

Alcoholic Beverages

July 14, 2011

INTRODUCTION / WINE / BEER, SPARKING ALCOHOL, NEW GENRE / WHISKY / SPIRITS, LIQUEUR

Introduction

Looking at the customs clearance records on imports in 2010, the overall import volume of alcoholic beverages increased 15% from the previous year, and the value rose 4%. This increase was led by sparkling alcohol, a new beer genre that rose 60%. One can could be purchased under 100 yen, and the home use industry is becoming very active as the consumers enjoy to "drink at home." Many companies are joining the home use industry, increasing the import volume 7 times more than 5 years ago. With the rising whisky demand, ingredients for domestic whiskeys called "other unblended whisky" made a large growth of 9 times from the previous year, and "unblended bourbon whisky" also increased 30%.



	Quantity(L)	YY	Amount (1,000 yen)	YY
Beer	29,428,560	95.8	4,572,479	92.1
Sparkling Wine	23,794,094	115.9	28,755,148	124.2
Sherry/Port	735,014	102.4	606,955	98.5
Wine (2 liters or less)	133,516,708	104.5	67,413,501	94.2
Other wine (2L-150L)	10,525,084	113.6	1,719,847	112.6
Bulk wine	25,282,074	112.6	2,335,138	114.8
Grape juice	7,397,347	104.2	1,855,908	105.7
Vermouth	2,153,754	92.6	667,109	84.1
Refined sake and Raws sake	473,785	145.7	52,347	126.0
Fermentation liquor(refined sake excluded)	3,015,256	102.9	1,145,215	83.8
Sparkling liquor	131,526,397	160.2	10,072,960	162.7
Apple wine, mead and etc. Other fermentation liquor	22,326,495	163.7	3,126,632	130.6
Unblended grape brandy	1,454,939	98.0	1,078,439	98.0
Grape brandy	1,419,847	108.1	5,337,372	102.0
Unblended bourbon	1,528,511	147.8	685,911	133.0
Bourbon whisky	995,995	102.0	1,144,605	109.7
Rye whiskey	11,254	98.0	15,665	116.7
Other unblended whisky	2,545,385	442.6	1,412,077	939.2
Other whiskey	14,558,114	109.6	16,568,313	101.8
Rum	1,975,393	101.8	1,055,275	99.0
Gin	2,664,479	100.4	1,359,369	103.3
Vodka	2,805,439	95.0	1,874,489	95.4
Liqueur	18,176,390	97.1	9,095,160	92.1
Other unblended brandy	14,570	216.2	15,141	234.2
Other brandy	155,359	105.4	231,461	98.4
Other distilled liquor	76,329,195	100.3	11,148,904	100.1
Synthetic refined sake & white sake	12,433,870	76.4	1,173,757	79.6
Other alcoholic drinks	8,708,831	114.4	1,010,117	108.0
Total	535,952,139	115.3	175,530,314	104.0

Sources: Compiled from Ministry of Finance "Import Customs Statistics".

Wine

Wine has the largest import quantity of all imported alcohol. Last year, the customs clearance volume of still wine under 2 liters increased 5%. Countries that made a double-digit growth were the 5 countries, Chile (23%), Spain (11%), South Africa (23%), Argentina (11%), and New Zealand (37%). In 2009, only countries where the CIF price is



under 400 yen grew, but last year, New Zealand, which has a higher CIF price than France made the biggest advancement, and ranked 10th, going higher than Portugal. On the other hand, the highest ranking country Chile and Spain's CIF price dropped 10% from the previous year, and this proves that the market is heading for lower prices. With sparkling wines, out of the top 10 countries, Italy made the biggest growth at a total of 16% last year. Out of all the countries, Chile's 94% rise and Mexico's 84% rise catches the eye. Both countries not only have many low priced products, but also eliminated or reduced tariffs, setting themselves in a superior position money-wise and expanded their market.

Import Volume and Value of Wine (2 liters or less) in 2010

	2010	Quantity (L)	Y/Y	Amount (1,000 yen)	Y/Y	CIF
1	France	47,160,134	97%	34,727,553	88%	736
2	Italy	24,871,639	105%	10,186,645	95%	410
3	Chile	21,335,258	123%	5,935,304	113%	278
4	Spain	13,687,657	111%	3,434,309	96%	251
5	U.S.A.	8,703,626	107%	5,295,185	109%	608
6	Australia	7,467,797	89%	3,122,268	99%	418
7	Germany	2,922,333	98%	1,545,004	92%	529
8	South Africa	2,721,115	123%	911,119	123%	335
9	Argentina	2,439,322	111%	833,277	110%	342
10	New Zealand	743,583	137%	653,922	127%	879

Sources: Compiled from Ministry of Finance "Import Customs Statistics".

Import Volume and Value of Sparkling Wine in 2010

	2010	Quantity (L)	Y/Y	Amount (1,000 yen)	Y/Y	CIF
1	France	9,407,087	125%	21,660,697	134%	2,303
2	Spain	5,379,719	117%	2,737,306	107%	509
3	Italy	4,421,063	91%	2,277,228	82%	515
4	U.S.A.	1,359,245	119%	516,224	117%	380
5	Australia	1,082,479	111%	630,630	114%	583
6	Chile	751,198	194%	282,760	177%	376
7	Mexico	397,557	184%	151,789	170%	382
8	South Africa	331,502	128%	145,556	129%	439
9	Germany	324,714	110%	184,907	100%	569
10	Argentina	190,719	112%	78,787	114%	413

Sources: Compiled from Ministry of Finance "Import Customs Statistics".

Beer, Sparking Alcohol, New Genre

The top 5 countries haven't changed 3 years in a row and they are Mexico, Ireland, Australia, Belgium, and Germany. The top beer imported beer is Heineken, 2nd Budweiser, and 3rd Corona. Regarding Belgium, 4 official import companies of Belgium beer did a joint event in Tokyo for consumers and 15,000 people came. This year the same event was already held in Osaka in June, and Tokyo event will take place in September in 2011. Beer type new genre and sparkling alcohol made a 60% increase just as it did in 2009. The new Korean PB, "Barreal" made 2.9 million C/S in half a year, and new entry is active.

*C/C is 350ml or 330mlx24 bottles

		2010	2009	Y/Y
1	Mexico	5,829,310	5,860,660	99%
2	Ireland	4,738,616	5,746,311	82%
3	Australia	4,601,815	5,544,704	83%
4	Belguim	2,495,544	2,143,018	116%
5	Germany	2,018,211	1,886,706	107%
6	U.S.A.	1,518,827	1,199,196	127%
7	Korea	1,364,226	1,639,243	83%
8	U.K.	1,338,870	1,264,951	106%
9	Holland	1,109,599	900,828	123%
10	Thailand	895,138	938,989	95%

Sources: Compiled from Ministry of Finance "Import Customs Statistics".

Whisky

According to a survey carried out by Suntory, within the 2 years from 2008, the frequency of alcohol being introduced during dinner rose over 20%. Above all, Whisky increased 90% and gained its position as an alcoholic beverage while eating, expanding the market. On a brand basis, the biggest sale was "Jack Daniel" keeping the top 5 years in a row. Brands that could be easily bought at the super markets like "White Horse Fine Old", "Ancient Clan", and "Claymore" made a double-digit growth. With bourbon, "Four Roses" made the lead to "Early Time" and jumped high to the top. The whisky market is only 1/30 of the beer market. There needs to be more suggestions on the appeal of whisky.

Spirits, Liqueur

The import custom clearance quantity of vodka dropped 5%, but on a brand basis, 5 of the brands are making an advancement. "Sky" grew 13%, and "Zubrowka" grew 10%. With gin, the top brand "Beefeater" is followed by Wilkinson and Korean "Gilby's Gin". Tequila's top brand "Cuervo" not only sold their products to clubs but also expanded their sales to dining bars, increasing 17%.