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Required Report - public distribution

Date: 2/21/2013

GAIN Report Number: JA3501

Japan

Wine Annual

Japan Wine Report 2012

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Report Highlights:

In 2012, the United States held a 7.7% value share of Japan's $1,037 million imported bottled wine market. This was an increase from the 7.5% share in 2011.

Market share of bottles priced ¥500 JPY ($6.33) or under and ¥1000 – 1500 JPY ($12.66 – 18.99 USD) continue to increase. Bulk wine imports continue to grow as domestic Japanese wine companies bottle their own wine.

Executive Summary:
Executive Summary

- Distribution of Japanese bottled wine is approximately 900 thousand hectoliters. This plus 1.81 million hectoliters of imported bottled wines totaled 2.71 million hectoliters of wine distributed in Japan.

- The Japanese wine market continues to be very competitive. Although 50 countries supply wine to Japan, ten countries account for approximately 96% of the imported volume.

- 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 are becoming more popular, particularly among middle-aged and older men.

- Off-premise

    - Off-premise consumption has increased as well. Supermarkets are carrying more inexpensive (under ¥1000 JPY or $12.66) wines, and premium wines are increasingly being consumed from online sources.

    - Market share of bottles priced ¥500 JPY ($6.33) or under and ¥1000 – 1500 JPY ($12.66 – 18.99 USD) continue to increase. Wines priced at ¥1000 JPY are seen as being “halfway,” reflecting a trend favoring lower-priced wines.

    - Sales of wines in the mid-range category of ¥1,500 – 3,000 JPY ($18.99 – 37.97 USD) continue to be smooth.

    - Sales of high end wines of ¥3,000 JPY+ ($37.97 USD+) up to ¥5000 JPY ($63.29) are increasing, though wines above ¥5000 JPY are forecasted to decline.

- Chile and the United States lead the bulk wine exports to Japan, 113 thousand hectoliters and 89.5 thousand hectoliters respectively.

- Low priced wines have become easily accessible in part by increased imports of bulk wine from the United States, Spain, Chile and France for bottling in Japan.

- Popularity of sparkling wine continues to grow for both women and men. Import volumes of the top five countries grew except for U.S.. Total volume was up 18.1%.

- Domestic wine producers continue to bottle more imported bulk wine in CY 2012, reflected by a 10.6% increase in volume of imported bulk wine. U.S. wines have done well in this area exporting 89.5 thousand hectoliters.

- No changes of regulations and taxes.

- Labels may need to have modern taste rather than traditional look. Black font with simple design labels seem to popular. It is helpful when wines have a unique story behind their label or explain an interesting fact about their background.

1. Overall Bottled Wine Market

Distribution of Japanese bottled wine is approximately 900 thousand hectoliters. This plus 1.81 million hectoliters of imported bottled wines totaled 2.71 million hectoliters of wine distributed in Japan.

Total imports of 2 liter or less bottled wine in CY 2012 increased 25.5% to 1.81 million hectoliters from 1.44 million hectoliters imported in CY 2011. The total value of imported 2 liter or less bottled wine in CY 2012 increased by 18.3% to $1,037.5 million from $877.0 million.

Growth of imported volume is attributed to increased off-premise consumption and consumption in inexpensive restaurants, mainly *izakaya*. Total bottled import volumes from France increased 14.0%, Italy 16.4% increase, Chile 33.4% increase, Spain 39.9% increase and the United States increased by 21.3 %.

The market share of bottles priced at ¥500 JPY ($6.33) or under and ¥1000 – 1500 JPY ($12.66 – 19.73 USD) continue to increase.

(Exchange rate throughout the report uses ¥79 JPY/$1.00 USD)

The Japanese wine market continues to be very competitive. Although 50 countries supply wine to Japan, ten countries account for approximately 96% of the imported volume. U.S. bottled wine imports continue to increase.

2. 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-capital alcohol consumption at 7.3 liters annually. (OECD 2012 frequently requested data)

Wine consumption in Japan has become as common as Japanese sake. In recent years more households will regularly purchase or have a bottle of wine. Most restaurants will have both white and red wine. Wine as a share of total alcoholic beverage consumption is still low, accounting for approximately 3.2% of the total. This is because there are many other options to choose from among alcoholic beverages, such as sake, shochu and beer.

3. Japan Alcohol Consumption by Variety

	Wine		Sake		Shochu		Beer/ Happoshu		Whiskey/ Brandy		Liqueur/ Spirits	
year	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

2011 data was not readily available
http://www.youshu-yunyu.org/english03/tukantokei11gatu.eigo.pdf

4. 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 declined. The only recent exception to this trend is stable sales of single malt scotch as a niche of consumers has renewed their interest. 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.

5. 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. Excessive inventories led to a subsequent bust which bottomed out in 2005. The overflowing inventories of 2012, partly a consequence of decreased consumption after the earthquake disaster, have balanced, and prices are now likely to rise.

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 disposable expenditure 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, particularly sparkling wine. However, individuals in their 20s are less likely to have found steady employment and thus have a smaller disposable income. The largest demographic of consumers of wine ¥3000 JPY or more are men and women between the ages of 30 and 40 years old.

Women are also important consumers of wine. In interviews with experts, two dominant opinions emerged concerning the question of whether women or men lead in wine consumption. The first is that women are the leaders of wine consumption and hold about 80% of the market. This is supported by the combined facts that food and beverage consumption in the home is increasing and that the female homemaker makes most of the purchasing decisions. 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 as easy to transport as possible, reflected in the popularity of PET bottles, which are lighter than glass bottles. Women also tend to buy more white wine than men, like a lower alcohol content than is found in most wines, and are major consumers of sparkling wine. Women also have more exposure to expert knowledge in that they dominate wine tastings, classes and seminars. Also, women increasingly host wine and drinking parties at their homes, where large amounts of alcohol will be consumed.

The second position taken by some experts concerning the extent of female consumption of wine is that they make up only 50% of the market, and potentially even less, since although women are more likely to choose wine when they decide to drink, men drink more often and in greater quantities.

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. 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. 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

On-premise consumption continues to decline as many consumers continue to move towards off-premise consumption. Upscale Japanese *izakaya* restaurants however are performing quite well, which indicates that on-premise consumption is still popular in some sectors.

2) Shochu-Wine

Since its release in May of 2011, a new type of wine called “The Sommelier Cat” has gained considerable popularity amongst Japanese consumers. This new type of wine is 30% liquor (shochu) and 70% wine, with a total alcoholic content of precisely 12%. It is ¥1,260 JPY per 350 ml bottle unit, and it currently comes in two flavors, white and rose. “The Sommelier Cat” was created to compliment various types of food which customers could enjoy comfortably in public settings. It did this by combining the consumer’s familiarity with shochu and the elegance of wine into one smooth and easy to drink beverage. This trend has gained some significant traction in Japan as “The Sommelier Cat” is now being regularly incorporated into *izakaya* menus nationwide.

3) 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.” Indeed this may just be the case in September 2011 when Tokyu Department Store Co.'s flagship outlet in Tokyo's Shibuya Ward expanded its inventory for domestically produced wines to 160 labels. As a result, sales in October doubled from a year before. This indicates that there may be a growing popularity for domestic home-grown grape wines in Japan.

4) 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.

5) “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. For both food and drink, the common unit price is ¥4000-5000 JPY.

6. Prices

A. Overall

Market share of bottles priced ¥500 JPY ($6.33) or under and ¥1000 – 1500 JPY ($12.66 – 18.99 USD) continue to increase. Wines in the mid-range category of ¥1,500 – 3,000 JPY ($18.99 – 37.97 USD) will also continue to be important. High end wines of ¥3,000 JPY+ ($39.47 USD+) are forecasted to decline and push towards the mid-price range.

B. Bottled Wine

The average price per liter of imported bottled wine decreased 5.74% overall from $6.08 to $5.73. U.S. wines increased 6.54% from $7.12 to $7.59. French wines decreased by 4.19% from $9.01 to $8.63. These increases and decreases are mostly attributed to the stronger yen and the current economy.

Although pricing for low end wines is forecasted for a decline, this price bracket is still the scene of very heated competition. The average import price-per-liter of bottled wine from Chile $3.24/liter, Spain $2.70/liter and South Africa $4.07/liter were all under $5.00. The average prices per liter were $4.73 for Italy, $5.38 for Australia and $ 4.31 for Argentina.

C. Domestic Wine

Domestic wines are making a more significant presence in the market due to greater availability and competitive pricing. Japanese bottled wine is estimated to be approximately 900 thousand hectoliters for 2011.

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 wines.

7. 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 includes 15 different local wineries interested 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.

8. Imported Bottled Wine

Total CY 2012 bottled wine imports totaled 1.81 million hectoliters valued at $1,037.5 million.

A. United States

In 2012, the United States held a 7.7% value share of the $1,037 million imported bottled wine market. This was an increase from the 7.5% share in 2011. In 2012, shares for Chile and Spain rose to 9.8% and 6.4% respectively.

The majority of imported wines from the United States are sold at a price-point in the ¥700 – 1000 JPY ($8.86 - 12.66 USD) range in the retail market. The United States faces significant competition in this segment from Chile, which will benefit 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 ($12.66 – 18.99 USD) 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 favorable opportunity. There are relatively few wines in this price range, as prices seem to be becoming polarized toward the very cheap and very expensive ends of the spectrum. If the U.S. produces better quality wines at competitive pricing that have attractive and trendy labels, it has the opportunity to expand considerably in this price range. According wine industry specialists, the U.S. brand image is one of innovation and modernity, which is favored among Japanese consumers. Napa, for instance, has an excellent reputation in Japan for producing quality wines. It is important that U.S. producers take advantage of this image. U.S. wines are increasingly being sold in the on-premise sector. However, with the rise of online wine stores, demand for premium U.S. wine is slowly increasing. In Japan, unlike the U.S., bulk wines are usually of lower quality. They are imported into Japan and then bottled here.

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 content. In the future, it might be necessary to 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-competiveness of Washington wines may be an issue as most are sold for over ¥1000 JPY ($12.66). 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 consumers' interest in the origin of their wines, this might make Washington and Oregon wines more attractive.

B. France

While France carries the strongest image for wine in Japan, 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 34.9% in 2011 to 33.1% in 2012, which was a result of increased exports from Italy, Chile, Spain and the United States. Still, imported volumes of French wines increased in CY 2012 by 19.0% to reach 600.4 thousand hectoliters. French wine imports continue to enjoy popularity in Japan for their Beaujolais Nouveau wines. However, many French exporters seem to prefer the Chinese market over Japan's for premium brands.

In many places, French wine is the favorite and considered the safe choice. In some places, 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. 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 increased 23.0% in CY 2012. This increased Italian wine's market share to 19.1%. Value was up by 16.4% compared to 2011 as well. In the past, sales were relatively dependent on the foodservice sector. Italian pizza restaurants are getting more attention, which supports Italian wine consumption. The increase in consumption of Italian wine is indeed correlated with a slow increase in on-premise consumption as the economy continues to recover. However, households are taking home Italian wines more and more. Sales of Italian wines retailing at ¥1500 JPY and more went down, while sales of wines retailing ¥3000-5000 JPY are projected to increase. There is an opportunity for Italian wine producers in the lower price range, at about ¥700 JPY.

D. Chile

Chilean wines continued to increase significantly in CY 2012 with volume and value increases of 30.6% and 33.4% 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, $6.33 - 12.66 USD) 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. 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 2012 increased 55.9%. Spanish wine currently benefits from a boom in the number of Spanish restaurants in Japan. Unit values of Spanish wines are steady as sales of lower priced Spanish wines in supermarkets and *izakaya* restaurants increased. Spain's volume share of Japan's total import wine market slightly increased to 13.6% (bottled wines only). Spain is becoming more of a competitive threat to the U.S. 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.

F. Germany

Germany imports have been increasing at a steady pace year by year and increased to 3.6% in 2012. In 2011, Germany exported 34.9 thousand hectoliters of bottled wine and that increased to 36.2 thousand hectoliters in 2012. The market trend of sweeter and non-bitter drinks that the younger generation favors, especially women, may be a reason why we are seeing an increase in German wine. However, since the increase is slight, especially compared to the increases in imports from other countries, the increase in imports of German wines might just be keeping up with an overall increase in imports of and interest in wine in Japan.

G. Australia

Japanese imports of Australian wine increased to 72.4 thousand hectoliters in 2012 from 64.0 thousand hectoliters in 2011. Experts have told us that the Chinese and other Asian markets are appreciating Australian wines more, however, siphoning off supply. Value in CY 2012 was $39.0 million.

9. Bulk Wine

Low priced wines have become easily accessible in part by increased imports of bulk wine from the United States, Spain, Chile and France for bottling in Japan. Chile has the greatest share of the bulk wine market, up 13.9% from 2011. The U.S. has the second greatest share, volume of bulk wine exported to Japan in 2012 increased from 82.0 thousand hectoliters in 2011 to 89.6 thousand hectoliters in 2012. The prices per liter for bulk wine in 2012 were: United States $0.99, Spain $0.91, Chile $1.36 and France $2.06.

10. 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, $12.66) 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 being given to wine. Most of these wines are Chilean or Spanish and increasingly are from Italy and the U.S. It does seem 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. Also, wine sales from internet stores, which carry mainly premium wines, are increasing.

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 ($9.21 - 12.66 USD), or ¥1000 – 2000 JPY ($12.66 – 26.32 USD) 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 U.S.

D. Convenience Stores

Most convenience stores carry a selection of very inexpensive domestic wines (fewer than ¥700 JPY, $9.21 USD) and mid range imported wines (¥1000 – 1500 JPY, $12.66 - 18.99 USD). Half bottle wine selections are increasing at convenience stores.

E. High Volume Sellers

Costco wholesale supermarket has been mentioned by traders as possibly having an influence on market prices and related consumer perceptions. With 13 locations in Japan, Costco trades volumes of wine necessary to profit from selling some imported bottles at discount, sometimes under 500 yen ($6.33) 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 262 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.

11. Packaging

The standard package for domestic and imported wine is the 750ml glass bottle. Consumers have accepted screw caps on quality wines.

Quantities of *bag-in-box* wine have increased with *by-the-glass* type consumption in both on-premise and off-premise markets. With boxed wine, lower end restaurants can offer consumers single glasses. Consumer's 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 ($39.47 – $46.05). 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.

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. Canned wines are selling steadily and are likely used mainly for cooking. Bagged wines are popular among heavy users and consumers looking for convenience. For example, bagged wines can be brought into movie theaters and consumed there. Both remain very cheap and would benefit from better packaging.

12. Internet online

Wine sales online has shown to prosper, especially in the mid to high priced wine. Premium wine online sales continue to increase, price ranging from 5000 yen and higher. These sales account for 10% of the market share of wine and 35% of sales on premium wine. Smooth sales of expensive wine purchased online is becoming more noticeable and tend to attract wine connoisseurs.

13. *Other Wine Types*

A. Sparkling (Table 7)

Japan's value of imported sparkling wine increased 15.8% in CY 2012. Total quantity increased 18.1%. The U.S. was the only country whose exports of sparkling wine to Japan decreased, from 12.1 thousand hectoliters in 2011 to 10.8 thousand hectoliters in 2012. 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 U.S. 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 (Table 8)

Japan imports a small amount of Sherry and Port primarily from Portugal and Spain; imports from the two countries account for approximately 85% 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 ($18.99 USD) and continues to increase in popularity. It is possible that, in addition to health concerns, natural wines are popular because they better suit Japanese tastes. Natural wines tend to be lighter, fruitier, and contain less alcohol.

American organic wine has not yet been successful in Japan due to different organic standards and labeling. Foods and beverages must meet the requirements of the Japan Agricultural Standards (JAS) law to be certified as organic in Japan. U.S. producers can arrange to be certified in the United States under the USDA's organic program, which is recognized by JAS. However, U.S. regulation stipulates that in order to label wine as "100% Organic", it must be produced using 100% organic ingredients and processed using 100% organically produced processing aids. If the wine is simply produced with "organically grown grapes" it must be labeled as such and not "100% Organic". For marketing in Japan, this is a significant difference, and traders cannot draw the organic premium or sell as "100% Organic" unless the product can be labeled as such.

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

Fig. 16 lists labeling requirements for wine. 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.

Figure 16: 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 (*ml*) or liters (*l*)	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** 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."	Voluntary industry standard

	(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	¥27/*l*
(Other fermented	
beverage mixtures)	
Bulk Wine	
- HS220429090 (>150L)	¥45/*l*
Grape Must	
-HS220430191	19.10%

(1%+ alcohol, less than	
10%sucrose by weight)	
-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)					
	2009	**2010**	**2011**	**2012**	**2011/2012**
					% Change
Bottled Wine	1,370.5	1,440.5	1,570.9	1,985.0	26.3

HS220421020 (2L or less)	1,277.9	1,335.2	1,443.6	1,811.6	25.5
HS220429010 (2L to 150L)	92.6	105.3	127.3	173.4	36.3
Sparkling Wine					
HS220410000	205.3	237.9	248.0	293.1	18.1
Wine Coolers					
HS220600221	29.3	30.1	34.1	47.9	40.2
Bulk Wine					
HS220429090 (>150L)	224.5	252.8	256.8	284.2	10.6
Grape Must	71.1	74.0	70.5	78.1	10.8
HS220430191 (1%+ alcohol,	0.0	0.0	0.0	0.0	0.0
<10% sucrose by weight)					
HS220430200 (1%+ alcohol - other)	71.1	74.0	70.5	78.1	10.8
Vermouth	23.4	22.0	26.2	30.5	16.4
HS220510000 (2L or less)	23.3	21.5	25.6	29.6	15.9
HS220590200 (1%+ alcohol)	0.1	0.5	0.6	0.9	62.6
Sherry/Fortified Wine					
HS220421010	7.2	7.4	7.8	9.1	17.3
Source: Global Trade Atlas, based on Japan Customs data (CY Jan – Dec)					

(Table 1 continued)					
Value ($M)					
	2009	**2010**	**2011**	**2012**	**2012/2011 % Change**
Bottled Wine	783.1	791.4	902.3	1,071.2	18.7
HS220421020 (2L or less)	766.8	771.7	877.0	1,037.5	18.3
HS220429010 (2L to 150L)	16.3	19.7	25.3	33.7	33.4

Sparkling Wine					
HS220410000	250.7	332.1	372.7	431.7	15.8
Wine Coolers					
HS220600221	14.8	13.2	16.6	21.7	30.7
Bulk Wine					
HS220429090 (>150L)	21.8	26.8	29.4	34.6	17.9
Grape Must	18.7	21.0	22.7	26.6	16.8
HS220430191 (1%+ abv,	0.0	0.0	0.0	0.0	0.0
<10% sucrose by weight)					
HS220430200 (1%+ abv - other)	18.7	21.0	22.7	26.6	16.8
Vermouth	8.5	7.7	9.2	9.1	-<0.1
HS220510000 (2L or less)	8.5	7.6	9.1	9.0	-<0.1
HS220590200 (1%+ alcohol)	<0.1	0.1	0.1	0.1	10.5
Sherry/Fortified Wine					
HS220421010	6.6	7.0	7.7	8.8	15.0
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**	**2009**	**2010**	**2011**	**2012**		**2011/2012**
					Volume	**Share (%)**	**% Change**
1	France	487.0	471.6	504.5	600.4	33.1	19.0
2	Italy	236.2	248.7	282.6	347.6	19.1	23.0
3	Chile	173.8	213.4	241.7	315.8	17.4	30.6
4	Spain	123.0	136.9	158.1	246.5	13.6	55.9

5	**United States**	**81.0**	**87.0**	**92.6**	**105.4**	**5.8**	**13.9**
6	Australia	83.8	74.7	64.0	72.4	4.0	13.1
7	Germany	29.8	29.2	34.9	36.2	2.0	3.6
8	Argentina	22.0	24.4	24.9	32.3	1.7	29.8
9	South Africa	22.1	27.2	16.2	24.2	1.3	49.6
10	New Zealand	5.4	7.4	7.8	11.1	0.6	42.8
	Others	13.6	14.7	16.3	19.7	1.4	20.8
	Total	1,277.9	1,335.2	1,443.6	1,811.6	100.0	25.5

Value ($M)							
Rank	**Country**	**2009**	**2010**	**2011**	**2012**		**2011/2012**
					Value	**Share (%)**	**% Change**
1	France	423.7	399.2	454.7	518.4	49.9	14.0
2	Italy	115.1	116.1	141.1	164.3	15.8	16.4
3	Chile	55.9	67.4	76.6	102.2	9.8	33.4
4	**United States**	**51.9**	**60.4**	**66.0**	**80.0**	**7.7**	**21.3**
5	Spain	38.4	39.1	47.5	66.4	6.4	39.9
6	Australia	33.5	35.7	35.3	39.0	3.7	10.6
7	Germany	17.9	17.7	19.3	19.5	1.8	1.5
8	Argentina	8.0	9.5	10.4	13.9	1.3	33.6
9	New Zealand	5.5	7.5	8.7	11 .7	1.1	34.2
10	South Africa	7.9	10.3	6.4	9.8	0.9	53.0
	Others	9.0	8.8	12.6	12.3	1.6	-.02
	Total	766.8	771.7	878.6	1037.5	100.0	18.0
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**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Volume	**Share (%)**	**% Change**
1	France	75.5	94.1	95.3	111.9	38.1	17.4
2	Spain	45.8	53.8	56.0	70.2	23.9	25.3

3	Italy	48.8	44.2	50.3	63.5	21.6	26.4
4	Australia	9.7	10.8	10.8	12.1	4.1	11.7
5	**United States**	**11.4**	**13.6**	**12.2**	**10.8**	**3.7**	**-11.0**
6	Chile	3.9	7.5	9.1	9.8	3.3	8.3
	Others	10.2	13.9	14.3	14.8	5.3	3.4
	Total	205.3	237.9	248.0	293.1	100.0	18.1
Value ($M)							
Rank	**Country**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Value	**Share (%)**	**% Change**
1	France	174.8	249.9	281.0	328.3	76.0	16.8
2	Spain	27.9	31.9	34.1	38.9	9.0	14.2
3	Italy	30.0	26.2	31.9	36.9	8.5	15.8
4	Australia	6.0	7.3	8.0	8.7	2.0	9.4
5	**United States**	**4.8**	**6.0**	**5.9**	**5.6**	**1.3**	**-3.8**
6	Chile	1.7	3.3	4.0	4.8	1.1	19.6
	Others	5.2	7.5	7.8	8.5	2.1	8.9
	Total	250.7	332.1	372.7	431.7	100.0	15.8
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**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Volume	**Share (%)**	**% Change**
1	France	14.3	12.7	15.4	18.9	39.6	23.4

2	Spain	5.7	5.9	6.6	9.1	19.0	38.6
3	Germany	3.0	3.2	3.7	4.9	10.2	33.9
4	South Korea	0.8	2.5	2.8	4.8	10.0	66.8
5	Belgium	0.3	0.2	0.8	2.9	6.2	253.7
6	Italy	2.0	1.4	1.4	2.2	4.7	59.3
7	**United States**	**2.1**	**2.9**	**2.1**	**1.9**	**4.0**	**-7.9**
	Others	2.9	3.0	3.5	3.2	6.3	-8.5
	Total	30.0	30.2	34.1	47.9	100.0	40.2
Value ($M)							
Rank	**Country**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Value	**Share (%)**	**% Change**
1	France	9.7	8.1	11.0	13.8	63.5	25.3
2	Spain	1.8	1.7	2.0	2.4	11.4	23.2
3	Germany	0.9	0.9	1.2	1.3	6.3	17.5
4	Italy	1.3	0.9	0.7	0.9	4.2	32.5
5	South Korea	0.3	0.4	0.5	0.8	4.1	80.5
6	Belgium	0.1	0.1	0.3	0.8	4.0	183.0
7	**United States**	**0.4**	**0.6**	**0.5**	**0.4**	**1.9**	**-9.3**
	Others	0.4	1.0	0.7	1.3	4.6	2.0
	Total	14.8	13.2	16.6	21.7	100.0	30.7
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**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Volume	**Share (%)**	**% Change**
1	Chile	69.5	93.1	99.9	113.7	40.0	13.9
2	**United States**	**76.4**	**69.4**	**82.0**	**89.5**	**31.5**	**9.1**
3	Argentina	43.1	26.2	26.0	25.1	8.8	-3.3

4	Spain	12.6	20.5	9.8	15.2	5.3	56.0
5	France	8.4	23.7	8.3	10.8	3.8	30.2
6	South Africa	2.5	5.3	8.5	8.7	3.0	2.4
7	Macedonia	1.5	2.4	5.6	8.3	2.9	49.0
8	Australia	0.2	0.4	8.2	6.7	2.3	-17.6
9	Hungary	1.2	2.7	1.7	2.1	0.7	28.0
10	Italy	4.3	4.8	3.8	2.0	0.7	-46.3
	Others	3.1	2.6	3.0	2.1	1.0	-0.3
	Total	224.5	252.8	256.8	284.2	100.0	10.6
Value ($M)							
Rank	**Country**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Value	**Share (%)**	**% Change**
1	Chile	7.2	9.7	12.9	15.5	44.8	20.6
2	**United States**	**5.8**	**5.3**	**7.2**	**8.8**	**25.6**	**24.1**
3	Argentina	4.2	2.5	3.0	3.0	8.8	2.1
4	France	1.5	4.9	1.6	2.2	6.4	37.5
5	Spain	1.5	2.2	0.9	1.3	4.0	47.3
6	Australia	0.05	0.05	1.0	0.8	2.5	-10.1
7	South Africa	0.2	0.5	0.9	0.8	2.4	-1.0
8	Macedonia	0.2	0.3	0.6	0.8	2.3	38.8
9	Hungary	0.2	0.4	0.4	0.3	1.0	-3.8
10	Italy	0.5	0.5	0.5	0.3	0.9	-25.8
	Others	0.5	0.3	0.4	0.8	1.3	100.0
	Total	21.8	26.8	29.4	34.6	100.0	17.9
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**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Volume	**Share (%)**	**% Change**
1	Argentina	48.1	49.6	33.0	41.5	53.1	26.2
2	Chile	21.0	24.1	34.7	34.2	43.7	-1.3

3	South Africa	1.9	0.3	2.9	2.3	3.0	-17.4
4	Canada	<0.1	<0.1	<0.1	<0.1	<0.1	177.5
5	United States	0.0	0.0	0.0	<0.1	<0.1	-
6	Italy	0.0	<0.1	0.0	0.0	0.0	-
	Others	0.0	0.0	0.0	0.0	0.0	-
	Total	71.0	74.0	70.5	78.1	100.0	10.8
Value ($M)							
Rank	**Country**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Value	**Share %**	**% Change**
1	Chile	6.6	8.0	13.3	14.5	54.7	9.6
2	Argentina	11.8	12.9	8.7	11.3	42.4	29.4
3	South Africa	0.4	<0.1	0.7	0.6	2.4	-10.3
4	United States	0.0	0.0	0.0	<0.1	0.2	-
5	Canada	<0.1	<0.1	<0.1	<0.1	<0.1	59.6
6	Italy	0.0	<0.1	0.0	0.0	0.0	-
	Total	18.8	21.0	22.7	26.6	100.0	16.8
Source: Global Trade Atlas, based on Japan Customs data (CY Jan - Dec)							

Table 7: Vermouth Imports by Supplying Country

Volume (000 hectoliters)							
Rank	**Country**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Volume	**Share (%)**	**% Change**
1	Spain	11.0	10.2	11.8	14.2	46.5	20.3
2	Italy	6.0	4.2	5.2	5.9	19.4	13.9

3	France	3.4	3.5	4.5	4.7	15.4	5.2
4	Germany	1.6	2.1	2.8	3.6	11.9	28.0
5	China	0.9	1.2	0.9	1.1	3.6	27.3
	Others	0.4	0.8	0.9	1.0	3.2	11.1
	Total	23.3	22.0	26.1	30.5	100.0	17.0
Value ($M)							
Rank	**Country**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Value	**Share (%)**	**% Change**
1	Spain	3.0	2.6	3.1	3.3	35.8	6.5
2	Italy	3.1	1.8	2.2	2.4	26.7	7.7
3	France	1.7	1.7	2.2	1.9	21.0	-13.3
4	Germany	0.3	0.4	0.6	0.7	8.6	28.1
5	United States	<0.1	0.6	0.6	0.3	3.6	-46.9
	Others	0.2	0.5	0.4	0.6	4.3	50.0
	Total	8.5	7.6	9.2	9.2	100.0	<-0.1
		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**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Volume	**Share (%)**	**% Change**
1	Portugal	3.9	4.1	3.9	4.9	53.7	24.9
2	Spain	2.2	2.2	2.7	3.0	32.9	10.1

3	Italy	0.7	0.8	0.9	0.8	9.0	-5.7
4	France	0.2	0.2	0.2	0.3	3.9	56.0
5	Australia	<0.1	<0.1	<0.1	<0.1	0.1	78.1
	Others	0.2	0.1	0.1	<0.1	0.4	<-0.1
	Total	7.2	7.4	7.8	9.1	100.0	17.3

Value ($M)

Rank	**Country**	**2009**	**2010**	**2011**	**2012**		**2012/2011**
					Value	**Share (%)**	**% Change**
1	Portugal	3.8	4.1	4.3	4.8	55.2	13.7
2	Spain	2.0	1.9	2.3	2.3	26.7	2.3
3	France	0.4	0.5	0.6	1.1	12.6	82.9
4	Italy	0.4	0.4	0.5	0.4	4.5	-11.6
5	United Kingdom	<0.1	<0.1	0.0	<0.1	0.4	-
	Others	0.1	0.1	0.1	0.1	<0.1	0.0
	Total	6.6	7.0	7.7	8.8	100.0	15.0

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 imput 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

Commodities:

Wine