

Big (beer) in Japan

Japanese authorities raid the big four brewers over suspected beer cartel – what's the harm?

19 October 2026

In 2014, the German federal cartel office (Bundeskartellamt) fined five major German brewers €106 million for fixing prices of beer over the period 2006-2008.¹ Now, 12 years later, the Japanese Fair Trade Commission (JFTC) raided its own big four brewers on suspicion of similar conduct.²

The big four brewers supply 90% of beer in Japan.³ Beer accounts for about 40% of alcohol sales in Japan, hence beer is a major consumer product in Japan.

This article illustrates the importance of economics in understanding and estimating the harm a price-fixing cartel imposes on consumers, by exploring:

- what happened to beer prices in Japan since 2021;
- four counterfactuals that could be used for estimating overcharge and damages; and
- the advantages and limitations of each counterfactual.

The price hikes show up in Japan's inflation data

The hint that sparked the interest of the authorities is easy to spot. In October 2022, all four brewers raised prices materially and again in April 2025.⁴ The price increases did not only feature on store price labels, they also clearly show up in Japan's inflation data. Figure 1 below shows the price of beer in Japan from 2021 until August 2026.^{5,6} Beer prices increased by around 6.4% in October 2022 and then again by 5.9% in April 2025.

¹ <https://www.theguardian.com/world/2014/jan/13/germany-fines-breweries-price-fixing>

² The big four are: Asahi, Kirin, Suntory and Sapporo.

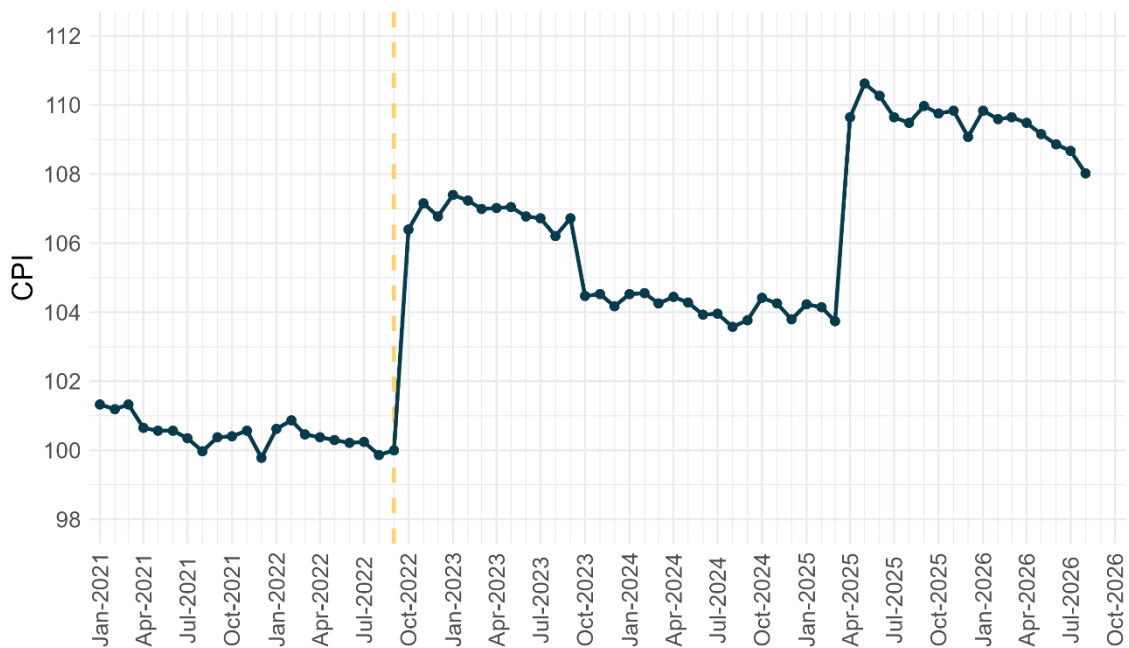
³ In this article beer includes both beer and the low-malt-beer.

⁴ <https://www.japantimes.co.jp/business/2026/10/07/companies/beer-cartel-ftc/>

⁵ Beer and low-malt-beer are split into two categories by the JBS. For clarity the index was combined into one beer index using JPN weights (beer = 75% and low malt beer = 25%).

⁶ Note, the chart plots the price index (not a price) and is set to 100 in the month before the price rise. The index value in each month after can be interpreted as the price increase in that month relative to the last month prior to the alleged conduct.

Figure 1: Price development of beer in Japan



Source: Solas Economics analysis of JPN data

Note: Base month is September 2022, the month before the price rise.

This graph shows why the JFTC got interested in the industry.

What's the harm?

The beer market in Japan is massive. In 2024, estimated sales amounted to around €9.8 billion. Hence, the JFTC considers the case very serious given the potential harm to consumers.⁷ This brings us to our question: if the price rise was coordinated and illegal, how do we go about measuring the harm imposed on consumers?

To answer that, we first need to establish a counterfactual. In other words, we need a scenario for *what would have happened had the brewers not fixed prices*. We can then measure harm by comparing the scenario with the (alleged) price fix and the one without. But what is a good scenario for such a hypothetical world? And how do different scenarios affect the estimated damage imposed on consumers?

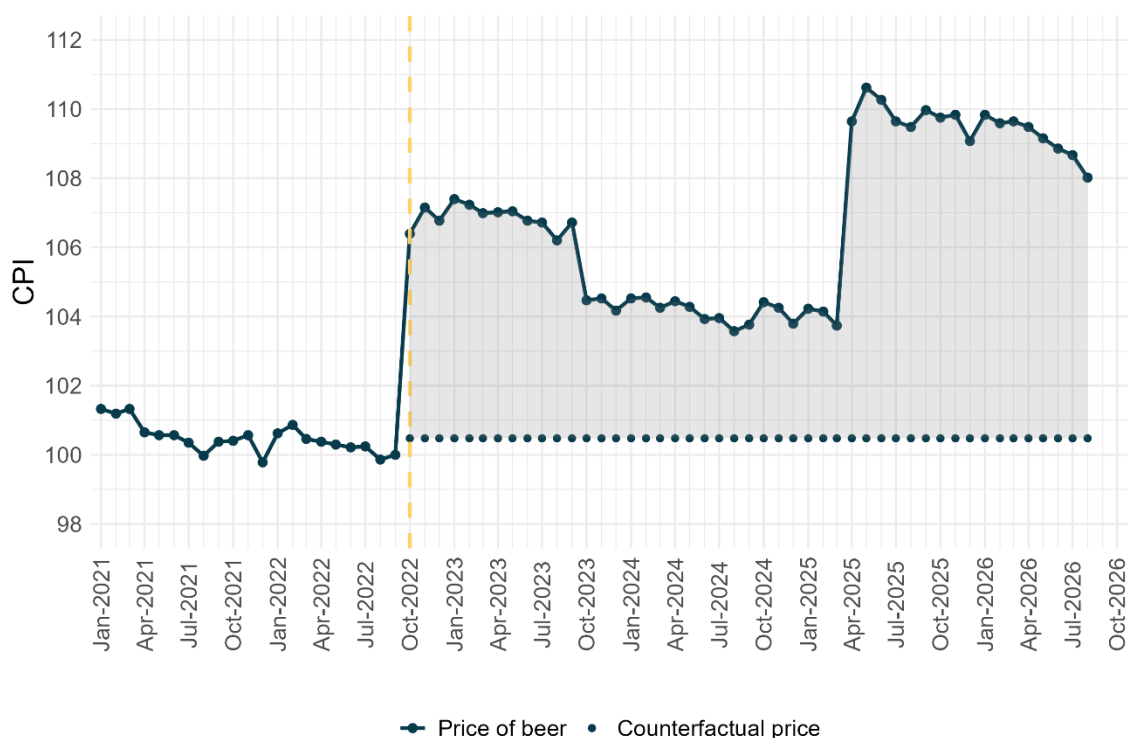
Let's explore four counterfactuals.

⁷ <https://www.theguardian.com/world/2026/oct/08/japan-beer-giants-raided-over-suspicion-they-colluded-to-set-the-price-of-beverages>

Counterfactual 1: Status quo – beer prices would have remained the same

Assuming that the cartel was the only driver of price increases, we could determine the price of beer in the counterfactual by using the average price over a period prior to the price hike.⁸ Figure 2 below plots the actual price and the counterfactual prices, based on this assumption. The difference between the two lines is the overcharge on the price.

Figure 2: Overcharge assuming that the past is the present



Source: Solas Economics analysis of JPN data

Note: Base month is September 2022, the month before the price rise.

Simple back-of-the-envelope calculations suggest an average overcharge of around 7%, which amounts to damage of around €2.5 billion over four years.

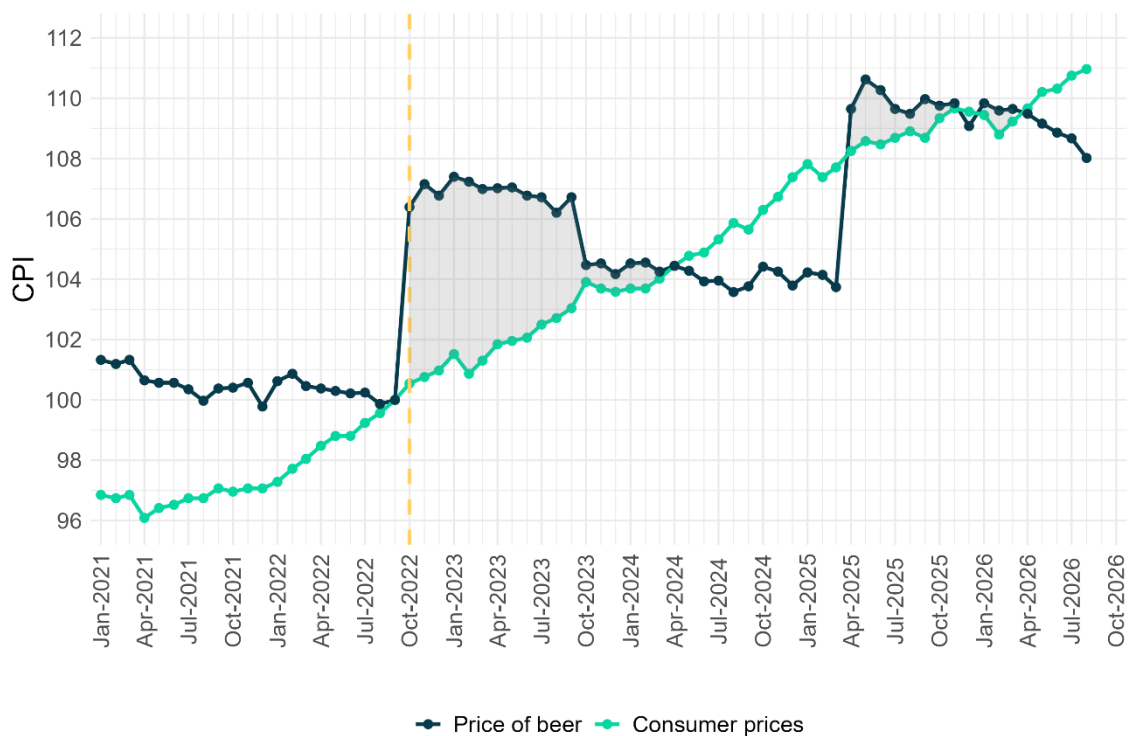
That is a great deal of consumer harm, although it could well be an overestimate due to issues in the assumption of the counterfactual. The most obvious is that it ignores cost increases that have occurred since October 2022. In a counterfactual where the four brewers would have competed on price, any cost increase would have been passed through to consumers through higher beer prices.

⁸ One could also use the trend leading up to the price-hike, which would result in the line in the figure to be slightly downward sloping, instead of being straight.

Counterfactual 2: Beer prices would have increased in line with other consumer goods

Instead of ignoring inflation entirely, a counterfactual can be constructed that simply assumes that beer prices would have moved in line with other consumer goods during the period, in the absence of the cartel. Figure 3 below compares the Consumer Price Index (CPI) with beer prices.

Figure 3: Overcharge assuming beer prices would keep up with inflation



Source: Solas Economics analysis of JPN data

Note: Base month is September 2022, the month before the price rise.

In October 2022, beer prices jump almost 7% while inflation overall rises less than 1%. However, what happens next is particularly interesting. Prices of other goods keep rising while beer prices slowly drop until April 2025, when the second price hike takes place.

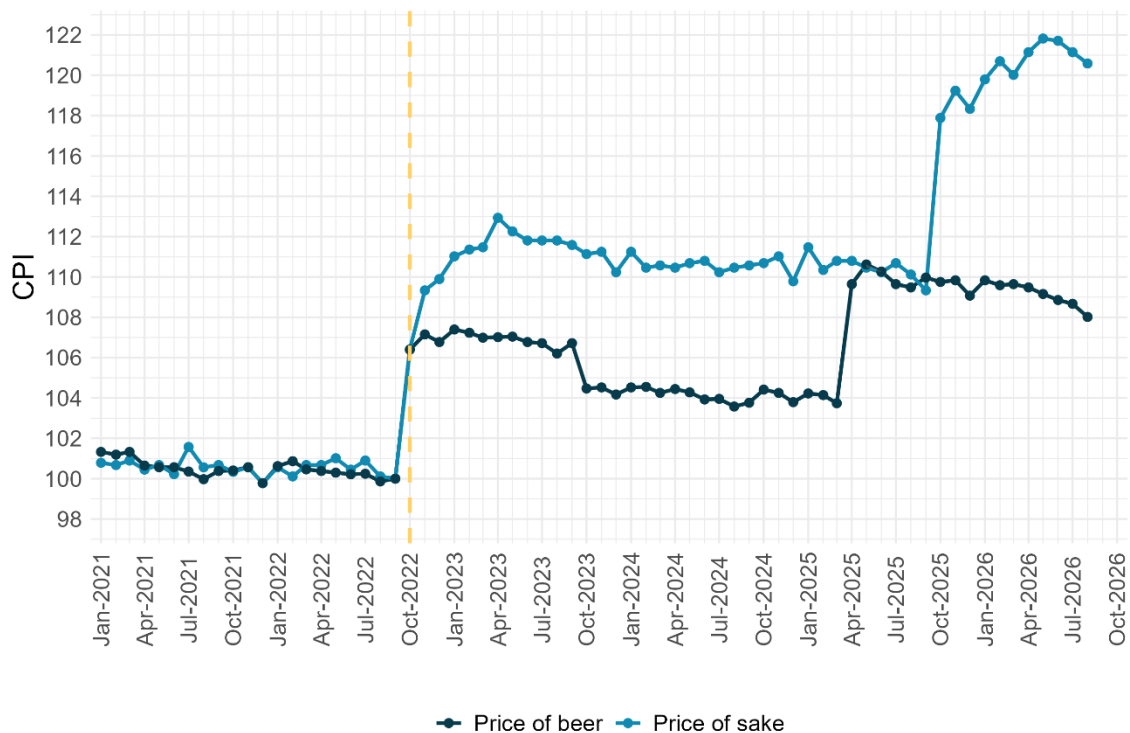
The overall picture is therefore much more mixed. In fact, in September 2026 prices of other goods in the economy have risen by more than beer since the alleged price fixing was first initiated in October 2022.

Regardless, during the alleged price-fixing period, a simple calculation for this scenario shows an overcharge over the period to be around 0.9% and damage around €350 million.

Counterfactual 3: Other product as comparator – what would sake have done?

A potentially more scientific approach is to find a control, or comparator whose prices respond to external factors in the same way as beer prices. There are multiple ways of doing this (geographic, product, synthetic, etc.) However, since we are dealing with alcohol in Japan, we decided to use sake as a comparator. Figure 4 shows that comparison.

Figure 4: Overcharge assuming beer prices would keep up with sake



Source: Solas Economics analysis of JPN data

Note: Base month is September 2022, the month before the price rise.

The figure is remarkable for a number of reasons, and not least for the fact that during the period prices of sake rose more than 20%, whereas beer prices rose only by 8%. Sake is of course not a perfect comparator either, for several reasons. For example, differential changes in:

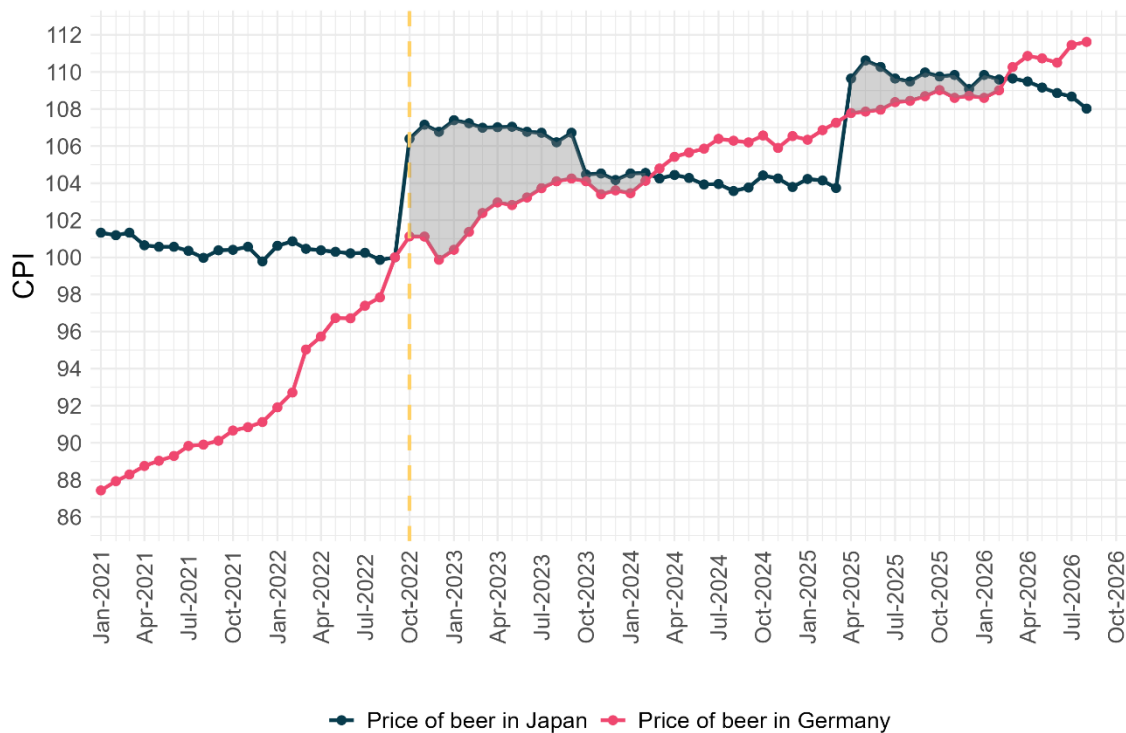
- costs;
- demand; or
- taxes.

The fact that sake prices increased so dramatically during the period, once during the same month as beer and again shortly after, could also imply something about coordinated behaviour (which would mean the control also got “cartel treatment”).

Counterfactual 4: Other country as comparator – what happened to prices in Germany?

Finally, another geography that was neither part of, nor affected by, the cartel can be used as a comparator. Figure 5 below plots German beer prices alongside Japanese beer prices.

Figure 5: Overcharge assuming Japanese beer prices would have developed like German beer prices



Source: Solas Economics analysis of JPN and Eurostat (HICP) data

Note: Base month is September 2022, the month before the price rise.

But Germany – or any other country – also has its limitations as a comparator. The price trend before and during the cartel is very different in Germany from Japan, which is the same issue as in Counterfactual 2 above. Also demand probably developed differently, and costs affecting beer production could well have developed very differently in the two countries. These are all things that would diminish the credibility of Germany as a comparator.

However, if one was to assume, in the absence of any price fixing, that prices in Japan would have developed in the same way as they did in Germany, the overcharge would be around 0.7%, and the damage inflicted around €250 million.

Summary of illustrative overcharge by counterfactual

Table 1 compares the illustrative overcharge and consumer harm (damage) by counterfactual. As can be seen, the differences are stark, which emphasises the need for an appropriately evidenced counterfactual in any such calculation.

Table 1: Comparison of overcharge and consumer harm (damage) by counterfactual

Issue	Overcharge	Damage
Counterfactual 1	7%	€2.5 bn
Counterfactual 2	0.9%	€0.3 bn
Counterfactual 3	0%	€0 bn
Counterfactual 4	0.7%	€0.2 bn

Source: Solas Economics analysis based on JPN data.

Economics is important, but also hard

The above shows that understanding what would have happened without price fixing is important in understanding the harm caused by it. But it also illustrates how hard it is.

These are all simple methods and much more nuance is required to arrive at the true overcharge and damage figures. There are more advanced models and methods that can be applied, ranging from relatively simple regression techniques to somewhat more advanced synthetic control techniques.

No econometric model is spot on. However, a combination of econometrics, economic theory, analysis of the conduct – with a good dose of honesty and hard work – does get us closer to the value of consumer harm.