

V Proper Management of Liquor Administration

~Conducted various initiatives in order to secure liquor tax revenues and achieve sound development of the liquor industry~

Both the land tax and the liquor tax have been large revenue sources since the Meiji government was established. Liquor tax revenues even exceeded land tax revenues at one time, becoming the largest revenue source. Thereafter, there was an increase in the relative weight of direct taxes such as income tax and corporation tax, and in FY2011, liquor tax comprised only 3.0% (¥1,369.3 billion) of all tax revenues. However, it is not affected much by the economy, and is expected to provide stable tax revenues. Therefore, the liquor tax fulfills an important role even today.

In contrast to general food items, liquor tax is imposed on liquor. In order to secure this revenue source and smoothly shift the tax burden onto consumers, there is a system of licensing for manufacture and sale of liquor, and the NTA strives for proper operation of the system.

In addition, the NTA is the government agency with jurisdiction over the liquor industry. The NTA takes various actions in order to secure liquor tax revenues and work for sound development of liquor industry, from a comprehensive perspective of both consumers and the industry, while considering changes in the environment faced by the liquor industry, such as the arrival of decreasing population, the people's increasing awareness of health and safety, and diversifying lifestyles.

(1) Initiatives to ensure safety of liquor and enhance quality levels

~For the purpose of providing consumers with safe and good quality liquors~

The NTA works to ensure safety and enhance quality levels in all stages, from production through consumption of liquors.

Specifically, the NTA provides the liquor manufacturers and distributors with technical guidance and consultation concerning the safety of liquors, examines safety, quality and labeling of commercially sold liquor, and publishes the results for consumers on the NTA website. If liquors are not properly labeled, the NTA gives corrective guidance to the liquor business operators.

Responding to the Fukushima No.1 Nuclear Power Plant accident, the NTA is also conducting measures to ensure the safety of liquors with regard to radioactive material in alliance with the National Research Institute of Brewing, in such ways as surveying radioactive material on liquors.

National Research Institute of Brewing (NRIB)

National Research Institute of Brewing (NRIB) performs advanced analyses and appraisals of liquors required for proper and fair taxation of liquor tax, and conducts researches and studies to theoretically support its analyses and appraisals, such as researches and studies concerning the judgment of liquor items. It also conducts researches, studies, and information services contributing to the sound development of the liquor industry, such as development of ways to reduce harmful substances in liquors.

For further details, please visit the NRIB website: www.nrib.go.jp/English/index.htm

The NRIB distributes the latest information concerning liquor information magazines and event information through its e-mail magazine. To register, please send a blank e-mail to ssn@m.nrib.go.jp (Registration is also available with the QR code on the right).



Analysis being conducted



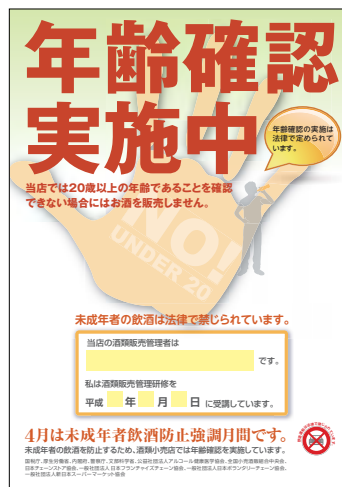
(2) Response to social demands

~To prevent improper drinking~

To respond to various problems caused by underage drinking and drunken-driving, the NTA is working to give guidance to ensure labeling on liquor containers, obligatory indication where liquor is exhibited, and appointment of liquor sales managers where liquor is sold.

~For effective use of resources such as liquor containers~

In order to ensure effective use of resources, the NTA also works to build awareness of systems, to support liquor business operators' initiatives for liquor container recycling and reducing food waste generated in liquor manufacturing processes, etc.



(3) Initiatives to develop a fair trading environment in liquor

~For more fair liquor trade~

The NTA has established the Guidelines on Fair Liquor Trade and is working to build its awareness and understanding so that voluntary initiatives of liquor business operators ensure the promotion of fair trading.

The NTA also surveys actual trade practices according to the guidelines, and if it finds cases in which trading does not comply with the provided rules, it provides guidance for improvements, etc. As a result of examination, if there is suspicion of violating the Anti-Monopoly Act, it takes actions such as reporting the cases to the Fair Trade Commission (FTC) and cooperates with the FTC to take appropriate action.

(4) Providing information to liquor business operators

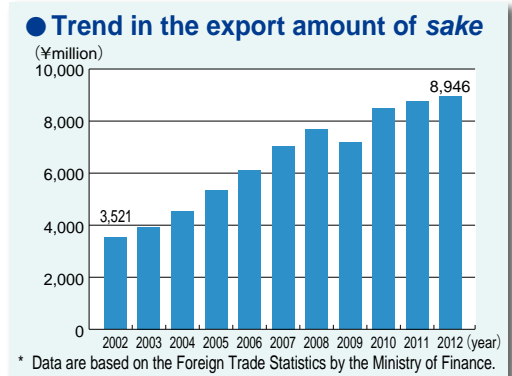
~To stimulate the liquor industry~

The NTA organizes seminars by experts on management to introduce cases of management innovation, provides information on measures for small- and medium-sized companies, and supports the establishment of local brands. It also examines and analyzes the industry trends based on various surveys conducted on manufacturers and distributors, and provides these results on the NTA website.

~ Communicate Japanese attractiveness to the world through Japanese liquors ~

1 Status of export of liquors

While domestic consumption of liquors tends to reduce due to the decrease of drinking population and the aging society, the export amount of Japanese liquors tends to increase these years, thanks to the Japanese food boom overseas, resulting in the record-high export amount (approximately ¥20.7 billion) in 2012. Sake accounted for almost the half of the export amount (approximately ¥8.9 billion). Not only major sake manufacturers, but also small-and medium-sized manufactures in various regions of Japan export sake.



2 Approaches to development of export environment

As well as developing the liquor industry, the expansion of export of Japanese liquors is expected to bring spillover effects to related industries such as agriculture, food and liquor vessels, introduce the traditional Japanese culture to the world and stimulate the regional economies through the promotion of sightseeing tour centering on visiting sake breweries, which may lead to the development of Japanese economy. From such viewpoints, development of export environment of Japanese liquors is positioned as a part of “Cool Japan Strategy” which means to elevate the brand value of Japan by introducing the attractiveness of Japan to the world. Based on the recognition, “Liaison Conference for Export Promotion of Japanese Liquors” by relevant ministries was established in March 2013 to facilitate the coordinated approaches by the ministries. The NTA is taking the following initiatives:

(1) Efforts for abolishment and mitigation of trade barriers

Where the regulations or systems of the export destinations are the barriers, the NTA is making efforts to remove such trade barriers by utilizing the government-level talks for the Economic Partnership Agreement (EPA) or the framework of World Trade Organization (WTO).

Also, with the accident of Fukushima No.1 Nuclear Power Plant by the Great East Japan Earthquake, some export destinations are imposing import restrictions, such as the import ban or obligatory attachment of certificates to liquors made in specific prefectures. The NTA is urging them to lift or mitigate the restrictions in cooperation with the Ministry of Foreign Affairs. In such occasions, the NTA is utilizing the results of radioactivity analyses and studies conducted in cooperation with the National Research Institute of Brewing. As the result, for example, EU totally lifted their restrictions on Japanese liquors in October 2012.

(2) Efforts for introduction of Japanese liquors to the world

In order to effectively present the attractiveness of Japanese liquors to the world, the NTA is taking various occasions to make the following approaches:

In order to enhance the recognition of Japanese liquors overseas, the NTA supports to serve Japanese liquors with cooperation of related industry organizations at various events, including international conferences held overseas (for example, an event of Project for Global Promotion of Japanese Food and Food Culture held at the Embassy of Japan in Russia in May 2013).



An event of the Project for Global Promotion of Japanese Food and Food Culture held at the Japanese Embassy in Russia

Furthermore, since diplomatic establishments abroad are important windows to Japan, the NTA is dispatching its officials as lecturers to seminars on Japanese liquors held at the Ministry of Foreign Affairs as a part of training of new ambassadors who are going to take posts abroad.

(3) Efforts in various regions

In addition to the efforts by the headquarter of the NTA, the Regional Taxation Bureaus, aiming at smooth export of liquor, strengthen cooperation with regional branch offices of various ministries, local governments, and the Japan External Trade Organization (JETRO), and shares export-related information with them. They also organize seminars taking into account the needs of related industry organizations to improve their export environment.

About the NTA

Enhancement of Services for Taxpayers

Proper Tax Examination and Collection

Remedy for Infringement of Taxpayer Rights

Proper Management of Liquor Administration

Revision of Operations and Systems

Statistics