Price relationships for imported abalone in the Japanese market

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Abstract

The rapid increase in abalone production and importing of farmed products may pose a serious threat to wild abalone producing countries, as it could cause negative pressure on prices. This paper investigates the price relationships for imported abalone in the Japanese market and the implications for wild abalone producing countries, using a co-integration framework. The results indicate that the fresh abalone imports from 6 major countries with different production types (wild or farmed) are within the same market: that is, there is a single market for all imported fresh abalone in the Japanese market, and thus substitution from one to another to some degree. Although no evidence was found for the farmed abalone from South Korea leading the import prices, the existence of a single market suggests that a fall in prices of one product or a country due to increased production can affect the prices of all abalone from other import countries or species in the Japanese market.