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Wine

Marketing Annual

2002

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Report Highlights: For the first time in three years, bottled wine imports were up in 2001, rising 6.6 percent in volume and 11.9 percent in value. The U.S. share of the bottled wine import market was 8.9 percent by value and 11.3 percent by volume in 2001, down slightly from 2000. While the weak economic situation continues to depress the overall market for alcoholic beverages in Japan, the wine market has benefitted from a significant reduction in the excess inventory levels built up during the wine boom/slump of the late 1990's. U.S. wine continues to face stiff competition from France and Italy, with both countries gaining share in 2001. Imports of French wine are up again in 2002 to date, with SOPEXA funding for Japan up significantly at $6.7 million. Nevertheless, the long-term outlook is positive for U.S. wine exports, as the overall market recovers and imported wine further erodes the share of traditional spirits. Moreover, in September 2003, regulations governing the sale of alcoholic beverages at retail will expire, increasing significantly the number of retail outlets selling wine.

Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
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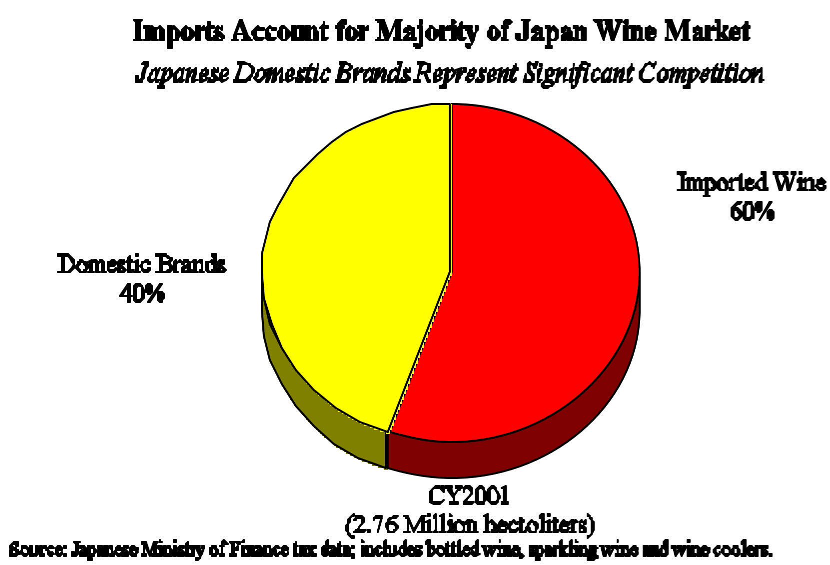
Market Overview

Consumption of wine in Japan remains strong. While the wine boom which occured in 1997/98 led to a subsequent slump, the total tax-paid shipments of wine in 2001 including domestic and imported wine were 2.3 times higher than a decade earlier (1991). Aggregating bottled wine, sparkling wine and wine coolers, the size of Japan's consumer-ready wine market was 2.76 million hectoliters in 2001 on a tax-paid basis, with imports accounting for 60 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 40 percent of the overall consumer-ready market in 2001. Domestic brand wine shipments in 2001 were again down by 5 percent, while imported wine shipments increased by 2.5 percent, thus gaining 2 percentage points in share.

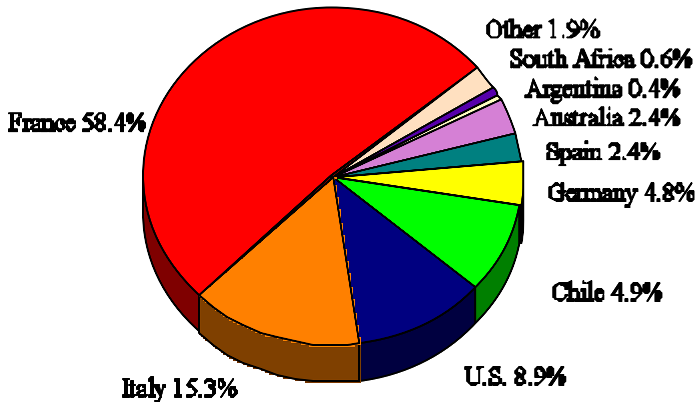


Japanese bottled wine imports, which account for the majority of wine imports, went up by 6.6 percent in 2001 in terms of volume and rose 11.9 percent in terms of value, the first recovery in three years. According to National Tax Agency data, retail and wholesale wine stocks in March 2000 amounted to 1.68 million hectoliters, suppressing both domestic wine production and imports. However, wholesale stocks have since decreased to 1.12 million hectoliters, normalizing the market. The import rebound in 2001 appears to have lost steam thus far in 2002. Imports for January-October fell 2.4 percent by volume and 1.3 percent by value. Imports from the U.S. are off more sharply (12% and 7.6%, respectively), while French wine continues to see higher sales with import volume up 2.9 percent and import value ahead 1.7 percent.

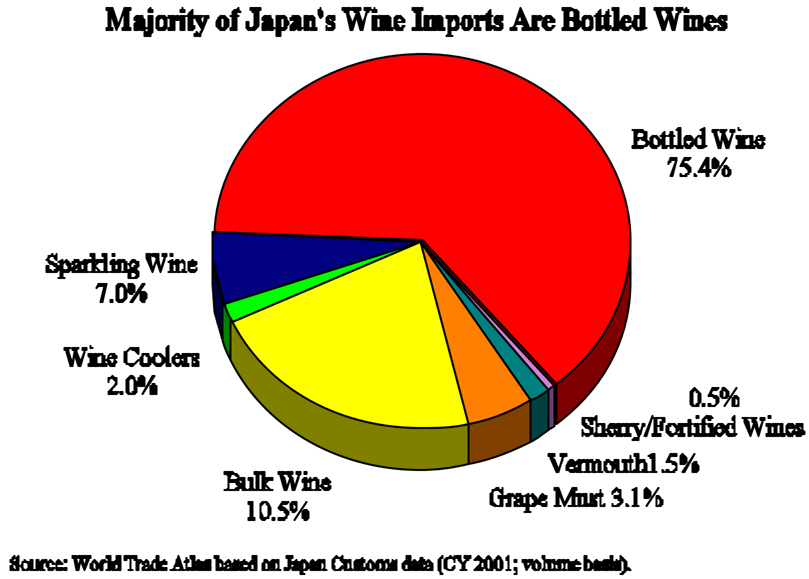
The U.S. share of Japan's bottled wine import market was 8.9 percent by value and 11.3 percent by volume in 2001, as depicted in the chart below. This represents a slight drop from the corresponding shares of 9.4 percent by value and 12 percent by volume recorded in 2000. U.S. wine continues to face stiff competition from France, which held 58.4 percent of the import market in terms of value and 41 percent by volume in 2001, both up slightly versus 2000. Italy's gains last year were larger. Italian wine now holds a 15.3% share by value and 21.7 percent by volume. Germany continued its long-term slide, with Chile overtaking them as the 4th largest supplier. Australia is actively promoting in Japan, but its share slipped from 3.0 to 2.4 percent.

Japanese Bottled Wine Imports by Country

France Holds the Dominant Market Share



Source: World Trade Atlas based on Japan Customs data (CY2001; 74,927.71 million yen).



The outlook for Japan's wine market over the long-term remains promising, as the younger generation of Japanese are expected to continue to favor wine as they grow older. In the medium-term (3-5 years), moderate growth is expected for wine at the expense of traditional liquor categories, such as sake, whiskey and scotch. As the third largest market for U.S. wine exports worldwide (fourth largest if EU market is disaggregated), 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 gained popularity, in general, along with growth of the overall wine market. However, following the shipment peak recorded during 1997/8 red wine boom, the market for domestic wines has shrunk substantially and continued its slide in 2001, although the pace of decline slowed. In reality, the "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. Approximately 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

Year	Volume (hectoliters)	Change from Previous Year (Percent)
1997	1,065,990	132.9

1998	1,519,500	142.5
1999	1,252,450	82.4
2000	1,153,020	92.1
2001	1,101,060	95.5

Source: National Tax Administration Agency

As forecast in our 2001 report, imports returned to a 60-percent share range of the consumer-ready wine market (including bottled wine, sparkling wine and wine coolers), owing to the correction of the excess inventory problem. In the meantime, imports of both bulk wine and grape must were lower in 2001, reflecting the slump in domestic wines, as shown in Table 1 of the Statistical Tables section of this report.

As presented in Table 5, the United States is the 6th largest supplier of bulk wine to Japan by value and 11^{th} by volume, with imports totaling 167.13 million yen in 2001. 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 continues to be dominated by subsidized European wines and low-end South American wines.

Compared to the tariff on bottled wine imports, (15 percent or 125 yen per liter, whichever is less), the low import tariff for bulk wine (45 yen per liter) gives Japanese manufacturers a significant advantage in the low-priced bottled wine market. Before April 2000, the tariff difference in favor of bulk imports was even greater, allowing domestic producers to strategically target the lower end of the market and drive pricing downward across the board.

Market Share by Major Japanese Wine Manufacturers

(Million yen, %)

	2000		2001 (estimated)	
Company	Sales	Share %	Sales	Share %
Mercian	19,400	34.0	18,400	34.5
Suntory	16,750	29.4	13,550	25.4
Sapporo Beer	7,850	13.8	8,000	15.0
Kikkoman	7,100	12.5	6,900	12.9
Kyowa Hakko	2,650	4.6	2,900	5.4
Asahi Beer	1,950	3.4	2,050	3.8
Others	1,300	2.3	1,600	3.0

Total	57,000	100%	53,400	100%

Source: Fuji Keizai

Japanese Wine Consumption

Beer remains the most popular alcoholic beverage overall in Japan. The older generation in particular prefer beer, sake, and *shochu* (a traditional, less-expensive potato or grain-based spirit), but younger Japanese in their 30s and 40s are increasingly opting for wine. This generational divide is highly pronounced in the Tokyo metropolitan area.

Departing from the longer-term growth trend, Japanese wine consumption in fiscal year 1999/2000 in terms of both volume and value were down for the first time since wine consumption growth started in 1993. In 2000/2001, the data indicates a slight decrease in wine consumption again. However, these declines represent the inevitable correction in the market following the wine boom. Current consumption still surpasses the figure in 1997/1998.

Annual Japanese Expenditures on Wine

Fiscal Year (April-March)

	Wine Expenditure (mil.yen)	Quantity (kl)	Value per kl(mil.yen)	Total Expenditure on Liquor (mil.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
2000	369,095	39,862	9.26	5,876,629

Volume is 100 % alcoholic conversion

Source: National Tax Administration Agency, March 2001

The table below compares consumption of wine by region to other popular alcoholic beverages in Japan as of 2000/2001. Although consumption of wine is still only a fraction of that for beer in most areas, it approaches the consumption levels of sake or shochu in Tokyo, and to a lesser extent in Osaka (Western Japan) and Kanagawa Prefecture (the western, more affluent suburbs of Tokyo). It should be noted, however, that wine consumption in Tokyo slipped in 2000, while Shochu alone rose among these four major categories. Nevertheless, expenditure for wine in Tokyo is particularly impressive when compared to smaller, regional metropolitan areas such as Nagoya, Japan's 4^{th} largest city, where sake consumption exceeds wine by a ratio of nearly 3:1.

2000 Consumption of Wine and Other Alcohol Beverages by Region
(million yen)

Prefecture	**Wine**	Beer	Sake	Shochu
Tokyo	90,205	360,594	93,022	74,322
Osaka	30,630	240,200	58,037	27,780
Kanagawa (Yokohama)	24,731	142,475	43,135	37,183
Hokkaido (Sapporo)	20,350	119,610	33,306	31,132
Aichi (Nagoya)	16,960	165,482	45,556	21,820
Saitama	15,758	107,379	35,754	31,674
Chiba	15,563	94,221	31,379	26,015
Fukuoka	12,838	108,325	30,945	31,138
Hyogo (Kobe)	12,336	112,716	36,844	14,277
Shizuoka	8,853	70,601	26,334	18,445

Source: National Tax Administration Agency, (2000/4-2001/3).
Note: Only top ten prefectures by sales are listed and ranked according to wine sales.

Japan's total alcohol consumption was the highest in 1994 and after that its has been stagnant at around the 9.5 million kiloliter level. The figure dropped to 9.3 million kiloliter in 2000 (5.9 billion yen). The decrease in the alcohol-consuming population is thought due to both the declining birth rate and the aging population, as well as the increase in the number of people avoiding beverages with high levels of alcohol because of greater awareness of health issues. The economic slump has also adversely affected total liquor consumption in Japan in recent years, except for Shochu, and clearly have dampened wine demand. Viewed longer-term, however, Japanese wine consumption has increased steadily since 1994, reflecting the generational change in preferences and internationalization of cuisine options throughout the country. Nevertheless, per capita consumption is still far less than in the United States and European countries, so wine consumption has the potential for significant further growth.

Beaujolais Nouveau Boom
According to recent reporting in the *Nikkei Shimbun* (Japan Economic Newspaper), Japanese imports of French Beaujolais Nouveau in 2002 marked an all-time high despite the current stagnant economic climate. It is estimated that imports of Beaujolais Nouveau reached 580,000 cases this year, up 5 percent versus 2001. This demand growth, driven by consumers' attraction for consuming "the First Thing of the Season", seems to have rekindled attention on red wine and created a speculative response by major liquor handlers eager to capture a dominant stake in the market. Special Beaujolais Nouveau promotions, often linked to Christmas holiday themes, are ubiquitous in Tokyo and widely seen even in smaller, regional markets.

The wine boom of the late 1990's was largely kicked off by reports in 1997 that polyphenol in red wine was good for consumer health. However, the market euphoria didn't last as long as hoped, ending in 1999 as the market became overstocked and the quality of wine being sold deteriorated. Despite this setback, which hit Chilean wine particularly hard, consumption remains fundamentally strong today, exceeding that of 1997. This indicates that the wine boom of 1998 raised the number of wine consumers and created a stable wine market longer term.

According to Fuji Keizai, the ratio between red, white and rose wines in the domestic wine market was 55:33:12 in 1998, the year of red wine boom. The ratio reverted back toward white wines slightly in 1999 at 53:36:12. In 2001, it is estimated to be 55:36:10, demonstrating the resiliency of the red wine health message and demand preferences for a broader range of more complex tastes as knowledge of wine grows in Japan.

Prices
The Japanese table wine market has been very competitive in recent years. Prices of wine have continued to move downward as a deflationary trend in the economy and the weaker yen escalated competition. In the table wine market, product priced under 1,000 yen (approximately $8.30) accounts for more than 60 percent of market share. This is down dramatically from the 1990's. Low pricing is even more noticeable among domestic brands with prices ranging as low as 390 yen per a 720 ml bottle (approximately $3.25).

Notwithstanding the bargain shopping trend, Japanese consumers have generally become more conscious about quality, origin and variety of wines over the past decade. Wines priced at around 1,500 yen (approximately $12.50) continue to enjoy steady sales, while higher-priced wines have lost popularity. This middle-level price category is expected to grow further, as better-yet-affordable wines are promoted to an increasingly discerning wine-buying public.

While imports of U.S. wine by volume were down slightly in 2001, the average import price increased 5 percent. Looking at 2002 trade data to date, this trend has continued.

Distribution Channels for Wine

Wine distribution is regulated by the Liquor Tax Law, and is applied to retailers that hold 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:
* Direct imports by Japanese domestic manufacturers
* Imports through specialized trading companies
* Direct imports by department stores or large discount stores who sell through their own channels
* 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.

Deregulation of Liquor Retail License
In 2003, the Government of Japan will terminate its regulation restricting the sale of alcoholic beverages to stores with a retail liquor license. This long-awaited deregulatory measure, will certainly increase the number of liquor-selling outlets throughout the country (although it should be noted that major metropolitan areas are already very well-covered by retailers with liquor licenses). It is also expected to stimulate the wine market and increase competition.

At the retail level, the market share held by 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 increasing discount sales by supermarkets and convenience stores. According to *Shuhan News* (Liquor Sales News), at the end of September 2002, the percentage of licensed stores among major Japanese food retailers ranged from a high 90.5 percent (Tenmaya Store in Okayama Prefecture) to a low of 35.8 percent (York Benimaru in Fukushima Prefecture). The average figure was 67.2 percent, up 7.2 percentage points compared to the same period last year.

Yearly Transition of Liquor License Holders in Japan (1995-2000)

	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	16,489	177,482	193,971
2000	16,250	176,873	193,123

National Tax Administration Agency, Annual Report 2002

Promotion Activities of European and New World Competitors

Various organizations established by U.S. competitor countries are promoting wine in Japan. Their 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 promote French wines in Japan. France's SOPEXA, which has a budget of approximately ¥800 million ($6.7 million) and 12 staff members, spends most of its time and funds promoting French wine for on and off-premises sales. This year's budget includes a hefty increase for television advertising and other promotion of Bordeaux region wine. In addition, the Comite Interprofessionelle di Vin de Champagne (CIVC) receives $250,000 in funding and maintains two staff to promote in Japan.

Similarly, Italy's governmental body, ICE, promotes Italian exports to Japan. ICE's budget for wine promotion is approximately ¥50 million ($420,000) with a staff of three. It is currently placing emphasis on off-premises sales, particularly 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. They have two staff with a budget of ¥50,000,000 ($420,000). Spain's promotion is reportedly run from the Spanish Embassy, utilizing one staff and a budget of $170,000.

Among "new world" producers, the Chilean Embassy employs one staff member who promotes Chilean wine in Japan with a budget of ¥10,000,000 ($84,000). Wine of Australia is a promotional body of the Australian Wine Export Committee (AWEC). Their Japan office was set up in July1998 in Tokyo and is aggressively promoting in close cooperation with the Australian Embassy. It has two staff members with a budget of Y40,000,000 ($340,000). The Wine Institute of South Africa set up its Tokyo office in July 2000. They have one staff member carrying out mostly trade-targeted activities with a budget of $84,000.

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 (*ml*) or liters (*l*)	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 Require-ments	(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 *Bordeaux* and *Chablis* 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 *Bordeaux*-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 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, 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 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 solution has been to use recycled green glass in the production of asphalt.

The current recycling charges by type of glass, effective April 2002, to be paid to the Japan Containers and Packaging Recycling Association are as follows:

Colorless Glass	3,600 yen/metric ton
Brown Glass	7,800 yen/metric ton
Green/Other Color Glass	9,100 yen/metric ton
PET Bottle	75,100 yen/metric ton
Paper Container	42,000 yen/metric ton
Plastic Container	82,000 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 2002)

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		¥27/*l*
HS220600221	(Other fermented beverage mixtures)	
Bulk Wine		
HS220429090	(>150L)	¥45/*l*
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*

Source: Customs Tariff Schedules of Japan 2002, 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 come under scrutiny in recent months for the disparity in tax rates on various types of alcoholic beverages such as sake. In December 2002, the Japanese Ministry of Finance and Treasury announced it was considering raising the tax on wine and *happoshu* (carbonated low-malt liquor/beer) because the current tax for these products was significantly lower than the rate for other liquor products, such as *sake* and regular beer.

As expected, the new tax increase proposal met opposition from both the Japanese beverage industry and consumers. However, it is likely that a certain amount of the proposed liquor tax hike will be implemented in April 2003. The proposed increase on wine would result in the tax on a 720 ml bottle of wine doubling from its current level of about 42 yen to approximately 84 yen. It is reported, however, that the ruling Liberal Democratic Party currently prefers to limit the increase for wine to 10 yen (i.e., an increase to about 52 yen) per 720 ml bottle of wine.

Exchange Rates

The following exchange rates are used throughout this report:

1999	114.54 yen/$
2000	109.07 yen/$
2001	121.61 yen/$

Source: U.S. Treasury Department

II. STATISTICAL TABLES

Table 1. Japanese Wine Imports by Type

Volume (Hectoliters)				
Description		1999	2000	2001
Bottled Wine		1,303,834.31	1,282,596.36	1,366,775.43
HS220421020	(2L or less)	1,252,587.99	1,236,046.79	1,306,534.70
HS220429010	(2L to 150L)	51,246.32	46,549.96	60,240.73
Sparkling Wine		118,454.45	106,971.44	124,290.85
HS220410000		118,454.45	106,971.44	124,290.85
Wine Coolers		31,114.48	30,156.92	37,085.93
HS220600221	Other Fermented Beverage Mixtures	31,114.48	30,156.92	37,085.93
Bulk Wine		456,003.09	259,369.79	190,967.54
HS220429090	(>150L)	456,003.09	259,369.79	190,967.54
Grape Must		104,047.34	59,444.87	56,532.56
HS220430191	(1%+ alcohol, less than 10% sucrose by weight)	145.20	457.72	0
HS220430200	(1%+ alcohol - other)	103,902.14	58,987.15	56,532.56
Vermouth		37,796.13	32,492.62	26,892.08
HS220510000	(2L or less)	37,604.28	32,309.62	26,394.76
HS220590200	(1%+ alcohol)	191.85	183.00	497.32
Sherry/Fortified Wine		8,056.43	8,526.91	9,403.76
HS220421010		8,056.43	8,526.91	9,403.76

Value (Million Yen)				
Description		1999	2000	2001
Bottled Wine		76,006.14	66,966.15	74,927.71
HS220421020	(2L or less)	74,847.98	66,044.63	73,847.41
HS220429010	(2L to 150L)	1,158.16	921.52	1,080.30
Sparkling Wine		16,482.83	14,440.93	16,963.89
HS220410000		16,482.83	14,440.93	16,963.89
Wine Coolers		673.30	710.42	930.24
HS220600221	Other Fermented Beverage Mixtures	673.30	710.42	930.24
Bulk Wine		5,907.16	3,056.11	2,267.76
HS220429090	(>150L)	5,907.16	3,056.11	2,267.76
Grape Must		2,544.37	1,444,76	1,200.35
HS220430191	(1%+ alcohol, less than 10% sucrose by weight)	2.72	8.78	0
HS220430200	(1%+ alcohol - other)	2,541.65	1,435.98	1,200.35
Vermouth		1,105.31	936.66	809.35
HS220510000	(2L or less)	1,101.24	932.09	797.89
HS220590200	(1%+ alcohol)	4.08	4.57	11.46
Sherry/Fortified Wine		622.31	604.18	682.06
HS220421010		622.31	604.18	682.06

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

Table 2. Japanese Bottled Wine Imports by Country

Volume (Hectoliters)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	France	542,663.17	526,955.08	587,916.55	43.0
2	Italy	229,170.61	254,585.32	296,757.59	21.7
3	United States	164,750.55	153,545.88	154,798.52	11.3
4	Germany	146,042.30	114,671.12	96,365.27	7.1
5	Chile	64,400.01	85,709.45	90,851.08	6.6
6	Spain	56,431.19	47,292.49	50,668.83	3.7
7	Australia	45,036.79	51,322.89	45,239.79	3.3
8	South Africa	12,002.85	14,400.13	13,416.13	1.0
9	Argentina	10,562.73	8,727.28	6,914.70	0.5
10	Portugal	8,275.95	4,479.92	4,338.97	0.3
	Other	88,898.17	20,906.80	19,508.00	1.4
	Total	1,303,834.31	1,282,596.36	1,366,775.43	100%

Value (Million Yen)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	France	42,866.57	38,899.37	43,752.33	58.4
2	Italy	10,104.73	9,007.26	11,446.34	15.3
3	United States	7,774.92	6,285.78	6,662.00	8.9
4	Chile	2,777.47	3,077.90	3,659.24	4.9
5	Germany	5,924.68	3,887.60	3,580.21	4.8
6	Spain	2,097.65	1,693.37	1,826.28	2.4
7	Australia	1,984.70	1,985.75	1,815.10	2.4
8	South Africa	435.27	485.53	481.77	0.6
9	Argentina	507.80	384.29	327.90	0.4
10	New Zealand	252.66	286.65	301.16	0.4
	Other	1,278.83	1,112.05	1,075.38	1.4
	Total	76,006.14	66,966.15	74,927.71	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**	**1999**	**2000**	**2001**	**'01 Share**
1	France	54,678.55	45,395.08	52,811.32	42.5
2	Italy	29,600.58	27,329.83	35,648.47	28.7
3	Spain	18,247.13	21,034.70	20,417.60	16.4
4	United Sates	8,080.60	5,473.93	6,260.47	5.0
5	Germany	5,930.41	5,123.42	6,106.82	4.9
6	Australia	912.09	1,524.25	2,221.28	1.8
7	South Africa	324.18	284.22	382.00	0.3
8	Portugal	174.60	139.50	123.03	0.1
9	New Zealand	63.81	50.90	56.70	<0.1
10	Austria	31.80	21.91	51.54	<0.1
	Other	410.70	593.70	211.62	0.2
	Total	118,454.45	106,971.44	124,290.85	100%

Value (Million Yen)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	France	13,134.58	11,460.37	13,402.84	79.0
2	Italy	1,649.63	1,292.81	1,737.78	10.2
3	Spain	956.59	1,087.56	1,027.70	6.1
4	United States	366.16	255.62	310.16	1.8
5	Germany	251.89	187.26	259.64	1.5
6	Australia	64.00	105.50	164.75	1.0
7	South Africa	15.38	12.01	17.79	0.1
8	Czech Republic	0.0	1.76	7.99	<0.1
9	New Zealand	5.55	6.11	6.86	<0.1
10	China	0.0	0.0	6.12	<0.1
11	Austria	2.93	1.37	4.95	<0.1
12	Portugal	6.75	5.53	4.76	<0.1
13	United Kingdom	10.38	8.03	4.11	<0.1
	Other	18.99	17.00	8.44	<0.1
	Total	16,482.83	14,440.93	16,963.89	100%

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

Table 4. Japanese Imports of Wine Coolers by Country

Volume (Hectoliters)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	United States	20,573.44	16,121.66	21,732.15	58.6
2	Germany	7,427.84	10,070.90	8,145.51	22.0
3	France	1,535.19	2,805.58	5,513.83	14.9
4	Thailand	666.79	416.88	466.45	1.3
5	Italy	35.77	391.11	432.41	1.2
6	Brazil	20.16	80.94	277.44	0.7
7	Belgium	49.38	91.35	166.34	0.4
8	Spain	462.18	130.50	155.70	0.4
9	Australia	0	0	109.21	0.3
10	United Kingdom	15.30	48.00	86.89	0.2
	Other	328.43	0	0	0
	Total	31,114.48	30,156.92	37,085.93	100%

Value (Million Yen)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	United States	441.02	385.03	437.51	47.0
2	France	82.89	135.66	289.39	31.1
3	Germany	114.64	165.08	161.75	17.4
4	Italy	1.31	8.64	13.17	1.4
5	Thailand	11.67	7.20	8.11	0.9
6	Brazil	0.35	2.22	7.50	0.8
7	Belgium	1.90	3.13	5.09	0.6
8	Spain	11.81	2.52	4.10	0.4
9	United Kingdom	0.81	0.95	2.02	0.2
10	Australia	0.0	0.0	1.62	0.2
	Other	0.77	0.0	0.0	0
	Total	673.30	710.42	930.24	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**	**1999**	**2000**	**2001**	**'01 Share**
1	Argentina	76,500.50	47,643.27	50,640.64	26.5
2	Bulgaria	97,763.63	56,212.80	28,410.38	14.9
3	Chile	24,859.72	14,720.10	18,736.85	9.8
4	Spain	32,224.91	14,846.23	14,417.38	7.5
5	Romania	52,472.10	19,195.81	13,544.66	7.1
6	Yugoslavia	36,580.53	6,511.27	12,088.39	6.3
7	France	20,457.24	12,252.69	9,659.02	5.1
8	South Africa	21,724.55	19,299.50	9,592.97	5.0
9	Macedonia	27,377.96	21,678.46	7,501.16	3.9
10	Italy	12,644.19	6,192.83	6,546.85	3.4
11	United States	7,425.75	10,145.12	6,273.65	3.3
12	Brazil	1,399.53	1,171.74	5,464.36	2.9
13	Hungary	19,509.75	12,160.36	4,706.41	2.5
14	Slovenia	2,744.98	1,264.99	1,267.36	0.7
15	Australia	2,396.88	1,725.05	1,232.74	0.6
	Other	19,920.87	14,349.57	884.72	0.5
	Total	456,003.09	259,369.79	190,967.54	100%

Value (Million Yen)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	Argentina	830.05	447.99	489.28	21.6
2	Bulgaria	1,247.29	638.91	293.02	12.9
3	Chile	446.30	211.91	266.21	11.7
4	Spain	505.01	207.68	217.55	9.6
5	France	416.70	244.65	188.04	8.3
6	United States	210.51	222.04	167.13	7.4
7	Romania	591.18	207.04	119.89	5.3
8	Yugoslavia	375.78	64.20	109.86	4.8
9	Italy	191.06	91.15	96.21	4.2
10	South Africa	268.64	198.99	87.54	3.9
11	Macedonia	275.82	215.59	81.02	3.6
12	Hungary	240.57	124.81	51.20	2.2
13	Brazil	131.46	100.65	48.00	2.2
14	Australia	33.81	22.28	18.94	0.8
	Other	142.98	58.22	33.87	1.5
	Total	5,907.16	3,056.11	2,267.76	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**	**1999**	**2000**	**2001**	**'01 Share**
1	Argentina	80,318.36	44,914.23	50,112.57	88.6
2	South Africa	6,109.36	3,982.23	3,261.23	5.8
3	Chile	17.542.62	10,485.32	3,158.49	5.6
4	United States	0.0	0.09	0.27	<0.1
	Other	0.0	0.0	0.0	0
	Total	104,047.34	59,444.87	56,532.56	100%

Value (Million Yen)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	Argentina	1,896.53	1,051.76	1,069.38	89.1
2	Chile	528.08	317.44	72.51	6.0
3	South Africa	118.41	72.95	57.93	4.8
4	United States	0.00	0.22	0.53	<0.1
5	Spain	1.35	0.0	0.0	0
	Other	0.0	0.0	0.0	0
	Total	2,544.37	1,444.76	1,200.35	100%

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

Table 7. Japanese Vermouth Imports by Country

Volume (Hectoliters)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	Italy	6,698.84	6,196.76	8,832.16	32.8
2	United States	16,379.69	11,696.20	5,011.13	18.6
3	China	5,356.09	4,838.96	4,635.74	17.2
4	Spain	6,170.13	5,107.23	4,375.53	16.3
5	France	3,002.81	4,603.08	3,585.90	13.3
6	Germany	54.00	0.0	338.02	1.3
7	United Kingdom	121.79	50.39	113.40	0.5
8	Australia	12.78	0.0	0.0	0
9	Belgium	0.0	0.0	0.0	0
10	Luxembourg	0.0	0.0	0.0	0
	Total	37,796.13	32,492.62	26,892.06	100%

Value (Million Yen)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	Italy	264.76	231.38	302.21	37.3
2	France	138.18	150.54	163.35	20.2
3	China	144.47	123.25	130.54	16.1
4	United States	427.51	337.90	116.76	14.4
5	Spain	122.90	91.82	86.05	10.6
6	Germany	1.02	0.0	6.16	0.8
7	United Kingdom	4.83	1.78	4.28	0.5
8	Australia	1.65	0.0	0.0	0
9	Belgium	0	0.0	0.0	0
10	Luxembourg	0	0.0	0.0	0
	Total	1,105.32	936.67	809.35	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)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	Portugal	4,172.19	4,423.52	4,914.50	52.3
2	Spain	2,433.78	2,512.99	2,798.63	29.8
3	Italy	971.25	1,016.50	966.25	10.3
4	United States	257.29	292.07	267.72	2.8
5	France	147.67	147.19	157.98	1.7
6	Korea	0.0	0.0	152.10	1.6
7	Germany	0.0	0.0	125.91	1.3
8	United Kingdom	1.08	9.00	9.00	<0.1
9	Australia	15.30	12.20	5.67	<0.1
10	Greece	40.50	13.50	4.50	<0.1
	Other	0.00	0.00	1.50	<0.1
	Total	8,056.43	8,526.91	9,403.76	100%

Value (Million Yen)					
Rank	**Country**	**1999**	**2000**	**2001**	**'01 Share**
1	Portugal	369.39	354.11	397.64	58.3
2	Spain	179.94	160.69	191.40	28.1
3	Italy	40.24	39.50	40.43	5.9
4	France	17.74	24.36	27.17	4.0
5	United States	9.45	11.92	10.07	1.5
6	Germany	0.0	0.0	6.96	1.0
7	Korea	0.0	0.0	4.64	0.7
8	Ukraine	0.0	8.85	1.46	0.2
9	Australia	2.54	1.91	1.23	0.2
10	United Kingdom	0.45	0.76	0.86	<0.1
11	Greece	2.04	0.77	0.21	<0.1
12	South Africa	0.53	1.31	0.0	0
	Other	0.0	0.0	0.49	0.7
	Total	622.31	604.18	682.06	100%

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