Global Trends - Beverages

World trends: which varieties and countries are most in demand

A full 64% of respondents to Sopexa’s 2018 Wine Trade Monitor cited France as being the most successful country of origin in terms of image, with Italy garnering only 13% of the votes. The report reveals that wines from France were listed by the vast majority – 92% – of respondents, followed by Italy with over three quarters (76%) and Spain (71%). However, wines from Chile, Australia and the US are becoming increasingly popular and are listed by between 45% to 56% of operators.

Italy was cited as the country which will likely see the biggest growth in the next two years. As for varietals, the four classic grape varieties – Cabernet Sauvignon, Chardonnay, Pinot Noir and Merlot will continue to see the greatest demand over the next two years. Chenin Blanc is one varietal which is tipped to see good growth in the US, leading the white varieties, according to the report. Given the reputation of the US as the leading market for varietal wines, this could potentially signal a new trend in the wine market.

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Global Trends - Wine Industry Key Elements

26% of alcohol consumed globally is illicit

Global market research company Euromonitor International launched today a global study on illicit alcohol. The study identified five main trends shaping the global illicit alcohol trade:

**Strong consumer perceptions and low awareness**
Consumers are usually unaware of the illicit nature of the products, do not perceive a difference in quality or consider consumption of these products to be socially acceptable.

**Higher affordability of illicit alcohol**
Consumers at all income levels purchase illicit alcohol for various reasons, but the commonality is that the illicit products they buy tend to have lower prices than their licit counterparts.
Inadequate or extreme regulatory and legal framework
Comprehensive regulatory and legal frameworks aim to monitor and control the entire alcohol supply chain. However, sometimes national frameworks are ineffectively designed. Some control mechanisms may even unintentionally boost illicit alcohol consumption by making it more difficult for consumers to access or afford licit beverages.

Lack of enforcement and collaboration
Illicit players often operate with relative impunity because the policies that have been announced are not effectively operationalised and penalties are not high enough to act as deterrents. This is mainly due to corruption as well as by the lack of collaboration between government agencies and the public, private and civil society sectors.

Poorly regulated distribution channels
Illicit players worldwide take advantage of underregulated or weakly controlled distribution channels to buy raw ingredients as ethanol and to reach consumers. The distribution landscape has become increasingly complex because of globalisation and technological developments.

“The groundbreaking findings from the study clearly demonstrate a need to improve global regulatory conditions on alcohol. Complex and inadequate regulations, as well as taxation, can generate undesired consequences. There must be considerate attention put on this subject, as there are areas such as Africa where illicit alcohol represents 40% of the total alcohol market,” said Lourdes Chavarria, senior consulting practice manager – illicit trade at Euromonitor International.
Sources: Euromonitor International, BizCommunity