

JAPAN-AUSTRALIA

ECONOMIC PARTNERSHIP AGREEMENT



WINE AND CIDER TO JAPAN

MARKET TRENDS AND JAEPA BENEFITS

The Japan-Australia Economic Partnership Agreement (JAEPA) has put Australian wine back in the spotlight.

Wine and cider exporters can benefit from the agreement through the reduction or elimination of tariffs that have previously posed barriers to trade in goods between Japan and Australia.

JAEPA has helped generate renewed interest in and export sales of Australian wine and cider. In 2015–16, bottled wine exports (including fortified, sparkling, red, white and rosé table wines) to Japan were worth A\$40 million, a year-on-year increase of 11.3 per cent.



Australian sparkling wine was the best-performing wine category in 2015–16, with a total volume growth of 30 per cent.

Bottled wine sales in Japan are expected to continue to grow over the next five years.

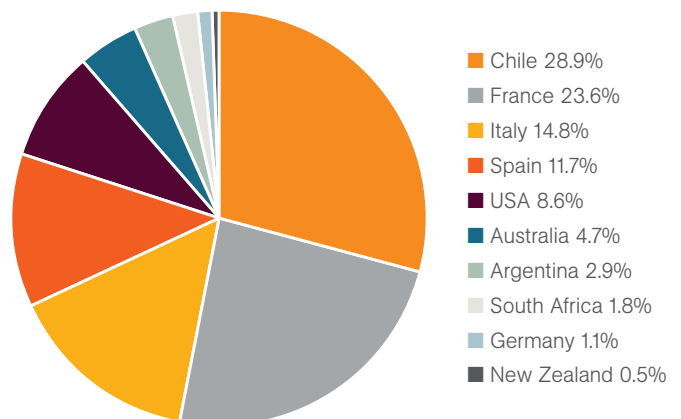
As all remaining Australian wine and cider tariffs gradually reduce to zero by April 2024, the timing is ideal for Australian exporters to start promoting their products and leveraging the opportunities offered by JAEPA.

WINE MARKET OVERVIEW

In 2015, total sales of bottled wine in Japan was ¥964.3 billion (approximately A\$10.8 billion) and equated to about 333.8 million litres.

Euromonitor International forecasts an 8 per cent increase in the value of bottled wine sales between 2015 and 2020.

The top 10 countries importing wine into Japan in 2015 by volume share were:



Australian Government

Austrade



Among the top 10, imports from Australia to Japan showed a 37 per cent year-on-year increase in grape wine volume. Chile was the only other top 10 country that also showed an increase (16 per cent).

In 2014–15, sales of premium Australian wines at the A\$30–A\$50 (RRP) price point increased 14.3 per cent year-on-year. Meanwhile, wine sales at the A\$10–A\$15 (RRP) price point increased 14.7 per cent.

CIDER MARKET OVERVIEW

Increasing consumption of cider in Japan, coupled with reduced preferential JAEPA tariffs, may create new opportunities for Australian cider brands.

However, Australian cider exporters will face strong competition from local Japanese producers, which dominate the market.

Euromonitor International forecasts cider (apple cider) and perry (pear cider) sales to remain fairly flat from 2015–20.

In 2015, total sales of cider and perry in Japan was valued at ¥2.5 billion (approximately A\$28 million) and equated to approximately 1.5 million litres, a year-on-year increase in volume of 7 per cent.

Nikka Cidre, the leading Japanese cider brand, has a 68.4 per cent share of the market, while another Japanese cider brand (Hard Cidre) holds a 10.7 per cent share. Strongbow is third at 2.3 per cent. The remainder is held by imported cider labels from Europe and Asia.

BULK WINE, BOTTLE WINE, SPARKLING WINE AND CIDER HS CODES AND TARIFF RATES

HS Code	HS Code Description	Before JAEPA	15 Jan 2015	1 Apr 2015	1 Apr 2016	1 Apr 2017	1 Apr 2018	1 Apr 2019	1 Apr 2020	1 Apr 2021
220421020	Bottled wine	15% or 125 yen/l	13.10% or 125 yen/l	11.30% or 125 yen/l	9.40% or 125 yen/l	7.50% or 125 yen/l	5.60% or 125 yen/l	3.80% or 125 yen/l	1.90% or 125 yen/l	0.0%
220410000	Sparkling wine	182 yen/l	159.25 yen/l	136.5 yen/l	113.75 yen/l	91.0 yen/l	68.25 yen/l	45.50 yen/l	22.75 yen/l	0 yen/l
220421010	Sherry, port and other fortified wines	112 yen/l	93.33 yen/l	74.67 yen/l	56 yen/l	37.33 yen/l	18.67 yen/l	0 yen/l	0 yen/l	0 yen/l
2206.00.229	Cider	42.4 yen/l	35.3 yen/l	28.3 yen/l	21.2 yen/l	14.1 yen/l	7.1 yen/l	0 yen/l	0 yen/l	0 yen/l

Source: FTA Portal (ftaportal.dfat.gov.au) and Trade Map, up to 6 digits, in thousands of US dollars, accessed May 2016.

HOW TO USE JAEPA TO EXPORT YOUR PRODUCTS TO JAPAN

Preferential JAEPA tariffs are not applied automatically.

After confirming that your goods have quarantine approval in Japan, follow the three steps below to take advantage of JAEPA.

- ▶ **1.** Identify the HS codes for all goods you are exporting on the Japan Customs Service website. If you are unsure which HS codes apply to your products, ask your importer to check with Japan Customs on your behalf.
- ▶ **2.** Visit the DFAT Free Trade Agreement Portal to confirm how your products are being treated under JAEPA in terms of tariff reduction and tariff quota.
- ▶ **3.** Review the Free Trade Agreement Portal to ensure your products meet the criteria for 'Australian Origin'.

FTA Portal: ftaportal.dfat.gov.au

- ▶ **4.** Prepare certification of origin for your products.

JAEPA allows Australian exporters to self-certify the origin of their goods by preparing an Origin Certification Document (OCD). Instructions on self-certification are included in DFAT's [Guide to using JAEPA to export and import goods](#).

You can also certify origin by obtaining a Certificate of Origin (COO) from the Australian Chamber of Commerce and Industry (ACCI) and Australian Industry Group (AIG), the accredited certifiers in Australia.

ACCI: www.acci.asn.au

Sample COO:

customs.go.jp/kyotsu/kokusai/gaiyou/au/ACCI.pdf

AIG: www.aigroup.com.au

Sample COO:

customs.go.jp/kyotsu/kokusai/gaiyou/au/AiG.pdf

For more detail, see DFAT's [Guide to using JAEPA to export and import goods](#).

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Sources:

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Euromonitor International, *Cider/Perry in Japan*, August 2016.

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