



MINISTRY OF FINANCIAL SERVICES

COMPETITOR ANALYSIS

NATURAL PEARLS IN JAPAN

- Japan is Bahamas’ largest export market for natural pearls. They imported almost 262 thousand USD of natural pearls from Bahamas in 2017. Japan is the fourth largest importer of natural pearls worldwide. Bahamas is the fourth largest supplier in the Japanese market, providing more than 4% of Japan’s total natural pearls imports.
- Main competitors for Bahamas in Japan are USA and Belize. Together these countries account for almost 75% of Japanese imports of natural pearls. Other competition comes from Indonesia, India, Australia and Mexico. Accumulatively these countries account for 19.6% of Japanese imports.
- USA is also the largest exporter of natural pearls worldwide. USA has 38.4% market share in Japan and 28.8% market share in the world market. Globally, USA has an annual growth of +1%. American exports to Japan decreasing annually during 2013-2017 (-3%). Other major destinations for USA include Hong Kong (68.3% of their exports) and Switzerland (16%). Japan is USA’s third largest export destination, contributing to 4.9% of their exports.
- Following Japan, the USA (26.4% of exports), Switzerland (5% of exports) and Hong Kong (2.5% of exports) are other important Bahamian export destinations for natural pearls. Rather than exporting to USA, who re-exports to Switzerland and Hong Kong, Bahamas could consider directly exporting to these markets.
- Belize is Bahamas’ second largest competitor in Japan with 34.5% market share. Their annual growth rate in Japan is decreasing. Japan is Belize’s only export destination for natural pearls.
- Indonesia, India and Australia have seen significant annual growth between 2013-2017. Respectively this was 23%, 32% and 136%. Bahamas needs to consolidate and grow their market share opposed to these markets. Indonesia, India and Australia have realized larger annual growth rates than Bahamas in recent years. Additionally, it is estimated that Indonesia and India can tap into untapped potential in Japan.
- Mexico is a relative new exporter to Japan. The first natural pearls were exported in 2014 and rapid growth occurred in 2017. USA is Mexico’s largest market. In 2017 64.7% of Mexico’s exports went to USA and 30.4% to Japan. Bahamas must protect their position and keep an eye on Mexico’s developments.

Table 1 – import performance of main suppliers and regional competitors in Japan

Supplier	Import value in 2017 (USD)	Market share	Average annual growth 13-17	Estimated untapped potential to 2021 (USD)
Total	6,306,000	100%	0%	
USA	2,423,000	38.4%	-3%	-
Belize	2,174,000	34.5%	-2%	-
Indonesia	848,000	13.4%	+23%	82,000
Bahamas	262,000	4.2%	+20%	-
India	165,000	2.6%	+32%	1,519,000
Australia	124,000	2.0%	+136%	-
Mexico	100,000	1.6%	+462%	-
Other	211,000	3.4%	-	-

Source: Trademap (2018).

- Bahamas is the 4th largest supplier of natural pearls to Japan. The largest suppliers to the Japanese market include USA and Belize.
- Important competitors are Indonesia, India and Australia. They have larger annual growth rates and estimated untapped potential up to 2021. Bahamas must try to consolidate, defend or increase its position compared to these countries.
- Bahamas could consider increasing exports directly to Hong Kong and Switzerland. These are re-export destinations for USA and Japan. There might be potential for Bahamas to increase market share in these markets.

