Consumer Countries/Markets

**Australian alcohol consumption hits 50 year low**

Australian alcohol consumption is at its lowest level for 50 years, with wine seeing its share of the total increase at the expense of beer.

In the 1960’s beer accounted for three quarters of all alcohol consumed in the country, but now only makes up 41%, while wine has seen its share of the total market increase over the same period from 12% to 38%, according to the Australian Bureau of Statistics and Roy Morgan Research.

Australians consume more white wine than red – 270m litres of white compared to 190m of red, while full strength beer remains the most popular variety, accounting for around three quarters of all beer.

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Economic Environment

**Tariffs to remain on wine imported to UK after end of Brexit transition period**

Tariffs on wines imported into the UK after the current Brexit transition period ends will not be lifted.

The government has published the UK’s new tariff regime, to replace the EU Common External Tariff from 1 January 2021, revealing that calls by the wine trade to reduce or drop tariffs on imported wines have been ignored.

Chief executive of the UK’s leading drinks trade body Miles Beale described the decision as “disappointing”, adding: “This runs counter to the government’s narrative that its new UKGT [UK Global Tariffs] takes a ‘common sense approach’, gets rid of nuisance tariffs or reducing administrative burdens. It will not increase choice for consumers, but instead will add an unnecessary barrier to trade.”
The WSTA had been leading calls for the government to remove costs and administrative burden on the UK drinks industry in the run up to Brexit and the end of transition, with the subsequent burden of Covid-19 and the looming economic crisis adding urgency to such calls.

“This news just adds to a long list of worries. Government needs to start listening to - and acting upon – suggestions from UK businesses, including taking action now to remove burden and costs on UK businesses and allow them to be more competitive to aid the UK’s economic recovery,” Beale added.

This week the Chancellor warned the UK it faces a “significant” recession, as the chances of hammering out a deal with the EU look increasingly remote. “It is yet another blow to wine importers, independent wine merchants, pubs, and restaurants at a time when so many are already worried about their businesses and making finances go further,” continued Beale. “The shutdown of the hospitality sector has been hugely disruptive, and this news just adds to a long list of worries. Government needs to start listening to - and acting upon – suggestions from UK businesses, including taking action now to remove burden and costs on UK businesses and allow them to be more competitive to aid the UK’s economic recovery.”
Source: MarketIQ/Vinex 21 May 2020

**Global and SA Trends**

**Return: A new muscle, not just a plan**
Return is not a phase; it’s a way of operating. A nerve center can help build the capabilities that businesses need in the “next normal.” Four forces that will mold the next normal.

The metamorphosis of demand
Rapid changes in the workforce
Shifts in regulation
Increasing information about protocols for safety
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**Global Trends - Wine Industry Key Elements**

**Is Your Loyalty Program the Key to Reaffirm Customer Commitment During COVID-19?**
We are well into the COVID-19 outbreak and at this point, most companies should [hopefully] have a reasonable plan to protect their businesses, and in some cases their livelihoods, during this time. But after solidifying the short-term financial decisions to defend against insolvency, this is a perfect time to reaffirm your customers’ commitment through the power of your loyalty program.

1) Acknowledge the human condition
2) Make Loyalty Your Customer Lifeline
3) Use your program to activate the human drive to bond
4) Be open to transparency beyond your loyalty program
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Impact of Coronavirus on German wine sector laid bare in new report /
After only one month of the viral outbreak, German wineries were already feeling the pinch, with sales down by 12.7% compared to the same period in 2019. And sales to speciality wine stores and the on-trade were even worse, nosediving by up to 56%, while exports plummeted by over a third (34%).

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