

ProWein Business Report, Special Report, May 2024

## **Special Report of the ProWein Business Report**

### **Wine exports to Japan: Chances and Challenges**

- **Japan is regarded as an attractive market by experts, characterised by a high appreciation for quality and a high price level.**
- **After an interim decline of wine imports almost one in two wine exporters expects export sales to Japan to rise for 2024.**
- **Exporters see the biggest business opportunities in Japan for white wine, followed by red wine and sparkling wine. Organic wines, rosé and no or low-alcohol wines are currently still niche products.**
- **Access to the Japanese wine market differs from many other countries. The by far most important success factor here is building a long-term relationship with an importer who has a good distribution network.**
- **To successfully export to Japan high quality standards in wine packaging and in documenting the chemical analyses must be met.**
- **Japan with its unique culture and gastronomy is an attractive export market for international wine exporters who manage to build lasting and successful relations with importers. ProWine Tokyo acts as an important partner for the international wine sector here.**

10 to 12 April 2024 saw Messe Düsseldorf organise the first ProWine Tokyo with great success. In the wake of this ProWine is publishing the results of a survey conducted among companies from the international wine business that already export to Japan or intend to do so. The questions formed part of the survey for the latest ProWine Business Report, in which over 2,000 industry experts gave their assessment of the global wine market. The ProWine Business Report is commissioned by ProWine and carries out by Geisenheim University. It can be downloaded at

[https://www.prowein.com/en/Media\\_News/Magazine/Business\\_Reports](https://www.prowein.com/en/Media_News/Magazine/Business_Reports)

This Special Report covers the experiences and expectations of over 400 international wine producers and exporters who already export to Japan or are planning to do so in future.

### **Motivation for exporting to Japan**

From the exporters' perspective Japan is an attractive wine market characterised by a high-quality awareness and a high price level. Seven in ten companies wishing to export to Japan rate both the attractiveness and average prices as high.

With its unique cuisine and great awareness for the quality of (fine) foods as well as its high regard for handcrafted products, Japan is a unique export market for wine. Six in ten companies wanting to export to Japan see very promising business opportunities for their wine styles there.

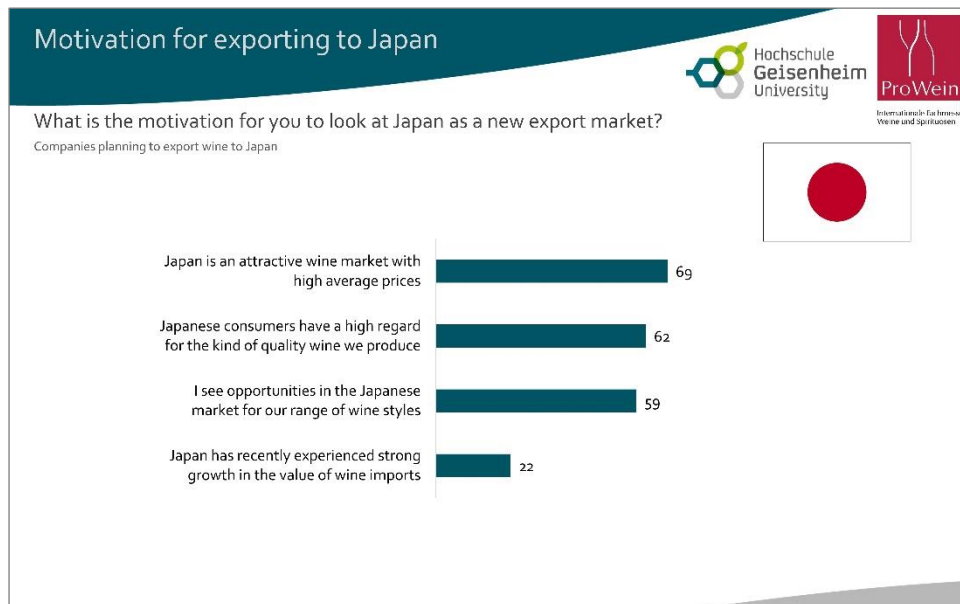


Chart 1 Motivation for companies to export to Japan

## Expectations for 2024

After the USA, the United Kingdom, Germany and Canada, Japan is the world's fifth biggest wine importer. In the wake of the post-pandemic economic recovery wine imports in Japan have risen strongly. During the world economic crisis in 2023 wine imports also dwindled slightly in Japan but not as strongly as in many other countries such as the USA or Canada.

For 2024 industry experts expect exports to Japan to recover slightly. Four in ten exporters assume sales in Japan will increase, five out of ten expect export sales to remain unchanged. Only 12% of the current exporters believe their exports to Japan will decline. Experts feel that the recovery of wine imports is closely related to the required economic recovery in Japan.

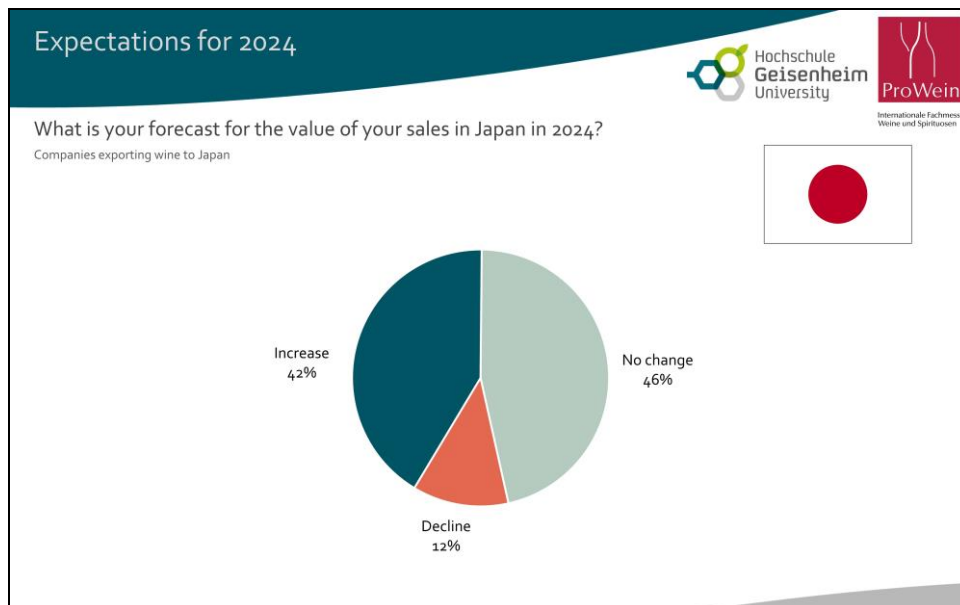


Chart 2 Expectations for exports to Japan in 2024

## Successful product trends in Japan

Which wine styles stand the biggest chance of being sold in Japan? Exporters expect the highest demand in Japan for white wines, which also pair with Japanese cuisine especially well. Ranking second are red wines, followed by sparkling wines. Exporters also see good business opportunities for high-end sweet wines such as ice wine, port and madeira. There is currently only limited demand for organic wines, rosé wines and no and low-alcohol wines in Japan, according to experts.

In this respect, Japan slightly deviates from the global trend where white wines (63%) and sparkling wines (61%) clearly top the trend list while red wines (28%) rank clearly behind rosé (52%) and no/low wines (42%). (Details to follow in the Special ProWein Business Report “No-Low Wines”). In the experts’ view, Japan therefore continues to be a very good market for red wines, especially also for premium red wines.

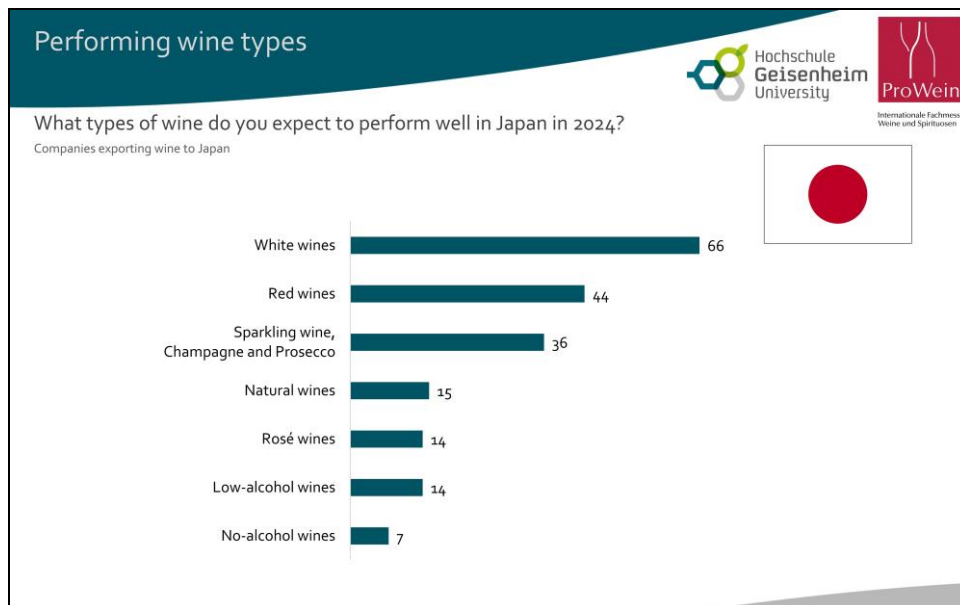


Chart 3 Wine types expected to perform well in Japan

The list of top wine types in Chart 3 represents a very robust survey result, which is valid regardless of the origin of the polled exporters. Experts hailed from very different wine-growing nations such as Italy, Spain, France and the New World, followed by the smaller wine-growing countries Germany, Portugal and Austria. Although these countries of origin differ in terms of their focal ranges, the experts completely agreed on the relative ranking of wine types that stand the biggest chance of success in Japan.

There are only minor differences as to the absolute values. Nearly 80% of exporters from Austria and Germany see white wines ranking top in Japan, while this figure stands at 60% in the other wine-growing countries. According to exporters from France and Italy with their strong Champagne, Prosecco and Crémant brands, demand for the sparkling wine category is also slightly higher than average in Japan at 45%.

## Success factors and challenges for exporting wine to Japan

The Japanese wine market poses exporters with a variety of challenges for a successful market entry. In the opinion of exporters already operating on this market, building a long-term relationship with a renowned importer and compliance with the very high quality standards are much more important than the properties of the wine to be sold in Japan (Chart 4). The origin, taste, quality and brand recognition levels of a wine are therefore less important than the cooperation with a renowned and reputable importer who is committed to his product.



Chart 4 Success factors for exporting wine to Japan

“In Japan you need an importer with a good distribution network who focuses on your product.” “The first challenge is to find the right import partner and to be patient to build and strengthen this relationship.” The fierce competition for attracting the attention of the most successful importers and agents in Japan is considered the biggest obstacle to market entry by exporters. Due to these existing well-established

distribution networks in the country, the market can only absorb a limited number of new producers and new wines, say the so far already successful exporters.

The companies intending to export to Japan view the quest for such an importer as by far the biggest challenge (Chart 5). Being the first major international fair for trade visitors in Japan, ProWine Tokyo provides an important exhibition platform to get to know potential importers in person on site and to establish personal business relations.

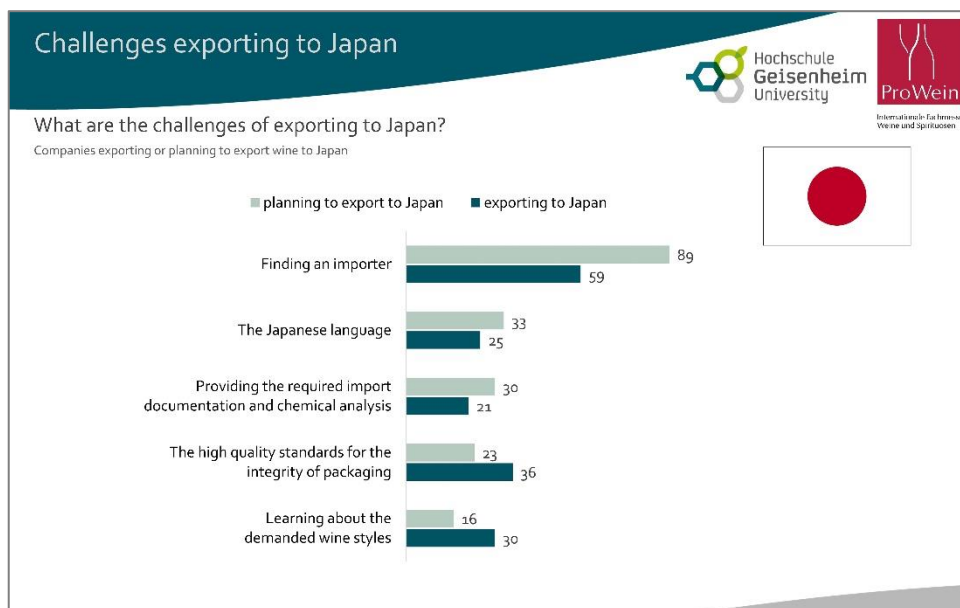


Chart 5 Challenges of exporting wine to Japan

Successful exporters, however, also report a cultural gap that needs to be overcome and that goes far beyond the foreign language. “Japanese culture and gastronomy are very specific, as is the attitude towards time and hierarchy. Consumers and importers are very demanding and pay attention to criteria that will probably be considered annoying little things by others.”

Companies that want to export to Japan seem to underestimate these high quality standards initially (Chart 5). Only one in four firms that want to export to Japan considers high quality standards a challenge. Among the companies with experience under their belt doing business in Japan this figure stands at over one in three.

In contrast to this, the Japanese language as well as the required documentation and chemical analyses are seen as less of an obstacle by the experienced exporters than by firms wanting to export to Japan. These obstacles seem to be easier to overcome than feared before the market entry.

Being the most relevant trade fair for wine in Japan, ProWine Tokyo today is, and will in future, be a key platform for meeting potential importers face to face locally, building personal business relations and for understanding and complying with the market's specific requirements.

#### **Note for editors:**

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