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Report Highlights: Japanese consumption of wine still remains strong. Overall, bottled wine imports were down slightly in volume and down 12% in value in 2000. The U.S. share of the bottled wine import market was 9.4 percent by value and 12.0 percent by volume in 2000, down slightly from 1999. In 2001, it is expected that wine imports will go up again after two years of stagnant sales. With moderate growth expected for the Japan wine market over the next 3-5 years, the outlook is positive for U.S. wine exports. In 2003, regulations governing the sale of alcoholic beverages expire, which will stimulate the market and make it more competitive.

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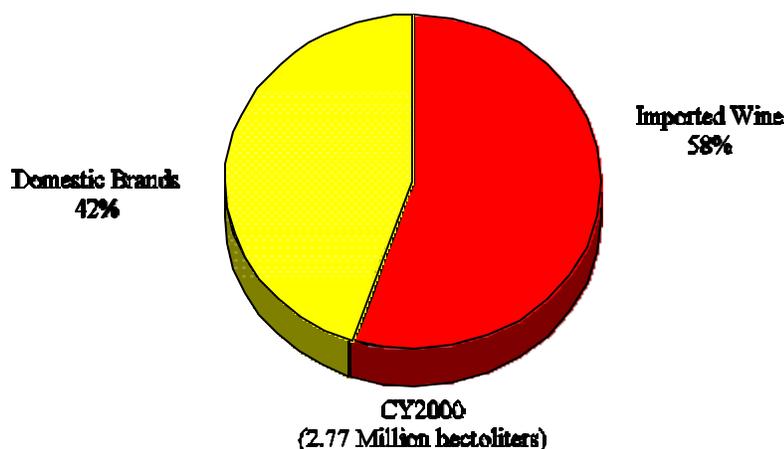
JAPAN WINE MARKET ANNUAL REPORT

I. SITUATION AND OUTLOOK

Market Overview

While the market's current wine boom which began in the mid-1990s and was spurred by the historical red wine boom in 1997 has slowed, consumption of wine in Japan remains strong. Aggregating bottled wine, sparkling wine and wine coolers, the size of Japan's consumer-ready wine market was 2.77 million hectoliters in 2000 on a tax-paid basis, with imports accounting for 58 percent of the total. Domestic Japanese brand wines, many of which are actually rebottled imported bulk wine or blended with locally-grown grapes accounted for 42 percent of the overall consumer-ready wine market in 2000. Domestic brand wine shipments in 2000 were down sharply by 16 percent, due to competition from imports and repercussion from the wine glut of 1998. On the contrary, imported wine shipments increased slightly, gaining more than 2-percent share from domestic wines.

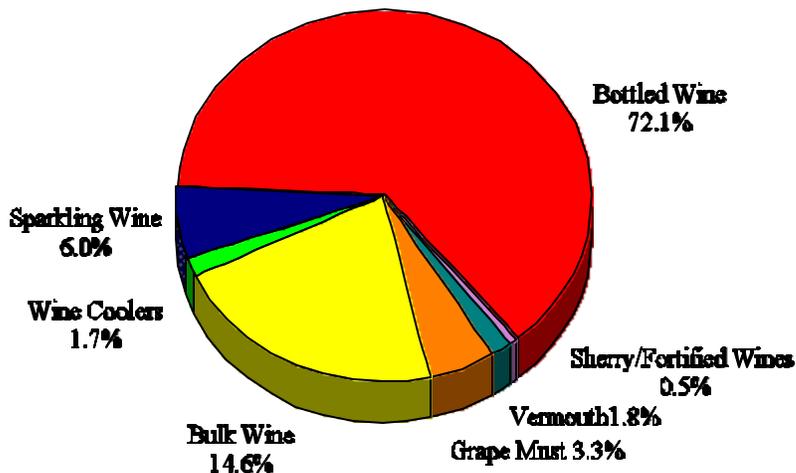
Imports Account for Majority of Japan Wine Market
Japanese Domestic Brands Represent Significant Competition



Source: Japanese Ministry of Finance tax data; includes bottled wine, sparkling wine and wine coolers.

Japanese bottled wine imports, which account for the majority of Japanese wine imports as shown in the chart below, were flat or slightly down 1.6 percent in 2000 from their 1999 level in terms of volume and down 12% in terms of value. Sparked by the touted health benefits of polyphenol, the red wine boom in 1997/98 itself lasted less than one year, but its effects have been long-lasting. According to JETRO, wholesale wine stocks until March 2000 amounted to 1.17 million hectoliters, which still suppressed both domestic wine production and imports in 2000. The market has reasonably recovered from the oversupply, and a significant reduction in excess inventory levels and a return to a more normal price positioning has begun to occur.

Majority of Japan's Wine Imports Are Bottled Wines

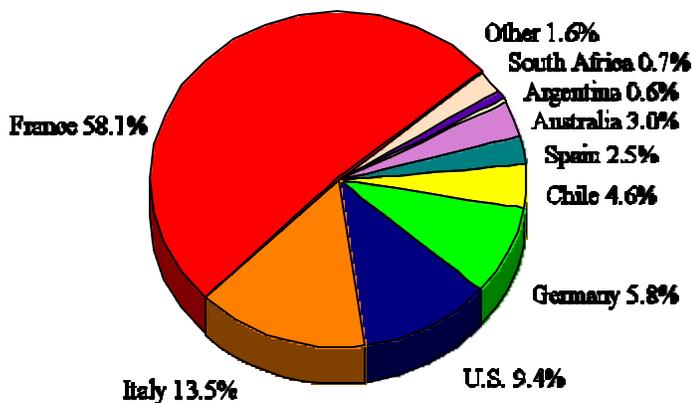


Source: World Trade Atlas based on Japan Customs data (CY 2000; volume basis).

The U.S. share of Japan's bottled wine import market was 9.4 percent by value and 12 percent by volume in 2000, as depicted in the chart below. This represents a slight drop from 10.2 percent by value and 12.6 percent by volume in 1999. The United States continues to face stiff competition from France, which held 58.1 percent of the import market in terms of value and 41.1 percent in terms of volume in 2000, followed by Italy with a 13.5 percent share by value and a 19.8 percent share by volume. Other up-and-coming competitors include Germany, Spain and New World wine producing countries, such as Chile, Argentina, Australia and South Africa.

Japanese Bottled Wine Imports by Country

France Holds the Dominant Market Share



Source: World Trade Atlas based on Japan Customs data (CY2000; 66,966 million yen).

Industry analysts continue to be bullish on the outlook for the Japan wine market over the long-term, as today's younger generation of Japanese is expected to continue to drink wine as they grow older. In the medium-term, at least slight or moderate growth is expected over the next 3-5 years at the expense of traditional liquor categories, such as sake, whiskey and scotch. As the third largest market for U.S. wine exports worldwide, Japan continues to show strong promise for the introduction of many fine regional wines from throughout California, Washington, Oregon, and New York, as well as from other emerging wine producing states.

Domestic Japanese Wine Industry

Domestic Japanese wines have been growing in popularity in recent years along with the growth of the overall wine market. However, a "Produced in Japan" label primarily means the product was bottled in Japan. The Japanese wine industry relies heavily on imported bulk wine and grape must as raw ingredients. Domestic brands are made from imported bulk wine, imported grape must fermented in Japan, imported grape juice, locally-grown grapes or a mixture of these. It is generally understood that more than 90 percent of Japanese brands are made from imported bulk wine and grape must, while only about 10 percent is produced exclusively from grapes grown in Japan.

Domestic Wine Shipments

	Volume (hectoliters)	Change from Previous Year
1996	802,120	10.0%
1997	1,065,990	32.9%
1998	1,519,500	42.5%
1999	1,252,450	-17.6%
2000	1,153,020	-7.9%

Source: National Tax Administration Agency

As discussed previously, domestic brands account for 42 percent of the consumer-ready wine market (including bottled wine, sparkling wine and wine coolers), compared to a 58-percent share for imports, according to 2000 Japanese Ministry of Finance figures. Imports are expected to return to a 60-percent share range once the market finally corrects its excess inventory problem. In the meantime, imports of both bulk wine and grape must were lower in 2000, reflecting competition from imported bottled wine and the continuing overstock situation of domestic manufacturers, as shown in Table 1 of the Statistical Tables section of this report.

As can be seen in Table 5, the United States is the 4th largest supplier of bulk wine to Japan by value and 11th by volume, with imports totaling 222.04 million yen in 2000. The United States is not a significant supplier of grape must to Japan, as shown in Table 6. While the bulk wine segment may present an additional opportunity for U.S. suppliers outside the traditional bottled import market, the U.S. wine industry has not been a major player in the bulk area, which is dominated by subsidized European wines and low-end South American wines.

Compared to the tariff on bottled wine imports, which up until April 2000 faced a 21.3 percent duty (subsequently reduced to 15 percent or 125 yen per liter, whichever is less), the low import tariff for bulk wine (now 45 yen per liter) has given Japanese manufacturers a significant advantage in the low-priced bottled wine market and has contributed to the overall price destruction of the market in recent years.

Market Share by Major Japanese Wine Manufacturers

	1999		2000 (estimate)	
	Sales (Million Yen)	Share	Sales (Million Yen)	Share
Mercian	20,900	30.0%	19,200	30.1%
Suntory	19,700	28.3%	18,600	29.2%
Sapporo Beer	10,000	14.4%	8,400	13.2%
Kikkoman	9,100	13.1%	8,000	12.5%
Kyowa Hakko	3,100	4.5%	2,900	4.5%
Asahi Beer	1,800	2.6%	2,100	3.3%
Others	5,000	7.2%	4,600	7.2%
Total	69,600	100%	63,800	100%

Source: Fuji Keizai

Japanese Wine Consumption

While beer is still by far the most consumed alcoholic beverage in Japan, and the older generation of Japanese continues to prefer beer, sake and *shochu*, Japanese in their 30s and 40s are increasingly opting for wine. However, in fiscal year 1999/2000, Japanese wine consumption in terms of both volume and value were down for the first time since wine consumption growth started in 1993. This decrease is considered to be the aftermath of the red wine boom in 1998/1999, and despite Japan's economic recession, Japanese consumption of wine continued to be strong in 1999/2000, surpassing the figures of 1997/1998.

Annual Japanese Expenditures on Wine

Fiscal Year (April-March)

	Wine Expenditure (Million Yen)	Quantity (kl)	Value per kl (Million Yen)	Total Expenditure on Liquor (Million Yen)
1994	207,124	19,102	10.84	6,862,503
1995	211,432	22,084	9.57	6,657,595
1996	226,622	24,178	9.37	6,543,652
1997	328,916	33,647	9.78	6,512,722
1998	443,550	44,464	9.98	6,362,515
1999	401,043	41,406	9.68	6,134,557

Note: Volume is 100% alcoholic conversion

Source: National Tax Administration Agency, March 2000

The table below compares consumption of wine by region to other popular alcoholic beverages in Japan as of 1999/2000. Although consumption of wine was generally lower than beer, sake or shochu, as expected, wine consumption was highest in the major metropolitan areas of Tokyo, Osaka (Western Japan), Kanagawa Prefecture (the western suburbs of Tokyo), Hokkaido Prefecture (led by the city of Sapporo) and Aichi Prefecture (led by the city of Nagoya). Notably, expenditures for wine in Tokyo have already exceeded that for traditional sake, while in Nagoya, the fourth largest city in Japan, sake consumption still far exceeds wine.

1999 Consumption of Wine and Other Alcohol Beverages by Region

(Million Yen)

Prefecture	Wine	Beer	Sake	Shochu
Tokyo	97,076	378,733	96,326	73,005
Osaka	36,965	262,923	65,063	27,368
Kanagawa (Yokohama)	26,837	159,592	46,842	37,989
Hokkaido (Sapporo)	22,663	130,108	35,838	35,400
Aichi (Nagoya)	17,298	180,330	50,860	21,122
Chiba	16,507	97,725	32,400	26,062
Saitama	15,714	113,592	37,919	31,742
Hyogo (Kobe)	13,647	119,593	39,641	12,701
Fukuoka	13,440	114,233	33,320	31,409
Shizuoka	10,179	78,895	29,371	19,527

Source: National Tax Administration Agency, (1999/4-2000/3).

Note: Only top ten prefectures by sales are listed and ranked according to wine sales.

Since 1994, Japan's total alcohol consumption has been stagnant at around the 9.5 million kiloliter level (6.1-6.8 billion yen). According to JETRO, the main reasons for this trend are a decrease in the alcohol consuming population due to both the declining birth rate and the aging population, as well as an increase in the number of people avoiding beverages with high levels of alcohol because of greater awareness of health issues. Even so, wine consumption has been steadily increasing since 1994. Nevertheless, per-capita wine consumption in Japan is still far less than in the United States and European countries, so at present, wine consumption has the potential to increase substantially.

Red Wine Boom

In November 1997, soon after a news article reported that polyphenol in red wine was good for your health, wine consumption further increased, making the beginning of another wine boom. At the peak of the boom in 1998, Japanese wine production increased dramatically as did (red) wine imports. In 1998 the market share for imported wine reached 62.1%. In that same year, wine from France and Italy became scarce and prices drastically increased, creating an opportunity for wines from other countries. These "New World" wines soon gained popularity, particularly wines from Chile.

When the recent wine boom ended in 1999, in order to deal with the excess stock of imported wine, both domestic production and imports had to decrease. However, considering the situation in 1998 as a special case, domestic shipments and imports in 1999 show that actual consumption of wine is still strong, even exceeding that of 1997. This indicates that the wine boom of 1998 raised the number of wine consumers and a stable wine market was being created. JETRO suggests that in terms of recent consumption trends, white wine consumption has since begun to increase again as opposed to an abnormal emphasis on drinking red wine. According to domestic winemaker *Mercian*, the ratio between red, white and rose wines was 33:59:12 in 1996, then reversed to 60:32:8 in 1998, the year of the red wine boom. The ratio of red wine has returned only slightly to 55:38:7 in 2001, demonstrating the strength of the red wine health message.

Prices

In the table wine market, product priced under 1,000 yen accounts for more than 60% of the market. According to JETRO, domestic wine manufacturers once reduced the price of their products from the previous price of 1,000 yen to as low as about 780 yen as a means of competing with middle-priced import wines. Despite the fact that they created a new standard class of middled-priced domestic wine, including wine under 500 yen, changes in consumer price points took place after the boom, and wines priced under 1,000 yen became less popular.

Domestic wine manufacturers, in an effort to compete with low price imported wines, decided in 1999 to offer new products in the 500 to 800 yen range. The concept of the products was not very clear, and this approach did very little to combat the competition. Meanwhile, wines priced at around 1,500 yen continued to enjoy steady sales, while higher priced wines were not so popular. According to wine industry experts, the optimum price for wine is about 800 yen in view of most household budgets. This price category is expected to proliferate, making wine more accessible to most consumers.

Distribution Channels for Wine

Wine distribution is entirely regulated by the Liquor Tax Law, and is applied to those retailers with liquor licenses. According to JETRO, domestic wine distribution is generally a three or four-tiered system from manufacturer to retailer. The channel normally consists of a simple model of manufacturer - wholesaler (first and second tier wholesalers) - retail store. At the wholesale stage, a special agent system is sometimes adopted.

For imported wine, there are many types of distribution channels:

- C Direct imports by Japanese domestic manufacturers;

- C Imports through specialized trading companies;
- C Direct imports by department stores or large discount stores who sell through their own channels;
- C Imports by special wine importers who sell their products directly to consumers. In recent years, direct mail order sales have become popular, as have sales over the Internet.

Competition from general food and beverage wholesalers, in their attempt to expand into new product categories, has made business difficult for the liquor wholesale industry. Small and medium sized liquor wholesalers have been forced to make changes in order to survive, such as forging financial and marketing alliances with larger wholesalers, merging with local wholesalers, or altering their wholesale product line. Some have even left the market completely due to severe economic conditions.

At the retail level, market share for organized retailers (supermarkets and convenience stores) has tended to increase due to the deregulation of liquor sales licenses, leading to severe competition among liquor retailers. Discount liquor stores, which once accounted for a 30% share in liquor retailing, are trying to improve their operations in the face of the increasing discount sales by supermarkets and convenience stores. According to *Nikkan Jozo Sangyo Sokuho (Daily Brewing Industry News)*, at the end of August 2001, Jusco, one of the largest national supermarket chains in Japan, increased the number of its stores with liquor licenses by 38, raising the percentage of its liquor license stores from 61.4% to 68.9%. Seven Eleven, Japan's largest convenience store chain, increased its number by 669 stores, raising its overall liquor license store percentage to 67.8% from 63.4% the year before. In 2003, regulations governing the sale of alcoholic beverages expire, which will certainly stimulate the market and make it more competitive.

Liquor License Holders in Japan (1995-98)

	Wholesale	Retail	Total
1995	17,474	162,406	179,880
1996	17,117	166,883	184,000
1997	16,847	171,848	188,695
1998	16,627	175,095	191,722
1999	18,489	177,482	193,971

Source: National Tax Administration Agency, Annual Report 2000

Promotion Activities of European and New World Competitors

Various competitor country organizations promote wine in Japan. Their various activities include publishing newsletters, producing point-of-purchase materials, and organizing press conferences, exhibitions, trade shows and other marketing events. Two quasi-governmental trade organizations advocate French wines in Japan. France's SOPEXA, which has a budget of approximately ¥550 million (\$5.04 million) and 10 staff members, spends most of its time and funds promoting French wine. SOPEXA has started to focus more on on-premise sales. In addition, the Comité Interprofessionnelle di Vin de Champagne (CIVC) receives \$458,000 in funding with two staff members and promotes wine in both domestic and overseas markets.

Similarly, Italy's governmental body, ICE, promotes Italian exports to Japan. ICE's budget for wine promotion is approximately ¥50 million (\$458,000) with a staff of three and is currently placing emphasis on discount store sales. Germany promotes its wine through an agent of the quasi-governmental German Wine Foundation Japan Office which was set up in April, 2000. There are two staff members with a budget of ¥70,000,000 (\$642,000). The Chilean Embassy employs two staff members who promote Chilean wine in Japan with a budget of ¥40,000,000 (\$367,000). Wine of Australia is a promotional body of AWEC, the Australian Wine Export Committee. The Japan office was set up in July 1998 in Tokyo. It has two staff members with a budget of ¥40,000,000 (\$367,000).

Regulatory Requirements

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 wine imported as gifts or for sale and other commercial purposes is subject to the Food Sanitation Law, and import notification is required. A "Notification Form for Importation of Foods, etc." must be submitted by importers to the quarantine station with authority over the port of entry. Based on the content of this notification form and the import history of the wine, inspection may be required.

According to JETRO, when the wine being imported is coming into Japan for the first time, it may be exempted from corresponding inspections at the quarantine station if the importer attaches a statement of voluntary inspection results performed in advance by official laboratories designated by the MHLW, or by official laboratories in the exporting country. For exact specifications as to what amounts of food additives are allowable in wine, please refer to the Japanese Food Sanitation Law.

Wine Labeling Requirements

The following table lists all of the labeling requirements for wine. Labeling must be in Japanese and must be placed in a visible location on the container. Wine without required labeling may not be sold, displayed for purposes of sale, or used for other commercial purposes.

Label Item	Required Listing Content	Name of Statute or Standard
Product Name	Wine, fruit wine or sweetened fruit wine	Food Sanitation Law
Food Additives	Substance names (and usage category names) of anti-oxidants or synthetic preservatives, etc.	Food Sanitation Law
Alcohol Content	Label must list the ethyl alcohol content at 15°C as a percentage of content volume rounded down to the nearest whole percentage point. (Example: "14%" or "Over 14% and less than 15%")	Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax
Container Volume	Listed in Milliliters (<i>ml</i>) or liters (<i>l</i>)	Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax, Measurement Law
Type	Sparkling wine labels must state "contains carbonation" or "carbon dioxide gas mixture."	Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax

Country of Origin Name	Country of origin must be indicated in a non-misleading manner	Law Against Unjustifiable Premiums and Misleading Representation
Name & Address of Importer	Wines must list the name and address of the importer. (The maker for domestic wines.)	Food Sanitation Law, Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax
Destination	Label must list the destination after removal from the bonded area or the location of the packing location. However, a symbol may be substituted with the permission of the Ministry of Finance	Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax
Other Requirements	(1) Mixtures of domestic wine and imported wine Wines made from mixtures of domestic and imported wines must list the wines in order or preponderance in the mixture; for example, "made from domestic wine and imported wine."	Voluntary Industry Standard
	(2) Geographic labeling For products such as <i>Bordeaux</i> and <i>Chablis</i> whose product quality and reputation fundamentally arise from the geographic place of origin, it is not permitted for labels to use the place name unless the product actually comes from that place; therefore, labeling such as <i>Bordeaux</i> -style is also prohibited.	Labeling standard based on the Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax, Measurement Law
	(3) Labeling to prevent consumption by minors All liquor containers must clearly state that "consumption of liquors by minors is prohibited" or "liquors may only be consumed by those age 20 or over."	Labeling standard based on the Law Concerning Liquor Business Association and Measures for Securing Revenue from Liquor Tax, Measurement Law
	(4) Promotion of recycling or liquor containers Products packed in steel cans, aluminum cans, and PET bottles must have an identifying mark on the container.	Law for Promotion of Utilization of Recycled Resources
Source: JETRO Japanese Market Report - Regulations and Practices - Wine, 1998, 2000		

New Packaging Recycling Law Requirements

The Japanese government began full implementation of the Packaging Recycling Law in April 2000, requiring industry to recycle all paper and plastic packaging, glass bottles, steel and aluminum cans, PET bottles, and other plastic and paper containers. Manufacturers, businesses, 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 paying recycling costs.

In the case of wine, according to industry sources, importers have started to request exporters to 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 2-3 weeks after purchase. For more premium wines, generally speaking, the industry is continuing to use colored bottles, despite the added recycling costs. Green bottles have posed the largest problem since there is very limited use for the recycled product. However, one recent solution has been to use recycled green glass in the production of asphalt.

The current recycling charges by type of glass, effective December 2000, to be paid to the Japan Containers and Packaging Recycling Association are as follows:

Colorless Glass	4,000 yen/metric ton
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Brown Glass	7,700 yen/metric ton
Green/Other Color Glass	9,100 yen/metric ton

Tariff & Tax Situation

WTO Uruguay Round Tariff Reductions

Import duties on wine have been reduced gradually since implementation of the WTO Uruguay Round agreement. The final reduction was in April 2000, when, most notably, the tariff rate on bottled wine was lowered to 15% (or ¥125/l, whichever is less with a minimum of ¥67/l) from its 1999 level of 21.3% (or ¥150.83/l, whichever is less with a minimum of ¥80.83). Reductions in tariffs on other wine categories have taken place as well, as summarized below.

Tariff Rates on Wine (as of April 2001)

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
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Wine Coolers

HS220600221	(Other fermented beverage mixtures)	¥27/l
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Bulk Wine

HS220429090	(>150L)	¥45/l
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Grape Must

HS220430191	(1%+ alcohol, less than 10% sucrose by weight)	19.1%
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
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Source: Customs Tariff Schedules of Japan 2001, Japan Tariff Association

Liquor Tax Law Regulations

In addition to tariffs levied on imported wine, both imported and domestic wines are taxed on a volume basis according to the Japanese Liquor Tax Law. Fruit wine is taxed at ¥56,500 (\$518) per kiloliter. Sweetened fruit wine is taxed at ¥98,600 (\$904) per kiloliter for alcohol content less than 13%; when the alcohol content is 13% or greater, an additional ¥8,220 (\$75) is levied for each percentage point above 12%. The tax on sparkling wine with an alcohol content less than 13% is taxed at a rate based on the standard rate of ¥56,500 per kiloliter.

The Liquor Tax Law has recently come under scrutiny for the disparity in tax rates on various types of alcoholic beverages. In November 2000, the Japanese Ministry of Finance announced it was considering raising the tax on wine, shochu-enhanced sake (only sake with other grain alcohol added), and *happoshu* (carbonated low-malt liquor) because the current tax for these products was significantly lower than the rate for other liquor products, such as *shochu* and beer.

As expected, the new tax increase proposal met opposition from both the Japanese beverage industry and consumers. U.S. industry sources are optimistic that such an action will more likely adversely affect the cost of more price-sensitive domestic Japanese wines made from imported bulk concentrates than premium U.S. wines. The Ministry of Finance announced in mid-December 2000 that it would postpone the plan for a year, in response to the Japanese Diet's decision to wait to consider the proposal until after elections next May.

In November 2001, according to the Japan Wines and Spirits Importers Association, the ruling parties including the Liberal Democratic Party, and the Ministry of Finance have again picked up the issue to consider legislation to put the new tax increase into force in 2002. The proposed increase on wine would result in the tax on a 750 ml bottle of wine doubling from its current level of about 42 yen to about 84 yen. Thus far, no formal proposal has been made by the Government of Japan.

Exchange Rates

The exchange rates for this report are as follows:

1998	132.80 yen/\$
1999	114.54 yen/\$
2000	109.07 yen/\$

Source: U.S. Treasury Department

II. STATISTICAL TABLES

Table 1. Japanese Wine Imports by Type

Volume (Hectoliters)			
Description	1998	1999	2000
Bottled Wine	2,493,451.17	1,303,834.31	1,282,596.36
HS220421020 (2L or less)	2,425,004.54	1,252,587.99	1,236,046.79
HS220429010 (2L to 150L)	68,446.63	51,246.32	46,549
Sparkling Wine	99,378.59	118,454.45	106,971.44
HS220410000	99,378.59	118,454.45	106,971.44
Wine Coolers	29,989.65	31,114.48	30,156.92
HS220600221 Other Fermented Beverage Mixtures	29,989.65	31,114.48	30,156.92
Bulk Wine	611,390.63	456,003.09	259,369.79
HS220429090 (>150L)	611,390.63	456,003.09	259,369.79
Grape Must	156,284.28	104,047.34	59,444.87
HS220430191 (1%+ alcohol, less than 10% sucrose by weight)	0.00	145.20	457.72
HS220430200 (1%+ alcohol - other)	156,284.28	103,902.14	58,987.15
Vermouth	33,853.48	37,796.13	32,492.62
HS220510000 (2L or less)	33,690.98	37,604.28	32,309.62
HS220590200 (1%+ alcohol)	162.50	191.85	183.00
Sherry/Fortified Wine	9,695.64	8,056.43	8,526.91
HS220421010	9,695.64	8,056.43	8,526.91

Value (Million Yen)			
Description	1998	1999	2000
Bottled Wine	145,366.35	76,006.14	66,966.15
HS220421020 (2L or less)	143,875.69	74,847.98	66,044.63
HS220429010 (2L to 150L)	1,490.66	1,158.16	921.52
Sparkling Wine	13,401.35	16,482.83	14,440.93
HS220410000	13,401.35	16,482.83	14,440.93
Wine Coolers	720.15	673.30	710.42
HS220600221 Other Fermented Beverage Mixtures	720.15	673.30	710.42
Bulk Wine	8,778.19	5,907.16	3,056.11
HS220429090 (>150L)	8,778.19	5,907.16	3,056.11
Grape Must	4,358.83	2,544.37	1,444.76
HS220430191 (1%+ alcohol, less than 10% sucrose by weight)	0.0	2.72	8.78
HS220430200 (1%+ alcohol - other)	4,358.83	2,541.65	1,435.98
Vermouth	1,101.83	1,105.31	936.66
HS220510000 (2L or less)	1,097.48	1,101.24	932.09
HS220590200 (1%+ alcohol)	4.35	4.08	4.57
Sherry/Fortified Wine	792.56	622.31	604.18
HS220421010	792.56	622.31	604.18

Source: World Trade Atlas, based on Japan Customs data (CY January - December).

Table 2. Japanese Bottled Wine Imports by Country

Volume (Hectoliters)					
Rank	Country	1998	1999	2000	'00 Share
1	France	1,039,022.77	542,663.17	526,955.08	41.1%
2	Italy	456,975.41	229,170.61	254,585.32	19.8%
3	United States	234,909.00	164,750.55	153,545.88	12.0%
4	Germany	171,850.61	146,042.30	114,671.12	8.9%
5	Chile	275,913.39	64,400.01	85,709.45	6.7%
6	Australia	55,644.12	45,036.79	51,322.89	4.0%
7	Spain	102,925.89	56,431.19	47,292.49	3.7%
8	South Africa	23,148.42	12,002.85	14,400.13	1.1%
9	Argentina	43,398.62	10,562.73	8,727.28	0.7%
10	Bulgaria	39,526.45	8,275.95	4,479.92	0.3%
	Other	326,049.88	88,898.17	20,906.80	1.7%
	Total	2,493,451.17	1,303,834.31	1,282,596.36	100%

Value (Million Yen)					
Rank	Country	1998	1999	2000	'00 Share
1	France	78,596.81	42,866.57	38,899.37	58.1%
2	Italy	22,481.62	10,104.73	9,007.26	13.5%
3	United States	10,462.73	7,774.92	6,285.78	9.4%
4	Germany	8,222.57	5,924.68	3,887.60	5.8%
5	Chile	11,935.84	2,777.47	3,077.90	4.6%
6	Australia	2,759.03	1,984.70	1,985.75	3.0%
7	Spain	4,282.37	2,097.65	1,693.37	2.5%
8	South Africa	1,029.44	435.27	485.53	0.7%
9	Argentina	1,961.77	507.80	384.29	0.6%
10	Portugal	627.77	253.52	147.25	0.2%
	Other	3,006.40	1,278.83	1,112.05	1.6%
	Total	145,366.35	76,006.14	66,966.15	100%

Source: World Trade Atlas, based on Japan Customs data (CY January - December).

Table 3. Japanese Sparkling Wine Imports by Country

Volume (Hectoliters)					
Rank	Country	1998	1999	2000	'00 Share
1	France	42,387.34	54,678.55	45,395.08	42.4%
2	Italy	26,612.36	29,600.58	27,329.83	25.5%
3	Spain	6,664.46	8,080.60	21,034.70	19.7%
4	United States	15,732.27	18,247.13	5,473.93	5.1%
5	Germany	6,354.51	5,930.41	5,123.42	4.8%
6	Australia	680.46	912.09	1,524.25	1.4%
7	South Africa	225.81	324.18	284.22	0.3%
8	Portugal	219.06	174.60	139.50	0.1%
9	Chile	27.00	121.50	109.39	0.1%
10	Brazil	15.84	88.35	10.17	<0.1%
	Other	459.48	296.46	546.95	0.5%
	Total	99,378.59	118,454.45	106,971.44	100%

Value (Million Yen)					
Rank	Country	1998	1999	2000	'00 Share
1	France	10,220.31	13,134.58	11,460.37	79.4%
2	Italy	1,608.97	1,649.63	1,292.81	9.0%
3	Spain	846.60	956.59	1,087.56	7.5%
4	United States	318.73	366.16	255.62	1.8%
5	Germany	304.40	251.89	187.26	1.3%
6	Australia	50.41	64.00	105.50	0.7%
7	South Africa	12.18	15.38	12.01	0.1%
8	United Kingdom	2.46	10.38	8.03	<0.1%
9	New Zealand	6.01	5.55	6.11	<0.1%
10	Portugal	9.14	6.75	5.53	<0.1%
	Other	22.14	21.92	20.13	0.1%
	Total	13,401.35	16,482.83	14,440.93	100%

Source: World Trade Atlas, based on Japan Customs data (CY January - December).

Table 4. Japanese Imports of Wine Coolers by Country

Volume (Hectoliters)					
Ran k	Country	1998	1999	2000	'00 Share
1	United States	18,655.47	20,573.44	16,121.66	53.5%
2	Germany	5,373.33	7,427.84	10,070.90	33.4%
3	France	1,962.69	1,535.19	2,805.58	9.3%
4	Thailand	957.60	666.79	416.88	1.4%
5	Italy	27.72	35.77	391.11	1.3%
6	Spain	358.38	462.18	130.50	0.4%
7	Belgium	102.61	49.38	91.35	0.3%
8	Brazil	65.10	20.16	80.94	0.3%
9	Mexico	182.32	305.86	0	0%
10	Finland	0.00	17.98	0	0%
	Other	2,304.43	19.89	48.00	0.1%
	Total	29,989.65	31,114.48	30,156.92	100%

Value (Million Yen)					
Ran k	Country	1998	1999	2000	'00 Share
1	United States	392.21	441.02	385.03	54.2%
2	Germany	98.99	114.64	165.08	23.2%
3	France	143.49	82.89	135.66	19.2%
4	Italy	1.55	1.31	8.64	1.2%
5	Thailand	19.61	11.67	7.20	1.0%
6	Belgium	4.95	1.90	3.13	0.4%
7	Spain	7.70	11.81	2.52	0.4%
8	Brazil	1.19	0.35	2.22	0.3%
9	United Kingdom	35.60	0.81	0.95	0.1%
10	Mexico	3.90	5.96	0.0	0%
	Other	12.17	0.77	0.0	0%
	Total	720.17	673.30	710.42	100%

Source: World Trade Atlas, based on Japan Customs data (CY January - December).

Table 5. Japanese Bulk Wine Imports by Country

Volume (Hectoliters)					
Rank	Country	1998	1999	2000	'00 Share
1	Bulgaria	189,635.68	97,763.63	56,212.80	21.7%
2	Argentina	98,052.59	76,500.50	47,643.27	18.4%
3	Macedonia	26,176.23	27,377.96	21,678.46	8.4%
4	South Africa	29,088.95	21,724.55	19,299.50	7.4%
5	Romania	87,682.21	52,472.10	19,195.81	7.4%
6	Spain	38,786.87	32,224.91	14,846.23	5.7%
7	Chile	19,816.10	24,859.72	14,720.10	5.7%
8	France	33,543.31	20,457.24	12,252.69	4.7%
9	Hungary	16,262.69	19,509.75	12,160.36	4.7%
10	Brazil	10,952.40	13,995.28	11,717.37	4.5%
11	United States	6,747.28	7,425.75	10,145.12	3.9%
12	Yugoslavia	26,972.85	36,580.53	6,511.27	2.5%
13	Italy	8,020.08	12,644.19	6,192.83	2.4%
14	Slovenia	5,013.79	2,744.98	1,264.99	0.5%
15	New Zealand	4,016.70	2,733.67	645.42	0.2%
	Other	10,622.90	6,988.33	4,883.57	1.9%
	Total	611,390.63	456,003.09	259,369.79	100%

Value (Million Yen)					
Rank	Country	1998	1999	2000	'00 Share
1	Bulgaria	2,707.79	1,247.29	638.91	20.9%
2	Argentina	1,134.87	830.05	447.99	14.6%
3	France	707.03	416.70	244.65	8.0%
4	United States	200.06	210.51	222.04	7.3%
5	Macedonia	274.97	275.82	215.59	7.1%
6	Chile	470.57	446.30	211.91	6.9%
7	Spain	643.22	505.01	207.68	6.8%
8	Romania	1,050.31	591.18	207.04	6.8%
9	South Africa	422.53	268.64	198.99	6.5%
10	Hungary	228.33	240.57	124.81	4.1%
11	Brazil	126.66	131.46	100.65	3.3%
12	Italy	136.12	191.06	91.15	3.0%
13	Yugoslavia	347.89	375.78	64.20	2.1%
14	Slovenia	76.09	34.46	14.45	0.5%

15	New Zealand	94.20	50.31	9.62	0.3%
	Other	157.55	92.02	56.43	1.8%
	Total	8,778.19	5,907.16	3,056.11	100%

Source: World Trade Atlas, based on Japan Customs data (CY January - December).

Table 6. Japanese Grape Must Imports by Country

Volume (Hectoliters)					
Rank	Country	1998	1999	2000	'00 Share
1	Argentina	108,957.78	80,318.36	44,914.23	75.6%
2	Chile	33,448.56	17,542.62	10,485.23	17.6%
3	South Africa	12,650.14	6,109.36	3,982.23	6.7%
4	Italy	50.00	0.00	63.00	0.1%
5	Spain	0.0	77	0.0	0.0%
	Other	1,227.80	0.0	0.0	0.0%
	Total	156,284.28	104,047.34	59,444.87	100%

Value (Million Yen)					
Rank	Country	1998	1999	2000	'00 Share
1	Argentina	2,858.79	1,896.53	1,051.76	72.8%
2	Chile	1,187.22	528.08	317.44	22.0%
3	South Africa	288.37	118.41	72.95	5.0%
4	Italy	1.03	0.00	2.38	0.2%
5	Spain	0.0	1.35	0.0	0.0%
	Other	24.45	0.0	0.0	0.0%
	Total	4,358.83	2,544.37	1,444.76	100%

Source: World Trade Atlas, based on Japan Customs data (CY January - December).

Table 7. Japanese Vermouth Imports by Country

Volume (Hectoliters)					
Rank	Country	1998	1999	2000	'00 Share
1	United States	4,507.66	16,379.69	11,696.20	36.0%
2	Italy	6,786.18	6,698.84	6,196.76	19.1%
3	Spain	8,874.78	6,170.13	5,107.23	15.7%
4	China	9,271.60	5,356.09	4,838.96	14.9%
5	France	4,352.24	3,002.81	4,603.08	14.1%
6	United Kingdom	6.30	121.79	50.39	0.2%
7	Germany	0.0	54.00	0.0	0.0%
8	Australia	6.30	12.78	0.0	0.0%
9	Belgium	4.32	0.0	0.0	0.0%
10	Luxembourg	0.0	0.0	0.0	0.0%
	Total	33,853.48	37,796.13	32,492.62	100%

Value (Million Yen)					
Rank	Country	1998	1999	2000	'00 Share
1	United States	92.14	427.51	337.90	36.1%
2	Italy	258.71	264.76	231.38	24.7%
4	France	241.74	138.18	150.54	16.1%
3	China	308.74	144.47	123.25	13.1%
5	Spain	194.99	122.90	91.82	9.8%
6	United Kingdom	2.37	4.83	1.78	0.2%
7	Australia	0.67	1.65	0.0	0.0%
8	Germany	0	1.02	0.0	0.0%
9	Belgium	2.47	0	0.0	0.0%
10	Luxembourg	0	0	0.0	0.0%
	Total	1,101.83	1,105.32	936.67	100%

Source: World Trade Atlas, based on Japan Customs data (CY January - December).

Table 8. Japanese Imports of Sherry/Fortified Wines by Country

Volume (Hectoliters)					
Ran k	Country	1998	1999	2000	'00 Share
1	Portugal	4,918.63	4,172.19	4,423.52	51.9%
2	Spain	3,103.15	2,433.78	2,512.99	29.5%
3	Italy	852.13	971.25	1,016.50	11.9%
4	United States	311.73	257.29	292.07	3.4%
5	France	372.25	147.67	147.19	1.7%
6	Ukraine	6.86	0.00	60.07	0.7%
7	South Africa	26.91	17.37	39.87	0.5%
8	Greece	54.00	40.50	13.50	0.2%
9	Australia	16.20	15.30	12.20	0.1%
10	United Kingdom	4.50	1.08	9.00	0.1%
	Other	18.14	0.00	0.00	0.0%
	Total	9,695.64	8,056.43	8,526.91	100%

Value (Million Yen)					
Ran k	Country	1998	1999	2000	'00 Share
1	Portugal	450.37	369.39	354.11	58.6%
2	Spain	227.81	179.94	160.69	26.6%
3	Italy	44.96	40.24	39.50	6.5%
4	France	45.00	17.74	24.36	4.0%
5	United States	11.40	9.45	11.92	2.0%
6	Ukraine	3.73	0.00	8.85	1.5%
7	Australia	2.74	2.54	1.91	0.3%
8	South Africa	1.31	0.53	1.30	0.3%
9	Greece	2.48	2.04	0.77	0.1%
10	United Kingdom	0.37	0.45	0.76	0.1%
	Other	48.44	0.0	0.0	0.0%
	Total	792.56	622.31	604.18	100%

Source: World Trade Atlas, based on Japan Customs data (CY January - December).