Required Report - public distribution

Date: 5/1/2015
GAIN Report Number: JA 5505

Japan

Wine Annual

Japan Wine Report

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Report Highlights:
In 2014, the United States held an 8.8% share of Japan's $1,052 million imported bottled wine market, by value. This was an increase from 8.6% in 2013. The U.S. market share of bottles priced below ¥500 JPY and ¥1000 to ¥1500 continue to increase. Bulk wine imports continue to grow as domestic wine companies increasingly bottle their own wine.

Executive Summary

- In 2014 total wine exports from the United States to Japan dropped by 16.59% due to the slowdowns caused by the West Coast port dispute. Exporters and distributers have reported that this delay caused major disruptions to their operations throughout Japan

- The Japanese market consumed 3,324 thousand hectoliters of wine in 2013, which is the most recent date readily available.

- Japanese consumers purchased 1,043.6 thousand hectoliters of domestic wine (32.4% of the total) and 2,177.5 thousand hectoliters of imported wines (67.6% of the total) in 2012.

- The Japanese wine market continues to be very competitive. Although 55 countries supply wine to Japan, ten countries account for approximately 98.7% of the imported volume.

- The popularity of sparkling wine continues to grow for both women and men. Import volumes from the top five countries grew except for Australia, and the total import volume was up 7.8%.

- On-premise (food service) consumption continues to increase as the Japanese economy improves and wine becomes generally more affordable. Upscale Japanese *izakaya* restaurants are performing quite well, and standing wine bars continue to be popular, particularly among middle-aged and older men. Off-premise (at-home) consumption has increased as well. Supermarkets are carrying more inexpensive (under ¥1000 JPY) wines, and premium wines are increasingly purchased through online sources.

- The U.S. market share of bottles priced under ¥500 JPY and between ¥1000 and ¥1500 continues to increase. Wines priced at ¥1000 JPY are popular, reflecting a trend favoring lower-priced wines, especially among young individuals.

- Sales of wines in the mid-range category of ¥1,500 to 3,000 ¥ are consistent.

- Sales of high end wines selling for over ¥3,000 continue to increase, as there is a definite group of consumers who value high quality wines.

- Chile and the United States lead exports to Japan in the bulk wine category, with 187 thousand hectoliters and 90 thousand hectoliters, respectively.

- Low priced wines have become more available, due to increased imports of bulk wine from the United States, Chile, and South Africa for bottling in Japan.

- Domestic wine producers continued to bottle more imported bulk wine in CY 2014, reflected by a 12.3% increase in volume of total imported bulk wine.

- There were no changes to regulations and taxes specific to wine in 2014. However, in April 2014, the general consumption tax increased from 5% to 8%.

- Several emerging new world wines present a stylish and colorful label, distinguishing themselves from labels with a black font and a simple design. Consumers show an interest in unique stories or facts about the background of the wine.

- ***Overall Bottled Wine Market***

Total imports of wine in bottles of 2 liters or less increased 0.4% to 1.81 million hectoliters in CY 2014, from 1.80 million hectoliters in CY 2013. The total value of imported 2 liter or less bottled wine increased by 0.41% in CY 2014 to $1,050.2 million, up from $1,047.9 million in 2013.

Consumption of wine both in restaurants and bars (on premise) and at home (off premise) continue to increase, especially in inexpensive restaurants such as *Izakayas* (traditional Japanese restaurants featuring various small dishes and often catering to a drinking crowd). Total import volumes of bottled wine from France decreased by 6.51% while U.S. and Spanish wine import volumes also decreased by 16.59% and 10.24% respectively. In contrast, Chilean and Italian wine import volumes increased by 19.93% and 1.69%, respectively.

The market shares of bottles priced at or below ¥500 JPY and ¥1000 – 1500 continue to increase, showing that the Japanese wine market continues to be very competitive. Although 55 countries supply wine to Japan, ten countries account for approximately 98.7% of the imported volume. Imports of U.S. bottled wine continue to increase.

- ***Overview of Japan's Alcoholic Beverage Market***

The overall amount and number of different types of alcoholic beverages offered in Japan have increased along with changing taste preferences and drinking patterns. According to the latest World Health Organization data, Japan is in the top quarter of all countries in terms of per-capita annual alcohol consumption at 7.3 liters in 2011.

Wine consumption in Japan has become as common as drinking Japanese sake as more households now regularly purchase a bottle of wine. Most restaurants carry both white and red wine. However, wine as a share of total alcoholic beverage consumption is still low, accounting for approximately 3.8% of the total. This is because there are many other options to choose from among alcoholic beverages, such as sake, shochu, chu-hi (a fruity alcoholic drink), and beer.

- ***Japan Alcohol Consumption by Variety***

	Wine		Sake		Shochu		Beer/ Happoshu		Whiskey/ Brandy		Liqueur/ Spirits	
year	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%	Vol	%
2008	234	2.7	809	9.3	983	11.3	5830	67.0	100	1.1	751	8.6
2009	247	3.1	782	9.8	999	12.5	5087	63.5	94	1.2	798	10.0
2010	262	3.1	589	6.9	443	5.2	3712	43.6	102	1.2	808	9.5
2011	290	3.4	601	7.1	433	5.09	3528	41.5	104	1.2	791	9.3
2012	321	3.8	593	6.9	427	5	3466	40.6	106	1.2	769	9.0

Notes: (% = percentage share, Volume in 1,000 KL)
Source: Toukei Geppo, Food and Liquor National Tax Agency
2014 data was not readily available
http://www.youshu-yunyu.org/english03/tukantokei11gatu.eigo.pdf

- ***Alcoholic Beverage Categories***

Beer, Happoshu and Third Beer:

While beer has traditionally accounted for more than half of Japan's total alcohol consumption, it has faced increasing competition from cheaper beer substitutes due to the fact that beer is taxed based on the amount of malt it contains. One variety competing with regular beer is a cheaper, low-malt, low-tax variety of beer called *happoshu*. More recently, an even lower-taxed *third beer* which contains no-malt and is made from other base ingredients such as soybeans or pea, has emerged in the market and taken a significant market share from both *happoshu* and beer. Recently, craft beer, both domestic and imported, is also gaining popularity in Japan. Despite growing consumption of *third beer* and craft beer, the overall beer/happoshu market has declined due to more available alternatives and changing consumer preferences.

Sake:

Consumption of sake in Japan 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 have been efforts by the sake industry to recapture this market segment.

Shochu:

Consumption of *shochu*, a traditional Japanese 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- or vodka- 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:

The overall consumption of straight whiskey and brandy is flat or slightly lower than in the past. One recent exception to this trend is in sales of single malt scotch to niche consumers. The overall decline is primarily due to shochu becoming the preferred spirit at home and in restaurants.

Another 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 market share, consumption of liqueur and spirits grew significantly in recent years, particularly as ingredients in cocktails. They are especially popular among women due to their sweet taste, lower alcohol content and visual appearance. Spirits and liqueurs are also popular among men who find beer too bitter.

- **Wine Market Overview**

A. *Consumption*

1) *Historical Consumption*

Through 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 red wine consumption.

2) *Demographics*

Today, Japan has a broad base of wine connoisseurs that tends to favor Bordeaux, Cabernet Sauvignon and Chardonnay varietals. These connoisseurs of the most premium quality wines 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 part of the older retiring population of Japan, which due in part to a very strong Japanese economy in the 80's, now have the disposable income to purchase wine.

The 30 and 40 something age groups are the largest groups who consume the ¥3000 or more wines. Many men and women in this group attend wine schools and wine-themed dinners. Overall consumption of ¥3000 and over wines has increased, which may be due to the improving economy.

Young people are rejecting traditional drinks in favor of newer, lighter varieties. This means a shift away from drinking sake and shochu and potentially greater interest in wine, beer, cocktails, and sparkling wine. A survey conducted in 2013 found that consumption of red, white and rosé varieties of wine increased by 54%, 37% and 9% respectively. One industry expert noted that the consumption of affordable wines among young people is increasing. On a negative note, however, individuals in their 20s are less likely to have found steady employment and thus have a smaller disposable income, along with a decreasing interest in the usual “drinking culture” which greatly influences the overall alcohol consumption in Japan. Another expert interviewed stated that young people are showing less interest in consuming alcohol and more in consuming mineral water, sales of which have been increasing in the past 30 years.

Industry experts note that men and women both account for 50% of the consumption of wine in Japan. However, women are usually the decision makers in purchasing food and beverages for the home, thus making females the brand decision maker. Wine is taking up more shelf space at supermarkets, where women shop for their families. Many women express a firm belief that it should be easy to carry. Plastic PET bottles are lighter, durable, and easier to open than glass bottles. Many Japanese wines (Kokusan) have started using high quality PET bottle packaging, which are designed and created very well to the point that it is hard to notice at first that the package is a PET bottle. Interestingly, the number of consumers who buy wine in convenience stores is expected to grow. Women also tend to buy more white wine than men. Women attend wine tastings, classes and seminars more than men. It is known that 60% of wine experts in Japan are women. They have great initiative in purchasing wine, and are eager to consume different varieties. Also, women increasingly host wine and drinking parties at their homes. Preferences for wine also vary with location.

Most of the wine consumption occurs in urban areas, with more than 70% of premium wines (¥3000 JPY or more) consumed in the greater Tokyo area alone. Tokyo also dominates on-premise wine consumption. In rural areas, a greater share of alcoholic beverage consumption is made up of more traditional drinks such as shochu, sake and beer. Historically, inexpensive domestic bottled wine was popular in rural areas but wine markets throughout Japan continue to become more sophisticated. Therefore, cultivation of markets outside of Tokyo is important to the expansion of the wine trade. Large cities outside of Tokyo 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.

This year Asahi Corporation announced its purchase of the wine import company Enoteca, expanding its dominance beyond solely the beer industry. Enoteca operates wholesale, retail and online shopping services and has established its own marketing network, including many branches in Asia pacific nations. This acquisition help Asahi will take advantage of Enoteca's strong presence in department stores.

Sapporo Beer Company also announced its expansion of its wine offerings. Sapporo is introducing an original wine brand, called Grande Polaire, which is produced and grown 100 percent domestically.

Japanese *Izakaya* are increasing the number of different wine SKU's that they cary. Many Japanese restaurants are trying to improve their wine list, with the highest price under ¥5000 yen and the average price at ¥1500 yen per bottle. Japanese Izakaya also offer more than a dozen various types of wine by the glass, each for around 400 yen..

B. Trends Today

1) General

Both on-premise and off-premise consumption of wine is gradually growing. The wine market offers a wide price range and different wine varieties. Sales to upscale Japanese *izakaya* restaurants continue to perform quite well, especially in urban areas like Tokyo.

2) Home-Grown Grape Wine Gains Popularity

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

3) Wine on the Rocks

"Wine on the Rocks" is becoming an increasingly popular trend among consumers in Japan because of simplicity and taste preferences. 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 by offering both red and white wine on the rocks on their drink menus across Japan.

4) "Stand Up" Wine Bars

The concept of the "stand up wine bar" started at a small wine specialty shop in Hacchobori, Tokyo. "Stand Bar Maru" started out as a simple wine specialty shop selling a wide selection of imported wines from across the globe. The small wine specialty shop then incorporated a bar into its 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 entertainment districts such as Ebisu and Shibuya. They are becoming increasingly popular, and sell wine by the glass for about ¥700 JPY.

- ***Prices***

A. Overall

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

B. Bottled Wine

The average price per liter of imported bottled wine increased slightly by 0.02% from $ 5.82 to $5.82. The average price of U.S. wines increased 21.98% from $7.83 to $9.55. French wines increased by 2.27% from $ 8.84 to $9.04. These increases are mostly attributed to economic factors such as the exchange rate.

The average import price of bottled wine from Chile is $3.13/liter, from Spain is $3.22/liter and from South Africa is $4.22/liter, making the average price of a bottle all under $5.00. The average price for wine from Italy was $5.20/liter, for Australia was $4.54/liter and for Argentina was $4.10/liter.

C. Domestic Wine

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

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

Bulk wine is imported from major suppliers, primarily Chile and the United States, for blending with Japanese product and bottling for sale at retail shops as Japanese wine.

- ***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 is comprised of 15 different local wineries keen to export their wine overseas. The exported Japanese wines are made from the *Koshu* grape, which has a history of over 1,500 years in the Yamanashi region. It is a very popular brand in Japan.

- ***Imported Bottled Wine***

Total CY 2014 bottled wine imports totaled 1.81 million hectoliters, valued at $1050.2 million.

A. United States

In 2014, the United States held an 8.7% share by value of the $1050.2 million imported bottled wine market. This was an increase from an 8.6% share in 2013. In 2014 Chile's share rose to 12.9% while Spain's dropped to 6.4%.

The majority of imported wines from the United States are sold in the retail market at a price-point in the ¥700 – 1000 range. The United States faces significant competition in this segment from Chile, which benefits from a Japan–Chile free trade agreement. Chile and Spain, in particular, are becoming competitive in the ¥289-699 JPN range. Additionally, sales of United States wine to Japan were negatively affected by the West Coast port disruptions in late 2014 and early 2015.

In an effort to gain more value per liter, U.S. traders may benefit from a shift to the ¥1000 – 1500 JPY retail price range. While U.S. wines typically face competition from French and Italian wines in this price range, it is perceived to be a more favorable opportunity. There are relatively few wines in this price range, as prices seem to be polarized toward the very cheap and very expensive ends of the spectrum. If the United States produces better quality wines at competitive prices with attractive and trendy labels, it has the opportunity to expand considerably in this price range.

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

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 weight 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, as opposed to names of French or Italian regions. The more than 100 restaurants in the Tokyo area support brand building and sales by increasing awareness of the region's wines. Currently, several California brands are distributed by Japanese liquor companies, including *Robert Mondavi, Franzia, Markham*, *Raymond*, *Beringer, River Crest* and *Carlo Rossi*. However, it is worth noting that California wines, though in the Japanese mind are comparable in quality and value to French wines, are considered by some to have too much of an oaky flavor and to have too much alcohol. In the future, it might be helpful to make adjustments in accordance with the taste preferences of the Japanese consumers, who now prefer a fruity, lighter wine with less alcohol.

Washington State also supplies wine 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,* when 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 JP. A parallel can be drawn between Washington and New Zealand; both are located near another 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 wine, Oregon wine can be sourced through multiple Japanese importers. There is a great opportunity to establish Oregon wine even further 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 on its image of a high-quality, family-owned and small-scale wine producing region. The Japanese market for Washington and Oregon wines is relatively small but also devoted. Producers might appeal to a wider base of consumers by explaining clearly, perhaps on a small map on the back of the label, where they were produced, since most Japanese do not know the regions where they are made. Given the Japanese consumer interest in the origin of their wines, this might make Washington and Oregon wines more attractive.

B. *France*

While France has the best image among wine consumers in Japan, its market share continues to decline due primarily to increasing competition from new world wines. French wine might just be too expensive given the fact that alternatives are much more widely available now; about ¥700 is the most popular price. France's share by volume has changed from 31.5% in 2013 to 29.3% in 2014, which was a result of increased exports from Chile and the United States. Imported volumes of French wines decreased in CY 2013 by -6.51% to reach 529.9 thousand hectoliters. French Beaujolais Nouveau wines continue to enjoy popularity in Japan, although many French exporters seem to prefer the Chinese market over Japan's for their premium brands.

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

C. *Italy*

Imports from Italy increased by 1.69% in CY 2014. This increased Italian wine's market share to 18.7%. Value was up by 2.44% compared to 2013. Households are taking home Italian wines purchased from the market; however, sales of wines retailing ¥3000-5000 are decreasing. There is an opportunity for Italian wine producers in the lower price range, at about ¥700, although it is a challenge due to the emerging low priced wines from other countries in the market.

D. Chile

Chilean wine sales continued to increase significantly in CY 2014 with volume and value increasing 19.93% and 17.68% respectively. Chilean wines in Japan benefit from the Japan–Chile free trade agreement (FTA), which will gradually lower import duties on wine from the standard 15% to zero over the next 4 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) 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 than many other wines, which is favorable to Japanese consumers. It is specifically popular among those who are not experienced wine drinkers. Chilean wine is less competitive in higher price segments. The image that Chilean wine is cheap persists, though it has the image of being good quality for a fair price. Their main competitor in the lower price range is Spanish wines.

E. Spain

The volume of imported wine from Spain in CY 2014 decreased 10.2%. Spanish wines were positively associated with ham and other Spanish cuisine; however, the "ham & wine" trend has diminished since its peak. Overall sales of Spanish wines are steady though, as sales of lower priced Spanish wines in supermarkets and *izakaya* restaurants have increased. Spain's share by volume of Japan's total imported wine market slightly decreased to 12.6% (bottled wines only). Spain is a major competitor to the U.S, as Spanish wines sell very well in both convenience stores and supermarkets. In the lower priced range, taste and appearance seem to be the most important factors for sales. Due to Spain's recent political instability, however, prices have risen.

F. Germany

Imports of German bottled wines decreased by 10.4%. In 2013, imports were 33.2 thousand hectoliters. In 2014 imports dropped to 29.8 thousand hectoliters. The decrease may be due to the fact that many individuals prefer a slightly spicy wine and German wines are mostly sweet. Although, there are some individuals, especially women and the young generation that enjoy sweet German wine. German wines are mainly purchased online by heavy wine users.

G. *Australia*

Japanese imports of Australian wine decreased to 67.9 thousand hectoliters in 2014 (worth $30.8 million) from 68.4 thousand hectoliters in 2013. Industry experts report that the Chinese and other Asian markets are appreciating Australian wines more, and siphoning off supply. Many Japanese consumers do not associate Australia with wine, making it hard for Australian wines to compete. As a result, Australian wines are not distributed widely in Japan.

- ***Bulk Wine***

Low priced wines have become available in part due to increased imports of bulk wine from the United States, Chile, and South Africa for bottling in Japan. Since 2011, U.S. shipments have increased 9.8%. Imports decreased by 4.9% in 2014 compared to 2013 due to the port disruption, reaching 90.1 thousand hectoliters in 2014. The prices per liter for bulk wine in 2014 were: United States $1.11, Chile $1.04 and South Africa $0.88. Chile has the greatest share of the bulk wine market, up 22.86% from 2013. The U.S. has the second highest share of imported bulk wine.

- ***Distribution Channels***

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

Consumers of mid-range and premium wine (above 1000 yen, or $13.16) are becoming more knowledgeable, and 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 by 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 is regulated under the Liquor Tax Law, through retailers that hold liquor licenses. Domestic wine distribution is generally a three or four tier system, going 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 previously purchased from various specialty importers, they are finding it more profitable to send buyers to wine producing regions and import directly to retail shops. Wine sales in supermarkets and convenience stores are increasing steadily as more shelf space is given to wine. Most of these wines are Chilean, Spanish, Italian and American. As the economy recovers, we will see if that increase is permanent or if it will shift back towards on-premise consumption. However, it appears that women, who make most of the household’s purchasing decisions, will continue purchasing wine from supermarkets and convenience stores more often.

B. Import Wine Shops

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

C. Supermarkets

Supermarkets are allotting an increasing amount of shelf space for wine and are projected to increase total wine sales. The majority of bottles sold in supermarkets are in the ¥298-699, ¥700 – 1000, or ¥1000 – 2000 ranges with limited shipments of more expensive bottles. The selection isn't quite as good as wine shops and sales personnel are not posted near the wine shelves to help customers. They carry 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 (under ¥700) and mid-range imported wines (¥1000 – 1500). Half bottle wine selections seem to be increasing at convenience stores. Convenience stores play an important role in distributing wine.

E. High Volume Sellers

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

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

- ***Packaging***

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

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

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

Imported wine is sold in one-half (375ml) and one-quarter (187.5 ml) sized bottles. These options have so far met with some success as Japanese consumers were not comfortable with finishing a 750ml bottle. These bottles are more visible on retail store shelves compared to the previous year. Australian brand *Barokes* sells 250 ml cans of wine in Japan. The campaign has been met with very limited success due to negative perceptions associated with canned beverages. A majority of consumers do not see canned wines to be "romantic" or elegant.

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

- ***Internet online***

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

Other Wine Types

A. Sparkling

Japan's value of imported sparkling wine increased 14.42% in CY 2014. The total imported quantity increased 7.82%. The U.S. exports of sparkling wine to Japan decreased, from 9.95 thousand hectoliters in 2013 to 6.9 thousand hectoliters in 2014. 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 the usual beer that is the normal first beverage of the night in Japanese drinking culture. 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 to be competitive.

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

B. ***Fortified Wines***

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

C. ***Organic Wine***

Japanese consumers are among the most health conscious in the world and have shown an interest in organic wine. The first organic wine shop opened in Tokyo in 1998 and other outlets selling organic wine have opened since. Approximately three-quarters 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. Natural and organic wines are popular among individuals who are concerned for their health and for those who prefer lighter, fruitier, and low alcohol wine.

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

More information is available from the USDA website:
http://www.ams.usda.gov/AMSv1.0/getfile?dDocName=STELPRDC5077433

Appendix I: Legal Regulations Related to the Wine Trade

1. Food Sanitation Law requirements

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

2. Labeling requirements

Figure 16 lists labeling requirements for wine. Labels 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**	Voluntary industry standard
	Wines made from mixtures of domestic and imported wines must list the wines in order of quantity.For example, "Made from domestic and imported wine."	
	(2) Geographic labeling	Labeling standard based on LBA/MSR/LT and ML
	Geographic brand names such as Bordeaux and Chablis, whose product quality and reputation fundamentally arise from place of origin, can only be used on products that actually originate from the said region.	

Labeling Requirements For Wine: Other Requirements Continued		
Label Item	Requirement	Name of Statute*
	(3) Labeling to prevent consumption by minors	Labeling standard based on t LBA/MSR/LT and ML
	All liquor containers must clearly state that "Consumption of alcohol by minors is prohibited," or "Alcohol may only be consumed by those who are 20 years or older."	
Other	**(4) Promotion of recycling of liquor containers**	Law for Promotion

Requirements	Products packed in steel cans, aluminum cans, and PET bottles must have a mark on the container identifying the packaging material type.	of Utilization of Recycled Resources
	(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. According to Japan External Trade Organization, as of April 2015 the import tax rate on Chilean wines is 4.6%. Chilean wine will be tax free in 2019.

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)				
	2011	2012	2013	2014	2014/ 2013 % Change
Bottled Wine	1570.9	1984.8	1,993.5	2001.3	0.39
HS220421020 (2L or less)	1443.6	1811.3	1801.7	1808.8	0.40
HS220429010 (2L to 150L)	127.3	173.5	191.8	192.4	0.32
Sparkling Wine					
HS220410000	248.0	293.2	309.7	334	7.82
Wine Coolers					
HS220600221	34.1	47.9	48.7	47.1	-3.46
Bulk Wine					
HS220429090 (>150L)	256.8	284.2	320.9	360.5	12.4
Grape Must	70.5	78.2	97.3	89.3	-8.2
HS220430191 (1%+ alcohol,	0.0	0.0	0.0	0.0	0.0

<10% sucrose by weight)					
HS220430200 (1%+ alcohol - other)	70.5	78.2	97.3	8.93	-8.2
Vermouth	26.2	30.5	33.9	48.5	43.1
HS220510000 (2L or less)	25.6	29.6	32.9	44.1	34.3
HS220590200 (1%+ alcohol)	0.6	0.9	1.0	4.4	330.34
Sherry/Fortified Wine					
HS220421010	7.8	9.1	8.4	8.6	2.31
	Source: Global Trade Atlas, based on Japan Customs data (CY Jan – Dec)				

(Table 1 continued)					
	Value ($M)				
	2011	**2012**	**2013**	**2014**	**2014/2013 % Change**
Bottled Wine	902.3	1,071.2	1,084.5	1,087.8	0 .3
HS220421020 (2L or less)	877.0	1,037.4	1,047.9	1,052.2	0.41
HS220429010 (2L to 150L)	25.3	33.8	36.6	35.6	-2.78
Sparkling Wine					
HS220410000	372.7	431.7	406.7	465.4	14.42
Wine Coolers					
HS220600221	16.6	21.8	20.4	19.2	-5.7
Bulk Wine					
HS220429090 (>150L)	29.4	34.6	38.4	39.6	3.24
Grape Must	22.7	26.6	36.8	34.1	-7.23
HS220430191	0.0	0.0	0.0	0.0	0.0

(1%+ abv, <10% sucrose by weight)					
HS220430200 (1%+ abv - other)	22.7	26.6	36.8	34.1	-7.23
Vermouth	9.2	9.3	10.5	13.3	26.5
HS220510000 (2L or less)	9.1	9.1	10.3	12.4	21.0
HS220590200 (1%+ alcohol)	0.1	0.2	0.2	0.8	276.7
Sherry/Fortified Wine					
HS220421010	7.7	8.8	7.9	7.7	- 1.6
	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**	**2011**	**2012**	**2013**	**2014**		**2014/2013**
					Volume	**Share (%)**	**% Change**
1	France	504.5	600.46	566.89	529.97	29.3	-6.51
2	Chile	241.7	315.83	364.35	436.95	24.16	19.9

							3
3	Italy	282.6	347.68	332.71	338.35	18.71	1.69
4	Spain	158.1	246.56	234.03	210.05	11.61	-10.24
5	**United States**	**92.6**	**105.5**	**115.52**	**96.35**	**5.33**	**-16.59**
6	Australia	64.0	72.5	68.4	67.89	3.75	-0.74
7	Argentina	24.9	35.8	33.24	36.15	2.0	17.02
8	Germany	34.9	32.33	30.9	29.8	1.65	-10.36
9	South Africa	16.2	24.23	22.56	27.23	1.51	20.68
10	New Zealand	7.8	11.18	11.17	11.5	0.64	2.9
	Others	16.3	19.2	21.9	24.6	1,35	13.3
	Total	1,443.6	1,811.3	1,801.7	1,808.8	100.0	0.4
		Value ($M)					
Rank	**Country**	**2011**	**2012**	**2013**	**2014**		**2014/2013**
					Value	**Share (%)**	**% Change**
1	France	454.7	518.4	501.3	479.3	45.55	-4.

							39
2	Italy	141.1	164.4	171.9	176	16.73	2.44
3	Chile	76.6	102.2	116.1	136.6	12.99	17.68
4	**United States**	**66.0**	**80.1**	**90.5**	**92.0**	**8.75**	**1.74**
5	Spain	47.5	66.5	69.1	67.6	6.42	-2.28
6	Australia	35.3	39.0	32.8	30.8	2.93	-5.89
7	Germany	19.3	19.5	19.4	17.5	1.66	-10.14
8	Argentina	10.4	13.9	13.1	14.8	1.41	13.27
9	New Zealand	8.7	11.7	11.6	11.6	1.11	0.38
10	South Africa	6.4	9.9	9.0	11.5	1.09	28.23
	Others	12.6	12.0	13.2	14.3	1.35	10.0
	Total	878.6	1,037.6	1,048.0	1052.2	100.0	0.41
		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**	**2011**	**2012**	**2013**	**2014**		**2014/ 2013**
					Volume	**Share**	**% Chang**

						(%)	e
1	France	95.3	112.0	116.3	121.33	36.33	4.32
2	Spain	56.0	70.2	77.6	84.06	25.17	8.33
3	Italy	50.3	63.6	60.7	70.74	21.18	16.57
4	Chile	9.1	9.8	13.8	18.52	5.55	34.51
5	Australia	10.8	12.1	13.9	13.36	4.0	-4.05
6	**United States**	**12.2**	**10.8**	**10.0**	**6.9**	**2.07**	**-30.62**
	Others	14.3	14.6	17.6	19.07	5.71	08.4
	Total	248.0	293.1	309.9	334	100.0	7.82
	Value ($M)						
Rank	**Country**	**2011**	**2012**	**2013**	**2014**		**2014/2013**
					Value	**Share (%)**	**% Change**
1	France	281.0	328.4	300.7	352.7	75.8	17.29
2	Spain	34.1	39.0	39.1	41.2	8.9	5.34
3	Italy	31.9	36.9	37.0	40.7	8.8	10.13
4	Chile	4.0	4.8	6.7	8.4	1.8	25.59
5	Australia	8.0	8.8	8.5	7.7	1.7	-9.02
6	**United States**	**5.9**	**5.6**	**5.0**	**4.3**	**0.9**	**-13.84**
	Others	7.8	8.2	9.7	10.3	2.19	6.2
	Total	372.7	431.7	406.7	465.4	100.0	14.42
	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**	**2011**	**2012**	**2013**	**2014**		**2014/2013**
					Volume	**Share (%)**	**% Change**
1	France	15.4	19.0	18.5	16.3	37.99	-12.17
2	Spain	6.6	9.1	9.3	11.9	19.14	27.33
3	Belgium	0.8	3.0	6.0	6.7	12.23	12.31
4	Germany	3.7	4.9	5.6	4	11.46	-28.42
5	Italy	2.1	2.3	1.8	2.8	3.74	51.74
6	**United States**	**1.4**	**1.9**	**2.4**	**1.7**	**4.86**	**-27.1**
7	Canada	0.0	0.6	2.1	1.2	4.25	-43.38
	Others	3.5	7.2	3.1	2.5	6.31	-19.4
	Total	34.1	48.0	48.8	47.1	100.0	-3.46
	Value ($M)						
Rank	**Country**	**2011**	**2012**	**2013**	**2014**		**2014/2013**
					Value	**Share (%)**	**% Change**
1	France	11.0	13.9	11.9	10.1	52.61	-14.78
2	Spain	2.0	2.5	2.6	3.4	17.47	27.96
3	Belgium	0.3	0.9	1.8	2	10.25	9.44
4	Italy	0.7	0.9	0.9	1.2	6.5	46.45
5	Germany	1.2	1.4	1.5	1.1	5.61	-28.23
6	Chile	---------	0.3	0.2	0.4	2.24	80.65
7	**United States**	**0.5**	**0.4**	**0.5**	**0.4**	**1.94**	**-25.41**
	Others	0.7	1.7	0.8	0.7	3.4	-13.5
	Total	16.6	21.8	20.5	19.2	100.0	-5.72
	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**	**2011**	**2012**	**2013**	**2014**		**2014/ 2013**
					Volume	**Share (%)**	**% Change**
1	Chile	99.9	113.8	152.5	187.4	51.97	22.86
2	**United States**	**82.0**	**89.6**	**94.7**	**90.1**	**24.98**	**-4.88**
3	South Africa	8.5	8.7	19.9	26	7.2	30.17
4	Argentina	26.0	5.1	20.3	15.9	4.41	-21.64
5	France	8.3	10.8	10.6	11.2	3.1	5.69
6	Spain	9.8	15.3	7.1	10.1	2.8	41.88
7	Australia	8.2	6.7	6.0	9.1	2.53	51.97
8	Macedonia	5.6	8.3	5.6	6.3	1.73	12.38
9	Italy	3.8	2.0	2.5	2.8	0.78	14.06
10	Bulgaria	1.7	1.0	1.3	1.5	0.41	14.13
	Others	3.0	2.9	0.4	0.3	0.08	-0.25
	Total	256.8	284.2	320.9	360.5	100.0	12.35
	Value ($M)						
Rank	**Country**	**2011**	**2012**	**2013**	**2014**		**2014/2013**
					Value	**Share (%)**	**% Change**
1	Chile	12.9	15.5	18.6	19.5	49.2	4.54

2	**United States**	**7.2**	**8.9**	**10.2**	**10.0**	**25.26**	**-2.01**
3	France	3.0	3.1	2.3	2.5	6.33	16.12
4	South Africa	1.6	2.2	2.2	2.3	5.78	24.19
5	Argentina	0.9	0.8	1.8	1.8	4.53	-20.78
6	Australia	0.9	1.4	1.0	1.2	3.04	36.16
7	Spain	1.0	0.9	0.9	1.1	2.67	4.9
8	Macedonia	0.6	0.8	0.6	0.6	1.44	-2.45
9	Italy	0.5	0.3	0.4	0.3	0.86	-13.49
10	Bulgaria	0.3	0.2	0.2	0.2	0.61	21.18
	Others	0.4	0.5	0.2	0.1	0.28	-50
	Total	29.4	34.6	38.4	3.0	100.0	3.24
	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	2011	2012	2013	2014		2014/ 2013
					Volume	Share (%)	% Change
1	Chile	34.7	34.2	50.4	50.4	56.39	-0.05
2	Argentina	33.0	41.6	42.9	35.4	39.61	-17.5
3	South Africa	2.9	2.4	4.0	3.5	3.96	-11.5
4	France	0.0	0.0	0.0	<0.1	0.03	n/a
5	Italy	-------	0.0	0.0	<0.1	0.01	n/a
6	Spain	-------	0.0	0.0	<0.1	0.0	n/a
7	**United States**	**0.0**	**<0.1**	**<0.1**	**<0.1**	**0.0**	**900.00**
8	Australia	0.0	0.0	0.0	0.0	0.0	-100
	Others	0.0	0.0	0.0	0.0	0.0	0.0
	Total	70.6	78.2	97.3	89.3	100.0	-8.17

Value ($M)

Rank	Country	2011	2012	2013	2014		2014/ 2013
					Value	Share %	% Change
1	Chile	13.3	14.6	22.6	21.7	63.51	-3.95
2	Argentina	8.7	11.3	13.0	11.3	33.04	-13.17
3	South Africa	0.7	0.7	1.2	1.1	3.24	-9.61
4	France	0.0	0.0	<0.1	<0.1	<0.1	n/a
5	**United States**	**0.0**	**<0.1**	**<0.1**	**<0.1**	**<0.1**	**n/a**
	Total	22.7	26.6	36.8	34.1	100.0	-7.23

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

		Table 7: Vermouth Imports by Supplying Country					
		Volume (000 hectoliters)					
Rank	Country	2011	2012	2013	2014 Volume	2014 Share (%)	2014/2013 % Change
1	Spain	11.8	13.9	18.2	26.7	55.28	46.93
2	Italy	5.2	5.6	4.4	5.8	13.53	29.4
3	France	4.5	4.7	5.5	5.1	16.62	-7.22
4	Germany	2.8	3.5	3.7	4.8	11.37	27.81
5	China	0.9	1.1	0.6	0.7	1.81	21.89
	Others	0.9	0.9	0.5	1.1	2.54	1.2
	Total	26.1	29.7	32.9	44.1	100.0	34.29
		Value ($M)					
Rank	Country	2011	2012	2013	2014 Value	2014 Share (%)	2014/2013 % Change
1	Spain	3.1	3.3	4.5	6.3	50.3	38.03
2	France	2.2	1.9	2.6	2.3	18.37	-12.31
3	Italy	2.2	2.4	1.9	2.2	17.32	15.5
4	Germany	0.6	0.8	0.9	1.1	8.67	23.43
5	Australia	------	---------	----------	0.2	1.74	n/a
	Others	0.4	0.4	0.3	0.4	3.6	33.3
	Total	9.2	9.1	10.3	12.4	100.0	21.03
		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**	**2011**	**2012**	**2013**	**2014**		**2014/2013**
					Volume	**Share (%)**	**% Change**
1	Portugal	3.9	4.9	4.7	4.9	56.56	3.0
2	Spain	2.7	3.0	2.6	2.4	27.83	-9.23
3	Italy	0.9	0.8	0.7	1.0	11.2	34.43
4	France	0.2	0.4	0.3	0.3	3.99	11.62
5	Greece	0.0	<0.1	<0.1	<0.1	0.18	252
	Others	0.1	<0.1	<0.1	<0.1	0.2	0.0
	Total	7.8	9.1	8.3	8.6	100.0	2.31
	Value ($M)						
Rank	**Country**	**2011**	**2012**	**2013**	**2014**		**2014/2013**
					Value	**Share (%)**	**% Change**
1	Portugal	4.3	4.9	4.1	4.2	54.64	2.1
2	Spain	2.3	2.4	2.1	2.0	25.8	-2.63
3	France	0.6	1.1	1.2	0.9	12.12	-23.91
4	Italy	0.5	0.4	0.4	0.5	6.96	39.44
5	Greece	0.0	<0.1	<0.1	<0.1	0.13	290.59
	Others	0.1	<0.1	<0.1	<0.1	0.35	0.0

	Total	7.8	8.8	7.8	7.7	100.0	-1.6
	Source: Global Trade Atlas, based on Japan Customs data (CY Jan – Dec)						