



EU-JAPAN CENTRE FOR INDUSTRIAL COOPERATION

日欧産業協力センター

SEMINAR REPORT

SURVIVING, STRIVING, DRIVING AND THRIVING

-BUILDING A COMPETITIVE WINE SECTOR-

Tokyo, 19 November 2015

The EU Delegation to Japan in close collaboration with the EU Japan Centre for Industrial Cooperation organised on 19th November a seminar about how to build a competitive wine sector. An audience of 81 wine professionals and representatives of Japanese authorities was present at the seminar. Making the seminar topical is the recent introduction in Japan of new labelling rules for wine, including a new definition for 'Japan wine'; a classification reserved for genuine wines produced by using only grapes harvested in Japan and processed in Japan. This is an important step towards adopting the internationally accepted definition of wine as a monoculture product produced on the basis of grapes only, although still incomplete, as learned during the seminar. Also in order to improve the image and boost the brand, since about two years 'Yamanashi wine' has been protected as a Geographical Indication in Japan. The seminar thus covered the state of play of the national legislation and discussed ways for further developing Japanese wine rules in order to support the growth of the industry while making comparisons with the EU's best practices in the area of wine policy, oenological practices and wine GIs. EU Ambassador Viorel **Isticioia-Budura** delivered opening remarks, focusing on the most recent reforms of the sector in the EU and also elaborating on the competitiveness of the market.

Mr Naoto **Nitta**, Deputy Director of MAFF Kanto Regional Office covered in his presentation the production of grapes for Japanese wine and government assistance for producers. His presentation revealed that in Japan varieties such as Koshu, Niagara and Concord are being used not only for wine production but also as table grapes. While wine grape production takes place in 42 prefectures, its profitability is low since the time between planting and harvesting is very long and accumulating farmland for production is cumbersome. Support measures available cover issues such as replanting costs, farmland consolidation, re-cultivation of abandoned fields, improving of production and retail facilities, training costs and fencing to prevent wild animals' entry.

Mr Rudy **Van der Stappen**, Deputy Head of Unit C2 DG AGRI, gave an introduction to EU's wine policy, oenological practices and wine GIs. In his presentation, he highlighted the main differences between Japanese and European practices. In Europe, strict definition of wine, aligned with the international definition, exists and wine can be only produced using grapes for wine production. The support measures for the producers can be considered to be significant. Also of importance are the benefits of the OIV membership and oenological practices – including the use of additives and processing aids - adopted at the OIV level. In the EU new oenological practices are adopted speedily in order to allow the wine industry to stay abreast of the current developments in the sector and to maintain its competitiveness. As for the GI scheme Mr Van der Stappen highlighted the fact that producing wine in a given region with a particular grape variety alone should not guarantee GI designation. Also needed, amongst other things, are strict demarcation of the area, a wine cadaster, linkage between the area and the end product along with the human factors influencing the quality of the end product, such as whether the grapes are handpicked. These should result in 'quality in the bottle' enabling the GI designation, which in the EU has led to 2.75 times higher added value for GI wines in comparison with conventional ones.

Mr Takashi **Ijima**, Deputy Director of the Liquor Tax Division of National Tax Agency elaborated on measures for promoting the alcoholic beverages produced in Japan, mainly focusing on the development of wine labelling rules and revision of GI system. He elaborated in his presentation on the introduction of the new wine labelling rules, brought about in order to raise international recognition of 'Japan wine' and to offer easier choice for the consumers. As regards the GI system, Mr Ijima explained that until now the system had not been fully utilised in Japan as clear requirements had not been in place either, but overall the use of a GI designation is expected to enhance brand values of Japanese liquors in the future. Mr Ijima also referred to the fact that in Japan no proper definition for wine exists, as according to the liquor tax law wine falls into the category of 'fermented fruit beverage', also allowing the long established practice of Japanese wineries to produce wine-alike products from imported grape juice, bulk wines and others. Although unrelated, Mr Ijima also elaborated on the GI system for Japanese sake in his presentation.

Professor Teiji Takahashi, Board Member of International wine law association, moderated the panel discussion that followed. Besides the previous speakers, Mr Hiroshi **Saito**, Senior Vineyard Manager, Mercian/ Chairman of Yamanashi Prefecture Wine Manufacturers' Association and Ms Yoko **Maki**, Public Affairs Manager, MHD Moët Hennessy Diageo K.K. / Secretariat, European Business Council Liquor Committee participated in the panel. Professor Takahashi divided the vast issue in to three main themes: 1) Which direction should Japanese wine industry and Japanese wine develop; 2) What benefit will the new labelling system and GI system bring to

Japanese wine; and 3) How to deal with production of grapes for wine in Japan in order to achieve the objectives of the new system. Following the panel, a Q&A session took place. In the Q&A the audience strongly urged the Japanese government to consider OIV membership.

The seminar was closed by Mr Silviu **Jora**, General Manager of EU-Japan Centre for Industrial Cooperation and followed by a networking reception, during which further exchange of views between speakers, panellists and participants was possible along with enjoying both Japanese and European wines.