



Beverages to Japan.

Trends and opportunities

The market

Changing tastes among young Japanese have caused a swing away from traditional beverages to low-calorie and natural health drinks. Mineral and spring water consumption has increased and there has been a significant surge in the popularity of beverages that have vitamin and mineral supplements.

With Japan's ageing population, sales of health drinks are likely to continue to grow, so exporters should focus on product development for this sector.

Brewed effervescent low malt beverages (known as Happoshu) **and alco-pops** (flavoured alcoholic sodas), **are the two major growth areas**. Brewed beverages with low malt content, which are not classified as beer (and significantly cheaper than normal beer) have taken up a large share of the market.

Sales of Italian and Seattle style espresso coffee have also increased in recent years, together with the growth of popular coffee chains such as Starbucks.

There are a number of important developments in the market that will favour importers:

- ✍ Domestic and international organic certification legislation has been assessed, and a decision on the validity of Australian certified products in Japan has been handed down by the [Ministry of Agriculture, Forestry and Fisheries](#). **All four AQIS- approved organic certifying organisations** (NASAA, BFA, the Bio-Dynamic Research Institute and the Herb Growers of Australia) **have been accredited to certify organic exports under Japanese law**.
- ✍ Large multi-nationals such as Coca-Cola have begun diversifying into teas and juices as well as their standard effervescent drinks, making competition fierce, but giving **Australian manufacturers a cost advantage due to the weak Australian dollar**.
- ✍ Opportunities exist for Australian companies to establish ties with large players in Japan, with the recent trend for Japanese beverage companies to enter into **joint venture projects** with foreign companies who provide finished products or technology.

Opportunities

Japan is a very diverse market with a vast number of beverages available, ranging from canned beer to cold green tea to hot sweet coffee. Can sizes also vary considerably, from small sizes (250 millilitres) up to large two litre cans. This huge canned beverage market is unique to Japan, with drink vending machines on virtually every street corner. Such machines carry both hot and cold drinks and recently, recyclable PET bottles have begun appearing as well.

Opportunities in alcoholic and non-alcoholic beverages:

- ✍ Alco-pops (fruit flavoured alcoholic soda, spirit mixers)
- ✍ Effervescent alcoholic beverages with low malt content (known as Happoshu)
- ✍ Low alcohol beer
- ✍ Mineral and spring water
- ✍ Health drinks (water-based drinks with nutritional supplements, vegetable juices)
- ✍ Brewed malt beverages under one per cent alcohol (classified as non-alcoholic)
- ✍ Italian style espresso coffee
- ✍ Fruit juices

More information

For further information please contact Austrade on 13 28 78 or email info@austrade.gov.au

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