

# Japanese cuisine in Australia and Issues relating to Japanese food exports

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# 1. Background on Japanese cuisine in Australia

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## ① Changes in Australian eating culture

- While the Australian diet has traditionally been heavily influenced by British cuisine, it has lately diversified in light of economic growth, exposure to foreign cultures and multiculturalism. As interest in global cuisines has grown, so has interest in fine food and healthy eating.
- The number of people who adopt vegetarian, vegan or gluten-free diets has increased due to interest in healthy and ethical eating.

## ② Increased popularity of seafood

- The average per capita consumption of seafood in Australia has doubled over the last 50 years (FAO).
- In light of the trend towards healthy eating, the benefits of Omega 3 fatty acids and other nutrients in fish have gained attention.
- Australians' taste in seafood now extends far beyond the traditional fish and chips.

# 1. Background on Japanese cuisine in Australia

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## ③ Background on the popularity of sushi

- Fish was not commonly eaten raw in Australia over 20 years ago. Sushi consumption was limited to Japanese people and a small handful of Australians.
- As consumption of raw fish became more accepted, sushi roll shops and conveyor-belt sushi restaurants began gaining popularity from the late 1990s.
- Currently, sushi roll shops and conveyor-belt sushi restaurants can be found even in regional areas.
- Sushi has now gained wide acceptance in many settings from offices to primary schools as an easy-to-eat snack, traversing age and cultural boundaries.
- Westernised sushi rolls such as the Teriyaki Chicken Roll or the Salmon and Avocado Roll are the most popular, beating the more traditional nigiri sushi.

# 1. Background on Japanese cuisine in Australia

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## ④ Transformation of Japanese cuisine from luxury to fast food

- In the Japanese bubble era (late 1980s to early 1990s), many Japanese restaurants in Australia were high-end affairs, run by Japanese hotels for Japanese customers.
- As the bubble burst and Japanese hotels pulled out from Australia, sushi restaurants targeting the local market became predominant.
- The popularity of sushi roll shops and conveyor-belt sushi restaurants brought about a transformation of Japanese cuisine into fast food.
- Additional forms of Japanese fast food including ramen noodle bars and self-serve udon shops also gained popularity.
- Tonkotsu ramen with its distinctive thick soup is now especially popular. Asian-Australians make up the majority of customers, but it is gaining more widespread acceptance.
- Japanese 'izakaya' (taverns), sake-themed restaurants and yakitori (chicken skewer) restaurants are also gaining popularity.

## 2. Overview of the Japanese food industry in Australia

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### ① Statistics on Japanese restaurants in Australia

Estimated number of Japanese restaurants in three capital cities and nationwide\*

City	Population	Number of Japanese restaurants
Sydney	4.76 million	600-650
Melbourne	4.35 million	500-600
Brisbane	2.24 million	200-250
Australia	23.3 million	Around 1500

\*Estimate based on interviews with food wholesalers and statistics from restaurant review websites

- The majority of small-scale sushi roll shops are Korean- or Chinese-owned.
- Industry personnel estimate that around 5% of Japanese restaurants in Australia are Japanese-owned.
- Australian expansion of Japanese restaurant chains is increasing.

## 2. Overview of the Japanese food industry in Australia

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### ② Japanese food retailers in Australia

Type	Examples	Distribution	Customers	Variety of Japanese food	Comments
Japanese grocery shops	Tokyo Mart, Fuji Mart	Small number in major cities	Mainly Japanese	Great	Large variety of Japanese food including condiments, snack foods, processed and frozen food
Asian grocery shops	Miracle, Great Eastern	Found throughout most cities	Mainly Asian-Australian	Good	Decent variety of Japanese condiments, snack foods and processed food
Major Local Chains	Woolworths, Coles	All over Australia	Entire market	Not so good	Small amount of Japanese-style condiments and instant noodles in Asian food sections

# 3. Overview of Japanese food exports

## ① Export destinations for Japanese food products

- Exports to Australia grew by 17.5% to ¥9.4 billion between 2013 and 2014.
- Ninth overall rank, and one of the top English-speaking countries.

Top ten export destinations for Japanese food by value (Units: billion yen)

Rank	Country/region	2013	2014	Change
1	Hong Kong	125.0	134.3	+7.5%
2	USA	81.9	93.2	+13.9%
3	Taiwan	73.5	83.7	+13.8%
4	China	50.8	62.2	+22.4%
5	Korea	37.3	40.9	+9.6%
6	Thailand	34.4	34.8	+1.1%
7	Vietnam	29.3	29.2	-0.1%
8	Singapore	16.4	18.9	+15.6%
9	Australia	8.0	9.4	+17.5%
10	Canada	6.1	7.4	+21.7%
-	<b>Global</b>	<b>550.5</b>	<b>611.7</b>	<b>+11.1%</b>



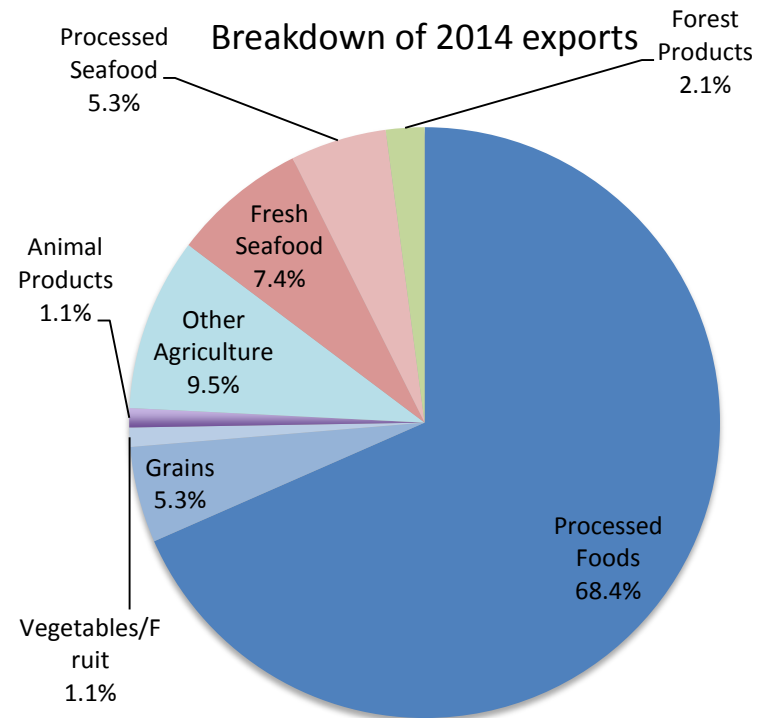
### 3. Overview of Japanese food exports

#### ② Exports of Japanese produce and food products to Australia

- Slightly dropped following the GFC, but has increased since.
- 2011 Fukushima disaster has not affected the increase of food exports.



Source: MAFF (Japan)



Source: MAFF (Japan)

## 4. Issues concerning Japanese food exports

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### ① Quarantine Regulations

- Australia's quarantine process is a major issue.
- Australia has one of the strictest quarantine regulations in the world.
- Importation of fresh fruit, vegetables, dairy and meat products is tightly regulated.
- Japanese products that are relatively easy to import:  
Condiments, snack foods, processed foods, frozen seafood, drinks, rice
- Confusion can arise from varying interpretations of quarantine regulations between inspectors.

## 4. Issues concerning Japanese food exports

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### ② Competition with Australian-and foreign-made products

While Japanese food exports to Australia are growing:

- Foreign and Australian made equivalent products are widely and affordably available.
- Products made by Japanese companies outside Japan are also available.
- Equivalent products made in China, Korea or Southeast Asia tend to cost a third or half of Japanese-made products.
- Japanese products are even more expensive than their Australian-market equivalents.
- Limited demand for Japanese-made products in the food industry and major supermarkets.
- Main retail avenue for Japanese food products is Asian grocery stores.

Main origins of Japanese-style products sold in major supermarkets

Made in Australia or other countries	
Item	Origin
Sushi Rice	USA, Australia
Seaweed	China, Korea
Rice Vinegar	China
Pickled Ginger	China

Made by Japanese companies outside Japan	
Item	Origin
Mayonnaise	Thailand
Soy Sauce	Singapore
Instant Noodles	Hong Kong
Dried Noodles	Australia

# 5. Business opportunities for Japanese food exporters

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While strict quarantine regulations and uncompetitive pricing are issues, there are also opportunities unique to Australia.

- As purchasing power is high in Australia, products are more likely to be accepted if the added cost reflects its added value.
- The Japanese food market is still growing, and there is more room for new products compared to the highly competitive Asian food market.
- Australia is a growing multicultural country with new migrants constantly arriving. Demand for Japanese food products is bound to increase.

To take advantage of Australian export opportunities:

- Provide products with an added value that justifies the higher cost, rather than competing in the highly competitive market for basic staples
- Improve product packaging and naming in order to capture the attention of the discerning Australian consumer
- Appeal to the Australian popularity of fine food and healthy eating