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Japan's wine imports: value rises, volume drops

A comprehensive analysis of wine trade dynamics in the Land of the Rising Sun

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Japan's affinity for wine, particularly from international vineyards, has shown an interesting trend in the first half of 2023. While the monetary value of imports has seen an uptick, the volume seems to be on a decline. Let's delve into the specifics to better understand these dynamics.

Japanese customs data revealed that the country's wine imports saw a rise in value by 8% in the first half of 2023. Interestingly, this was coupled with a 10.7% decline in volume. The average price of imported wine surged by 20.8% to approximately $6.87 per liter. Japan's total wine imports stood at 111.4 million liters, which translated to a monetary figure of approximately $765.6 million. When evaluated with the current exchange rate, this means Japan imported wine worth roughly $4.83 per liter – a price significantly above the global average.

The first half of 2023 has been record-breaking in terms of value – it's the best ever. Contrarily, in terms of volume, it's been the least impressive in the past seven years, making the average price the highest recorded to date. This contrasts the data from the close of 2022 when Japanese wine imports grew 31% in value and 9% in volume.

Packaged still wine led the imports, accounting for 71.6 million liters, which is a 9.9% decrease. This amounted to approximately $426.5 million, a 3.6% rise, making up 64% of the total volume and 56% of the total expenditure. The average price for this category grew by 15% to roughly $5.96 per liter.

Sparkling wine was the second most valuable and voluminous product, even outpacing bulk wine. It saw the most significant increase in value, at 15.8%, reaching approximately $312.2 million. The volume decrease was only 4.5%, standing at 17.9 million liters. This type of wine had the highest average price amongst the analyzed products – a whopping $17.46 per liter, a 21% increase.

Bulk wine faced the most significant decline, both in terms of value, 8.6%, and volume, 20.9%. The imports stood at 15.4 million liters and approximately $15.7 million, with an average price of about $1.02 per liter, the lowest among all categories. Meanwhile, bag-in-box wine faced a volume loss of 9% and a value decrease of 2%, ending at 6.5 million liters and approximately $10.25 million, with an average increase of 7.6% in price, translating to roughly $1.59 per liter.

During the first half of 2023, Japan imported wine from 59 different suppliers. Notably, the top six suppliers dominated the market, accounting for about 95.5% of the total value of purchases.

Chile remained the leading supplier by volume, providing 30.9 million liters despite a 12.6% drop. France followed with 25.9 million liters, a 9.1% decrease. However, when it comes to revenue, France led by a significant margin, generating approximately $449 million, nearly seven times more than Chile's roughly $65.2 million. Italy came next in terms of revenue at approximately $90.2 million.

Among the top suppliers, France had the highest average price per liter, around $17.32, significantly higher than its counterparts. Chile's average price was approximately $2.11 per liter, with Spain being another significant player, holding the fifth position in terms of value at about $48.2 million.

The United States experienced a decline, ranking fourth in terms of value at around $63 million, but sixth in volume at 4.8 million liters. Australia, with a value decrease of 17% and volume drop of 23%, secured the sixth position in value and fifth in volume.

On a brighter note, Argentina emerged as a shining star, witnessing a growth of 43% in value to approximately $4.44 million and was the only top-ten country to increase its volume sales, with a rise of 29%.

In conclusion, the first half of 2023 has been a mixed bag for the Japanese wine import market. While the value of imports has grown, volumes have dipped, leading to a significant rise in average prices.