

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Required Report - public distribution

Date: 2/26/2014

GAIN Report Number: JA4503

Japan

Wine Annual

Japan's Wine Market Continues Growth

Approved By:

Steve Shnitzler, Director, ATO Japan

Prepared By:

Sumio Thomas Aoki, Senior Marketing Specialist, Paula Yuki
Anthony, Intern, Mayu Tabata, Intern

Report Highlights:

In 2013, the United States held an 8.6% value share of Japan's \$1,047 million imported bottled market. This was an increase from the 7.7% share in 2012.

Market share of bottles priced ¥500 JPY or under and ¥1000 – 1500 continue to increase. Bulk imports continue to grow as domestic Japanese wine companies' bottle their own wine.

Executive Summary:

- The Japanese market consumed 3221.2 thousand hectoliters between January and November of 2013. Using the average percentage shares of the past three years for domestic and imported wines, which were 32.4 % and 67.6 % respectively, domestic wines were 1,043.6 thousand hectoliters and 2,177.5 thousand hectoliters for imported wines. For the same 11 months for the 2012, total consumption of wine in Japan was 3,126 thousand hectoliters.
- The Japanese wine market continues to be very competitive. Although 55 countries supply wine to Japan, ten countries account for approximately 98% of the imported volume.
- Popularity of sparkling wine continues to grow for both women and men. Import volumes of the top five countries grew except for Italy. Total volume was up 5.7%.
- On-premise consumption continues to increase as the Japanese economy improves and wine becomes more generally affordable. Upscale Japanese *izakaya* restaurants are performing quite well, and standing wine bars continue to be popular, particularly among middle-aged and older men. Off-premise consumption has increased as well. Supermarkets are carrying more inexpensive (under ¥1000 JPY) wines, and premium wines are increasingly purchased through online sources.
- Market share of bottles priced ¥500 JPY or under and ¥1000 – 1500 continue to increase. Wines priced at ¥1000 JPY are seen as being “halfway,” reflecting a trend favoring lower-priced wines especially among young individuals.
- Sales of wines in the mid-range category of ¥1,500 – 3,000 JPY are consistent.
- Sales of high end wines of ¥3,000 JPY+ continue to increase as certain

consumers' value quality. There seems to be an increasing amount of people who are more "open" to purchasing premium good quality wines regardless of price. Though the consumption tax increase in April from 5% to 8% may influence the wine industry, experts forecast the increase in tax will not be a major problem; however, the industry must still be on guard and continue to promote wine.

- Chile and the United States lead the bulk wine exports to Japan, with 152 thousand hectoliters and 94.7 thousand hectoliters respectively. Domestic wine producers continued to bottle more imported bulk wine in CY 2013, reflected by a 12.9% increase in volume of imported bulk wine
- Low priced wines have become easily accessible, in part by increased imports of bulk wine from the United States, Chile, and South Africa for bottling in Japan.
- No changes in regulations and taxes specific to wine. However, in April 2014, the general consumption tax increase will increase from 5% to 8%.
- Several emerging new world wines present a stylish and colorful label that provides an approachable image, distinguishing themselves from labels with a black font and a simple design. Unique stories or facts about the background of the wine are very helpful for consumers as well.

Overall Bottled Wine Market

Total imports of 2 liter or less bottled wine in CY 2013 decreased -0.05% to 1.80 million hectoliters from 1.81 million hectoliters imported in CY 2012. The total value of imported 2 liter or less bottled wine in CY 2013 increased by 1.01% to \$1,047.9 million from \$1,037.5 million.

On and off premise consumption continue to increase, especially in inexpensive restaurants such as *Izakaya*. Total bottled import volumes from France decreased -5.6%. Italian and Spanish wine volumes also decreased by 4.3% and 5.1% respectively. In contrast, Chilean and U.S. wine volumes increased by 15.4% 9.5%, respectively. .

The market share of bottles priced at ¥500 JPY or under and ¥1000 – 1500 JPY continue to increase. The Japanese wine market continues to be very competitive. Although 55 countries supply wine to Japan, ten countries account for approximately 98% of the imported volume. U.S. bottled wine imports continue to increase.

Overview of Japan's Alcoholic Beverage Market

The varieties of beverages have changed and increased along with the changing taste preferences and drinking patterns. According to the latest world health organization data, Japan is in the top quarter of all countries in terms of per-capita annual alcohol consumption at 7.3 liters in 2011. (2013 data was not readily available.)

Wine consumption in Japan has become as common as drinking Japanese sake. In recent years, more households have regularly purchase or have a bottle of wine. Most restaurants carry both white and red wine. Wine as a share of total alcoholic beverage consumption is still low, accounting for approximately 3.5% of the total. This is because there are many other options to choose from among alcoholic beverages, such as sake, shochu, chu-hi (a fruity alcoholic drink), and beer.

Japan Alcohol Consumption by Variety

year	Wine		Sake		Shochu		Beer/ Happoshu		Whiskey/ Brandy		Liqueur/ Spirits	
	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
2004	234	2.7	809	9.3	983	11.3	5830	67.0	100	1.1	751	8.6
2005	247	3.1	782	9.8	999	12.5	5087	63.5	94	1.2	798	10.0
2006	238	3.1	745	9.6	1000	12.9	4851	62.6	90	1.2	824	10.6
2007	239	3.1	717	9.2	1005	12.9	4678	60.2	88	1.1	1038	13.4
2008	237	3.1	682	9.0	973	12.8	4291	56.6	85	1.1	1307	17.3
2009	240	3.2	622	8.2	961	12.7	3961	52.4	92	1.2	1687	22.3

Notes: (% = percentage share, Volume in 1,000 KL)

Source: Toukei Geppo, Food and Liquor National Tax Agency

2013 data was not readily available

<http://www.youshu-yunyu.org/english03/tukantokei11gatu.eigo.pdf>

Alcoholic Beverage Categories

Beer, Happoshu and Third Beer:

While beer has traditionally accounted for more than half of Japan's total alcohol consumption, it has faced increasing competition from a cheaper, low-malt, low-tax beer variety called *happoshu*. More recently, an even lower-taxed *third beer* which contains no-malt and consists of other base ingredients such as soybeans or peas has emerged in the market and has taken significant market share from both *happoshu* and beer. Despite higher consumption of *third beer*, the overall beer/happoshu market has declined due to more available alternatives and changing consumer preferences. Note that craft beers,

domestic and imported, are gaining popularity in Japan.

Sake:

Consumption of sake has been declining steadily during the last half century due to greater availability of other alcoholic beverages and a change in consumer preferences. While sake is consumed less by younger consumers, there has been efforts by the sake trade to recapture this segment.

Shochu:

Consumption of shochu, a traditional spirit distilled from potatoes, wheat or rice has increased in recent years. Growth is mainly attributed to perceived health benefits and less severe after-effects compared to those of other alcoholic beverages. Shochu has also gained popularity due to its drinkability as it can be served with fruit juice or cold tea.

Chuhi:

Chuhi (*pronounced: choo-high*) is a shochu based flavored drink that is canned and usually carbonated. The best selling flavors are grapefruit and lemon due to the perceived health benefits of citrus. Other flavors such as grape, strawberry, orange and lime are widely available. Chuhi is also offered in restaurants as an alternative to beer.

Whiskey and Brandy:

Straight whiskey and brandy consumption quantities are flat or slightly lower. The only recent exception to this trend is in sales of single malt scotch to niche consumers. The overall decline is primarily due to shochu becoming a preferred alternative at home and in restaurants.

The exception is the high-ball, a cocktail made of whiskey and soda, which has seen a recent increase in consumption. Japanese whiskey manufacturers have launched advertising campaigns for canned high-ball drinks with promotions visible throughout Japan's *izakaya* (Japanese) bar/restaurant scene.

Spirits and Liqueurs:

Although still low in overall share, consumption of liqueur and spirits grew significantly in recent years, particularly as ingredients in cocktails. They are especially popular among women due to their sweet taste, lower alcohol content and visual appearance.

Spirits and liqueurs are also popular among men who find beer too bitter.

Wine Market Overview

A. Consumption

1) *Historical Consumption*

With several decades of steady expansion, the Japanese wine market has experienced multiple surges in consumption. Two of the most significant booms involved Beaujolais Nouveau in the late 1980's and a boom in red wine in 1997 and 1998. The Beaujolais brand is now strongly established among consumers with imports at 100 million cases per year, all consumed during the third week of November, when Beaujolais produces its special variety. A major boom in imported red wine occurred in 1998 following a series of studies linking health benefits to consumption.

2) *Demographics*

Today, Japan has a broad base of wine connoisseurs that has a tendency to favor Bordeaux, Cabernet Sauvignon and Chardonnay varietals. These connoisseurs are men who began learning the virtues of wine in the 80's and 90's, and who probably were the ones who generated the huge popularity of wine in the 90's. They are now a large part of the older population with the disposable income to purchase wines. Retirees have considerable pensions which they partly use to purchase premium wines from online stores or from specialty shops where a sommelier will be available to advise them. As Japan's population ages, the market for high quality wines may increase.

Globally, young people are rejecting traditional drinks in favor of newer, lighter varieties. In Japan, this means a shift away from drinking sake and sochu and potentially greater interest in wine, beer, cocktails, and sparkling wine. Young individuals have started to take interest in consuming wine, which is great news for the wine industry. A trade expert noted that the consumption of affordable wines among young people is improving. On a negative note, however, individuals in their 20s are less likely to have found steady employment and thus have a smaller disposable income, along with a decreasing interest in the "drinking culture" which greatly influences the overall alcohol consumption in Japan. Another trade expert interviewed stated that young people are showing less interest in consuming alcohol and more in mineral water, sales of which have been increasing in the past 30 years.

The 30 and 40 something age group is the largest group who consume ¥3000 JPY or more wines. Many men and women in this group attend wine schools and wine themed dinners. Overall consumption of ¥3000

yen and over wines has increased, which may be due to the improving economy.

In interviews with experts, it is known that men and women both share 50% of the market in wine consumption. However, there is a stronger shift towards women leading the wine market as they are usually the decision makers in purchasing food and beverages in the home, thus making females the brand decision maker. Wine is taking up more shelf space at supermarkets, where women shop for their families.

Since wine is a non-essential item, many women express a firm belief that it should be easy to carry. PET bottles are lighter, durable, and easier to open than glass bottles. Many Japanese wines (Kokusan) have started using good quality PET bottle packaging, which are designed and created very well to the point that it is hard to notice at first that the package is a PET bottle. Women also tend to buy more white wine than men. Women attend wine tastings, classes and seminars more than men. It is known that 60% of wine experts in Japan are women. They have great initiative in purchasing wine, and are eager to consume varieties of wine. Also, women increasingly host wine and drinking parties at their homes.

Preferences for wine also vary with location. Most of the wine consumption occurs in urban areas with more than 70% of premium wines (¥3000 JPY or more) consumed in the greater Tokyo area alone. Tokyo also dominates in on-premise wine consumption. In rural areas, a greater share of alcoholic beverage consumption is made up of more traditional drinks such as shochu, sake and beer. Historically, inexpensive domestic bottled wine was popular in rural areas but wine markets throughout Japan continue to become more sophisticated. Cultivation of markets outside of Tokyo is important to the expansion of the wine trade. Large cities will be especially important to the expansion of wine consumption, particularly in Osaka, where Chilean wine is extremely popular, and Kyoto, where the increasing presence of foreign cuisine and restaurants is challenging the otherwise traditional food culture.

B. *Trends Today*

1) *General*

Both on premise and off premise consumption of wine are healthy as many consumers show interest in wine as the market offers a wide price range and different wine varieties. Upscale Japanese *izakaya* restaurants continue to perform quite well, especially in urban areas like Tokyo. It is also known that consumers focus on grape character when consuming wine on premise.

2) *Home-Grown Grape Wine Gains Popularity*

Wines made from domestically produced grapes are gaining popularity in Japan as the quality of many young wineries has improved in recent years with expertise gained abroad. Makoto Endo, an official of the Association of Nippon's Wine Lovers said that, "It is natural for people abroad to drink wines produced in their home prefectures. In Japan, consumers are also starting to look at wines familiar to them."

3) *Wine on the Rocks*

"Wine on the Rocks" is becoming an increasingly popular trend among consumers in Japan because of simplicity and brisk taste. Suntory Holdings Limited is one of the major Japanese Brewing companies that is pushing this new trend as "the new way to drink wine", with instructions on how to make the cold wine beverage posted on its website's official blog. Denny's Japan has also followed suit as it is currently offering both red and white wine on the rocks on their drink menus across Japan.

4) *"Stand Up" Wine Bars*

The concept of the "stand up wine bar" started at a small wine specialty shop in Hacchobori, Tokyo. "Stand Bar Maru" started out as a simple wine specialty shop selling a wide selection of imported wines from

across the globe. The small wine specialty shop then incorporated a bar into their business model and it became what is generally regarded as Tokyo's first stand up wine bar. The idea really hit home with Japanese consumers, and this popularity has led other businesses to copy the idea. "Stand up wine bars" and other stand up bars can now be found regularly in Tokyo's popular entertainment districts such as Ebisu and Shibuya to name a few. They are becoming increasingly popular and sell wine by the glass for about ¥700 JPY.

C. Prices

1) Overall

Market share of bottles priced ¥500 JPY or under and ¥1000 – 1500 JPY continue to increase. Mid-range category of ¥1,500 – 3,000 JPY wines also continues to increase. High end wines of ¥3,000 JPY+ are forecasted to increase as consumers seem to be interested in high end wine quality. Also, high end bottled wines have been increasingly consumed at restaurants, which may be the result of the recovering economy.

2) Bottled Wine

The average price per liter of imported bottled wine increased 1.55% overall from \$5.73 to \$5.82. U.S. wines increased 3.20% from \$7.59 to \$7.83. French wines increased by 2.43% from \$8.63 to \$8.84. These increases are mostly attributed to the yen rate and the current economy.

The average import price-per-liter of bottled wine from Chile \$3.19/liter, Spain \$2.95/liter and South Africa \$3.97/liter were all under \$5.00. The average prices per liter were \$5.17 for Italy, \$4.79 for Australia and \$ 4.24 for Argentina.

The consumption tax increase in April 2014 may change the price bracket of wines. However, experts have an optimistic view that the tax increase may not influence the progressing wine market as much if industries are able to promote casual wine drinking in homes and successfully promote Japanese meals that match well with wines.

3) Domestic Wine

Domestic wines have a more significant presence in the market due to greater availability and competitive pricing.

The domestic industry is concentrated around five major producers which

account for approximately 80% of all wine production in Japan. Some of Japan's most popular domestic wines such as "Koshu" are produced in Yamanashi Prefecture. While there are well over 100 wineries in Japan, three-quarters produce less than one-thousand hectoliters on an annual basis.

Bulk wine is imported from major suppliers, primarily Chile and the United States to blend with Japanese product and bottled for sale at retail as Japanese wine.

D. Exports of Domestic Wine

Japanese wine makers have become more competitive in the global market place as exports of domestically produced wines have increased. Misawa Winery from Yamanashi prefecture founded a group called "Koshu of Japan" or KOJ, which comprises of 15 different local wineries keen to export their wine overseas. The exported Japanese wines are made from the *Koshu* grape, which has a history of over 1,500 years in the Yamanashi region. It is a very popular brand in Japan.

Imported Bottled Wine

Total CY 2013 bottled wine imports totaled 1.80 million hectoliters valued at \$1,047.9 million.

A. United States

In 2013, the United States held an 8.6% value share of the \$1,047.9 million imported bottled wine market. This was an increase from the 7.7% share in 2012. In 2013 shares for Chile and Spain rose to 11% and 6.6% respectively, increasing competition in market share.

The majority of imported wines from the United States are sold at a price-point in the ¥700 – 1000 range in the retail market. The United States faces significant competition in this segment from Chile, which benefits from a Japan–Chile free trade agreement. Chile and Spain, in particular, are becoming competitive in the ¥289-699 JPN range.

In an effort to gain more value per liter, U.S. traders may benefit from a shift to the ¥1000 – 1500 JPY retail price range. While U.S. wines typically face competition from French and Italian wines in this price range, it is perceived to be a more favorable opportunity. There are relatively few wines in this price range,

as prices seem to be polarized toward the very cheap and very expensive ends of the spectrum. If the US produces better quality wines at competitive pricing that have attractive and trendy labels, it has the opportunity to expand considerably in this price range.

The US brand image is one of innovation and modernity, which is favored among Japanese consumers. It is important that US producers take advantage of this image.

Much like in the United States, American wines in Japan are identified by state or region which allows traders to work with the regional perceptions for marketing.

California has established an image as one of the best new world wine regions supplying Japan. The “Napa” name carries well with Japanese consumers and it is now associated with a high quality wine in the same fashion that “Bordeaux” is with French wine. “Napa” is also easy for Japanese consumers to remember opposed to names of French or Italian regions. The more than 100 California restaurants in the Tokyo area support brand building and sales by increasing awareness of the region’s wines. Currently, several California brands are distributed by Japanese liquor companies, including *Robert Mondavi*, *Franzia*, *Markham*, *Raymond*, *Beringer*, *River Crest* and *Carlo Rossi*. However, it is worth noting that California wines, though in the Japanese mind are comparable in quality and value to French wines, are considered by some to have too much of an oaky flavor and to have too much alcohol. In the future, it might be necessary make an adjustment to the changing tastes of the Japanese consumer, who now prefers a fruity, lighter wine with less alcohol.

Washington State also supplies to Japan and is establishing a presence on many wine lists in hotels and restaurants in Tokyo. Some of the major importers who sell Washington wines are promoting regions such as *Columbia Valley* and *Walla Walla* in categorizing products. In Japan, available Washington brands include *Columbia Crest*, *Abeja*, and *Camille*. The price-competitiveness of Washington wines may be an issue as most are sold for over ¥1000 JP. A parallel can be drawn between Washington and New Zealand; both are located near a major supplying region (California, Australia) and the establishment of one very successful brand may establish the industry as a whole, such as New Zealand’s Marlborough Sauvignon.

In addition to California and Washington, Oregon wine can be found through multiple Japanese importers. There is a great opportunity to establish Oregon wine if quality bottles can be supplied for a competitive price. Promoted regions for Oregon wine production include the *Columbia*, *Willamette* and *Applegate Valley* regions. Oregon has the potential to build an image of high quality, family-based and small scale wine producers. The Japanese market for Washington and Oregon wines is relatively small but also devoted. They might appeal to a wider base of consumers by explaining clearly, perhaps on a small map on the back of the label, where they were produced, since most Japanese do

not know the regions where they are made. Given the Japanese consumer interest in the origin of their wines, this might make Washington and Oregon wines more attractive.

Due to the recent yen rate, unit price has recovered and high priced wines are selling. Elegant low alcohol U.S wines have also been imported and an increase in consumption of elegant U.S wines among those who are “educated” in wine is emerging.

B. *France*

While France carries the strongest image for wine in Japan, its market share continues to decline due primarily to competition from new world wines. French wine might just be too expensive given the fact that alternatives are much more widely available; about ¥700 JPY is the most highly demanded price. France’s volume share has changed from 33.1% in 2012 to 31.5% in 2013, which was a result of increased exports from Chile and the United States. Imported volumes of French wines decreased in CY 2013 by -5.59% to reach 566.9 thousand hectoliters. However, French wine imports continue to enjoy popularity in Japan for their Beaujolais Nouveau wines. Though many French exporters seem to prefer the Chinese market over Japan’s for premium brands.

In many cities, French wine is the favorite and considered the safe choice. In some cities, however, other wines are becoming more popular. For instance, in Osaka, Chilean wine is the favorite. This is largely related to the increased demand for lower-priced wines. For example, Bordeaux wines retail at about ¥1000 JPY. For many consumers, this price is too high given the availability of good quality Chilean wines for ¥500-700 JPY. Young individuals also do not attribute wine to France unlike the older generations, as they take interest in new world wines Chile and U.S wines. The Bordeaux wines that are continuing to do well, however, are those that have won gold prizes and medals at wine contests and have a medal seal on the label. Consumers seem to be willing to pay a little more for these wines.

C. *Italy*

Imports from Italy decreased 4.3% in CY 2013. This decreased Italian wine’s market share to 18.5%. Value was up by 4.6% compared to 2012. Since sales are relatively dependent on the foodservice sector, consumption has decreased due to the unstable economy in the past several years that lead many Italian restaurants

to close. Households are taking home Italian wines purchased from the market; however, sales of wines retailing ¥3000-5000 are decreasing. There is an opportunity for Italian wine producers in the lower price range, at about ¥700, although it is a challenge due to the emerging low priced wines from other countries in the market.

D. *Chile*

Chilean wines continued to increase significantly in CY 2013 with volume and value increases of 15.4% and 13.6% respectively. Much of the marketing of Chilean wines in Japan benefits from trader interests in the Japan–Chile free trade agreement (FTA), which will gradually lower import duties on wine from the standard 15% to zero over the next 5 years. While Chile’s image as a supplier of wine is relatively new to Japan, it is strengthened by a positive image of Chile as a food supplier through Japanese imports of Chilean seafood, meat and produce. With these advantages, Chile strongly competes in the lower price segments (¥500 – 1000 JPY) and has established a presence in Japan’s inexpensive *izakaya* restaurants. They are also selling very well at supermarkets and convenience stores. Wine journalists in Japan have noted that Chilean wine is perceived to have less oak and less acidity which is favorable to Japanese consumers. It is specifically popular among those who are not experienced wine drinkers. Chilean wine is less competitive in higher price segments. The image that Chilean wine is cheap persists, though it has the image of being good quality for a fair price. Their main competitor in the lower price range is Spanish wines.

E. *Spain*

The volume of imported wine from Spain in CY 2013 decreased 5.1%. Spanish wines were attributed with ham and other Spanish cuisine in Spanish restaurants; however, the “ham & wine” trend has diminished. Unit values of Spanish wines are steady as sales of lower priced Spanish wines in supermarkets and *izakaya* restaurants have increased. Spain’s volume share of Japan’s total import wine market slightly decreased to 13% (bottled wines only). Spain is a major competitor to the U.S, as Spanish wines sell very well in convenience stores in addition to supermarkets. In the lower priced range, tastiness and appearance seem to be the most important factors for sales. Due to Spain’s recent political instability, however, export prices have risen.

F. *Germany*

German imports have decreased 7.2% in 2013 from 35.8 thousand hectoliters of bottled wine in 2012 to 33.2 thousand hectoliters in 2013. The decrease may be due to the fact that many individuals prefer a spicy taste of wine and German wines are mostly sweet in flavor. Although, there are some individuals, especially women and the young generation that enjoy sweet German wine. German wines are mainly purchased online by heavy wine users.

G. *Australia*

Japanese imports of Australian wine decreased to 68.4 thousand hectoliters in 2013 from 72.5 thousand hectoliters in 2012. Experts have told us that the Chinese and other Asian markets are appreciating Australian wines more, however, siphoning off supply. Australian wines are hard to compete in Japan as many do not attribute wine to Australia. Australian wines are not distributed as much in Japan. Value in CY 2013 was \$32.8 million.

Bulk Wine

Low priced wines have become easily accessible in part by increased imports of bulk wine from the United States, Chile, and South Africa for bottling in Japan. Since 2011 U.S. shipments have increased 15.4% in order to reach 94.7 thousand hectoliters in 2013. The prices per liter for bulk wine in 2013 were: United States \$1.08, Chile \$1.22 and South Africa \$0.92. Chile has the greatest share of the bulk wine market, up 34.02% from 2012. The U.S. has the second greatest share.

Distribution Channels

Approximately 50 percent of wine consumed in Japan is distributed through retail, and the remainder through on-premise channels including bars and restaurants. Traders expect more of the volume growth in the wine market to occur off-premise as more consumers purchase wine for home consumption; however, as the economy recovers, on-premise consumption will increase.

Consumers of mid-range and premium wine (above 1000 yen, \$13.16) are becoming more knowledgeable. They are placing more importance on distribution practices when purchasing wines. There is an increase in demand for wine shipped at cool temperatures, which can raise shipping costs up to 50 percent. The United States holds a unique advantage in this regard as U.S. shipments do not cross the equator, unlike Chilean, Australian and South African shipments which are more likely to require chilled shipping.

A. *Retail*

Distribution of wine and all other alcoholic beverages are regulated under the Liquor Tax Law which is applied to retailers that hold liquor licenses. Domestic wine distribution is generally a three or four tier system from manufacturer to retailer with one or two wholesalers in between.

Recently distributors have been more aggressive in seeking ways to increase margins. While the major wine distributors have previously purchased from various specialty importers, they are finding it more profitable to send buyers to wine producing regions and import and distribute directly to retail shops. Wine sales in supermarkets and convenience stores are increasing steadily as more shelf space is given to wine. Most of these wines are Chilean, Spanish, Italian and U.S. As the economy recovers, we will see if that increase is permanent or if it will shift back toward on-premise consumption. However, it appears that women, who make most of the household's purchasing decisions, are purchasing wine from supermarkets and convenience stores more often.

B. *Import Wine Shops*

The number of import wine specialty shops in Japan has grown over the last decade having started with the expatriate community in Tokyo. Most are located in upscale urban areas and have staff whom are increasingly knowledgeable about wine and are educating their customers about wine types, consumption and storage practices.

C. Supermarkets

Supermarkets are allotting an increasing amount of shelf space for wine and are projected to increase wine sales. The majority of bottles sold in supermarkets are in the ¥298-699 JPY, ¥700 – 1000 JPY, or ¥1000 – 2000 JPY ranges with limited shipments of more expensive bottles. The selection though isn't quite as good as wine shops and sales personnel are not posted near the wine shelves to help customers. They are carrying mainly Chilean and Spanish wines but also increasingly carry wines from Italy and the US.

D. *Convenience Stores*

Most convenience stores carry a selection of very inexpensive domestic wines (fewer than ¥700 JPY) and mid range imported wines (¥1000 – 1500 JPY). Half bottle wine selections seem to be increasing at convenience stores. Convenient stores play an important role in distributing wine along with supermarkets.

E. *High Volume Sellers*

Costco wholesale supermarket (20 locations in Japan) has been mentioned by traders as possibly having an influence on market prices and related consumer perceptions. Costco carries some imported bottles at a steep discount, sometimes under 500 yen per 750ml bottle. Some traders note that this may change price perceptions held by some consumers regarding wine as well as other food products.

Another outlet able to offer discounts on imported wine is Yamaya, a liquor store chain with over 309 locations nationwide. Yamaya sells imported and domestic wine, beer, spirits, beverages, and food products. Yamaya may also have an effect on price point perceptions, and may also be an opportunity to build exports of higher quality Washington and Oregon wines at competitive retail prices.

Packaging

The standard package for domestic and imported wine is the 750ml glass bottle. Consumers are slowly accepting screw caps on quality wines. In general, consumers under 35 years of age fully accept screw caps whereas older consumers have a strong association between corked wine and quality.

In addition to 750ml bottles, there have been other package types, but most have encountered limited success.

Quantities of *bag-in-box* wine have increased with *by-the-glass* type consumption in both on-premise and off-premise markets. California wine holds a monopolistic share of *bag-in-box* wine. With boxed wine, lower end restaurants can offer consumers single glasses. Consumers' off-premise demonstrates greater willingness to store a tapped box than a partially empty 750ml bottle in a home refrigerator. Retail prices for a 5L box range from 3000 – 3500 yen. Leading brands include *Almaden* (California), *Franzia* (California), *Trivento* (Argentina) and *Pays d'Oc* (France).

There has been some volume of imported wine sold in one-half (375ml) and one-quarter

(187.5 ml) sized bottles. These options initially met some success as Japanese consumers were neither comfortable with finishing a 750ml bottle nor storing the remainder. However, one-half and one-quarter sized bottles are not significantly high in demand recently, as consumers know more about storage practices and are comfortable with the 750 ml bottle.

Australian brand *Barokes* sells 250 ml cans of wine in Japan. The campaign has been met with very limited success due to perceptions associated with canned beverages. Majority do not see canned wines to be “romantic” or elegant.

Imported bulk wines (+150L) are used to blend with Japanese grapes to create a Japanese brand wine known as “Kokusan wine”. PET bottle packaging is emerging among “Kokusan wine” in Japan as it is light, easy to open, and durable. Industry is promoting PET bottle wines and continues to create better quality PET bottles just for wine packaging. Also, U.S wines such as Yosemite Road and Oak Leaf are popular in the bulk wine market, which greatly increases U.S bulk wine import to Japan.

Internet online

Online wine sales are increasing, especially in the mid to high priced wine. Premium wine online continue to increase, price ranging from 5000 yen and higher. These sales count for 5% of the market share of wine. More and more expensive wines are purchased online. Heavy user may use the internet the most.

Other Wine Types

A. Sparkling

Japan’s value of imported sparkling wine decreased 5.79% in CY 2013. Total imported quantity increased 5.65%. The US exports of sparkling wine to Japan decreased, from 10.8 thousand hectoliters in 2012 to 9.95 thousand hectoliters in 2013. While sparkling wine was mainly consumed on special occasions and holidays, the market has expanded to regular consumption, especially among women. More recently, the younger male consumer believes beer is too bitter and enjoys a sweeter beverage such as sparkling wine. A sip of sparkling wine seems to be a popular substitute for that first gulp of beer for some. The inability of the United States to exploit the increasing popularity of sparkling wine in Japan is partly due to the fact that US sparkling wines are a little too expensive and need to be hovering more around the ¥1000 JPY price point.

The majority of Japan’s imported sparkling wine is supplied by France. Other major suppliers include Italy and Spain. Traders indicate continued optimism in long term growth.

B. *Fortified Wines*

Japan imports a small amount of Sherry and Port primarily from Portugal and Spain; imports from the two countries account for approximately 88% of the market in both volume and value.

C. *Organic Wine*

Japanese consumers are among the most health conscious in the world and have shown an interest in organic wine. The first organic wine shop opened in Tokyo in 1998 and other outlets selling organic wine have opened since. Approximately three-quarters percent of imported organic wine is supplied by France with most of the remainder from other European producers. Organic wine is priced at a premium like many organic foods with 750ml bottles starting at ¥1500 JPY. Natural wines are popular among individuals who are concerned for their health and for those who prefer lighter, fruitier, and low alcohol wine.

American organic wine has not yet been successful in Japan due to different organic standards and labeling. However, on January 1, 2014, a U.S./Japan organics agreement came into effect where organic products certified in Japan or in the United States may be sold as organic in either country. It is hoped that this agreement will facilitate organic wines sales, but it is much too early to determine at this point. .

More information is available from the USDA website:

<http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5077433>

Appendix I: Legal Regulations Related to the Wine Trade

1. Food Sanitation Law requirements

Under the Food Sanitation Law, the Japanese Ministry of Health, Labor and Welfare (MHLW) outlines the permissible quantities of wine coloring agents and preservatives used as additives. All wines imported as gifts or for sale and other commercial purposes are subject to the Food Sanitation Law. Import notification is required. Importers must submit a "Notification Form for Importation of Foods, etc." to the quarantine station with jurisdiction over the port of entry. Depending on the content of this notification form and the import history of the wine, inspection may be required.

2. Labeling requirements

Labeling must be in Japanese and must be attached to the container in a visible location. Wine without required labeling may not be sold, displayed with intent to sell, or used for other commercial purposes.

Labeling Requirements For Wine		
Label Item	Requirement	Name of Statute*
Product Name	Wine, fruit wine, or sweetened fruit wine	FSA
Food Additives	Name of substance (and usage category) of anti-oxidants or synthetic preservatives, etc. Genetically modified substances must be identified.	FSA
Alcohol Content	Label must list the ethyl alcohol content at 15°C as a percentage of total volume rounded to the nearest percentage point. (Example: "14%" or "Over 14% and less than 15%")	LBA/MSR/LT
Container Volume	Listed in milliliters (<i>ml</i>) or liters (<i>l</i>)	LBA/MSR/LT, ML
Type	Sparkling wine labels must state, "Contains carbonation," or, "carbon dioxide gas mixture."	LBA/MSR/LT
Country of Origin	The country of origin	AUPRMR
Name and Address of Importer and Distributor	Wines must list the name and address of the importer and distributor	FSL, LBA/MSR/LT
Destination	Label must list the destination after removal from the bonded area or the location of the bottler or packager. However, a symbol may be used with the permission of the Ministry of Finance	LBA/MSR/LT
Other Requirements	(1) Blends of imported and domestic wine	Voluntary industry standard
	Wines made from mixtures of domestic and imported wines must list the wines in order of quantity. For example, "Made from domestic and imported wine."	

	(2) Geographic labeling	Labeling standard based on LBA/MSR/LT and ML
	Geographic brand names such as Bordeaux and Chablis, whose product quality and reputation fundamentally arise from place of origin, can only be used on products that actually originate from the said region.	

Labeling Requirements For Wine: Other Requirements Continued		
Label Item	Requirement	Name of Statute*
	(3) Labeling to prevent consumption by minors	Labeling standard based on t LBA/MSR/LT and ML
	All liquor containers must clearly state that "Consumption of alcohol by minors is prohibited," or "Alcohol may only be consumed by those who are 20 years or older."	
Other Requirements	(4) Promotion of recycling of liquor containers	Law for Promotion of Utilization of Recycled Resources
	Products packed in steel cans, aluminum cans, and PET bottles must have a mark on the container identifying the packaging material type.	
	(5) Warning of risks to pregnant and breast-feeding women	Voluntary Industry Standard
	Pregnant and nursing mothers are advised that consumption of alcohol may adversely affect their infant's health. For example, "Drinking alcohol while pregnant or breast-feeding may harm the fetus or infant."	
* · Food Sanitation Act: FSA (http://www.jetro.go.jp/en/reports/regulations/pdf/foodext2008e_100929p.pdf)		
· Measurement Law: ML		
· Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax: LBA/MSR/LT		
· Act against Unjustifiable Premiums and Misleading representation: AUPRMR		
Source: JETRO Marketing Guidebook for Major Imported Products 2004/Food		

3. Requirements under the new packaging recycling law

The Japanese government began full implementation of the Packaging Recycling Law in April 2000, which requires the industry to identify and recycle all paper and plastic packaging, glass bottles, steel and aluminum cans, PET bottles, and other plastic and paper containers. Manufacturers, distributors, and retailers who manufacture and/or use the materials are responsible for recycling costs. For imported products, importers are likely to be held responsible for such costs.

In the case of wine, according to industry sources, some importers have requested that exporters use colorless glass bottles if possible and a number of wines in clear bottles have appeared on the market. However, this is only appropriate for less-expensive or early drinking wines that will be consumed within two to three weeks after purchase. For premium wines, the industry continues to generally use colored bottles despite added recycling costs. Green bottles pose the biggest problem since there is very limited use for them as a recycled product.

Current recycling charges by type of container, effective through FY2009 (April-March), to be paid to the Japan Containers and Packaging Recycling Association are as follows:

Colorless glass	¥4,100/metric ton
Brown glass	¥5,500/metric ton
Green/other colored glass	¥9,200/metric ton
PET bottles	¥1,700/metric ton
Paper containers	¥13,300/metric ton
Plastic containers	¥65,700/metric ton

4. Tariff and tax

The tariff rate on bottled wine is 15% (or ¥125/l, whichever is less with a minimum of ¥67/l). Note that Chilean wine is imported under an agreement that is gradually reducing tariffs on agriculture and food imports from that country.

Tariff Rates on Wine (as of January 2013)	
Bottled Wine	
-HS220421020 (2L or less)	15% or ¥125/l, whichever is less with a minimum of ¥67/l
-HS220429010 (2L to 150L)	15% or ¥125/l, whichever is less with a minimum of ¥67/l
Sparkling Wine	
-HS220410000	¥182/l
Wine Coolers	
-HS220600221 (Other fermented beverage mixtures)	¥27/l
Bulk Wine	
- HS220429090 (>150L)	¥45/l
Grape Must	
-HS220430191 (1%+ alcohol, less than 10% sucrose by weight)	19.10%
-HS220430200 (1% + alcohol – other)	¥45/l
Vermouth	
-HS220510000 (2L or less)	¥69.3/l
-HS220590200 (1%+ alcohol)	¥69.3/l
Sherry/Fortified Wine	
-HS220421010	¥112/l

Source: Customs Tariff Schedules of Japan 2013, Japan Tariff Association

http://www.customs.go.jp/english/tariff/2013_1/data/i201301e_22.htm

Liquor Tax Law regulations

The liquor tax rate was increased by 13.5 percent for wine and 15.7 percent for sweetened wine in May 2006. (See Section 4.2 above for details)

Tax rate on wine after the tax increase		
	Per kiloliter	Per 750ml bottle
Wine	80,000 yen/k	60 yen/bottle

Sweetened Wine	120,000 yen/kl*	90 yen/bottle
----------------	-----------------	---------------

Table 1: Wine imports by type					
	Volume (000 hectoliters)				
	2010	2011	2012	2013	2013/2012
					% Change
Bottled Wine	1,440.5	1,570.9	1,984.8	1,993.5	0.4
HS220421020 (2L or less)	1,335.2	1,443.6	1,811.3	1,801.7	-0.5
HS220429010 (2L to 150L)	105.3	127.3	173.5	191.8	10.5
Sparkling Wine					
HS220410000	237.9	248.0	293.2	309.7	5.7
Wine Coolers					
HS220600221	30.1	34.1	47.9	48.7	1.7
Bulk Wine					
HS220429090 (>150L)	252.8	256.8	284.2	320.9	12.9
Grape Must	74.0	70.5	78.2	97.3	24.5
HS220430191 (1%+ alcohol, <10% sucrose by weight)	0.0	0.0	0.0	0.0	0.0
HS220430200 (1%+ alcohol - other)	74.0	70.5	78.2	97.3	24.5
Vermouth	22.0	26.2	30.5	33.9	11.1
HS220510000 (2L or less)	21.5	25.6	29.6	32.9	10.8
HS220590200 (1%+ alcohol)	0.5	0.6	0.9	1.0	9.9
Sherry/Fortified Wine					
HS220421010	7.4	7.8	9.1	8.4	-7.9
	Source: Global Trade Atlas, based on Japan Customs data (CY Jan – Dec)				

(Table 1 continued)					
	Value (\$M)				
	2010	2011	2012	2013	2013/2012
					% Change
Bottled Wine	791.4	902.3	1,071.2	1,084.5	1.2
HS220421020 (2L or less)	771.7	877.0	1,037.4	1,047.9	1.0
HS220429010 (2L to 150L)	19.7	25.3	33.8	36.6	8.3
Sparkling Wine					
HS220410000	332.1	372.7	431.7	406.7	-5.8
Wine Coolers					
HS220600221	13.2	16.6	21.8	20.4	-6.4
Bulk Wine					
HS220429090 (>150L)	26.8	29.4	34.6	38.4	11.0
Grape Must	21.0	22.7	26.6	36.8	38.3
HS220430191 (1%+ abv, <10% sucrose by weight)	0.0	0.0	0.0	0.0	0.0
HS220430200 (1%+ abv - other)	21.0	22.7	26.6	36.8	38.3
Vermouth	7.7	9.2	9.3	10.5	12.9
HS220510000 (2L or less)	7.6	9.1	9.1	10.3	13.2
HS220590200 (1%+ alcohol)	0.1	0.1	0.2	0.2	0.0
Sherry/Fortified Wine					
HS220421010	7.0	7.7	8.8	7.9	-10.2
	Source: Global Trade Atlas, based on Japan Customs data (CY Jan - Dec)				

		Table 2: Less Than 2L Bottled Wine Imports by Supplying Country							
		Volume (000 Hectoliters)							
Rank	Country	2010	2011	2012	2013		2013/2012		
					Volume	Share (%)	% Change		
1	France	471.6	504.5	600.5	566.9	31.5	-5.6		
2	Chile	213.4	241.7	315.8	364.4	20.2	15.4		
3	Italy	248.7	282.6	347.7	332.7	18.5	-4.3		
4	Spain	136.9	158.1	246.6	234.0	13.0	-5.1		
5	United States	87.0	92.6	105.5	115.5	6.4	9.5		
6	Australia	74.7	64.0	72.5	68.4	3.8	-5.7		
7	Germany	29.2	34.9	35.8	33.2	1.8	-7.2		
8	Argentina	24.4	24.9	32.3	30.9	1.7	-4.5		
9	South Africa	27.2	16.2	24.2	22.6	1.3	-6.9		
10	New Zealand	7.4	7.8	11.2	11.2	0.6	-<0.1		
	Others	14.7	16.3	19.2	21.9	1.2	14.0		
	Total	1,335.2	1,443.6	1,811.3	1,801.7	100.0	-0.5		
		Value (\$M)							
Rank	Country	2010	2011	2012	2013		2013/2012		
					Value	Share (%)	% Change		
1	France	399.2	454.7	518.4	501.3	47.8	-3.3		
2	Italy	116.1	141.1	164.4	171.9	16.4	4.6		
3	Chile	67.4	76.6	102.2	116.1	11.0	13.6		
4	United States	60.4	66.0	80.1	90.5	8.6	13.0		
5	Spain	39.1	47.5	66.5	69.1	6.6	4.0		
6	Australia	35.7	35.3	39.0	32.8	3.1	-16.1		
7	Germany	17.7	19.3	19.5	19.4	1.9	-0.2		
8	Argentina	9.5	10.4	13.9	13.1	1.3	-5.9		
9	New Zealand	7.5	8.7	11.7	11.6	1.1	-0.9		
10	South Africa	10.3	6.4	9.9	9.0	0.9	-9.0		
	Others	8.8	12.6	12.0	13.2	1.2	10.0		
	Total	771.7	878.6	1037.6	1048.0	100.0	1.0		

Source: Global Trade Atlas, based on Japan Customs data (CY Jan - Dec)

Table 3: Sparkling Wine Imports by Supplying Country							
Volume (000 hectoliters)							
Rank	Country	2010	2011	2012	2013		2013/2012 % Change
					Volume	Share (%)	
1	France	94.1	95.3	112.0	116.3	37.6	3.9
2	Spain	53.8	56.0	70.2	77.6	25.1	10.5
3	Italy	44.2	50.3	63.6	60.7	19.6	-4.6
4	Australia	10.8	10.8	12.1	13.9	4.5	14.8
5	Chile	7.5	9.1	9.8	13.8	4.5	40.2
6	United States	13.6	12.2	10.8	10.0	3.2	-8.1
	Others	13.9	14.3	14.6	17.6	5.7	20.5
	Total	237.9	248.0	293.1	309.9	100.0	5.7
Value (\$M)							
Rank	Country	2010	2011	2012	2013		2012/2011 % Change
					Value	Share (%)	
1	France	249.9	281.0	328.4	300.7	73.9	-8.4
2	Spain	31.9	34.1	39.0	39.1	9.6	0.3
3	Italy	26.2	31.9	36.9	37.0	9.1	0.1
4	Australia	7.3	8.0	8.8	8.5	2.1	-3.0
5	Chile	3.3	4.0	4.8	6.7	1.7	39.5
6	United States	6.0	5.9	5.6	5.0	1.2	-10.6
	Others	7.5	7.8	8.2	9.7	2.4	18.3
	Total	332.1	372.7	431.7	406.7	100.0	-5.8
Source: Global Trade Atlas, based on Japan Customs data (CY Jan - Dec)							

Table 4: Wine Cooler Imports by Supplying Country							
Volume (000 hectoliters)							
Rank	Country	2010	2011	2012	2013		2013/2012 % Change
					Volume	Share (%)	
1	France	12.7	15.4	19.0	18.5	38.0	-2.5
2	Spain	5.9	6.6	9.1	9.3	19.1	2.3
3	Belgium	0.2	0.8	3.0	6.0	12.2	99.9
4	Germany	3.2	3.7	4.9	5.6	11.5	13.5
5	United States	2.9	2.1	1.9	2.4	4.9	22.2
6	Canada	0.0	0.0	0.6	2.1	4.3	260.0
7	Italy	1.4	1.4	2.3	1.8	3.7	-18.9
	Others	3.0	3.5	7.2	3.1	6.3	-57.0
	Total	29.3	34.1	48.0	48.8	100.0	1.7
Value (\$M)							
Rank	Country	2010	2011	2012	2013		2013/2012 % Change
					Value	Share (%)	
1	France	8.1	11.0	13.9	11.9	58.2	-14.5
2	Spain	1.7	2.0	2.5	2.6	12.9	5.7
3	Belgium	0.1	0.3	0.9	1.8	8.8	102.8
4	Germany	0.9	1.2	1.4	1.5	7.4	8.9
5	Italy	0.9	0.7	0.9	0.9	4.2	-8.5
6	United States	0.6	0.5	0.4	0.5	2.5	17.0
7	Canada	0.0	0.0	0.1	0.5	2.2	245.4
	Others	1.0	0.7	1.7	0.8	3.9	-53.0
	Total	13.2	16.6	21.8	20.5	100.0	-6.0
Source: Global Trade Atlas, based on Japan Customs data (CY Jan-Dec)							

Table 5: Bulk Wine Imports by Supplying Country							
Volume (000 hectoliters)							
Rank	Country	2010	2011	2012	2013		2013/2012 % Change
					Volume	Share (%)	
1	Chile	93.1	99.9	113.8	152.5	47.5	34.0
2	United States	69.4	82.0	89.6	94.7	29.5	5.7
3	Argentina	26.2	26.0	25.1	20.3	6.3	-19.2
4	South Africa	5.3	8.5	8.7	19.9	6.2	128.8
5	France	23.7	8.3	10.8	10.6	3.3	-2.4
6	Spain	20.5	9.8	15.3	7.1	2.2	-53.4
7	Australia	0.4	8.2	6.7	6.0	1.9	-10.7
8	Macedonia	2.4	5.6	8.3	5.6	1.7	-33.0
9	Italy	4.8	3.8	2.0	2.5	0.8	21.7
10	Bulgaria	1.6	1.7	1.0	1.3	0.4	32.2
	Others	2.6	3.0	2.9	0.4	0.1	-86.2
	Total	252.8	256.8	284.2	320.9	100.0	12.9
Value (\$M)							
Rank	Country	2010	2011	2012	2013		2013/2012 % Change
					Value	Share (%)	
1	Chile	9.7	12.9	15.5	18.6	48.6	20.2
2	United States	5.3	7.2	8.9	10.2	26.6	14.9
3	Argentina	2.5	3.0	3.1	2.3	5.9	-26.3
4	France	4.9	1.6	2.2	2.2	5.6	-3.0
5	South Africa	0.5	0.9	0.8	1.8	4.8	118.7
6	Spain	2.2	0.9	1.4	1.0	2.6	-27.3
7	Australia	0.05	1.0	0.9	0.9	2.3	1.5
8	Macedonia	0.3	0.6	0.8	0.6	1.5	-29.3
9	Italy	0.5	0.5	0.3	0.4	1.0	16.0
10	Bulgaria	0.2	0.3	0.2	0.2	0.5	22.3
	Others	0.3	0.4	0.5	0.2	0.5	-60.0
	Total	26.8	29.4	34.6	38.4	100.0	11.0
Source: Global Trade Atlas, based on Japan Customs data (CY Jan - Dec)							

Table 6: Grape Must Imports by Supplying Country							
Volume (000 hectoliters)							
Rank	Country	2010	2011	2012	2013		2013/2012
					Volume	Share (%)	
1	Chile	24.1	34.7	34.2	50.4	51.8	47.3
2	Argentina	49.6	33.0	41.6	42.9	44.1	3.3
3	South Africa	0.3	2.9	2.4	4.0	4.1	69.5
4	Australia	0.0	0.0	0.0	<0.1	0.0	0.0
5	United States	0.0	0.0	<0.1	<0.1	0.0	-96.7
	Others	0.0	0.0	0.0	0.0	0.0	-
	Total	74.0	70.6	78.2	97.3	100.0	24.4
Value (\$M)							
Rank	Country	2010	2011	2012	2013		2013/2012
					Value	Share %	
1	Chile	8.0	13.3	14.6	22.6	61.3	57.4
2	Argentina	12.9	8.7	11.3	13.0	35.3	14.9
3	South Africa	<0.1	0.7	0.7	1.2	3.3	84.5
4	Australia	0.0	0.0	0.0	<0.1	<0.1	0.0
5	United States	0.0	0.0	<0.1	<0.1	<0.1	-96.3
	Total	20.9	22.7	26.6	36.8	100.0	38.3
Source: Global Trade Atlas, based on Japan Customs data (CY Jan - Dec)							

Table 7: Vermouth Imports by Supplying Country							
Volume (000 hectoliters)							
Rank	Country	2010	2011	2012	2013		2013/2012 % Change
					Volume	Share (%)	
1	Spain	10.2	11.8	13.9	18.2	55.3	31.1
2	France	3.5	4.5	4.7	5.5	16.6	15.4
3	Italy	4.2	5.2	5.6	4.4	13.5	-20.0
4	Germany	2.1	2.8	3.5	3.7	11.4	6.6
5	China	1.2	0.9	1.1	0.6	1.8	-46.7
	Others	0.8	0.9	0.9	0.5	1.4	-44.4
	Total	22.0	26.1	29.7	32.9	100.0	10.8
Value (\$M)							
Rank	Country	2010	2011	2012	2013		2013/2012 % Change
					Value	Share (%)	
1	Spain	2.6	3.1	3.3	4.5	44.1	38.7
2	France	1.7	2.2	1.9	2.6	25.4	33.7
3	Italy	1.8	2.2	2.4	1.9	18.2	-21.6
4	Germany	0.4	0.6	0.8	0.9	8.5	12.8
5	United States	0.6	0.6	0.3	0.1	1.4	-57.3
	Others	0.5	0.4	0.4	0.3	2.5	-25.0
	Total	7.6	9.2	9.1	10.3	100.0	13.2
Source: Global Trade Atlas, based on Japan Customs data (CY Jan - Dec)							

Table 8: Sherry/Fortified Wine Imports by Supplying Country							
Volume (000 hectoliters)							
Rank	Country	2010	2011	2012	2013		2013/2012 % Change
					Volume	Share (%)	
1	Portugal	4.1	3.9	4.9	4.7	56.2	-3.8
2	Spain	2.2	2.7	3.0	2.6	31.4	-12.4
3	Italy	0.8	0.9	0.8	0.7	8.5	-13.1
4	France	0.2	0.2	0.4	0.3	3.7	-14.2
5	Israel	<0.1	0.0	<0.1	<0.1	0.1	0.0
	Others	0.1	0.1	<0.1	<0.1	0.2	<-0.1
	Total	7.4	7.8	9.1	8.3	100.0	-8.8
Value (\$M)							
Rank	Country	2010	2011	2012	2013		2013/2012 % Change
					Value	Share (%)	
1	Portugal	4.1	4.3	4.9	4.1	52.7	-14.8
2	Spain	1.9	2.3	2.4	2.1	26.1	-12.9
3	France	0.5	0.6	1.1	1.2	15.7	11.1
4	Italy	0.4	0.5	0.4	0.4	4.9	-4.3
5	New Zealand	0.0	0.0	0.0	<0.1	0.3	0.0
	Others	0.1	0.1	<0.1	<0.1	0.3	0.0
	Total	7.0	7.8	8.8	7.8	100.0	-11.4
Source: Global Trade Atlas, based on Japan Customs data (CY Jan – Dec)							

Resources:

http://www.nta.go.jp/foreign_language/Report_pdf/2012e.pdf

Provides the table update onto 2010. 2011 and on ward doesn't seem to have been released.

<http://www.customs.go.jp/toukei/srch/indexe.htm>

get import information of all countries.

Use **Principal Commodity by Country: Result of Search** and input 1010103 for wine research

http://www.customs.go.jp/english/tariff/2013_1/index.htm

update the tariffs as a few have been changed as of 2013

<http://www.customs.go.jp/toukei/sankou/code/GH201201i.html>

codes for product search

http://stats.oecd.org/index.aspx?DataSetCode=HEALTH_STAT

provides the liter per capital information

<http://www3.jma.or.jp/foodex/en/sc/category14.html>

reference

<http://www3.jma.or.jp/foodex/en/sc/category14.html>

http://stats.oecd.org/index.aspx?DataSetCode=HEALTH_STAT

<http://www.customs.go.jp/toukei/srch/indexe.htm?M=01&P=1,2,,,,,,,,,1,0,2012,0,11,0,2,220429090,220600221,20,220421010,1,,,,,,,,,,,,,200>