf)).

7 For instance, in April 2012, the Chinese government discovered that certain drugs manufactured in China had used industrial gelatin (which contains chrome) supplied by Chinese firms. The Chinese government has subsequently identified and released the names of the offending manufacturers. Given this news, the MHLW alerted quarantine stations to halt imports of gelatin products and any products that contain gelatin manufactured by the identified offending firms ([www.mhlw.go.jp/topics/yunyu/other/2012/dl/120601-02.pdf](http://www.mhlw.go.jp/topics/yunyu/other/2012/dl/120601-02.pdf)).

8 One of the most recent cases is the presence of methoxyfenozide (used in insecticides) in blueberries imported from the United States in June 2012 ([www.mhlw.go.jp/topics/yunyu/kensa/2012/dl/120607-01.pdf](http://www.mhlw.go.jp/topics/yunyu/kensa/2012/dl/120607-01.pdf)). Similarly, aflatoxin was found in Sichuan pepper imported from China in June 2012 ([www.mhlw.go.jp/topics/yunyu/kensa/2012/dl/120604-01.pdf](http://www.mhlw.go.jp/topics/yunyu/kensa/2012/dl/120604-01.pdf)). Accordingly, the MHLW ordered enhanced inspections of these commodities from these countries.

9 For instance, an enhanced inspections for ham imported from a particular manufacturer in Italy was listed in March 2012 ([www.mhlw.go.jp/topics/yunyu/kensa/2011/dl/120330-01.pdf](http://www.mhlw.go.jp/topics/yunyu/kensa/2011/dl/120330-01.pdf)).

10 For instance, Chinese government approves eel farming firms for

tions at the time of import. If no such violation is found for two years from the most recent violation or when there is no further violation found after more than 300 inspections within one year of the violation, then the inspection orders can be cancelled.<sup>11</sup> However, enhanced inspections will be conducted for a limited time to ensure no future violations. If violations are found again, the inspection orders will be re-issued immediately (MHLW, 2012).

Articles 8 and 17 of the Act can ban the import of food produced in a specific country or area by a specific business entity, if the violation rate stands above approximately 5 per cent of the overall number of inspections and it is highly likely that this rate will persist in future because of the state of food sanitation controls in the exporting country. In order to ensure public awareness, Article 63 of the Act stipulates that the MHLW will promptly publish the names of importers who have violated the Act as well as the names of the violating imported foods (MHLW, 2012).

## 2.2 General trends in import rejections of agrifood products at Japanese ports

*Table 2.1: Top 10 countries with reported cases of Japanese import rejections, 2006–2010*

Rank	Country	Cases
1	China	1,646
2	United States	804
3	Viet Nam	563
4	Thailand	548
5	Ghana	338
6	Ecuador	202
7	Indonesia	188
8	Italy	184
9	Republic of Korea	180
10	Canada	138

Source: UNIDO dataset and analysis, based on EU RASFF, US OASIS, AQIS, and Japanese MHLW data

Between 2006 and 2010, there were 6,365 cases of rejections at various Japanese ports reported by the MHLW. Table 2.1 lists the 10 countries with the highest number of import rejections in Japan. China tops the list with 1,646 cases in this five-year span. The number of rejections of Chinese exports is more than double that of United States exports. Of course, Japan imports quite a large quantity of agricultural and food items from these countries so the number of rejections for these countries is bound to be relatively large compared with other countries (see Table 2.2). Among the top 10 countries, five are from East Asia: China, Viet Nam, Thailand, Republic of Korea, and Indonesia (in ranking order).

exports ([www.mhlw.go.jp/topics/yunyu/kensa/2012/dl/120615-01.pdf](http://www.mhlw.go.jp/topics/yunyu/kensa/2012/dl/120615-01.pdf)).

11 For instance, green peas from Viet Nam and Oolong tea leaves from China were taken off the list in June 2012 after no violations were found ([www.mhlw.go.jp/topics/yunyu/kensa/2012/dl/120621-01.pdf](http://www.mhlw.go.jp/topics/yunyu/kensa/2012/dl/120621-01.pdf)).

**Table 2.2: Shares in food/agriculture imports in Japan (%)**

	2006	2007	2008	2009	2010
United States	22.0	24.07	28.13	25.45	24.19
China	17.25	15.46	11.73	13.27	13.97
Thailand	5.0	4.81	5.31	6.0	5.97
Republic of Korea	2.4	2.22	2.19	2.73	2.9
Viet Nam	1.9	1.65	1.56	1.67	1.61
Indonesia	1.84	1.72	1.56	1.82	1.77
Philippines	1.78	1.78	2.03	2.55	1.94
Malaysia	1.0	1.35	1.56	1.4	1.48
Singapore	0.64	0.69	0.78	0.76	0.77

Note: Food and agricultural imports are calculated as taking Chapters 1 to 23 (excluding Chapter 6) of the Harmonized System.

Source: UN Comtrade database

**Table 2.3: Trends in the number of Japanese import rejections, 2006–2010**

Country	2006		2007		2008		2009		2010	
	Rank	Cases	Rank	Cases	Rank	Cases	Rank	Cases	Rank	Cases
China	1	474	1	430	1	225	1	270	1	247
United States	2	236	3	122	2	105	2	172	2	169
Viet Nam	3	130	2	165	4	74	5	77	3	117
Thailand	4	118	4	101	3	101	4	117	4	111
Ghana	6	60	9	32	14	17	3	154	5	75
Brazil	17	10	14	20	16	12	15	22	6	50
Italy	9	29	11	23	9	33	7	50	7	49
Indonesia	11	24	6	59	11	26	11	35	8	44
Rep. of Korea	11	24	8	38	7	50	12	28	9	40
Canada	19	8	22	5	15	14	6	71	9	40
India	8	30	17	8	12	20	9	40	11	37
Spain	26	4	19	6	13	19	17	15	13	30
Australia	15	11	15	19	21	5	18	11	14	28
Colombia	-	0	-	0	44	1	13	25	14	28

Note: Sorted by 2010 rankings.

Source: UNIDO dataset and analysis, based on Japanese MHLW data

Table 2.3 lists the rank and number of Japanese rejections of exports from major agricultural and food exporting countries. The table is sorted by the 2010 rankings. What is notable is that the top four countries – China, the United States, Viet Nam and Thailand – have had problems with port rejections from 2006 to 2010. It seems that the rejections of Chinese exports are more frequent relative to the values of Chinese shipments. For instance, at least in terms of shares, the United States is the largest trading partner of Japan in agricultural and food products, yet the United States has fewer import rejections than China (see Table 2.2). Similarly, although the value of imports from Viet Nam is relatively small, the number of rejection cases is high (see Table 2.3), implying possible difficulties in Viet Nam in terms of meeting the required standards of importing countries.

Among East Asian countries but excluding China, Viet Nam and Thailand, Indonesia, and Republic of Korea seem to experience most port rejections.

### 2.2.1 Overview of rejected products

The largest group of agricultural and food commodities rejected by Japanese authorities is “Fish and fishery products”, accounting for more than one-quarter of all import rejections (see Table 2.4). This is followed by “Fruits and vegetables” (21 per cent), “Cereals and bakery products”, “Nuts and edible seeds”, and “Herbs and spices”. Seafood and fruits and vegetables, thus, account for by far the largest proportions of Japanese import rejections.

**Table 2.4: Common commodity groups rejected at Japanese ports, 2006–2010**

	Commodity	Cases
1	Fish and fishery products	1,686
2	Fruits and vegetables	1,308
3	Cereals and bakery products	920
4	Nuts and edible seeds	425
5	Herbs and spices	199
6	Other processed food	89

Source: UNIDO dataset and analysis, based on Japanese MHLW data

The trend in the number of cases and ranking of product groups that are often rejected at Japanese ports is fairly stable. “Fish and fishery products” and “Fruits and vegetables” were consistently the two product groups most frequently rejected during the period from 2006 to 2010 (see Table 2.5). These are followed by “Cereals and bakery products”, “Nuts, and edible seeds”, and “Herbs and spices”.

Among East Asian countries exporting fish and fishery products to Japan, exports from China have been rejected the most fre-

quently between 2006 and 2010 (see Table 2.6). Other countries experiencing significant numbers of rejections include Viet Nam and Thailand. In terms of shares, the rejections of exports from the abovementioned three countries account for three-quarters of all rejections in fish and fishery products.

However, if the number of rejections is normalised by the value of imports, a different story emerges. Even though China had the largest number of rejections, this was influenced by the size of the imports. When the values of imports are taken into account, the rejection rates for Chinese fish and fishery products are similar to those for other countries in East Asia. Once normalised by the value of imports, products from Viet Nam and to some extent the Philippines are rejected more often (see Figure 2.1). In particular, the rejection rates for Vietnamese fish and fishery products were high in 2006 and 2007. The rejection rate improved drastically in 2008 and 2009, but increased again in 2010.

How do East Asian countries fare relative to other countries? Are products from East Asia more likely to be rejected relative to their import shares compared with other countries? Figure 2.2 plots the natural logarithm of the share of Japanese rejections of fish and fishery products against the natural logarithm of the share of imports from all exporting countries between 2006 and

**Table 2.5: Trends in products with large numbers of Japanese import rejections, 2006–2010**

	2006		2007		2008		2009		2010	
	Cases	Rank	Cases	Rank	Cases	Rank	Cases	Rank	Cases	Rank
Fish and fishery products	410	1	452	1	277	1	252	2	295	1
Fruits and vegetables	286	2	274	2	222	2	295	1	231	2
Cereals and bakery products	250	3	161	3	119	3	195	3	195	3
Nuts and edible seeds	84	4	74	4	72	4	91	4	104	4
Herbs and spices	49	5	38	5	26	5	45	5	41	5
Other processed food	38	6	17	6	7	6	18	6	9	6

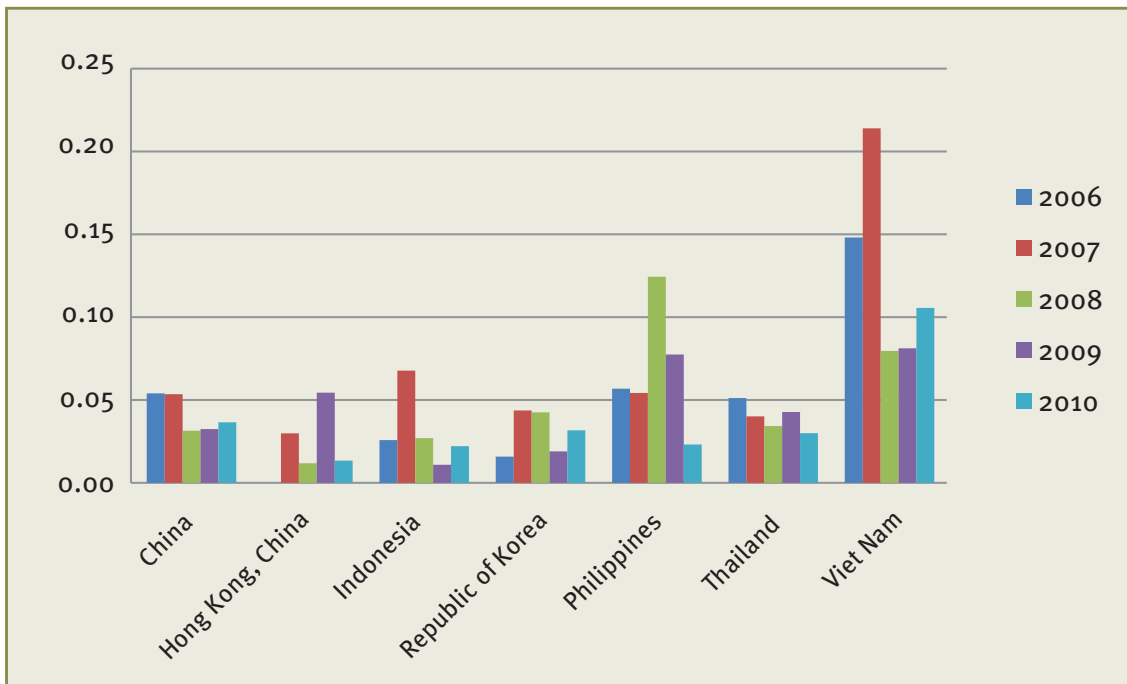
Note: Sorted by 2010 rankings.

Source: UNIDO dataset and analysis, based on Japanese MHLW data

**Table 2.6: Number of Japanese import rejections of fish and fishery products, 2006–2010**

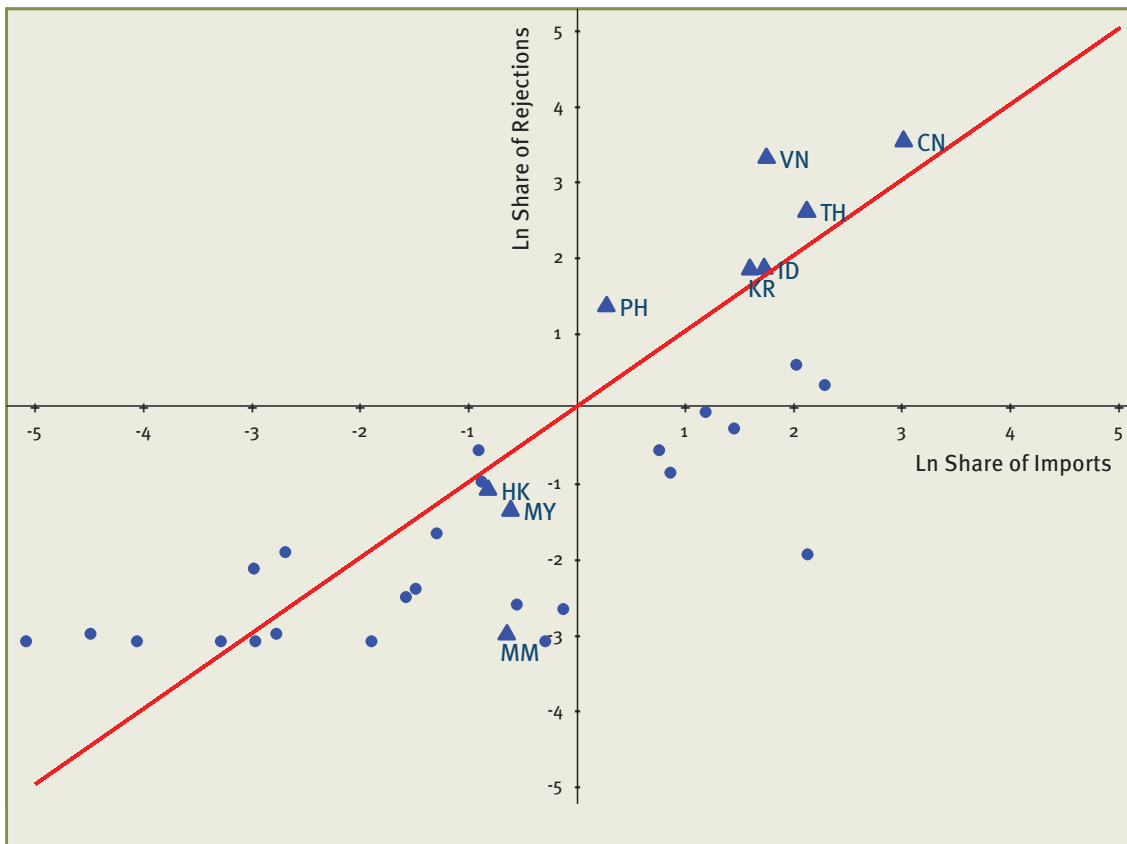
Country	2006	2007	2008	2009	2010	Average
Brunei Darussalam	0	0	0	0	0	0
Cambodia	0	0	0	0	0	0
China	170	145	76	73	96	112
Hong Kong, China	0	1	1	1	2	1
Indonesia	18	47	20	8	17	22
Republic of Korea	9	23	27	13	25	19
Lao PDR	0	0	0	0	0	0
Malaysia	1	1	0	2	0	1
Myanmar	1	0	0	0	0	0
Philippines	10	9	24	11	4	12
Singapore	0	0	0	0	0	0
Thailand	49	39	38	47	38	42
Viet Nam	117	147	60	57	83	93

Figure 2.1: Japanese import rejections of fish and fishery products per US\$ million imports, 2006–2010



Source: UNIDO dataset and analysis, based on Japanese MHLW data

Figure 2.2: Relationship between the shares in Japanese imports and rejections in fish and fishery products, 2006–2010



Note: Share of imports and share of rejections are averages between 2006 and 2010 and converted into natural logarithms. East Asian countries are represented by the triangle marker and other countries by dots.

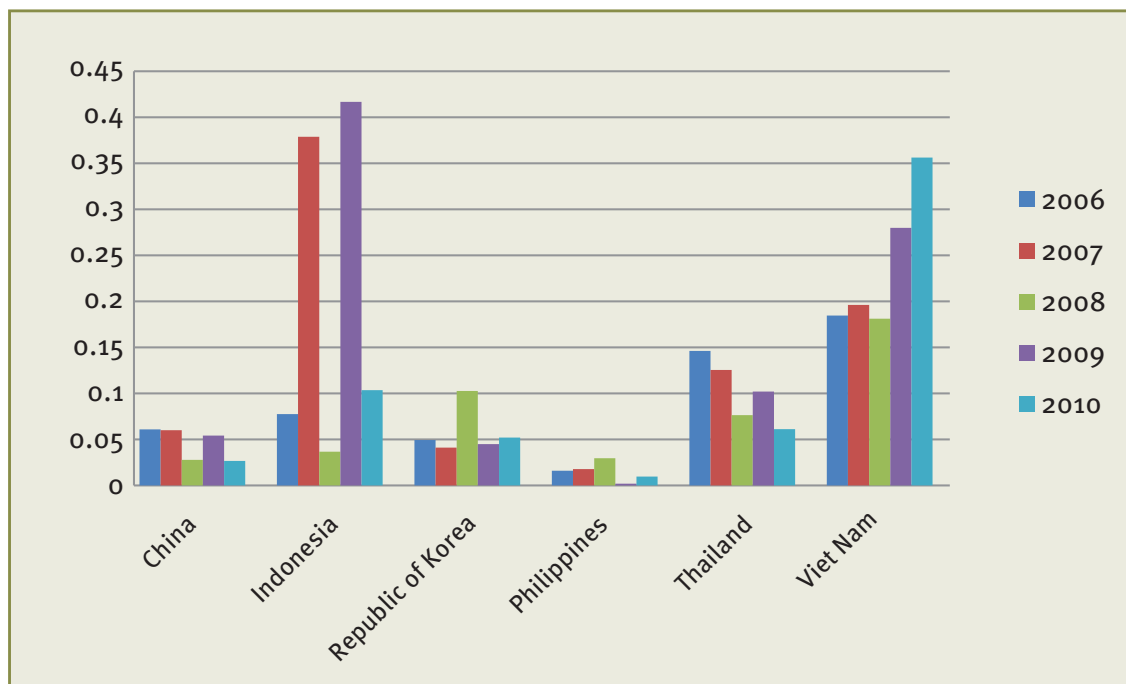
Source: UNIDO dataset and analysis, based on UN Comtrade and Japanese MHLW data

**Table 2.7: Number of Japanese import rejections of fruit and vegetable products, 2006–2010**

Country	2006	2007	2008	2009	2010	Average
Brunei Darussalam	0	0	0	0	0	0
Cambodia	0	0	0	0	0	0
China	137	131	55	104	63	98
Hong Kong, China	1	2	0	1	0	1
Indonesia	2	10	1	11	3	5
Republic of Korea	8	7	18	8	10	10
Lao PDR	0	1	1	0	0	0
Malaysia	0	2	0	0	0	0
Myanmar	0	1	2	0	0	1
Philippines	10	12	27	2	9	12
Singapore	0	0	0	0	1	0
Thailand	31	27	19	26	17	24
Viet Nam	5	5	5	8	11	7
Total	216	203	158	180	122	176

Source: UNIDO dataset and analysis, based on Japanese MHLW data

**Figure 2.3: Japanese import rejections of fruits and vegetables per US\$ million imports, 2006–2010**



Note: Excluded Brunei Darussalam, Cambodia, Hong Kong (China), Lao People’s Democratic Republic, Malaysia, Myanmar, and Singapore.

Source: UNIDO dataset and analysis, based on Japanese MHLW data

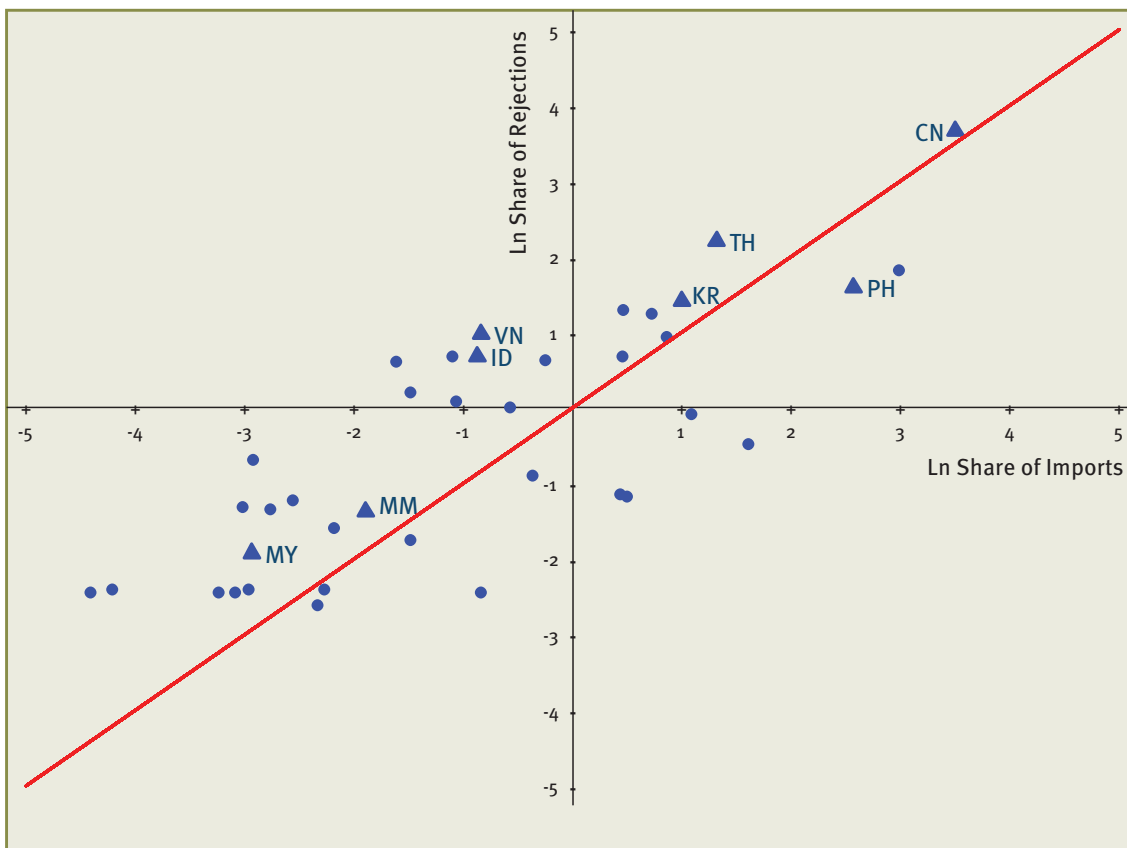
2010.<sup>12</sup> As a reference, a 45-degree line is also drawn. Those points located above (below) the 45-degree line mean that imports from these countries are rejected more (less) often than suggested by the share of imports. Figure 2.2 shows that China, Viet Nam and the Philippines seem to experience more rejec-

tions relative to the size of their exports. The rejection rates of fish and fishery products from Hong Kong (China), Thailand, Republic of Korea and Indonesia seem to be in line with their shares. Imports from Myanmar so far have done well in this regard but it is also a very minor exporter.

<sup>12</sup> For details on the calculation of this relative rejection rate, see UNIDO (2010: chapter 1).

As with fish and fishery products, the number of Japanese rejections of fruit and vegetable products between 2006 and 2010

Figure 2.4: Relationship between import shares and rejections in fruit and vegetable products



Source: UNIDO dataset and analysis, based on UN Comtrade and Japanese MHLW data

was largest for products imported from China (see Table 2.7). In fact, the rejections of fruit and vegetable products from China accounted for 37.5 per cent of all rejections of fruits and vegetable products. A trend that can be seen from Table 2.7 is that the number of rejections of products from China has been decreasing during this period. As with fish and fishery products, products from Thailand and Viet Nam are also frequently rejected.

In terms of rejections of fruit and vegetable products per value of imports, rejection rates of products from Indonesia, Viet Nam and Thailand are rather high (see Figure 2.3), although the rejection rate for Thailand has come down significantly. As with fishery products, rejection rates in Viet Nam are relatively high.

Comparing the performance of East Asian countries to other countries, fruit and vegetable products imported from East Asian countries tend to experience more than their fair share of rejections (see Figure 2.4). With fruit and vegetable products, many countries seem to lie above the 45-degree line, unlike the case with fish products, suggesting that controlling and ensuring the required quality and food safety may be harder for fruit and vegetable products. Only the Philippines manages a lower level of rejection relative to its exports. Other countries, especially Thailand, Viet Nam, and Indonesia, seem to have a hard time clearing quarantine and inspections at Japanese borders.

### 2.2.2 Reasons for rejections

Next, we will examine the reasons for rejections at Japanese ports. Among various reasons for rejections at Japanese ports, six reasons account for 94 per cent of them. The most frequently cited reason is “Bacterial contamination”, accounting for 23 per cent, followed by “Pesticide residues” (22 per cent), “Additives” (13 per cent), “Mycotoxins” (13 per cent), “Hygienic condition/controls” (12 per cent), and “Veterinary drugs residues” (11 per cent) (see Table 2.8). Bacterial contamination occurs mainly because of unsanitary conditions at the point of production (including processing factories) and/or during transport. Improper use of additives or use of prohibited additives will result in these products being rejected at the port. The problem with pesticide and veterinary drugs residues occurs because of the inappropriate use of pesticides and drugs at the farms as the first stage of production. If the raw materials have problems with pesticide or veterinary drug residues, then this will continue to affect processed products made from these raw materials. Thus, the problems of import rejections are the problems of supply chain management. The final exporter (whether of raw agricultural materials or processed food items) has to ensure the quality and safety of the product. This would require a good product quality control system throughout the supply chain. We examine this issue in more detail in Chapter 3 (frozen vegetable products from China), Chapter 4 (eel products from China) and Chapter 5 (*pangasius* and shrimp products from Viet Nam).



**Table 2.8: Reasons for Japanese import rejections, 2006–2010**

Reason for Rejection	Year					Total	%
	2006	2007	2008	2009	2010		
Bacterial contamination	306	277	260	277	311	1,431	22.5
Pesticide residues	329	303	181	318	265	1,396	21.9
Additive	269	169	94	143	178	853	13.4
Mycotoxins	269	145	137	124	149	824	12.9
Hygienic condition/controls	31	54	115	282	287	769	12.1
Veterinary drugs residues	160	230	115	103	86	694	10.9
Other contaminants	24	32	37	41	32	166	2.6
Adulteration/missing document	5	29	15	14	8	71	1.1
Heavy metal	3	3	2	4	11	23	0.4
Packaging	0	2	4	0	0	6	0.1
Others microbiological contaminants	0	0	0	2	0	2	0.0
Labeling	1	0	0	0	0	1	0.0
Others	28	44	26	20	11	129	2.0

Source: UNIDO dataset and analysis, based on Japanese MHLW data

**Table 2.9: Trends in food product groups rejected for “bacterial contamination”, 2006–2010**

	2006	2007	2008	2009	2010	Total
Fish and fishery products	188	166	139	139	145	776
Fruits and vegetables	44	41	50	55	45	235
Herbs and spices	2	2	3	1	3	11
Nuts and edible seeds	3	0	0	1	4	8

Source: UNIDO dataset and analysis, based on Japanese MHLW data

**Table 2.10: Countries with a large number of rejections for “bacterial contamination”, 2006–2010**

	Number of rejections
China	437
Thailand	295
Viet Nam	145
Italy	81
Republic of Korea	77
Philippines	70
Indonesia	49
France	36
Spain	29
United States	27

Source: UNIDO dataset and analysis, based on Japanese MHLW data

Looking at the trends in reasons for rejections during 2006 and 2010 suggests that the number of rejections due to “Hygienic condition/controls” have increased quite rapidly since 2007. The number of rejections due to heavy metals, packaging and labels is quite low and there is no discernible trend associated with them.

Among various food product groups, fish and fishery products are by far the most often identified offenders in relation to bacterial contamination, followed by fruit and vegetable products (see Table 2.9). Other product groups are rarely rejected for this reason.

Looking at these overall trends, it is apparent that many exporters have experienced port rejections especially in fish and fishery products, and fruit and vegetables (including processed products of these). These exporters also seem to have troubles with bacterial contamination, maintaining hygienic conditions throughout the supply chain, and procuring safe and proper raw materials (either for direct exports or for processing). In addition, reflecting the large volume of trade in agricultural goods and food, among East Asian countries, China, Viet Nam, and Thailand are some of the countries with frequent violations.

When we focus on the countries of origin of food products rejected because of bacterial contamination, six out of the worst offenders are from East Asia, and the product categories with the highest rejection rates are seafood and fruit and vegetables. The rest are countries with significant exports of meat products (see Table 2.10).

Table 2.11 shows the trend in food product groups rejected for “hygienic conditions and control” reasons. Fruit and vegetables are rejected most frequently among these food products.



**Table 2.11: Trends in food product groups rejected for “hygienic conditions”, 2006–2010**

	Year					Total
	2006	2007	2008	2009	2010	
Fruits and vegetables	2	17	48	27	17	111
Nuts and edible seeds	2	2	3	1	3	11
Herbs and spices	2	2	2	1	0	7
Fish and fishery products	1	0	0	1	0	2

Source: UNIDO dataset and analysis, based on Japanese MHLW data

**Table 2.12: Countries with a large number of rejections for “hygienic conditions”, 2006–2010**

	Number of rejections
Ghana	131
United States	107
Thailand	92
Canada	51
China	48
Brazil	37
Colombia	33
Indonesia	30
Ecuador	28
Viet Nam	23

Source: UNIDO dataset and analysis, based on Japanese MHLW data

Some East Asian countries such as Thailand, Indonesia, and Viet Nam have experienced a high incidence of import rejections in Japan due to insufficient hygienic conditions (see Table 2.12). In addition to these East Asian countries, countries from Latin America (Brazil, Colombia, and Ecuador) and from Africa (Ghana) as well as the United States and Canada have experienced a high incidence of import rejections in Japan. Coffee, cocoa beans, rice, wheat, and other grains are the dominant products to be rejected because of improper hygiene conditions. A typical reported cause is moisture damage to products, which could occur either before loading or during transport.

Table 2.13 lists food groups that were rejected because of pesticide residues between 2006 and 2010. Two of the largest product groups are “Fruits and vegetables” and “Nuts and edible seeds”. Although the numbers were initially small, the number of cases with pesticide residues is increasing in “fish and fishery products” and this product group is now ranked third.<sup>13</sup>

**Table 2.13: Trends in food product groups rejected for “pesticide residues”, 2006–2010**

	Year					Total
	2006	2007	2008	2009	2010	
Fruits and vegetables	128	115	62	146	87	538
Nuts and edible seeds	21	23	6	30	36	116
Fish and fishery products	12	14	13	9	48	96
Herbs and spices	13	19	4	22	14	72

Source: UNIDO dataset and analysis, based on Japanese MHLW data

**Table 2.14: Countries with a large number of rejections for “pesticide residues”, 2006–2010**

	Number of rejections
China	386
Ghana	204
Ecuador	173
Thailand	62
Republic of Korea	60
Ethiopia	54
United States	53
Viet Nam	50
Canada	47
India	39

Source: UNIDO dataset and analysis, based on Japanese MHLW data

Countries experiencing a large number of Japanese import rejections because of detection of pesticide residues are listed in Table 2.14. China tops the list, followed by Ghana and Ecuador. China is one of the largest exporters of seafood and vegetable products to Japan. Viet Nam is also one of the major exporters of seafood to Japan. Ghana and Ecuador experience these problems with cocoa beans.

### 2.2.3 Selected focus on China, Viet Nam, and Thailand

Next, we focus our attention on three countries in East Asia: China, Viet Nam and Thailand. These three countries experience the most import rejections in Japan. A brief overview of the trend in import rejections of agricultural and food products from East

<sup>13</sup> The detection of pesticides in fish and fishery products may be caused by intrusion of water contaminated with pesticides into growing ponds for fish and fishery products.

**Table 2.15: Trends in food product groups of Chinese exports rejected in Japan, 2006–2010**

	2006	2007	2008	2009	2010
Fish and fishery products	170	145	76	73	96
Fruits and vegetables	137	131	55	104	63
Nuts and edible seeds	44	38	23	21	20
Herbs and spices	19	15	7	3	7
Cereals and bakery products	24	44	12	7	7
Other processed foods	8	7	5	13	4

Source: Calculated by authors using MHLW data

**Table 2.16: Reasons for Japanese rejections of Chinese food products, 2006–2010**

	Number of rejections
Bacterial contamination	437
Pesticide residues	386
Veterinary drugs residues	262
Additive	248
Mycotoxins	111
Others	78
Hygienic condition/controls	48
Other contaminants	36
Adulteration/missing document	34
Heavy metal	3
Packaging	2
Others microbiological contaminants	1
Labeling	0

Source: UNIDO dataset and analysis, based on Japanese MHLW data

Asian countries at Japanese ports is provided in Annex B, followed by detailed country-level information from Annex C to L in alphabetical order.

Table 2.15 lists the number of rejections of food product groups exported by China. The table demonstrates that two food product groups account for the bulk of the rejections. These are: “Fish and fishery products” and “Fruit and vegetables and products”.

For various reasons, Chinese products suffer from problems associated with “Bacterial contamination”, “Pesticide residues” and “veterinary drug residues” (see Table 2.16). These have been consistently problematic for food products exported from China, although the number of detections of these violations has been declining. Rejections associated with “Additives” have decreased significantly in number, suggesting that Chinese firms may have learned and adapted to the regulations concerning allowed additives in Japan.<sup>14</sup>

In the case of Viet Nam, the largest number of rejections is found in the “Fish and fishery products” food group (see Table 2.17). While still small in number, rejections of “Fruits and vegetables and products” have been increasing since 2009.

In terms of the reasons for rejections, “veterinary drugs residues” have accounted for the largest share, followed by “Bacterial contamination” and “pesticide residues” (see Figure 2.5). We examine the problem associated with “veterinary drugs residues” in more detail in Chapter 5.

As with China, the most frequently rejected categories among those exported from Thailand include “Fish and fishery products” and “Fruits and vegetables” as well as “Cereals and bakery products” (see Table 2.18).

Thai products are rejected mainly because of “Bacterial contamination”, “Hygienic condition/controls” and “Pesticide residues” (see Figure 2.6). Furthermore, the number of rejections due to poor “Hygienic condition/controls” has been increasing since 2009, highlighting a potential problem area in the future.

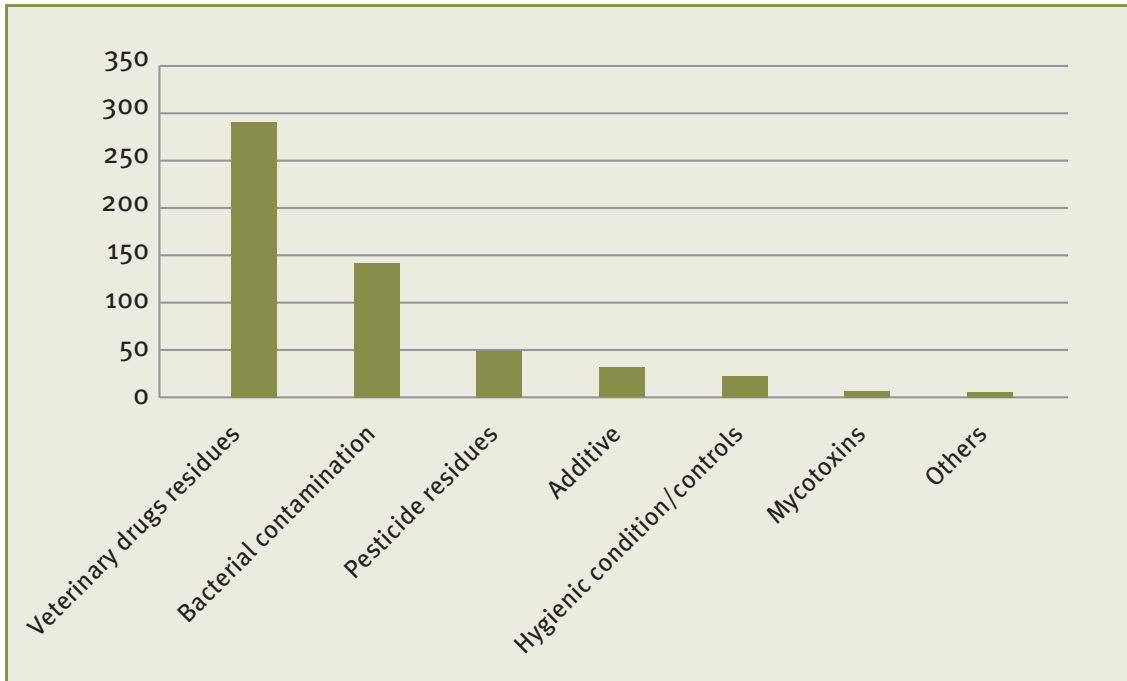
<sup>14</sup> It is also possible that Chinese firms have diverted those products with additives prohibited in the Japanese market to other markets.

**Table 2.17: Trends in food product groups of Vietnamese exports rejected in Japan, 2006–2010**

	2006	2007	2008	2009	2010
Fish and fishery products	117	147	60	57	83
Fruits and vegetables	5	5	5	8	11
Nuts and edible seeds	2	1	0	0	0
Herbs and spices	2	1	0	0	2
Cereals and bakery products	2	8	5	1	2
Other processed foods	2	0	0	0	0

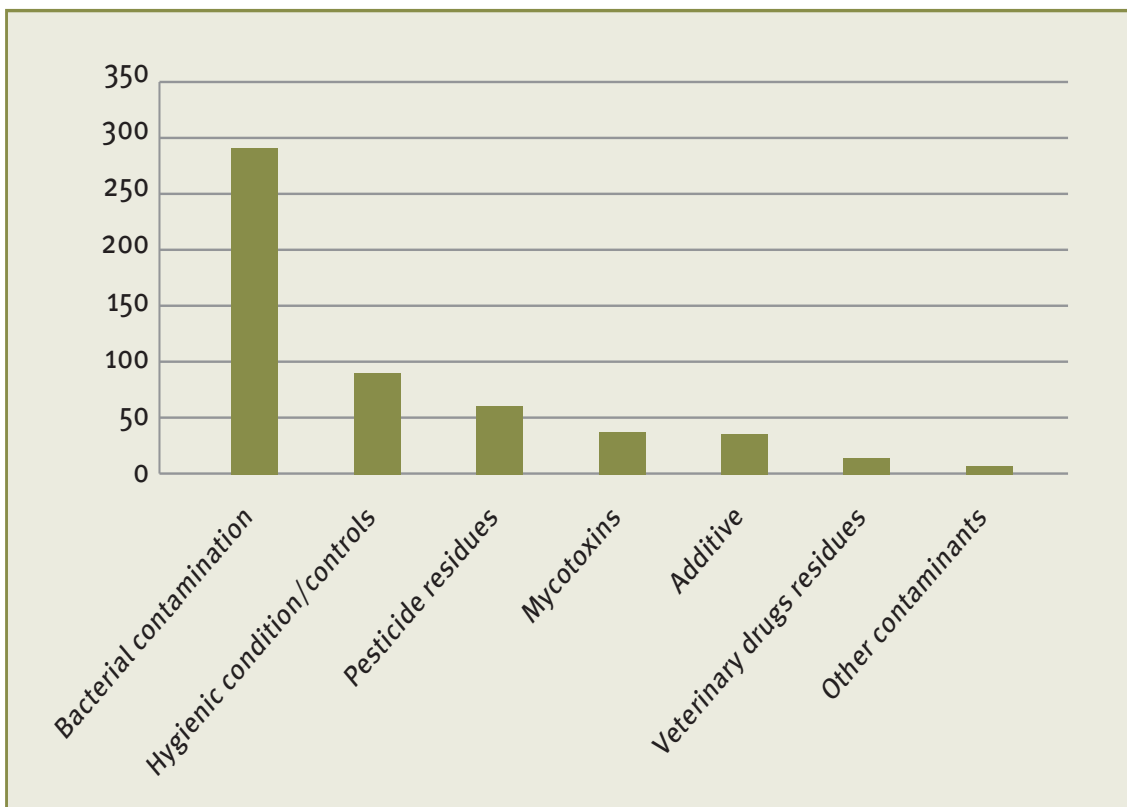
Source: UNIDO dataset and analysis, based on Japanese MHLW data

Figure 2.5: Reasons for Japanese rejections of Vietnamese food products, 2006–2010



Source: UNIDO dataset and analysis, based on Japanese MHLW data

Figure 2.6: Reasons for rejections of Thai food products in Japan, 2006–2010



Source: UNIDO dataset and analysis, based on Japanese MHLW data

**Table 2.18: Trends in food product groups of Thai exports rejected in Japan, 2006–2010**

	2006	2007	2008	2009	2010	total
Fish and fishery products	49	39	38	47	38	211
Cereals and bakery products	19	21	24	29	34	127
Fruits and vegetables	31	27	19	26	17	120
Herbs and spices	5	5	3	4	5	22
Other processed foods	5	0	0	1	0	6
Nuts and edible seeds	1	1	0	0	1	3

Source: UNIDO dataset and analysis, based on Japanese MHLW data

The overview of rejection cases at Japanese ports reveals that many East Asian countries are facing problems in complying with the regulations in Japan. This problem is typically found in the two food product groups: “Fish and fishery products” and “Fruits and vegetables and products”. Among the reasons for rejections, “Bacterial contamination”, “Veterinary drug residues”, and “Pesticide residues” seem to be persistent for food product exports from East Asian countries to Japan. In the following chapters, we will take a closer look at exports of vegeta-

ble and fishery products from China (see Chapters 3 and 4), and fishery product exports from Viet Nam (see Chapter 5). These chapters will examine in some more detail the import rejections and underlying compliance challenges along the value chains of frozen vegetables and eel products from China and *pangasius* and shrimp products from Viet Nam. These case studies will illuminate some of the difficulties that firms and supply chains in these countries have in complying with the regulations of importing countries, particularly in Japan.