

Republic of Moldova Data Collection Survey Report on the Marketing of Processed Agricultural Products

December 2024

Japan International Cooperation Agency
(JICA)

Office for Ukraine Crisis Response,
Recovery and Reconstruction, Middle
East and Europe Department

7R
JR
25-002

Contents

1. Background and Objectives of Survey	3
2. Overview of the Moldova Processed Agricultural Products Sector	3
3. Current State and Challenges of Moldovan Wine Exports to Japan	10
4. Overview and Results of Pilot Project	18
5. Lessons Learned and Recommendations for the Future	24

1. Background and Objectives of Survey

Moldova is a country that is well suited to agriculture, with about 80% of its land covered in fertile black soil, about 60% of which is farmland. Also, about 30% of the working population is engaged in the agricultural sector (in rural areas in particular, this is 60% of the working population), and agricultural products and processed agricultural products, mainly wine, spirits, fruits, and vegetables, account for more than 60% of total exports, making the agricultural sector important for both employment and the acquisition of foreign currency. In terms of Moldovan government policy, expanding agricultural promotion through the strengthening of international competitiveness is set out in the “National Strategy for Agricultural and Rural Development 2023-2030.” Under these circumstances, a JICA survey team of branding and marketing experts dispatched to Moldova in September 2022 noted that, in terms of processed agricultural products, there is plenty of room for the expansion of exports to Japan, particularly in the wine industry, which already has large export volumes and produces high-quality products. Given this, a data collection survey was conducted on the marketing of Moldovan agricultural products, with a particular focus on the wine industry, to consider specific approaches to strengthen the international competitiveness of Moldovan agricultural products.

2. Overview of the Moldova Processed Agricultural Products Sector

- (1) Current state of Moldova processed agricultural product exports and their positioning in national policy

Processed agricultural products as an industry have one of the largest shares of GDP in Moldova in terms of production value, accounting for 18% as of 2022, while the degree of increase in production for various processed agricultural products varies depending on the subsector. For 2014 to 2020, the production value of foods increased by 27% and beverages increased by 9%, while tobacco declined by 67%, and the trends by product for this period are as shown below, according to the “National Strategy for Agricultural and Rural Development 2023-2030.”

- Increased products: Meat and sausages, fruits, vegetables, oils, dairy products, feed
- Flat products: Sugar, certain wines and alcoholic beverages, certain dairy products, flour, bread and baked goods
- Declined products: Processed fruit products, soft drinks, mayonnaise, pasta, canned goods (vegetable and fruit flesh), tobacco

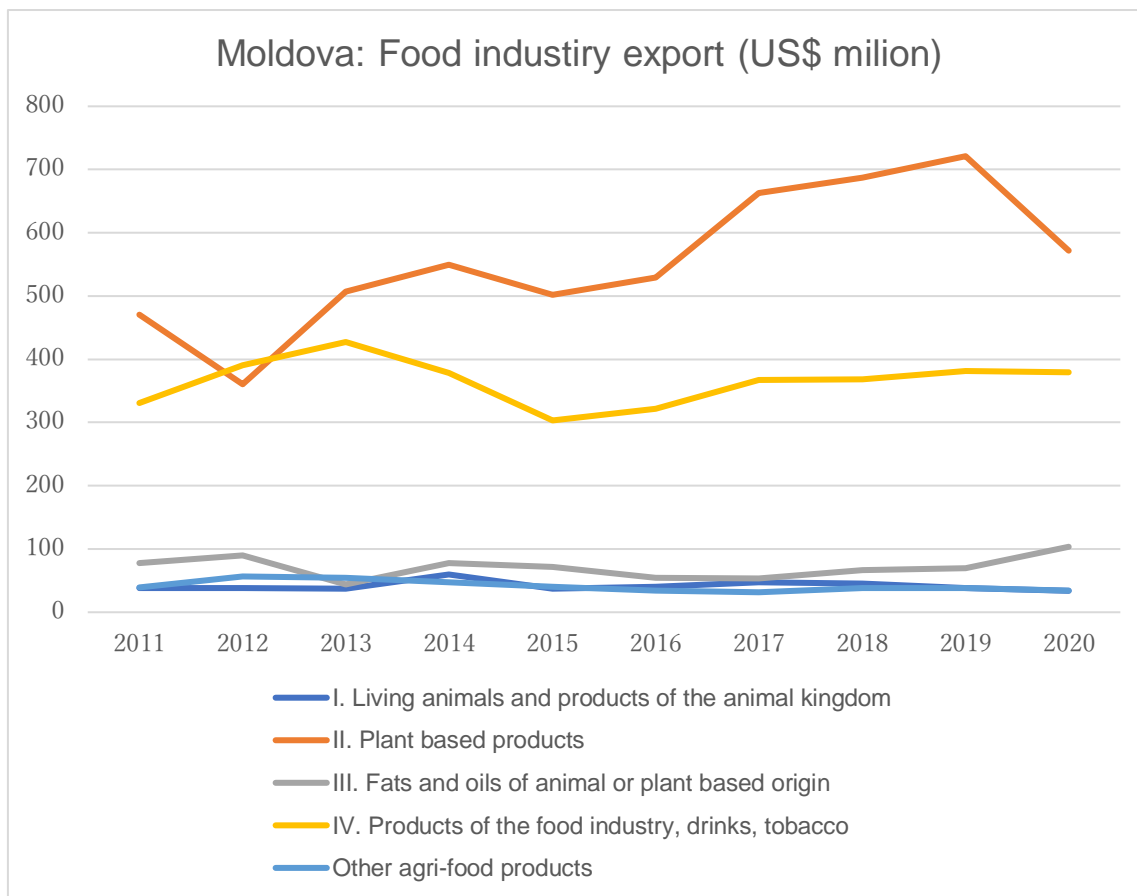
According to interviews conducted by a JICA survey team in December 2023, ingredient costs for bread and baked goods were revealed to have become cheaper due to the recent dumping of wheat by Ukraine, and Moldovan domestic wheat producers are facing challenges from a decline in wheat

purchases and a fall in the price of imported products. Also, the increase in dairy products in spite of the decrease in the number of livestock was due to increased ingredient imports. In other words, there is room for improvement since either the domestic supply of ingredients is not keeping up with the expansion of the industry or the industry lacks competitiveness.

(2) Recent export trends and challenges

While processed agricultural products increased by 17% over the decade from 2011 to 2020, there were differences according to the product. The proportion of total exports taken up by processed agricultural products has remained relatively stable at 45±3% (2011-2020). Plant-based processed products have been on the rise, while animal-based processed products have declined by 11% and other products have remained roughly flat.

Fig. 1: Trends in Moldova Food Industry Exports



Source: National Strategy for Agricultural and Rural Development 2023-2030

(3) Roles and trends of relevant organizations

The Ministry of Agriculture and Food Industry has formulated the “National Strategy for

Agricultural and Rural Development 2023-2030” in accordance with European Moldova 2030, which sets out the following strategic goals and details.

Field 1: Public Policy – Formulation, implementation and evaluation

- 1) Strengthening the strategic planning framework
- 2) Strengthening agricultural sector potential and promoting smart agriculture that is sustainable and resilient to climate change
- 3) Post-harvest infrastructure, food industry development and market diversification
- 4) Supporting sustainable rural and socio-economic development

Field 2: Implementation of the 2023-27 Action Plan under the “Moldova-EU Association Agreement”

– Harmonization of legal provisions

Field 3: Promotion of transparency and systemization

Under these fields, the development of processed agricultural products is positioned under Field 1-3), and the promotion of agricultural products is positioned under Field 3. Under the 2023 Action Plan, it is planned to review the laws and frameworks surrounding wine and alcoholic beverages, strengthen technologies and simplify hygiene requirements related to small-scale production (fruits, vegetables, dairy products, meat), and organize and participate in trade fairs and other events as part of the marketing of agricultural and processed agricultural products. The organization and participation in events is the responsibility of the policy directorates of each subsector (Directorate of Livestock Sector Policy, Directorate of Plant Sector Policy) under the Ministry of Agriculture and Food Industry.

On the other hand, preparations are being made for the establishment of a Chamber of Agriculture, with support from USAID, and a bill to establish this Chamber is currently under consideration after public comment (October 2023). The Chamber of Agriculture will consist of a National Chamber and Regional Chambers (established in 10 locations), and one of the responsibilities of the National Chamber will be the organization of national and international campaigns and events to promote the sale of agricultural products, but the actual roles of the Chamber of Agriculture will still need to be confirmed since the National Vine and Wine Office (ONVV) and the Moldova Fruit Producers and Exporters Association (Moldova Fruit) have track records in similar activities.

- (4) Main products and destinations for the export of processed agricultural products

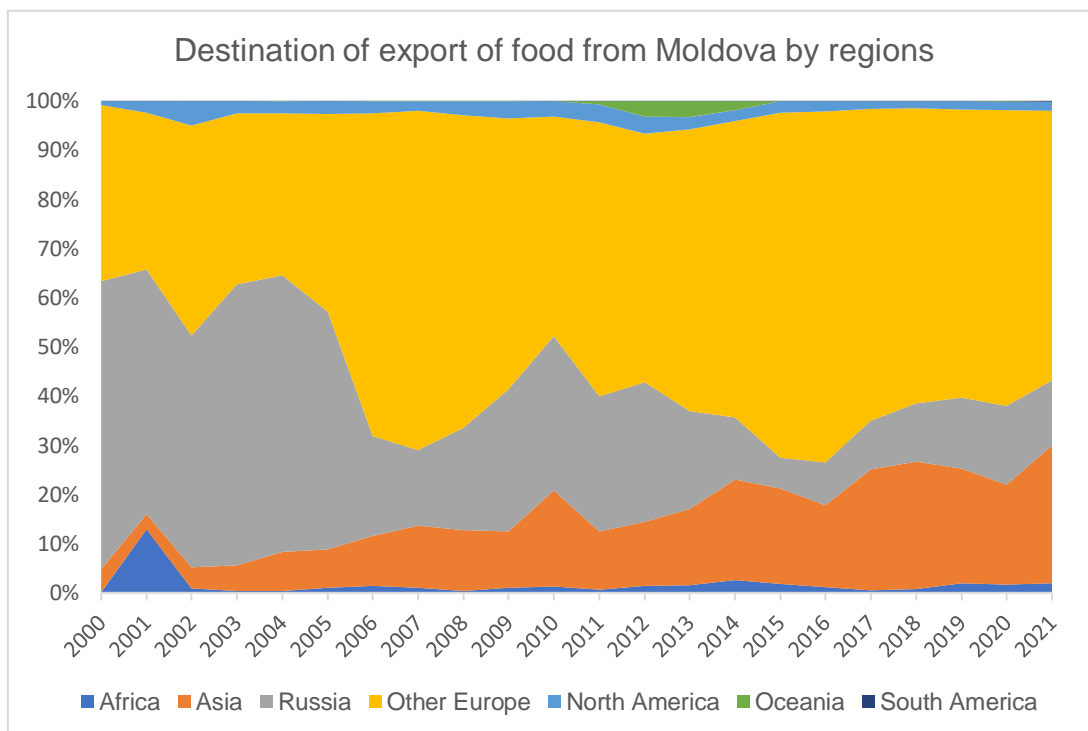
The total exports of Moldova for 2021 were US\$3.89 billion, and the details of the exported agricultural and processed agricultural products are shown below.

Fig. 2: Details of Moldova Agricultural Products and Processed Agricultural Products

Vegetables, fruits and grain exports: US\$966 million (24.8% of total exports)			
Product	Export Value (US\$ million)	Ratio	Major Export Destinations (Export value in parentheses, US\$ millions)
Wheat	243	25.2%	Turkey (73), Switzerland (46), Lebanon (38)
Sunflower seeds	197	20.4%	Turkey (73), Romania (50), Bulgaria (39)
Corn	128	13.3%	Turkey (36), Switzerland (21), Romania (16)
Apples/Pears	88	9.1%	Russia (85), Kazakhstan (1)
Barley	58	6.0%	Saudi Arabia (26), Switzerland (12), Romania (9)
Grapes	55	5.7%	Russia (35), Romania (9), Belarus (3)
Nuts	52	5.4%	France, (14), Germany (12), Austria (4)
Rapeseed	51	5.2%	Romania (27), Bulgaria (8), Ukraine (6)
Seedless fruits	43	4.4%	Russia (21), Romania (4), Germany (4)
Dried fruits	17	1.7%	Russia (3), Romania (2), Germany (2)
Food products: US\$402 million (10.3% of total exports)			
Product	Export Value (US\$ million)	Ratio	Major Export Destinations (Export value in parentheses)
Wine	140	34.8%	Romania (25), Belarus (20), Russia (14)
Fruit juice	46	11.5%	Poland (13), Russia (9), Germany (8)
Alcohol (>80%)	33	8.3%	Serbia (7), Greece (4), Poland (3)
Vegetable residues	33	8.3%	Switzerland (18), Turkey (7), Egypt (4)
Spirits	31	7.7%	Belarus (14), Ukraine (4), USA (3)
Bread and baked goods	19	4.8%	Romania (11), Germany (2), USA (1)
Processed fruits and nuts	19	4.8%	Romania (10), Germany (3)
Sugar	12	2.9%	Romania (7), Bulgaria (4)
Processed vegetables	9	2.2%	Romania (3), Belarus (2), Uzbekistan (1)
Animal products: US\$39 million (1.0% of total exports)			
Product	Export Value (US\$ million)	Ratio	Major Export Destinations (Export value in parentheses)
Honey	14	35.2%	Italy (3), Romania (2), Serbia (2)
Cheese	7.05	18.0%	Russia (6.7)
Beef	6.91	17.6%	Lebanon (4), Libya (2)
Lamb and goat meats	5	12.4%	Jordan (2), Egypt (1), Oman (1)

Source: [The Observatory of Economic Complexity \(oec.world\)](http://The Observatory of Economic Complexity (oec.world))

Fig. 3: Trends in Moldova Food Export Destinations



Source: [The Observatory of Economic Complexity \(oec.world\)](https://oec.world/)

In 2000, 58.6% of food exports went to Russia, but by 2021 this had fallen to 13.2%, with export destinations diversifying to other European countries (54.8%) and Asia (28.1%) over the last two decades. Exports to Russia particularly declines due to the impact of economic measures by Russia from 2005 to 2006, falling by two-thirds in value with almost half the share, and the proportion of exports to Russia has continued to gradually decline to 13.2%. However, as shown in the table below, the proportions of exports of apples, pears, grapes, fruits (seedless), wine, fruit juice, cheese, lamb and goat meats to Russia remain large, and given the impact of the Ukraine conflict from 2022 there has been an urgent need to secure alternative export destinations for these products. In this regard, while export destinations have been secured for apples, in places like India, the total suspension of imports of fruits and vegetables from Moldova by Russia in December 2023 is likely to adversely impact the production of concentrated juice, etc.

Fig. 4: Value of Shipments to Russia and Highly Dependent Agricultural and Livestock Products and Processed Products (2021)

(Units: US\$ million)

Product	Total	Russia	Ratio
Apples/Pears	88.1	85.5	97.0%
Grapes	54.8	34.9	63.7%
Fruits (seedless)	42.7	21.7	50.8%
Wine	140.0	13.5	9.6%
Fruit juice	46.4	8.7	18.8%
Cheese	7.1	6.7	95.2%
Lamb and goat meats	4.9	0.6	11.7%

Source: The Observatory of Economic Complexity (oec.world)

In 2022, total exports to Russia, including non-agricultural products, declined by about 30% year-on-year, while exports to Ukraine (about 8x year-on-year) and EU countries (about 1.3x year-on-year) rose significantly due to the stagnation of agricultural production in Ukraine, the site of the conflict, which resulted in total exports for 2022 finishing 1.4 times higher year-on-year. In particular, there was a roughly 2.6 times increase in the export of animal and vegetable oils and fats and a roughly 2 times increase in grain exports year-on-year (National Bureau of Statistics), suggesting that Moldova had taken on the role of supplying Ukraine and its export destinations.

Fig. 5: Changes in Total Exports by Country and Region (2017-2022)

(Units: US\$1,000)

Yr	2017	2018	2019	2020	2021	2022	Growth rate ('22/'21)
CIS* countries	462,820	415,922	434,950	376,963	466,207	1,043,042	224%
-Russian Federation	254,535	218,571	249,859	216,834	276,067	190,091	69%
-Ukraine	65,524	80,276	80,160	69,481	92,767	720,033	776%
EU	1,596,840	1,861,864	1,830,548	1,640,368	1,919,532	2,537,509	132%
Other Countries	365,312	428,387	513,667	449,776	758,765	751,594	99%
Total	2,424,972	2,706,173	2,779,165	2,467,107	3,144,504	4,332,145	138%

*Commonwealth of Independent States

Source: National Bureau of Statistics

On the other hand, due to stagnating export logistics from Ukraine, in 2023 there was a flow of Ukrainian agricultural products to neighboring countries in the region at low prices. In April 2023, the

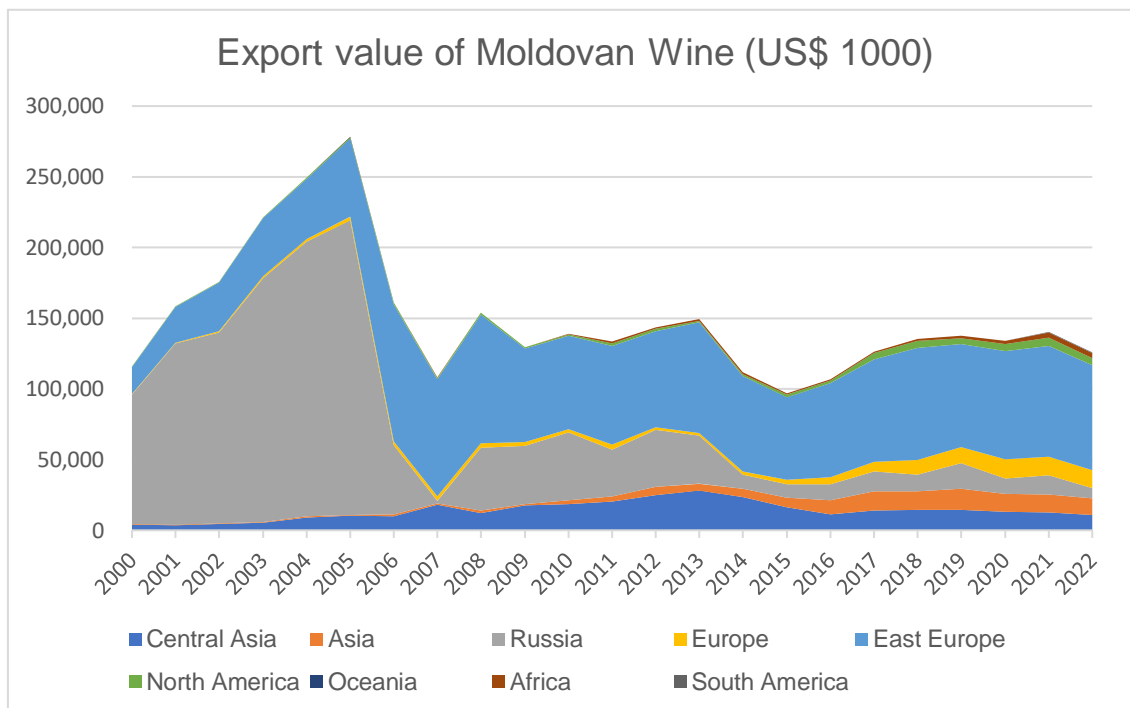
EU temporarily suspended imports of Ukrainian agricultural products, but this was lifted in September 2023, and Russia then withdrew from a four-party agreement (Turkey, UN) on Ukrainian exports in July 2023, leaving grain producers in neighboring countries, including Moldova, in a difficult situation. The Moldovan government is taking emergency measures in response to maintain the cash flow of producers through tax exemptions and deferred repayments.

(5) Current state of the wine industry

Moldova is known as a grape country, having the world's highest density of vineyards and the sixth largest area of planted grapes in Europe. In 2023 the country will produce 1.8 million hl (hectoliters) of wine, making it the 11th largest producing country in Europe, and, as mentioned above, wine is the main export product of Moldova. Across the country there are 225 wineries, 980 companies, and six educational institutions working on wine and wine-related tourism, research and technologies. The wine cellar at Milestii Mici, one of the two largest in Moldova, is registered in the Guinness Book of World Records as the largest wine cellar in the world, holding more than 1.5 million bottles. One in four Moldovans is involved in the wine sector, and there are said to be more than 52,000 grape growers (above facts according to the Embassy of Moldova in Japan).

In recent years since World War II, the area of grape cultivation expanded rapidly during the Soviet era of the 1950s, growing to 220,000 ha in the 1960s (today it is about 150,000 ha). Exports to Russia continued to grow even after the collapse of the Soviet Union, but a ban was placed by the Russian government on the import of wines from Moldova and Georgia in 2006, leading to a dramatic decline in exports to Russia, and exports were instead increased to neighboring Eastern European and Central Asian countries. Russia then imposed an additional embargo in 2013, further reducing exports to Russia, causing the share to fall from 80% in 2006 to less than 10% in 2022. At the same time, as these two Russian embargoes halved export values from as much as US\$280 million in 2006, the development of alternative export destinations became an issue. Against such a background, with support from USAID, the ONVV was established in 2014 under the Ministry of Agriculture and Food Industry to promote Moldovan wine in domestic and overseas markets, improve the competitiveness of the industry, and work to improve systems and modernize the wine industry sector. As a result of this, exports have grown to the Asian region since the late 2010s, aside from those also to Western Europe and Central Asia, with shares in 2022 reaching 11.1% and 10.2% respectively, but to further increase the total amount of exports going forward there is a need to continue sales promotion efforts, including to these regions. Exports in this same year to Japan amounted to US\$732,000, accounting for just 0.58% of the total. Also, over the past decade, more than US\$500 million has been invested in the Moldovan wine industry (Source: ONVV).

Fig. 6: Changes in Moldova Wine Export Value and Destinations (2000-2022)



Source: Created by JICA

There are also current plans to increase vineyards by another 30,000 ha by 2020 (Source: Japan Sommelier Association Annual Report).

3. Current State and Challenges of Moldovan Wine Exports to Japan

Below, we will summarize the current state of Moldovan wine exports to Japan and the associated challenges.

(1) Survey method

The content of this Section is based on interviews with the Embassy of the Republic of Moldova in Japan, the Japan Wines and Spirits Importers' Association, sommeliers in Japan, Moldovan wine importers, and other relevant parties. Fig. 7 shows a list of the main contacts and interviewees. In this report, the exchange rate of EUR1 = JPY170 (June 2024) is used.

Fig. 7: Main Interview Contacts for this Survey (No particular order)

	Affiliation
1	Embassy of the Republic of Moldova in Japan
2	The National Office of Vine and Wine (hereinafter “ONVV”)
3	Higashi no Shoku-no-kai
4	MarsShot LLC
5	Japan Wine and Spirits Importers’ Association
6	WS Co., Ltd.
7	Takus Office Co., Ltd.
8	JETRO Planning Department
9	Agri Corporation
10	The Japan Sommelier Association
11	Yu Corporation
12	Wine Kingdom Publishing Inc.
13	Culture Convenience Club Co., Ltd.
14	Isetan Mitsukoshi Ltd. Mitsukoshi Nihonbashi Main Store Sales Management Department Sales Division 1
15	Dionne Co., Ltd. (Import and sales promotion consulting company specializing in wine)
16	Fuefuki City, Yamanashi
17	Yoichi Town, Yoichi District, Hokkaido
18	Wine Tourism Association
19	Enoteca Co., Ltd.
20	Mercian Corporation
21	Wine Importers Association of Japan
22	Wine and Food Marketing Amplifica Co., Ltd.
23	AZ.WORLDCOM Japan Co., Ltd.
24	WINE plus College
25	ENJI JAPAN Co., Ltd.

(2) Overview of Moldovan wine exports to Japan

1) About the Japanese alcoholic beverage market

As shown in Fig. 8 and Fig. 9, the volume of alcoholic beverages shipped to Japan over the past decade has fallen below 500,000,000 liters in some recent years after peaking at 710,914,000 liters, with the volume of alcoholic beverages shipped in 2022 declining by 25% in comparison to 2015.

Republic of Moldova

Consumption was slowed down by the restrictions on going out due to the COVID-19 outbreak in 2020. For the most recent year of 2022, “Wine” (30%) made up the largest proportion with the exception of “Other” (35%). If sparkling wine is included, this figure reaches 40%. Aside from this, the percentages for beer and whiskey are low at 11% and 8%, respectively, but beer in particular is showing an upward trend.

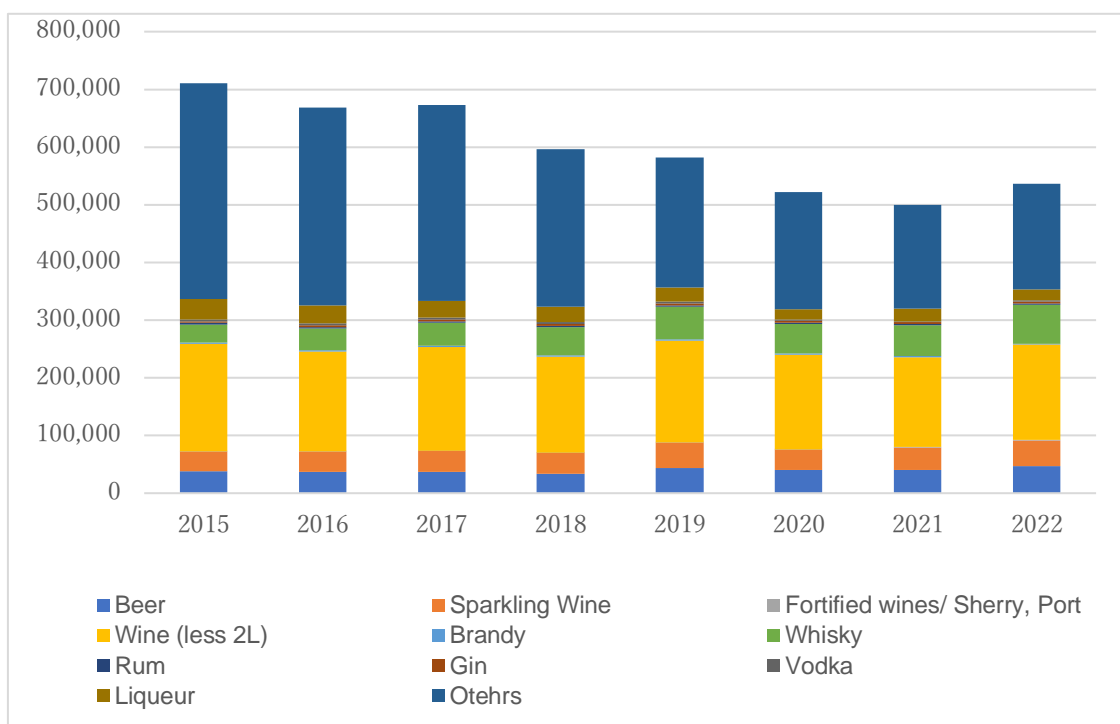
Fig. 8: Customs Volume by Imported Alcoholic Beverage (as of July 2023)

(Units: 1,000L)

Category	2015	2016	2017	2018	2019	2020	2021	2022
Beer	38,146	36,372	36,927	33,588	43,888	40,279	40,596	47,169
Sparkling Wine	34,025	35,526	36,371	36,115	43,817	35,370	38,601	44,428
Fortified wines/ Sherry, Port	774	762	794	765	698	609	511	738
Wine (less than 2L)	185,609	172,393	179,275	166,381	176,297	163,905	156,141	165,185
Brandy	2,846	2,407	2,301	2,360	2,128	1,846	1,768	1,644
Whisky	31,131	37,835	39,383	48,330	56,197	51,406	53,898	67,224
Rum	2,432	2,377	2,233	2,364	2,182	1,825	1,932	2,279
Gin	2,982	3,213	3,509	3,480	3,395	3,099	2,937	3,670
Vodka	2,973	3,212	3,053	2,962	3,143	2,943	1,886	2,483
Liqueur	35,247	31,812	29,494	27,343	25,080	17,297	21,449	17,905
Other	374,748	342,230	339,908	272,020	224,857	203,091	180,106	183,265
Total Volume	710,914	668,138	673,249	595,709	581,682	521,669	499,826	535,991

Source: Customs and Tariff Bureau, Ministry of Finance, Japan

Fig. 9: Customs Volume by Imported Alcoholic Beverage (as of July 2023)



Source: Customs and Tariff Bureau, Ministry of Finance, Japan

2) About the wine market

Imported wines account for a large proportion of the Japanese wine market, “Japanese wine,” made from uniquely Japanese indigenous grape varieties, accounts for only 5% of the total. On the other hand, wines made from indigenous varieties rather than international varieties have been gaining attention in Japan in recent years, especially among influencers and wine lovers, and wineries focused on indigenous varieties are gradually beginning to appear in Japan. The number of foreign visitors to Japan has also increased significantly in recent years, increasing over the past decade from 27.83 million in 2013 to 34.69 million in 2023 (this has fallen significantly since COVID-19 from 51.96 million in 2019). In March 2024, the number of tourists to Japan exceeded 3 million for the first time, so 2024 is likely to see the highest number of tourists in history. It is also likely that the market share of “Japanese wine” will increase in the future, driven by this increase in the number of foreign visitors to Japan.

In terms of imported wine, import volumes to Japan have been sluggish since the impact of COVID-19 and the increase in fuel costs resulting from the invasion of Ukraine by Russia in 2022. In addition, the recent record depreciation of the yen has also led to a stalling of exports. Regarding the volume of wine exports (2 liters or less) to Japan by country, as of 2022 France has the largest share at 26%, followed by Chile, which is around the same level of 26%. These are followed by Spain, with

11% and the United States with 4%. While not shown in Fig. 11, Moldova is 18th, accounting for only 0.08% (145,575 liters) of the total. The ranks and export volumes of the top five countries have not changed significantly in the past few years, indicating the strong recognition and popularity of wines from these five countries in the Japanese market.

Georgian wine has been gaining attention in the Japanese market in recent years, but it still only ranks around the same level as Moldova, at 17th (201,996 liters), accounting for 0.12% of the total. It should be noted that Georgia is well known for its extensive efforts at PR, including on social media, with an ambassador in Japan who is fluent in Japanese, and who has worked and studied at university in Japan, the establishment of the Japan branch of the Georgia Wine Association and its collaboration with Mr. TASAKI, the only Japanese person to have won the “Best Sommelier of the World Contest” However, given that the volume of Moldovan wine exports to Japan is about the same as that of Georgia, the Japanese expert noted the potential that this signals for Moldova.

Fig. 10: Wine Exports to Japan by Country (as of July 2023)

(Units: 1,000L)

	2018	2019	2020	2021	2022
France	42,204	47,118	45,254	44,990	43,804
Chile	51,416	47,213	49,101	40,378	42,799
Italy	30,237	35,497	28,364	28,098	33,428
Spain	17,524	20,363	18,679	19,504	18,432
USA	7,175	7,845	6,394	6,412	8,969
Australia	6,856	6,257	6,032	5,824	6,850
Germany	2,402	3,466	2,719	3,183	2,856
S. Africa	2,076	1,843	1,538	1,654	1,528
Argentina	2,003	2,066	1,673	1,477	1,594
Portugal	1,287	1,365	1,265	1,547	1,429
New Zealand	1,196	1,270	1,211	1,116	1,253
Others	2,008	1,983	1,675	46,948	221
Total	166,384	176,286	163,905	156,141	165,185

Source: Customs and Tariff Bureau, Ministry of Finance, Japan

Next, we will consider the import volumes of three types of wine, sparkling wine, wine (2 liters or less) and wine (2 liters to 10 liters). According to the “Alcohol Import Customs Statistics” (December 2022) trade data from the Japanese Customs and Tariff Bureau of the Ministry of Finance, (a) the total volume of sparkling wine exports to Japan is 44,427,940 liters, of which, Moldovan wine accounts for less than 1% (24,527 liters); (b) grape wine (2 liters or less) export volume was 165,185,158 liters, with Moldovan wine, similarly to sparkling wine, accounting for less than 1% (146,575 liters); and (c) for grape wine (2 liters to 10 liters), total volume was 16,148,723 liters, of which, Moldovan wine

Republic of Moldova

accounted for less than 1% (5,460 liters). The import volumes, value and average unit prices for France and Chile, which have large shares of the Japanese market, and Georgia, which has a similar import volume to Moldova, are shown below. Fig. 13 then shows the changes in export volumes of sparkling wines from various major countries in Japan. France, followed by Spain and Italy, have established an impenetrable position in the Japanese market, irrespective of increases or decreases in the total import volume of sparkling wine.

Fig. 11: Japan Import Volumes by Item (as of July 2023)

(a) Sparkling wine

Country	Import volume (L) (YoY)	Value (JPY 1,000/EUR)	Ave Unit Price (JPY/EUR)
France	18,038,681 (125.9%)	80,859,796	4,482.6
Chile	1,547,454 (107.1%)	890,712	575.6
Georgia	3,195 (142.6%)	2,949	923.0
Moldova	24,527 (92.7%)	15,488	631.5

(b) Grape wine (2 liters)

Country	Import volume (L) (YoY)	Value (JPY 1,000/EUR)	Ave Unit Price (JPY/EUR)
France	43,803,995 (97.4%)	60,742,594	1,386.7
Chile	42,799,032 (106.0%)	16,238,993	379.4
Georgia	201,996 (137.1%)	216,776	1,073.2
Moldova	146,575 (132.5%)	92.621	631.9

(c) Grape wine (2 liters-10 liters)

Country	Import volume (L) (YoY)	Value (JPY 1,000/EUR)	Ave Unit Price (JPY/EUR)
France	780,535 (100.0%)	330,557	423.5
Chile	3,894,438 (108.3%)	1,045,288	268.4
Georgia	NA	NA	NA
Moldova	5,460 (75.8%)	982	179.9

Source: Customs and Tariff Bureau, Ministry of Finance, Japan

Fig. 12: Changes in Sparkling Wine Export Volumes to Japan from Various Countries

(Units: 1,000L)

	2018	2019	2020	2021	2022
France	14,742	16,457	12,860	14,328	18,038
Spain	8,561	12,664	11,390	12,511	13,523
Italy	6,876	8,752	6,763	7,958	8,766
Chile	2,821	2,929	1,954	1,445	1,547
Australia	1,965	1,898	1,310	1,286	1,472
Others	1,156	1,123	1,093	1,073	1,082
total	36,121	43,823	35,370	38,601	44,428

Source: Customs and Tariff Bureau, Ministry of Finance, Japan

(3) Characteristics of the Japanese market

Japan has a population of about 124 million ([Statistics Bureau, Ministry of Internal Affairs and Communications](#), April 2024), and has a large market spread out mainly in major cities. Tokyo, the capital of eastern Japan, has a population of about 14 million, while the second largest city, Osaka, in western Japan has a population of about 8.7 million, although when combined with the surrounding areas both regions have populations of tens of millions. Japan ranks 20th in the world with an annual average wine consumption of 3.3 liters per person. Japan’s annual consumption per person exceeded 3 liters for the first time in 2022, and wine consumption has been increasing gradually over the past 30 to 40 years, while overall alcohol consumption has declined.

To understand the Japanese market, it is particularly important to understand the recent trends of a preference towards non-alcoholic and low-alcohol drinks among young people and a trend towards convenient, lightweight containers such as RTDs (ready-to-drink alcoholic beverages that can be consumed immediately just by opening the lid), and canned alcoholic beverages. There is serious competition in the low-price range, with cheap imported wines selling for about 400 yen per bottle.

The process from import to sale of wine in Japan involves importers being responsible for the multiple-layered process for products that arrive from overseas, from commercial transactions to logistics. Importers are responsible for import procedures such as ordering, customs clearance and inventory management, as well as wholesaler and retailer logistics, product development, marketing, sales promotion and quality assurance. Wholesalers are direct business partners of importers. It is the role of wholesalers to directly negotiate the product lineups for each store, mainly targeting supermarkets and general merchandise stores (GMS). On the other hand, wholesalers sell to restaurants, bars, hotels and other food service businesses through suppliers that specialize in the food service industry.

The main differences in comparison with the EU are the fact that Japan is an island nation, requiring high transportation costs that raise the price of goods, and that importers are key figures that are

responsible for everything from import to sales.

As mentioned above, the average annual wine consumption in Japan is 3.3 liters, which is about five bottles, such that if everyone drank one bottle of wine from each of the top five importing countries, it would be sufficient to satisfy their annual wine consumption. To expand sales channels for Moldovan wine, there will need to be marketing and branding sufficient to be chosen among this top 5. The idea of selecting wine based on its variety, soil, cultivation method or environment, etc. has become a trend in the wine industry, mainly in Europe, and there is a good chance that wines from countries that do well on these factors will attract new attention over the coming years. Wines from Central and Eastern Europe, including Moldova, as well as Asian and Mediterranean countries, may become the next hot candidates in Japan.

One of the major trends in the Japanese market is a preference among young people for non-alcoholic and low-alcohol drinks, and Japan's major beverage manufacturers are focused on responding to this trend, particularly by focusing on sales of non-alcoholic and casual wines (in paper cartons and cans, etc.). The market for non-alcoholic beverages was 20 times larger in 2021 than 2009, with an estimated 54,230,000 cases consumed as of that year. The non-alcoholic market is experiencing rapid growth, with 56.4% of consumers having purchased non-alcoholic beverages before. However, looking at the market for non-alcoholic wine, while markets exist, its share of the overall market is small (Source: [Suntory Non-Alcoholic Beverage Report, 2021](#)).

Another of the trends in the Japanese market is a shift towards convenient and lightweight containers such as RTDs and canned alcoholic beverages, and the canned wine market has increased significantly in recent years, with annual sales expanding from 327,000 cases in 2018 to 1,540,000 cases as of 2022 (National Retail Panel Survey).

There has also been a movement to revise the liquor tax. Liquor tax rates previously varied depending on the type of alcohol, but the law was revised to bring tax rate for similar types of alcohol into line. This has been implemented in three phases from October 2020, with the second phase scheduled for October 2023 and the third phase for October 2026. Taxes on wine industry-related products have already increased twice, from an initial tax rate of 80,000 yen/kl, increasing to 90,000 yen/kl in October 2020 and 100,000 yen/kl in October 2023. In addition to the liquor tax, customs duties are also imposed on wine exported from Moldova to Japan. Moldova has not concluded an Economic Partnership Agreement (EPA) with Japan, so tariffs result in the selling price being several tens of yen higher per bottle. For Moldovan wine, which is highly uncompetitive in the low-price market, even a few tens of yen can be a bottleneck.

(4) Challenges for the expansion of Moldovan wine exports

Similar continuous efforts over the medium to long-term as those being undertaken to the so-called New World such as South Africa and Georgia will be needed to expand the distribution of Moldovan

wines into the Japanese market. As continued efforts are made such as the holding of regular workshops and tasting events for importers, participation in exhibitions in Japan, and the hosting and promotion of tasting and dining seminars for sommeliers and general consumers, awareness of the brand is expected to gradually increase among Japanese consumers. The effective use of social media will also naturally be key in this regard. It is also key for consumers to be able to conveniently purchase Moldovan wine as this awareness grows. Moldovan wine is currently mostly only available for purchase online. Ideally, products should be available for sale at major supermarkets and shops in or near train stations that are frequently or easily visited by consumers.

The marketing and branding of Moldovan wine to Japan is also important. The quality of Moldovan wine is said to have improved significantly over the past decade (ONVV, etc.), and ONVV etc. has successfully enhanced the marketing and branding for Western markets. On the other hand, given the uniqueness of the Japanese wine market in comparison to Europe and the United States, as mentioned above, it would be difficult to survive in the Japanese market by simply bringing that Western-targeted marketing and branding to Japan, as is. Also, Moldovan wine is currently mostly distributed at the low-price range of 1,000 to 2,000 yen per bottle in Japan, while ONVV has expressed the desire to sell at the mid-price range and above. In addition, one Moldovan winery that visited Japan under a JICA invitation program in March 2024 (details below) expressed that it was considering entering the Japanese market at a price of nearly 10,000 yen per bottle. This all shows the need to develop and deploy approaches for each individual winery, brand and wine for the Japanese wine market.

4. Overview and Results of Pilot Project

The data collection in Section 3 clarified the current state and challenges of exporting Moldovan wine to Japan. Based on this data, the decision was made to conduct a pilot study of activities thought to be particularly effective and relevant in terms of the promotion of Moldovan wine in Japan. The list of these pilot activities is shown in Fig. 15 below.

Fig. 13: List of Pilot Activities

	Details of Activities	Implementation Timing
1	Workshop on creating wine branding strategy for Japan (3 hours × 2, online)	April 2023
2	Deep dive seminar into the Japanese wine market (90 minutes, online)	July 2023
3	Dispatch of celebrities (influencers) to Moldova (1 week)	August 2023
4	Invitation of wine industry representatives to Japan (1 week)	March 2024
5	Advertising Moldovan wines in magazines and online media	March 2024

Republic of Moldova

(1) 2-day Workshop to create Moldova wine branding strategy for Japan

1) Purpose

A workshop was held around the topic of the Moldovan representative agricultural product of wine, focusing on branding and marketing to organize actions for expansion into the Japanese market.

2) Overview: Implemented in two sessions in April 2024. Seminars held in English, over 3 hours.

Session 1: A classroom-based session which focused on promoting understanding of the importance of buyer-conscious marketing, in which participants were encouraged to reorganize their strengths, weaknesses, concepts and customers of Moldovan wine in line with a business framework. Successful examples of branding and marketing in Japan were also shared.

Session 2: A workshop in which the framework learned in Session 1 was used for participants to analyze their own wines and to identify future action. Participants also made presentations with the aim of helping them to align their views on a direction for the branding of Moldovan wine, and enabling those involved in the Moldovan wine industry to develop a common branding and marketing strategy so that they can organize, consider and propose future action.

3) Participants

ONVV, Moldovan wineries, Embassy of Moldova in Tokyo, etc. (Session 1: about 50 people; Session 2: about 25 people).

4) Results

There was an active sharing of opinions in Session 1, but participation was more reluctant during Session 2, in which worksheets were submitted, and strategies were developed. Possible reasons for the lack of active participation, in spite of its advanced content, included the fact that it was held online, the length of the session, the fact that the session was held in English, which is not the native language of Moldovans, and the lack of basic knowledge provided about the Japanese wine market, which was needed by the Moldovan side.

(2) Deep dive seminar into Japanese wine market

1) Purpose

Share an overview of the Japanese wine market and trends at the strong request of Moldovan stakeholders.

2) Overview: A 90-minute online event in July 2023, featuring simultaneous interpretation (Japanese-Moldovan/Romanian)

[Presentation 1] Introduction of this JICA survey.

[Presentation 2] Japan Wines and Spirits Importers' Association and Mercian] Provided a systematic explanation of the Japanese wine market (import volume, value, etc.), wine consumer and wine market characteristics, and channels from wine import to sales, etc.

[Moldovan wine importer] Introduced sales destinations, target consumers and sales concepts for

Moldovan wine, as a major Moldovan wine importer.

3) Participants

ONVV, Moldovan wineries, Embassy of Moldova in Tokyo (about 50 people).

4) Results

The event was considered a great success, with Japanese experts and stakeholders sharing information about the Japanese wine market that was sought after by the Moldovan side, and a lively discussion was enabled through the simultaneous interpretation.

(3) Dispatch of celebrities (influencers) to Moldova

1) Purpose

Two celebrities (influencers) were dispatched to Moldova to tour the country's major wineries as experts to identify potential (characteristics and strengths) and challenges (quality control, labeling, recognition, etc.) for the expansion of Moldovan wine into Japan.

2) Overview: Japanese influencers visited 3-4 wineries between August 5-7, 2023, to discuss and share opinions on possibilities for expanding Moldovan wine into Japan. In addition to the wineries, they also shared opinions with local stakeholders such as ONVV and the Small Wine Producers Association.

3) Results of site visits

- The experts noted that most of the knowledge they had obtained about Moldovan wine had come from books from the Japan Sommelier Association in Japan¹ and that by actually visiting Moldova they were able to gain a greater understanding than they expected of the advanced technologies and products, which was very stimulating.
- Comment 1:
 - In Japan, wine has a strong image of being expensive and requiring a certain amount of special expertise, and the decline in the number of wine consumers is one of the challenges. But in Moldova there is a strong relationship between wine and daily life. When selling to Japan, it would be a good idea to focus on the indigenous varieties of Moldova, and on the fact that they have a longer wine history than France, and to market in a way that differentiates it from wine from France or Chile.
 - While the Japanese market is currently dominated by French and Italian wines, the global wine industry is going through a period of transition with demand for emerging wines, so there are plenty of opportunities for Moldovan wines.
 - Moldovan wineries have a lot of potential as tourist resources, but there is not much variety in the tourist sites and food, so wine tourism in Moldova should be promoted together with

¹ A volume published annually by the Japan Sommelier Association for people studying to qualify as sommeliers and for checking wine information. In terms of just the sommelier exam, about 3,000 to 5,000 people take it each year in Japan, and there are about 40,000 certified individuals as of January 2024 [qualifiedholders.pdf \(sommelier.jp\)](#).

neighboring countries. In the case of tv programs, it will be necessary to be creative, such as filming wineries in both Moldova and Romania together.

– Of the wineries that I visited, I was particularly impressed with Cricova, where we were able to shoot a lot of footage, and Milestii Mici, which is suitable for individual tours. I was very satisfied with the latter, for its sightseeing, food and wine.

➤ Comment 2:

– First of all, I think it would be good to start taking action to raise awareness of Moldovan wines that are already available in the Japanese market. The annual per capita wine consumption in Japan is 3.29 liters (2021), which is low in comparison to the rest of the world, but the consumer population is also large, and Japan is known for diligent wine habits. It would be good to raise awareness through seminars in cooperation with the Sommelier Association and other organizations. Given this, it may also be effective to invite new Moldovan wineries to the Japanese market.

– Branding will be key to increasing the consumption of Moldovan wines in Japan. It would be good if there were a certain product that Japanese people can commonly associate with when they hear “Moldova.” My personal feeling is that wine will not become well-known unless consumers buy it, so effectively marketing products so that they are easy for consumers to pick up is important, and when I post on social media, I tend to focus on wines that are sold in stores that can be easily accessed by consumers.

– I was particularly impressed with the Asconi winery, which has a larger pool than I have ever seen and gave me new insights into the potential for tourism and regional revitalization in Japan. Also, Castle Mimi is comparable in terms of production volume, technology and appeal for tourism with major European wineries. Neither of these wineries are well known in Japan, so it is important to promote Moldova itself in Japan.

– The quality of Moldovan wine is high, even by global standards, and it is highly valued for its wine brewing techniques and a wine quality comparable to advanced wine-producing countries such as France, Italy, and Spain, but the low awareness in the Japanese market is a significant challenge and it will be important to promote the country’s wine to people in the industry as well as general consumers.

(4) Inviting wine industry representatives to Japan

1) Purpose

Strengthen cooperation between Moldovan wine industry representatives and the Japanese market and to collect useful information for the formulation of future ONVV marketing and branding strategies and budgets in Japan.

2) Overview

ONVV, the implementing agency responsible for the promotion and development of Moldovan wine exports, has secured a budget from FY 2023 to strengthen exports to Japan, but lacks information about the Japanese market and is therefore unable to develop appropriate plans. Given this, a pilot program was implemented to invite Moldovan wine industry representatives to Japan, with the aim of gathering data that can be used for the future branding and marketing of Moldovan wine by ONVV in Japan. This invitation began with an overview of the Japanese wine market, followed by a business matching event with Japanese wine importers and wholesale/retail companies, an introduction to local government initiatives to promote the wine industry (examples of public-private cooperation)², and an event with the Japan Sommelier Association³, which has many registered sommeliers who introduce wine to customers at restaurants, etc.

3) Participants

8 people – Deputy Minister of the Ministry of Agriculture and Food Industry, Director of the National Vine and Wine Office, and 6 representatives from wineries (Radacini, Chateau Vartely, Asoconi, Prucari, Cricova, and Vinaria Tiganca).

4) Results

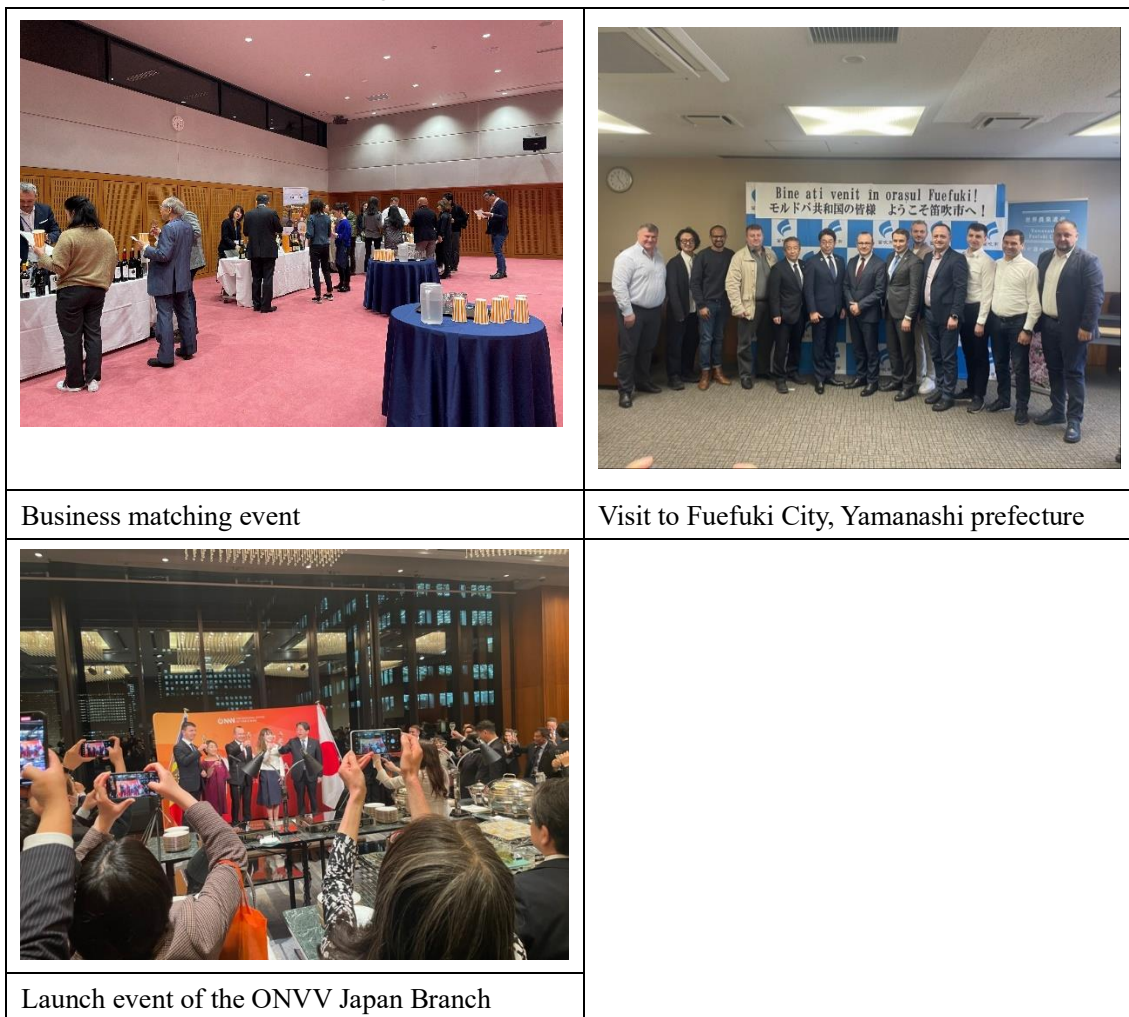
- Some of the Moldovan wineries that participated commented that the business matching event had been the most valuable. Given the limited awareness of Moldovan wine in Japan, there is a limit to what any single Moldovan winery could do to host a similar business matching event. For this reason, participating wineries noted the importance of holding business matching events with several major wineries, with the aim of raising the general awareness of Moldovan wine. Similar efforts by the Embassy of Moldova in Japan and ONVV are expected on a regular basis.
- Moldova aims to promote wine tourism, and some of its wineries have developed accommodation facilities and leisure facilities such as swimming pools, etc. According to the expert, Moldova is generally more advanced in such efforts, but a number of local governments in Japan are also working to use wine as a tourist resource, and the invitation was made to introduce a similar initiative by Fuefuki City. Participants in this invitation said that they particularly learned a lot from the marketing and branding of Katsunuma Winery and expressed the desire to work with traditional wineries like Katsunuma Winery to create opportunities for entering the Japanese wine market. Connecting with Japanese importers is important, but it is just as important to find business partners in Japan, and new opportunities could be available in collaborations with Japanese wineries.
- Qualified sommeliers play an important role in recommending Moldovan wines to consumers in

² A visit was made to Fuefuki, Yamanashi, a city famous for its wine industry in Japan. Here, they were introduced to grape cultivation methods developed in consideration of the geographical factors of the area, which has high rates of precipitation, and the efforts of local government to promote the wine industry. After this, there was a business matching event with about 20 participants, mainly from traditional Japanese inns, local hotels, and liquor stores.

³ A tasting event was held for about 40 sommeliers in cooperation with the Japan Sommelier Association.

restaurants and retail stores. Therefore, an event was held during the invitation period in collaboration with the Japan Sommelier Association, which registers certified sommeliers, to raise awareness of Moldovan wines among certified sommeliers. Such events should be held regularly with the Japan Sommelier Association to raise awareness of Moldovan wine among Japanese sommeliers.

Fig. 14: Photos related to the invitation



(5) Advertising of Moldovan wine in magazines and online media

- 1) Purpose: With the opportunity of having Moldovan wine industry representatives invited to visit Japan, a pilot project was conducted to create articles to spread and promote Moldovan wine in Japan.
- 2) Overview: Quotes were taken from the two most influential magazines in the wine industry, “Wine Kingdom,”⁴ and “Winart,” and a request was made to “Wine Kingdom,” which offered the cheaper

⁴ 50,000 copies published.

price, to write and publish an article. The company wrote an article introducing Moldova and its wine industry, including an interview with Wine Director TANABE. The article was then published in the magazine “Wine Kingdom” and on the company’s website⁵. It also touched on the possible expansion of Moldovan wine in Japan going forward, and the establishment of “Wine of Moldova Japan.”

3) Results: It had been noted by those in the wine industry that the only materials available to learn comprehensively about Moldovan wine was the Japan Sommelier Association book, so this opportunity to introduce Moldova and its wines directly to wine lovers, including general consumers, through magazine and online articles was a new step in the marketing and branding of Moldovan wine.

Fig. 15: Overall Image of Magazine Article



5. Lessons Learned and Recommendations for the Future

The following are proposals for activities to promote the export of Moldovan agricultural products going forward, including Moldovan wine, based on the findings of this survey and the lessons learned from pilot activities.

(1) Continuous activities to increase awareness of Moldova and Moldovan wine in the Japanese

⁵ <https://www.winekingdom.co.jp/ct/17706062>

market

Throughout this survey it was noted by various parties that it was necessary for regular tasting events to be held for companies and workshops for sommeliers to increase awareness of Moldovan wine in the Japanese market. Firstly, it is desired for the Moldovan Embassy in Japan and ONVV (as opposed to specific wineries) to take the lead in securing the necessary budget to carry out the above activities to generally raise the awareness of Moldovan wine. Contracting with an advertising agency or event management company for the above activities will require a large budget. While arranging to cover the above expenses within the budget plans of ONVV, **consideration should also be given to the effective use of influencers in the Japanese wine sector to conduct effective promotions and events on a small budget.**

It is possible that, as is being attempted through “Wine of Moldova Japan,” major importers of Moldovan wine to Japan and major Moldovan wineries could pool their funds to secure the funding for the above-mentioned activities. **Wineries have a certain budget for promotional expenses, so the possibility of cost sharing between these private companies and the Moldovan Embassy and ONVV** should be explored.

(2) Public sector cooperation for the promotion of the Moldovan wine industry

As noted by wine industry stakeholders, the Moldovan wine industry is more advanced than the industry in Japan in certain areas. Therefore, the typical JICA cooperation in the form of unilateral technical cooperation is not suitable. On the other hand, **local government efforts to promote the wine industry, encourage wine tourism, and create a platform to promote indigenous wines could be useful for Moldova.** It is therefore expected that the dispatch of experts and Country-Focused Training in narrow areas of cooperation could be considered and implemented through official channels such as JICA.

(3) Medium to long-term cooperation to increase added value to Moldovan agricultural products

As mentioned in Section 2 (4), given the impact of the Russian invasion of Ukraine in 2022, there is an **urgent need to find alternative export destinations for Moldovan agricultural products such as apples, pears, grapes and fruits (seedless). With the mid to long-term goal of joining the EU, it is necessary to ensure that these products are internationally competitive, including in European markets.** On the other hand, while the JICA survey team dispatched in September 2022 noted that there were three important elements for fruit cultivation in Moldova– (1) technology (the science behind it), (2) a story (branding), and (3) variety-only (3) tends to get emphasis among Moldovan fruit farmers. Therefore, given the importance of all of (1) through (3), **a project should be considered going forward (technical cooperation project) which will convey the overall importance of both the transfer of production technologies and agricultural product**

management from the perspective of the consumer (Proposed project components: (1) Setting up trial greenhouses (boxes/labs to demonstrate advanced technologies and varieties. In a location that considers both production and sales), (2) Holding a marketing boot camp for advanced farmers (over a few days. Assuming sessions in which fruit farmers create marketing strategies and experts comment on them), and (3) Exporting varieties that have expired in Japan). The above-mentioned support (particularly (1) and (2)) can be fully implemented by other donors (such as USAID and the EU), and not only JICA. On the other hand, given that this fits with JICA technical cooperation (including the dispatch of experts and Country-Focused Training), the Japanese government/JICA may consider exploring cooperation in consultation with the Moldovan government.

Also, since 2020, JICA has implemented the “Project for Modernization of Agricultural Machineries and Equipment” YEN Loan Project. The aim of this project is to improve the productivity of small and medium-sized agricultural enterprises throughout Moldova by providing them with modern agricultural machinery and equipment, thus contributing to the development of the Moldovan agricultural sector. **Progress is being made in development facilities for sorting, packing and freezing agricultural products through this and other projects by the World Bank, etc. According to the Agency for Development and Modernization of Agriculture (ADMA), there continues to be a need for the modernization of agricultural machinery and equipment as described above. One option for this would be the formulation and implementation of an YEN Loan Project (financial cooperation project) similar to that mentioned above.**

Fig. 16: Projects Related to the Promotion of Agricultural Product Exports by Other Donors and International Organizations

EU4 Moldova Focal Regions (EU, UNDP)

A UNDP project is being implemented with EU funding (US\$23 million) over 5 years from 2019. Support is being provided to the governments (improvement of administrative services, infrastructure development), private sector (investment promotion environment, improved economic activity, job creation) and residents (participation in democratic governance) with the aim of inclusive and sustainable comprehensive socio-economic development in cooperation with 76 local governments and 74 private companies in the Districts of Ungheni and Cahul. Of this cooperation, specific activities for private companies include financial and technical support (advanced agricultural technologies, matching with buyers, branding, marketing) to contribute to improved performance and expanded job creation among SMEs. The formation of clusters consisting of related parties (SMEs, local governments, NGOs, research institutes) is also being supported for products in which there are comparative advantages to increase the effectiveness of this support. Also, given the essential need for certifications in order to expand into overseas (particularly European) markets, there are plans to begin technical support related to ISO, Global GAP and HACCP going forward. In December 2023, the

survey team visited a supported berry processing exporter and observed how raw materials supplied by a small-scale producer group were frozen and processed using modern equipment for export to Italy and Switzerland.

Rural Competitiveness and Resilience Activity (USAID)

This project, supported by USAID, is worth a total of US\$49.7 million and is scheduled to run for five years from 2022, aiming to increase the competitiveness of sectors such as wine, high-value-added agricultural products (berries, honey, grapes), and tourism, with a particular focus on improving access to more stable markets (EU), and improving business mindsets and transparency for agribusiness stakeholders. Of this support, the wine industry is provided with support for marketing activities through ONVV, such as for exhibiting at wine fairs and competitions, and market development activities are also being carried out in Japan and South Korea. Deregulation and subsidies are also being used to encourage the entry of small-scale producers, and so far, more than 20 companies have successfully entered overseas markets. With respect to fruits and vegetables, as with the UNDP project, the introduction of international food safety standards such as Global GAP etc. is being promoted, and training and consulting services are provided to producers, but according to the project implementing party (Chemonics) the improvement of price and quality competitiveness, particular regarding the reduction of production costs, is still an issue. There is still a limited number of existing greenhouse vegetable producers, such as suppliers to European-scale supermarkets, and large-scale investment appears to be needed.

Moldova Agriculture Competitiveness Project (World Bank)

The Moldova Agriculture Competitiveness Project (MACP), which began in 2012, has been extended/received additional funding three times, making it a 12-year (ending in 2024), US\$57.26 million project. The objectives of the project are the modernization of food safety systems, improving market access for producers and the competitiveness of the agri-food sector through the mainstreaming of sustainable soil management, but the current phase also includes support for the establishment of management systems for the processing of livestock by-products. Through this project, support is provided with a focus on issues requiring intervention within the value chain, including the establishment of post-harvesting infrastructure for fruit producers, forming groups, and fostering cooperative relationships among producers, and of the 55 groups that have been formed so far, 47 have continued business for six years or more, and about 40,000 tons of capacity of post-harvest processing facilities has been constructed, which is equivalent to 12-13% of the country's total post-harvest processing capacity.

Agriculture Governance, Growth and Resilience Investment Project (World Bank)

The Agriculture Governance, Growth and Resilience Investment Project (AGGRI) was approved by

the Board in May 2023 and is expected to run for five years with a total value of US\$55 million. The objectives of the project are to improve administrative services in the sector, promote market-oriented growth, and increase producer resilience, with the three components of: (1) improving governance and knowledge management; (2) improving the performance of specific products (such as dairy, meat and horticulture crops); and (3) increasing resilience through irrigation infrastructure. Of these components, (1) aims to strengthen the ability to execute on budgets, based on past experience from EU member states, and (2) will provide matching funds for dairy equipment, etc. to individual producers with reference to the EU subsidy system, as a support as Moldova seeks to join the EU. With respect to (3), the main project will be the rehabilitation of the irrigation system (4,000 ha) along the Nistr River in the south of the country, bordering Ukraine, while also developing investment plans for two other irrigation systems. However, the issue is that Moldova does not have an official irrigation strategy or master plan as a guide for implementation, and according to project officials, so that the selection of targets for this project was made based on existing technical documents such as blueprints and environmental data, as well as Ministerial inspections and lobbying, etc., and therefore there is a need for the creation of some kind of master plan. In particular, there are water quality issues in the southern part of the country, which was originally unsuitable for irrigation, but there have been irrigation projects carried out in the area since Soviet times, so the development of a more sustainable and strategic irrigation plan is awaited.

END

References:

- National Agricultural and Rural Development Strategy 2023 – 2030
- Annual Report of the Japan Sommelier Association
- [Suntory Non-Alcoholic Beverage Report 2021](#)
- List of Sommeliers certified by the Japan Sommelier Association
- [Wine Kingdom “Latest Trends in Moldovan Wine-Quality and Potential Beyond Expectation”](#)