

# Japan

## Country Profile

September 2009

## 1. AREA UNDER VINES

Year	Total area under vines (hectares)
1995	24 000
1996	23 000
1997	23 000
1998	22 000
1999	22 000
2000	22 000
2001	21 000
2002	21 000
2003	21 000
2004	21 000
2005	20 000

Source: OIV

## 2. PRODUCTION

In 1997, production increased by a phenomenal 92.7% and remained at relatively high levels during the following years. However, in 2003 production fell below the 100 million litre mark (-15.5%). In 2005, production reached 90 million litres, an increase of 4.4% on 2004.

Year	Total production (litres)
1995	65 200 000
1996	67 500 000
1997	130 100 000
1998	130 100 000
1999	132 800 000
2000	115 400 000
2001	110 000 000
2002	111 000 000
2003	93 800 000
2004	86 200 000
2005	90 000 000

Source: OIV

### 3. JAPANESE MARKET

Alcohol consumption in Japan increased significantly and steadily for several decades along with Japan's rapid economic growth. Consumption subsequently levelled off, however, in the early 1990's as Japan entered a recession. As the Japanese economy improved at the beginning of 2008 it was struck with price hikes for most basic food items. Overall, alcoholic beverage consumption remained stable and wine consumption showed an increase in 2008.

Statistics Bureau data of Japan's household expenditures indicated that beer, including low-malt beer, accounts for nearly 50% of total alcoholic beverage consumption among all age groups. Older consumers spend more on sake and shochu, both traditional liquors, while people in the 30-39-year-old range consume more wine than any other age group

#### 3.1 Total consumption

Although wine consumption in Japan has grown significantly since 1960, the wine share in total alcohol consumption is still very small compared to other countries. In 2007 wine consumption amounted to 28.7 million litres, a 0.4% increase on 2006.

Year	Wine		Sake		Beer		Shochu		Whiskey/ Brandy		Total Volume
	% Share	'000 £	% Share	'000 £	% Share	'000 £	% Share	'000 £	% Share	'000 £	
2003	4.6	34 762	16.6	125 074	42.8	321 044	30.4	228 198	5.6	41 816	750 894
2004	3.9	28 066	16.7	121 238	40.1	291 508	33.8	245 768	5.5	39 976	726 556
2005	4.2	28 968	16.8	114 800	37.2	253 967	36.3	248 360	5.5	37 498	683 593
2006	4.3	28 597	16.9	111 785	36.3	241 062	37.7	250 055	4.8	31 856	663 355
2007	4.4	28 721	16.4	107 573	35.7	234 388	38.3	251 196	5.2	34 072	655 950

Source: USDA

### 3.2 Per capita consumption

Year	Wine	Beer	Spirits	Total alcohol
	Litres		LAA	
1996	1.8	55.4	2.2	4.6
1997	2.2	50.0	2.3	4.6
1998	2.5	46.3	2.5	4.7
1999	2.5	43.0	2.6	4.6
2000	2.1	40.9	3.1	5.0
2001	2.2	36.1	3.2	4.9
2002	2.2	32.6	3.3	4.9
2003	2.0	31.4	3.1	4.6
2004	1.8	28.5	3.2	4.5
2005	1.9	24.8	3.1	4.4
2006	1.9	23.6	3.1	4.2

Source: *The Global Wine Statistical Compendium 1961-2006*

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#### 4 CONSUMER EXPENDITURE OF ALCOHOLIC DRINKS

#### 5 ALCOHOLIC DRINKS

##### 5.1 Sales of alcoholic drinks by sector - total volume

##### 5.2 Sales of alcoholic drinks by sector - total value

##### 5.3 Forecast sales of alcoholic drinks by sector - total volume

##### 5.4 Forecast sales of alcoholic drinks by sector - total value

#### 6 SALES OF WINE BY SUBSECTOR

##### 6.1 Total volume

##### 6.2 Total value

#### 7 FORECAST SALES OF WINE BY SUBSECTOR

##### 7.1 Total volume

##### 7.2 Total value

#### 8 SALES OF WINE BY PRICE SEGMENT

##### 8.1 Red wine

##### 8.2 White wine

##### 8.3 Rosé wine

#### 9 DISTRIBUTION

##### 9.1 On-trade vs off-trade sales of wine - total volume

##### 9.2 On-trade vs off-trade sales of wine -total value

##### 9.3 Off-trade sales of wine by distribution of wine by distribution format: % analysis

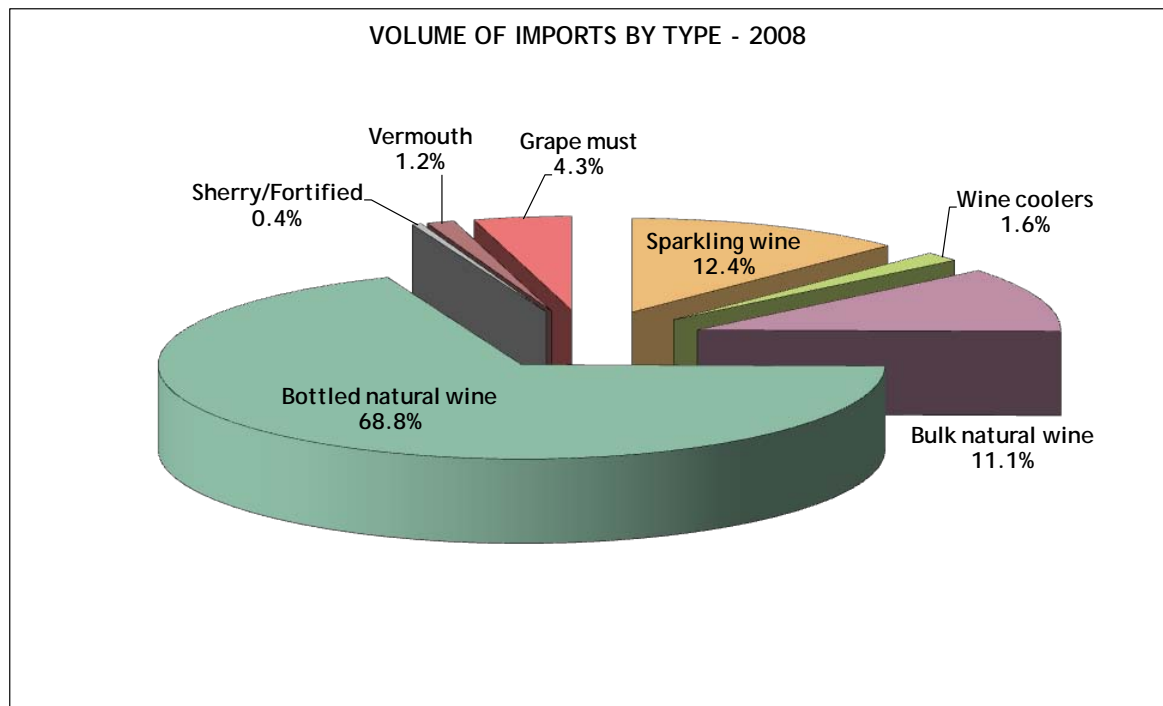
## 10. INTERNATIONAL TRADE

### 10.1 Imports by type - Volume

Imported wine accounts for more than 60% of all wine. Even in domestic wine, imported bulk wine and grape must are commonly used as raw material. In 2008, total imports increased by 2.8% and reached 185.1 million litres.

	Volume - Litres			
	2005	2006	2007	2008
Bottled Natural Wine	126 900 000	130 700 000	131 000 000	127 340 000
(2L or less)	118 200 000	119 400 000	119 100 000	118 940 000
(2L to 150L)	8 700 000	11 300 000	11 900 000	8 400 000
Sparkling Wine	15 820 000	19 800 000	20 700 000	23 040 000
Wine Coolers	12 970 000	9 800 000	3 500 000	3 010 000
Bulk Natural Wine	14 540 000	14 880 000	14 100 000	20 590 000
Grape Must	5 960 000	7 160 000	7 780 000	8 040 000
Vermouth	2 120 000	1 870 000	2 130 000	2 290 000
Sherry/Fortified Wine	870 000	820 000	900 000	790 000
<b>TOTAL</b>	<b>179 180 000</b>	<b>185 030 000</b>	<b>180 110 000</b>	<b>185 100 000</b>

Source: USDA



## 10.2 Imports by type - Value

	Value - US\$ million			
	2005	2006	2007	2008
Bottled Natural Wine	751.6	798.7	855.2	899.0
(2L or less)	738.1	781.5	836.6	883.1
(2L to 150L)	13.5	17.2	18.6	15.8
Sparkling Wine	236.4	335.4	366.0	395.9
Wine Coolers	22.2	30.0	20.2	18.4
Bulk Natural Wine	14.4	14.5	13.1	19.8
Grape Must	11.6	15.3	16.5	18.3
Vermouth	7.2	5.7	7.1	7.1
Sherry/Fortified Wine	6.8	7.9	8.0	7.8
<b>TOTAL</b>	<b>1 050.2</b>	<b>1 207.5</b>	<b>1 286.1</b>	<b>1 366.3</b>

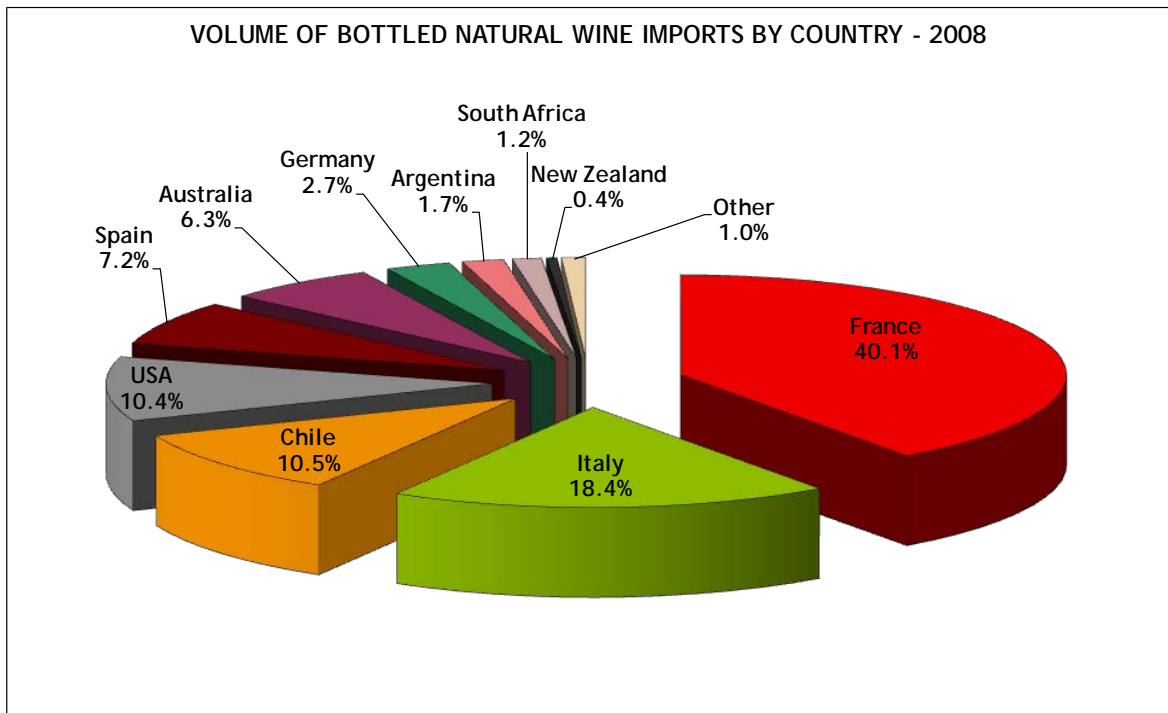
Source: USDA

### 10.3 Bottled natural wine imports by country - Volume

In 2008 France is still the leading exporter to Japan and holds a market share of 40.1% and 58.3% in volume and value respectively.

Rank	Country	2005	2006	2007	2008
		'000 litres			
1	France	54 470	56 020	53 530	51 000
2	Italy	21 990	23 290	23 390	23 450
3	United States	17 840	20 190	19 130	13 350
4	Chile	7 510	8 010	10 520	13 240
5	Spain	7 500	7 340	8 570	9 150
6	Australia	8 700	6 810	8 040	8 070
7	Germany	5 150	5 050	3 650	3 480
8	Argentina	930	1 200	1 390	2 210
9	South Africa	1 230	1 050	1 210	1 550
10	New Zealand	400	480	500	560
	Others	1 160	1 280	1 060	1 270
	<b>Total</b>	<b>126 880</b>	<b>130 720</b>	<b>130 990</b>	<b>127 340</b>

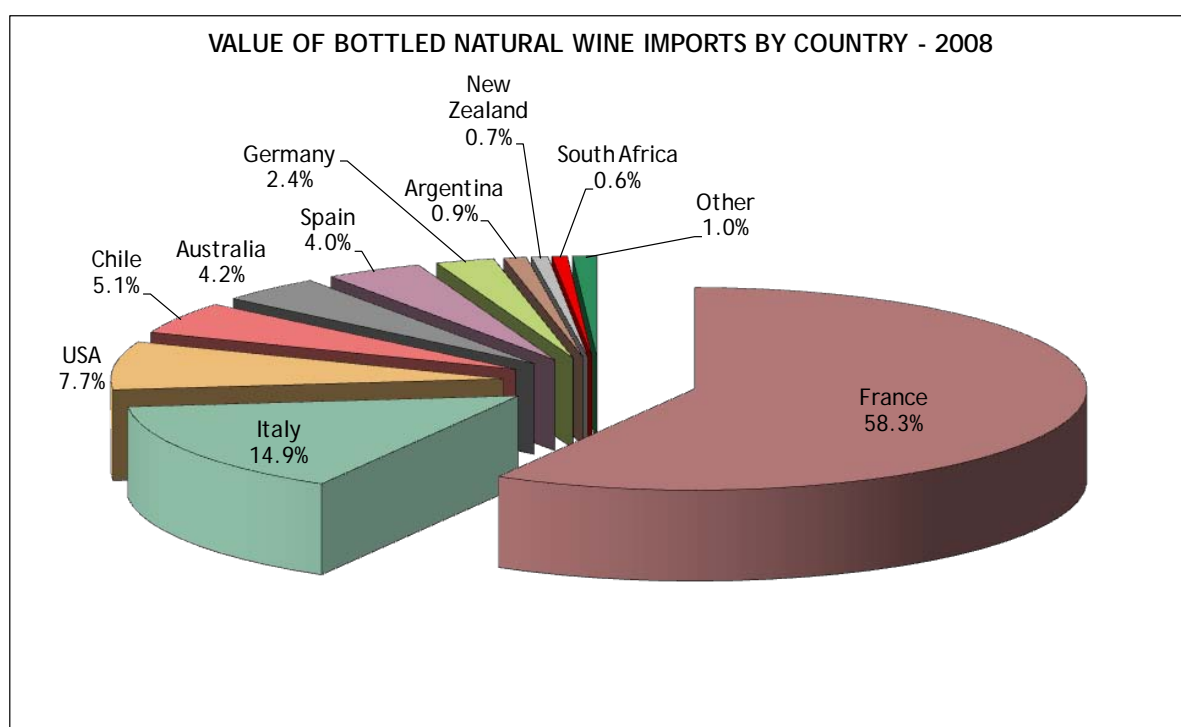
Source: USDA



## 10.4 Bottled natural wine imports by country - Value

Rank	Country	2005	2006	2007	2008
		Million US\$			
1	France	458.9	491.7	516.3	524.4
2	Italy	103.5	109.9	122.1	134.3
3	United States	55.8	64.6	70.8	69.0
4	Australia	36.3	29.6	37.4	46.2
5	Chile	25.8	27.9	35.3	38.1
6	Spain	23.9	25.3	30.0	36.1
7	Germany	26.2	26.4	20.7	21.7
8	New Zealand	4.5	4.7	5.5	8.4
9	South Africa	4.2	3.9	4.6	6.1
10	Portugal	1.4	1.3	1.1	5.7
	Others	11.1	13.4	11.4	9.0
	<b>Total</b>	<b>751.6</b>	<b>798.7</b>	<b>855.2</b>	<b>899.0</b>

Source: USDA



## 11. TAXATION

### 11.1 Tariff rates on wine

<b>Bottled Wine</b>	
2L or less	15% or ¥125/ℓ <sup>1)</sup>
2L - 150L	15% or ¥125/ℓ <sup>1)</sup>
<b>Sparkling Wine</b>	¥182/ ℓ
<b>Wine Coolers</b>	¥27/ ℓ
<b>Bulk Wine (&gt;150L)</b>	¥45/ ℓ
<b>Grape Must</b>	
1% + alcohol, < 10% sucrose by weight	19.1%
1% + alcohol	¥45/ ℓ
<b>Vermouth</b>	
2L or less	¥69.3/ ℓ
1% + alcohol	¥69.3/ ℓ
<b>Sherry/ Fortified Wine</b>	¥112/ ℓ

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<sup>1)</sup> Whichever is less with a minimum of ¥67/ℓ