BI Daaglik - BI Daily

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Major Wine Producing Countries

The Spanish wine industry

Vitisphere spoke to the general director of the Spanish Wine Federation, José Luis Benítez, about the industry’s plans for the future.

Highlights
1. The increase in price so far can be ascribed to global demand for Spanish bulk wine. The quality and price of Spanish wines are still very attractive for international buyers. Some major markets like the United States and Russia are showing strong growth. By Spanish standards, last year’s crop was not that big and was lower than expected so prices began to rise significantly compared to the previous year.
2. Measures have strengthened the competitiveness of the Spanish wine industry and boosted production, which has also been helped by irrigation. The result has been improved quality and higher yields and therefore better competitiveness.
3. We also need to think about segmentation. We need a lot of bulk wine – it would not be realistic to say that we don’t and it would be ridiculous to say that we only need bottled wine. But we can work on segmentation and improve the quality of bulk wines, with varietal labelling for instance. We are working on ways of offering the international market different categories of bulk wines. There is also potential for bottling in Spain and developing brands. We want to promote Brand Spain in the domestic market.
4. French producers must also realise that the Spanish are not dumping wines. The truth is simply that Spanish wines are cheaper than French wines at the moment. It is not good for us either, because we would like to see our prices rise and be on a par with those of French bottled wines.
5. After several years of economic crisis and a drop in consumer confidence, the Spanish stopped going out as much. The on-trade is an essential part of wine consumption, so obviously there was a drop, not only in wine consumption but for other drinks and foods consumed outside the home. With the end of the crisis and the change in consumer perceptions, we think we have now reached a turning point.
6. For the first time in wine industry history, we are gathering a significant amount of money to develop a promotional campaign in our domestic market. Our target audience is thirty to mid-forties, people who drink wine already and are professionals that love wine and food. This will be one of the major focuses – we want to make wine more relevant to consumers.
7. Increasing the value of our wines is a major priority, not just bulk wines but also some premium wines whose price tag is still lower than their equivalents in the international marketplace. One of our medium-term goals is encouraging the consumption of wine in Spain; another is responding to climate change. We also want to raise the profile of Spanish wines in the international market so that consumers not only think of Spanish wines for their value for money but are prepared to pay for higher quality. We don’t have the same level of awareness as France or Italy in markets like
the United States. We have to become better known.

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Socio-Cultural Environment

WOSA Press Release: Creating the Blend documentary

An insight into the growth of the South African wine industry over the past 20 years. Farm workers and their families have opportunities for growth, through education, land ownership, schools and health care schemes.

[WOSA Press Release 03082017]