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AE MicroMacro - Japan

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Polish spirits and the Japanese market

What happened? At the end of February and March 2020, [Japanese](#) and [Polish media](#) reported an increased demand for Polish spirits in Japan. They attribute the increase to the spread of the SARS-CoV-2 and the alleged efficiency of the Polish liquors - of the 96% rectified spirit in particular - in killing the virus.

The brief description. [Bilateral Polish-Japanese relations have been excellent](#) for years, as illustrated by rare but regular publications that [unequivocally present](#) Poland as a friend of [Japan](#). [In the period of 2015-2018, the trade exchange between Poland and Japan averaged USD 3.9 billion annually. Polish exports to Japan amounted to USD 600 million, with Polish alcohols \(including Poland-produced foreign brands\) accounting for 0.15% of the volume and USD 1.5 million of the sum total. There are more than nine leading producers of spirits](#) in Poland, as well as a number of small and independent factories specializing in specific types of alcohol, such as Japan's famous whiskey, that's the market hit every year. [Among the most successful in the Japanese market are Żubrówka \(producer Roust Trading\) and rectified spirits by Polmos.](#)

[Value of the Japanese alcohol market is estimated at USD 57billion \(2019 predictions\).](#) At the same time, it is worth noting that, despite the decrease in consumption (in particular - beer), it is expected that white alcohol segment



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(i.e. gin and vodka) will increase in volume by [7.5% in the coming years. In essence](#), this is one of the higher values alongside whiskey imports and the premium alcohol segment. To show the scale, the [UK exported liquors worth USD 300million to Japan in 2018](#)).

Why is it important for Poland?

The Japanese market is airtight, and not all Polish companies (especially not the local, relatively new factories) are thinking of entering the Japanese market. Besides, the current increase in demand does not mean a boom in high-percentage Polish alcohol is on the horizon. Still, the industry should pay attention, as the current situation caused by the pandemic, can effectively contribute to Polish alcohol's recognition and popularity. It seems that there will be no better time for the Polish spirits industry to effectively strengthen and boost their market share in the insular Japanese wholesale and retail market.

Companies affiliated with the Employers' Union of The Polish Spirits Industry and other organizations should consider intensification of contacts with their Japanese counterparts such as the Japan Wines and Spirits Importers Association or Million Trading Co. According to the latter, the sale numbers for rectified spirits in the last two weeks of Feb. 2020 were twice the numbers noted in the previous years. It is also worth noting the 2019 European Commission's report [The Food and Beverage Market Entry Handbook: Japan: a Practical Guide to the Market in Japan for European Agri-food Products](#).