Consumer Countries/Markets

UK: Winners and losers in the alcoholic drinks market

Gin’s impressive growth continues: but what other drinks are doing well in today’s UK alcoholic beverage market?

The popular ‘foodie trend’ is echoed in alcoholic drinks, observes Mintel; and a growing connoisseur spirit is further fueling the craft movement, with consumers keen to learn more about products and how they are made.

Meanwhile, consumers are seeking to limit or reduce their alcohol intake. Coupled with the interest in craft and premium products, this is encouraging a ‘quality over quantity’ attitude across alcoholic beverage categories. This opens the door for smaller packaging formats, which allow consumers to enjoy a premium product in moderation, as well as giving manufacturers an alternative to raising prices.

Click here to read more

Economic Environment

LWF Day One: The big Brexit debate

Breaking down the cloud of uncertainty brought about by Brexit into manageable bite-sized pieces was the objective of panelists at the London Wine Fair industry briefing. A panel of industry experts from political, economic, legal and business backgrounds framed the general "Brexit debate" hanging over the industry by looking at what can and can’t be predicted, and also by prioritising some of the concerns.

One of the issues widely predicted to cause mass headaches following the referendum has been the effect of trade tariffs on producers exporting to the UK. But from an economics point of view, Dr Swati Dhingra from the London School of Economics argued that non-tariff barriers such as foreign investment will have the far bigger impact on GDP.

In the best-case scenario, the UK would be able to broker a deal with the EU to maintain its access to the current free trade agreement framework currently enjoyed within the trading block (and
also other countries such as Chile, which the EU has negotiated a separate zero tariff agreement.)

However, Theresa May has already outlined intentions to pursue a “hard Brexit”, where the UK is essentially pulled out of the EU in April 2019 - two years after Article 50 was triggered – without the opportunity for such trade arrangements to be made.

In their place, the set of tariffs already negotiated between the EU and the World Trade Organisation would automatically come into effect, meaning that wine coming in from the rest of the world to the UK would follow the following price structure: 8.5p per bottle for 13% ABV or below, 10p per bottle for ABV between 13% and 15%, 21p for sparkling. These tariffs would be instantly applied to wine coming from the EU and the rest of the world. However, this is no different to what countries such as Australia already pay when exporting wine to the UK.

Click here to read more

---

**Major Wine Producing Countries**

**Chinese now make up nearly half of Aussie university’s oenology places**

Adelaide University has seen an almost three-fold increase in Chinese enrolments in its winemaking courses over the past five years.

Click here to read more

---

**Other Wine Producing Countries**

**Record number of English and Welsh wine companies launched in 2016**

Industry experts put the rise down to factors including demand from abroad as a result of the weak pound and growing recognition around the world that English wine is not to be scoffed at.

There are 502 vineyards in England and Wales, as well as 133 producers making wine from other people’s grapes, according to English Wine Producers, with production reaching 5m bottles a year. About 1m vines will be planted in the next year, which will result in 2m more bottles of English wine a year, according to the Department of Environment, Food and Rural Affairs.

Click here to read more

Comment: Wine Grape Area is 2 000 ha.