

**Pavilion Organizer - TURKEY****AN INTERVIEW WITH TURKISH PAVILION EXHIBITOR.**

Turkey participated in Foodex Japan 2013 for the sixteenth time with 28 Turkish companies under the organization of Aegean Exporters' Associations. Turkish companies' interest to Foodex Japan has been increasing year by year and more Turkish exhibitors are expected to participate in Foodex Japan 2014. As Foodex Japan is one of the largest food exhibitions in the world, it provides the opportunity for the exhibitors to meet the Japanese buyers as well as buyers from other countries. — **Musa Demir, Commercial Counsellor, Embassy of the Republic of Turkey**

**Q: Please give us a brief introduction about yourself and your trade office.**

I am Musa Demir, chief commercial counselor at Turkish Embassy in Tokyo. We have quite a medium-size commercial office in Tokyo that deals specifically with marketing activities and commercial diplomatic relations between Japan and Turkey. Our office mainly provides market information to Turkish companies interesting to doing business with Japan and at the same time we provide commercial and sectoral information of Turkish products to Japanese companies which want to do business with Turkey.

**Q: Where are food and beverages placed within the overall exports to Japan? How important are they? What are the main export items? Can you give us the movements in the export value & quantity for major items from Turkey**

## to Japan?

When we revise the configuration of Turkish exports to Japan, we see that 41.8% of exports to Japan consists of food and beverages. As the fourth largest importer of Food and Beverages with a share of 5.7% from world imports, Japan has been one of the important markets for Turkey. Main food and beverage items Turkey exports to Japan are fish fillets (mainly blue-fin tunas), tomatoes, pasta, olive oil, dried fruits, nuts, mollusc and tobacco. Turkish food and beverages exports to Japan reached its highest level of 193.7 million dollars before the global economic crisis in 2008. Exports reached 138.8 million US dollars in 2012 with an increase of 17% with respect to the previous year. Exports of pasta, dried fruits, nut, spices, wine, frozen vegetables and pickles show continuous increase with exception of several years since 2005.

### **Q: What are some of the actions or approaches taken to promote further exports to Japan?**

"Committee on Promoting Fruit Exports into the Far East" was established in order to initiate exports of cherry and citrus fruit in 2003. As the result of activities under this Committee, exports of grapefruit started on January 2011 to Japan. In addition, a market research on "Japanese Fast Moving Consumer Goods Market" has been initiated and published on our website for the use of Turkish companies. Furthermore, trade missions are organized in Japan with the participation of exporters from Turkey not only to promote food and beverages but also to promote all traded goods.

### **Q: What are some problems or challenges for the Turkish side to enter the Japanese market?**

Japanese customers have very high standards for food and beverage products compared to European customers. Turkish companies have an expertise of working with European markets, where random inspection is adopted as a quality control. On the other hand, inspection of imported products is very strict and detailed in Japan. Imported products are inspected product by product. Furthermore, packaging criteria in Japan also differs from Turkish practice. For example, sealing is very important and many Turkish companies need to enhance their packing systems. Especially retailers are very sensitive about the products on their shelf since if one customer makes a complaint about the product, the store image and consumer loyalty would be negatively affected. Being able to sell the products in Japan with

strict standards means that you can sell anywhere around the world. Conducting business in Japan gives a positive image to other countries in Southeast Asia.

**Q: What are the problems of the Japanese side? Are there any requests to the Japanese market or points that you want the Japanese market to understand?**

Decision-making process in Japanese companies is considered as slow. Sometimes it takes years to persuade a Japanese company to make the purchasing decision. We advise our companies to keep in touch with the importers, visit them once a year, be responsive to product adaptations demanded by the importers. The distribution channels in Japan are complex and hard to understand for foreigners. A company has to establish relationships with importers, also with wholesalers, distributors, all the way to supply chains, retailers, other sellers, and manufacturers.

**Q: What are some of the plans for Turkish food and beverages to take root into the Japanese market in the future?**

In order to take root into the Japanese market, product-tasting events will be organized in retailers. Foods, not widely recognized in Japanese market like hazelnut and dried fruits should be tasted in order to make Japanese people familiar to these flavors. In addition, we advise our companies to keep participating in fairs organized in Japan.

**Q: Currently, are there any key items that are exported to Japan?**

Hazelnut has a strategic importance for Turkey, as Turkey is number one exporter of hazelnut in the world. Hazelnut Promotion Group organized promotional activities in Japan to increase the awareness and demand for Turkish hazelnut. A Japanese website called [www.turkish-hazelnut.org](http://www.turkish-hazelnut.org) supports the activities in Japan.

First of all, a "Turkey-Japan Promotion Committee for Turkish Hazelnut" has been established by Toyota Tsusho Co., Toyo Nut Co., Tomen Co., Shoei Foods Co., and Cosmopolitan Confectionary Co., all of which are members of Japanese Union of Hard Shell Fruits, in order to make cooperation in the advertising and promotion activities in Japan. Consumer surveys were performed both online and in-situ formats and the results were used to create the main slogan and the message.

A booklet named "Turkish Hazelnut Booklet" was published to include information on the production of Turkish hazelnut, types of hazelnut, applications, nutrition and health data and recipes of meals and desserts with hazelnut and delivered as an attachment to the "Ryori Ohkuku" magazine which is one of the leading gastronomy journals in Japan.

There are ongoing preparations to establish a Taskforce for Pastry and Confectionary Makers and to publish a calendar that contains recipes of meals and desserts with hazelnut. 4 cooking classes have been opened in Japan's prestigious cooking school Le Cordon Blue; Tokyo, Kobe and Yokohama. These classes were attended by 115 consumers and 7 media representatives. A seminar for bakers was organized in Yamagata in cooperation with Japanese Confectionary Associations. This activity was participated by 62 manufacturers who are members of FJCA Yamagata Branch. A seminar was held in Tokyo targeted at confectionary manufacturers. 57 manufacturers attended the activity.

Hazelnut Promotion Group (FTG) organized a seminar in Tokyo for bakery and ice cream sectors as a new hazelnut promotion activity in Japan. 22 representatives from 14 bakery and ice cream manufacturing companies participated in the seminar which was organized together with AEON, the biggest retail chain of Japan and "Taste and Aroma Strategic Research Institute", which executed a taste analysis in recent months for FTG and made a presentation about flavours that Japanese people prefer and usage of hazelnut in the food industry with considering Japanese taste. Bread and ice cream products made with Turkish hazelnut were also offered to the participants.

## **Q: Turkey is participating in Foodex Japan as an exhibitor every year. Do you have any thoughts on Foodex Japan?**

Turkey participated in Foodex Japan 2013 for the sixteenth time with 28 Turkish companies under the organization of Aegean Exporters' Associations. Turkish companies' interest to Foodex Japan has been increasing year by year and more Turkish exhibitors are expected to participate in Foodex Japan 2014. As Foodex Japan is one of the largest food exhibitions in the world, it provides the opportunity for the exhibitors to meet the Japanese buyers as well as buyers from other countries. It is also believed that the Foodex Japan will stimulate an atmosphere of greater cooperation between Japanese and Turkish companies and contribute to the improvement of the commercial and economic relations between Japan and Turkey.

## **Q: What is the current situation and future prospects of EPA and FTA**

## **between Turkey and Japan?**

As you know, the negotiations between our countries have not started yet. In the context of the Joint Study Group (JSG) established on the occasion of the visit of our Minister Zafer Çağlayan to Japan last July, the scoping exercise for a possible Free Trade Agreement (FTA) initiated. In this context, JSG concluded its work as a result of the two meetings held on 20-21 November 2012 in Ankara and 26-27 February 2013 in Tokyo. For the Turkish part the draft report can be considered as completed.

After the conclusion of the internal approval procedures of Japanese side regarding the aforementioned report, it is planned to start the FTA negotiations between the parties. The planned visit of our Minister to Japan in the coming months could turn into opportunity to declare the initiation of the FTA negotiations.

Turkey has the aim to improve and deepen its economic and commercial relations with the countries in the Asia-Pacific Region. In this framework, in its region and the world, Japan is a country attributed great importance by our country from both economic and commercial aspects. As of 2012, bilateral trade volume between our countries is \$3.9 billion (\$332 million exports, \$3.6 billion imports). However, taking into account the economic scales of the two countries, it can be seen that this number does not reflect the real potential; furthermore, there exists a continuing trade deficit in bilateral trade against Turkey.

In addition to this, Japanese investments in Turkey increase every year. In this context, Japanese investments which are particularly concentrated on industry, through prominent Japanese companies including Toyota, Honda, Mitsui, Bridgestone, Sumitomo, Daikin operate in Turkey. In recent years, Japanese companies have also expanded their activities in services sector in Turkey, where for example 'Bank of Tokyo-Mitsubishi UFC (BTMU)' as the biggest bank of Japan plans to operate in the banking sector.

Japanese Credit Rating Agency (JCR) followed by Moody's and Fitch in last May, upgraded the credit rate of Turkey to the 'investment grade'. Hence, the fact that Turkey is such an attractive investment center can be also seen from the results of the investment surveys executed by Japan Institute for Overseas Investments (JOI). According to the aforementioned results, Turkey's order is increased to 12th in 2012; whereas 15th in 2011 in the ranking of mostly invested countries by Japanese companies.

In this context, an FTA to be concluded between our countries will not only increase bilateral trade, diversify the goods in trade and improve bilateral trade in a balanced structure but also contribute the development of the aforesaid bilateral investments between the two

countries. I would like to mention specifically that FTA will have important contributions in the long run including promoting innovation and competition between the parties, increasing know-how and maintaining economic growth. I believe that the process of Turkey-Japan JSG which continued almost 1 year between the EU and Japan will be completed swiftly as in the case of South Korea\* and both parties will do their best to conclude the negotiations as soon as possible.

(\*The negotiations with South Korea started on 19 March 2010 and were concluded on 10 March 2012. On the other hand, the negotiations of the EU with South Korea continued 2 years 2 months. The aforementioned FTA of Turkey with South Korea was signed on 1 August 2012 and entered into force on 1 May 2013.)

## **Q: Do you have any additional comments that you want to make?**

There are historical friendship relations between Turkey and Japan. The spirit of solidarity and cooperation between Turkey and Japan are getting stronger and deeper each and every day. On the other hand, the awareness about Turkish product within Japanese people is not enough. Besides food and agricultural products Turkey is one leading producer and/or exporter of many industrial goods such as fashion and apparel, home textile, kitchenware etc.