Europe losing its dominance in bulk wine market as emerging nations take over

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The EU is losing its dominance in the bulk wine market, accounting for just over 70% of the total of the world’s overall imports, compared to the 90% lion’s share it held at the beginning of this century.

New emerging markets have been slowly taking share from the EU, with North America going from accounting for 4.2% of the total volume imported in 2000 to over 11% in 2017, according to Bulk Wine Club.

Similarly, Asia has almost doubled its share of the bulk wine market over the same period, increasing from 3.3% to 6.3%. Latin America has also increased its share, albeit from a small base, from 0.2% to 2%, while Africa has also recorded an increase in its market share, up from 0.5% to 1%. Oceania – essentially Australia and New Zealand – have remained stable with 0.9% market share.

The EU imported just over 16.5 million hectoliters (hl) of bulk wine in 2000 compared to 29.6 million hl in 2017. North America has seen its share leap from 0.84 million hl to nearly 4.7hl, while the rest of Europe has also increased its share from 1.59 million hl to 3.26m hl. Asia’s volumes have more than quadrupled, from 0.67 million hl to almost 2.65 million hl, while Latin America has seen its volumes rocket from 3.5 million litres to nearly 84 million litres.

In value terms, the EU has seen its share drop from 72.8% of the total spend in 2000 (which rose to nearly 80% in the mid 2,000’s), to 66.5% last year. At the same time North America has doubled its share of the value from 6.3% to 12.1%, while those European countries outwith the EU have lost much of their share, down from 13.6% to 8.8%, largely because the average price they pay is currently less than it was in 2000 (86 cents per litre, compared to 1.11 per litre).

The average price paid for shipments into the EU was 72 cents per litre in 2017, compared to 57 cents in 2000. Oceania has seen the average price it pays for imported bulk wine nearly double, from 67 cents in 2000 to 1.48 euros last year, while Africa now has to pay an average 78 cents a litre, up from 52 cents.
However, Latin America has seen its average price paid for bulk wine slump from 1.19 euros to 67 cents, while North America has also seen prices drop from 97 to 82 cents.

Source: VINEX
European market conditions are the worst in 25 years says VINEX manager

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Market conditions across Europe are the worst in 25 years, according to VINEX regional manager, Inge Straetmans.

In this week’s assessment of the overall European market Staetmans has reported “it’s the worst time ever to be a wine buyer” due to the lack of availability of quality wine at the right price and on-going uncertainty in the market. “In the 25 years I have been in the business I have not seen this before where buyers will openly show you their needs. They would never do that normally,” said Straetmans.

It means buyers are “scared” of making the wrong decisions for the wrong wines and where possible are looking to work with suppliers they know. But the market conditions mean they are having to explore other options, particularly from Eastern Europe. This is particularly the case as an alternative to Pinot Grigio, Pinot Blanc and Pinot Gris from traditional markets like the Alsace. Where there are shortages in bulk supply, Eastern Europe is also being seen as an alternative option in bottled wine.

There are particular problems in sourcing Vin de Provence rosé, IGP Méditérranée, good quality Bordeaux and Sauvignon Blanc, around 12.0% abv, from South West France, as well as juicy red wines like Syrah at 13.0% abv. “We’ve traded a lot of Corsican rosé this year to replace Côtes de Provence,” said Straetmans.

The fact there are lower volumes of South African wines on the market has had a knock-on effect on the European market, maintaining price pressure. French producers, though, could benefit this year as there is not that much difference in price and quality between Vin de Pays D’Oc and Chilean wine this.
As for what is in demand in Europe Straetmans singles out South African Chenin Blanc. "We need South African Chenin Blanc in big volumes, whoever can deliver that will be king!".