Global Trends - Beverages

Global Wine Trends: January – June 2015

Not good, not bad

World trade did not improve in June. In the second quarter of 2015, the total amount of bottled wine exchange (sparkling excluded) was in value terms -7% compared to the same period of 2014.

Worst doing is Europe (sum of Germany, UK, Switzerland and Russia), which confirms the -20% of the first quarter of 2015. The Americas (USA, Canada and Brazil) worsened their already poor 1Q 2015 value performance by -5%.

The region that improved more within the 2Q has been Asia (China, Japan, Hong Kong, South Korea), with Chinese performance hitting a new record: for the first time ever, the total amount imported grew by +15% in value.

In terms of volumes there has been a weak recovery, with the aggregate total to 854 million litres in June (+0.4% compared to June 2014, while March was at -2%).

Europe balance improves a bit (-8% compared to -12% in March), but the reprise slows down in the American continent (from +4% in March to +3% in June). In Asia, the uptrend is going on, from a +18% in March to +23% in June.

Mainly because of the troubled Russian market, average prices in Europe have been reducing sharply. Prices are quite steady in Americas (US$5.50), while in Asia the bigger amounts of volume imported had negative consequences on prices, holding them down to US$6.34 (US$6.63 in March).

The aggregate total - strongly influenced by the situation in Europe and the trends in Asia - falls down to US$4.82 per litre that being -3% compared to January-March 2015.

IMPORTS
The average bottled import prices (US$/litre) are: USA $5.65, UK $3.77, China $4.77, Germany $3.20, Canada $5.67, Hong Kong $21.95, Japan $5.01, Switzerland $7.89, Russia $2.69 and South Korea $5.73.

The average bulk import prices (US$/litre) are: Germany $0.64, UK $1.22, USA $0.87, Canada $0.80 and Russia $0.51.
Country bottled volume/value per litre 2015 % change: Germany -4.4%/+6.2%, UK -7.1%/-5.0%, Russia -37.6%/-17.6%, Switzerland +3.6%/-10.2%, USA +3.0%/-5.1%, Canada +3.9%/+1.1%, China +7.5%/+5.2%, South Korea +10.1%/-6.0%, Hong Kong +13.5%/+7.1%, Japan +1.4%/-0.5%.

Country bulk volume/value per litre 2015 % change: Germany -4.1%/-5.6%, UK -2.8%/-4.2%, Russia +37.7%/-21.5%, USA -12.7%/-13.0%, Canada +10.9%/-4.7%.

EXPORTS
The average bottled export prices (US$/litre) are: France $5.46, Italy $3.63, Spain $2.22, Chile $3.16, USA $5.42, Australia $3.93, NZ $6.18, Argentina $3.98 and South Africa $2.76.

The average bulk export prices (US$/litre) are: France $1.51, Italy $0.83, Spain $0.41, Chile $0.78, USA $1.29, Australia $0.79, NZ $2.81, Argentina $0.88 and South Africa $0.73.

Country bottled volume/value per litre 2015 % change: Italy 0.0%/+5.4%, France +9.5%/-2.8%, USA +1.8%/+12.4%, Argentina +4.6%/-4.5%, Chile +1.5%/-3.5%, Australia +2.7%/+15.2%, NZ +5.1%/+0.8%, South Africa +8.2%/-5.4%.

Country bulk volume/value per litre 2015 % change: Italy -13.3%/+4.0%, France +23.1%/-13.6%, USA -1.7%/-9.2%, Argentina +28.1%/-12.2%, Chile +2.9%/-13.5%, Australia +9.3%/-6.8%, NZ +51.4%/-10.3%, South Africa +1.3%/-4.2%.

Summary
Supply-demand seems to be in balance and concurs with trends previously mentioned in the Rabobank Wine Industry Quarterly. The major wine payers have ample supply resulting in more downward pricing pressure than upward at the moment.

Source: Wine By Numbers, A project by Il Corriere Vinicolo. www.winebynumbers.it