Consumer Countries/Markets

IWSR From the Road: Drinks packaging trends in Africa

IWSR Senior Analyst, Charlie Winter, who recently visited Nigeria as part of his research cycle:

“Spirits packaging trends in a large number of African countries are very much influenced by the economic status of the local population,” remarks Winter.

"For example, in Nigeria, sachets are the most popular form of packaging: 80% of all spirits sold in Nigeria are locally produced, 70% of which are mainly produced and sold in the form of sachets that are between 25cl and 50cl. 20% of the spirits are sold in 200ml PET bottles, and the remaining 10% are sold as full sized bottles.

Sachets are in high demand as they are sold at a very low price point and cater to the vast Nigerian population who can’t afford the jump in price for a 200ml bottle. In fact, Nigeria also sells drinking water in sachets for the same reason.

The governments of a number of African countries have recently been leaning towards a ban on spirits sold in sachets, citing environmental reasons. However, the recent sachet crackdown in Uganda in 2019, for example, has led to a boom in illicit production, which poses a health & safety risk. Perhaps there may be a change in government stance on sachets as a result,” notes Winter.
Global and SA Trends

IWSR’s top 5 global beverage trends for 2020
IWSR looks at the global trends likely to shape the spirits, beer and wine categories around the world.

The Growth of Low- & No-Alcohol.
Ecommerce & Technology.
Brand Ethics & Packaging Innovation.
The Shakeout and Future of Gin.
Premiumisation & the Evolution of Rum.
Click here to read more
Global Trends - Wine Industry Key Elements

Organic wine around the world
Source: Diva Wine & MarketIQ/VINEX

<table>
<thead>
<tr>
<th>Country</th>
<th>Chile</th>
<th>Argentina</th>
<th>USA</th>
<th>Europe</th>
<th>Australia</th>
<th>NZ</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum use of SO2 during vinification</td>
<td>Red: 75mg/L, White: 100mg/L</td>
<td>Red: 70mg/L, White: 80mg/L</td>
<td>Red: 100mg/L, Red: 100mg/L, White: 150mg/L</td>
<td>Red: 100mg/L, White: 100mg/L</td>
<td>Red: 100mg/L, White: 150mg/L</td>
<td>Red: 50mg/L, White: 100mg/L</td>
<td></td>
</tr>
<tr>
<td>% of organic vineyard (data from 2015-2016)</td>
<td>3% of Chilean vineyard</td>
<td>2% of Argentine vineyard</td>
<td>4.1% of American vineyard</td>
<td>No data to show</td>
<td>7% of New Zealand vineyard</td>
<td>2% of South African vineyard</td>
<td></td>
</tr>
<tr>
<td>Local organic or sustainable label</td>
<td>No specific label for organic wine</td>
<td>Sustainable label:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Organic wine around the world

The drive toward sustainability in packaging—beyond the quick wins
Can system-level approaches, including collaboration along the value chain, make our approach to packaging more sustainable?

Sustainability—particularly regulatory and public concerns around single-use packaging waste—is combining with other powerful trends to drive major changes in consumer packaging. Regulators are moving on the issue, and Fast-Moving Consumer Goods (FMCG) companies and retailers are proactively making bold commitments to improve both the sustainability of their packaging and to fundamentally rethink their packaging systems.

There will be significant impact on packaging converters and their value chain, which could threaten the survival of many in the industry. However, for packaging converters with the right focus and innovation capabilities, the new landscape could offer significant growth and new partnership opportunities to support customers in revising their packaging portfolios. Going forward, converters will have to proactively embrace sustainability issues as consumer demands and regulatory requirements multiply.

Click here to read more

Nuusbrokkies / News Snippets

Coronavirus hits wine trade, with spending down and quarantine restrictions impeding travel

As the coronavirus epidemic continues to spread through China, the wine trade is being hit hard by the slump in consumer spending in shops and restaurants, while quarantine restrictions threaten to hit international wine exhibitions.
Last year, spending during the Chinese New Year festival topped 1 trillion yuan ($143 billion), an 8.5% increase from 2018. While it’s too early to determine the full impact of the outbreak as the number of cases of the virus increases beyond 17,000 nationwide, it’s clear that companies relying on boosts from Chinese New Year spending will suffer badly.

"I think it will heavily impact us and many other restaurants and bars. I think in general people will be afraid to go out," Isabella Ko, owner of wine bar The Merchants in Beijing told Meiningers.

Real private consumption will grow just 1.1% in the first quarter from a year earlier, according to Oxford Economics, down from a previous estimate of 6.8% growth.

“Most retailers will be under financial pressure as the sector generally has thin profitability and tight cash-flow conditions,” said Jason Yu, Shanghai-based general manager of Kantar Worldpanel.

However, the outlook isn’t uniformly bleak for consumer-facing companies. As millions of Chinese quarantine themselves at home, e-commerce companies like Alibaba Group and JD.com are set to profit, according to AllianceBernstein.

“The current situation is perfect for e-commerce growth,” AllianceBernstein analysts said in a report. Retailers and other companies suffering from lost New Year sales may also bounce back quickly from pent-up demand once the outbreak eases.

This is confirmed by co-owner of importer The Wine Republic, Campbell Thompson. "The key change is we will put more effort into home delivery services," he said, adding that the hard part is actually getting the wine to consumers from the company’s warehouses in Beijing, Shanghai, Shenzhen and Chengdu.

During the worst of the SARS epidemic in 2003, sales fell but bounced back within a few months, according to a report by DBS Group economist Ma Tieying.

International wine exhibitions may also be affected by the virus. Wine Australia CEO Andreas Clarke said: “At this stage, it is too early to make a decision about Chengdu in March, Vinexpo Hong Kong in May and the China Roadshow in June,” noting that the Chinese government has cancelled events in February where there would have been large gatherings of people but to date no action has been taken about events in March or later.

And Torres China managing partner Alberto Fernandez is not taking any chances. "All events such as wine dinners are cancelled. All supplier visits in February are also cancelled," he said.

Foreign nationals coming to Australia from mainland China, ranging from tourists who planned to visit wineries to trade people focused on anything from sales to viticulture to investment to internships, now face a mandatory 14 day quarantine period.

Source: MarketIQ/VINEX
Vinexpo considers standalone spirits show in Asia
Vinexpo CEO Rodolphe Lameyse plans to launch a standalone spirits show assuming the upcoming Vinexpo instalments are a success.
Click here to read more