

Table 6**Beverage Production (kL)**

Type	1983	1985	1987
Carbonated Beverages	2 782 000	2 944 000	2 771 000
Fruit Juice/Drinks	1 845 000	1 987 200	2 238 000
Milk Drink	6 087 600	6 249 400	6 336 400
Alcoholic Beverages	7 378 800	7 283 600	7 873 500
Coffee Drink	937 500	1 325 000	1 648 000
Soy Milk	116 700	55 400	37 500
Mineral Water	89 000	83 000	86 000
Tomato Juice	63 100	85 500	85 700
Vegetable Juice	24 500	32 900	34 900
Sports Drink	121 000	310 000	630 000
Oolong Tea	—	120 000	320 000
TOTAL	19 445 200	20 476 000	22 061 000

Source: The Japan Soft Drink Association.

5 Supplying Countries

MAFF estimates over 70 per cent of Japan's current apple-juice concentrate imports comes from West Germany, Australia and the United States. Smaller amounts are imported from New Zealand and South Africa. Much lower amounts of non-concentrated apple juice are supplied mainly by the United States. The market for orange juice concentrate is dominated by the U.S. and Brazil which holds about 80 per cent of this trade.

Brazil is the world's largest producer of orange juice concentrate and the industry there is preparing for the liberalization of the Japanese orange juice market in 1992 by installing extensive new facilities. Depending on the cost of concentrate, Canadian exporters of orange juice, in retail packages, may well find their product to be competitive when this market opens.

Most imports are in the form of concentrate for use in the preparation of fruit drinks. Finished products used to account for only a negligible portion of Japan's fruit juice imports.

The limited volume of retail-packed product imports can be attributed to such packages costing more than domestic products because of freight charges, import duty, custom clearance charges, etc. A number of large firms, such as Kagome Co., Ltd., are importing retail-packed products from overseas, including granny smith apple juice from New Zealand, valencia orange juice from Florida, ruby grape fruit juice from Texas and muscat grape juice from Australia.

Sapporo Breweries Ltd. began licensed production of carbonated and fruit juice drinks with 10 and 30 per cent juice content from a U.S. firm. The move was aimed at taking advantage of lower production costs, in particular that of cans and fruit juices.

Several factors are responsible for the recent retail-pack import trends. These are:

- the strong yen;
- the popularity of fruit juices and other beverages with high juice content;
- product development and marketing efforts by a number of firms; and
- the growing gourmet tastes of Japanese consumers.

In 1987, fruit juice imports amounted to 33 206 kL. In 1988, imports increased to 39 771 kL. (See Tables 7 and 8.)