

## Alcoholic Beverages

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FOREIGN BRAND BEER AND CRAFT BEER  
THE CHALLENGE IS HOW THE INDIVIDUAL BRAND  
SHOULD BE DEVELOPED

Foreign brand beer continues to steadily expand its market in 2013. The business-use market has the majority of the demand for foreign brand beer. This is because it leads to a higher average sale per customer and it allows differentiation from other stores. Foreign brand beer and craft beer both with high added value and unit price are attracting the attention of customers as a gift for the year-end and New Year holidays.

According to the import custom clearance for alcohol during the first half of 2013 announced by the Ministry of Finance Customs and Tariff Bureau, Belgium, representing the "high value added product," topped the beer category. It made the highest growth rate of 97%, nearly doubling in size. The low-malt beer category was also successful and went up 55%. Behind the popularity of Belgian beer, there is a series of events called the "Belgian Beer Weekend," held by the Belgian government and the Belgian Beer Weekend Organizing Committee (composed by Japanese companies that import, wholesale, and retail Belgian beer) every year.



"Belgian Beer Weekend" has been established in Japan and this year the event took place in 5 major cities of Japan; Nagoya, Yokohama, Osaka, Fukuoka, and Tokyo. It is said that there are 150 brewers and over 1,100 kinds of beer in Belgium, and 10 types, 73 kinds of Belgian beer were introduced during the Belgian Beer Weekend. In addition to Belgian beer, the event provided traditional Belgian foods such as fritz (fries), sausages and live stages. In the 5 cities, the number of visitors totaled 140,000 in 37 days.

Of the top importing countries, Germany comes second in growth rate at 65%. They also expanded the market through an event called the "October Fest," which takes place throughout Japan around the year. The Netherlands was up 56% following Germany, then followed by England, up 31%.



Italian craft beer "baladin"  
 Photo from Japan Food Journal

Domestically manufactured foreign brand beer also shifted strongly, but as the data shows, there is a shift towards "highly value-added products" with a unique taste from the "low-price products" typified as Korean malt sparkling-type beer that has been expanding in recent years.

In fact, there are many Italian craft beers entering the market this year. Mitsui Foods launched an Italian craft beer called "baladin." Kokubu also began handling "Bruton." Both brands have a concept of "beer that can be enjoyed with food," which is similar to wine, and working to expand their business to Italian restaurants, etc.

Through highball, the Japanese whiskey market regained its position as an alcohol enjoyed during the meal. The wine market continues to expand from its diversity in taste and great match with food. For the future of foreign brand beer and craft beer with a unique taste, proposing how to match up the beer with meals will become the key.

While the craft beer market is gathering such attention, its share in the beer market does not even account for 1%. Also, even though the consumers are beginning to recognize the category of "Belgian beer" or "craft beer," the individual brand development still remains to be the issue in the future. Many craft beer producers are working at a small scale, and there is a dilemma of them not having enough capacity to cope with distribution and supply even if the demand increases. For the consumers, having a variety of choices is always welcome. If this boom is not temporary and becomes fixed in Japan, then we may be able to say for the first time that the Japanese beer market has matured.

