The BI Daily is compiled and submitted by the SAWIS BI Team. The content is for the exclusive attention of SAWIS members and may contain information that is privileged and confidential. Articles in the BI Daily have as far as possible been interpreted, put into context, validated and confirmed. If you as recipient have any queries, comments or would like to submit an article, please direct them to Charles Whitehead (charles@sawis.co.za).

Global Trends - Beverages

Premium and new formats offer big opportunities for bulk wine market

With the global 2018 harvests bringing the world’s wine supply back into greater balance, the market is evolving to allow greater fluidity in supply, to the benefit of premium bulk players and smaller volume buyers, with differing formats cited as key to future consumer engagement and sales. These were some of the key takeaways from the 10th edition of the World Bulk Wine Exhibition in Amsterdam this week, where keen pricing was back on the table after the shortfalls in supply of 2017 at a show that had a record 6,500 visitors and 250 exhibitors.

Click here to read more

Global Trends - Wine Industry Key Elements

UK: Bag-in-box the ‘unloved child’ of the wine trade

The UK drinks trade should embrace bag-in-box packaging as an environmentally friendly alternative to glass for entry-level wines, according to wine writer Robert Joseph, who has criticised the trade’s approach to such packaging, calling it the “unloved child” of the wine trade. BIB wines now account for 2% of the world’s trade in wine by value and 4% by volume, according to Rafael del Ray, director of Spain’s OeMv.

Click here to read more

2018 OIV Statistical Report on World Vitiviniculture

Vineyard Area
Decreased by 0.4% to 7 534 000 hectares in 2017.

Wine Production
Increased in 2018 by 13% to a preliminary estimate of 27 900 000 000 litres. Main producers were
Italy, France, Spain, the USA, Argentina and Chile.

Wine Consumption
An increase of 2.0% to 24 400 000 000 litres in world consumption. The USA (+3%) was the biggest wine consumer country in 2017 followed by France, Italy, Germany, China, United Kingdom, Spain and Argentina.

Wine Trade
Increased in 2017 by 3.4% to 10 800 000 000 litres and 4.8% by value. Main exporters by volume were Spain, Italy, France, Chile, Australia and South Africa; by value France, Italy, Spain, Chile, Australia and the USA. Main importers by volume were Germany, United Kingdom, the USA, France and China; by value the USA, United Kingdom, Germany, China and Canada.

2017 World trade by type of product
Bottled wine: 57% volume, 73% value.
Bulk wine (>2 litres): 35% volume, 8% value.
Sparkling wine: 8% volume, 19% value.

Refer to the attached Press Release and Report for further details.

[NIV-statistical-report-on-world-vitiviniculture-Nov-2018]

Nuusbrokkies / News Snippets

Does government neglect hinder or help SA wine?

By Michael Fridjhon - November 28, 2018

Consider the facts: the wine industry exports more product than the domestic market uses – making us one of fewer than ten countries where foreign wine drinkers consume more wine than the home market. It achieves this without any meaningful government support. On the contrary, the wine industry contributes almost R7bn to the fiscus. Most of the costs of administering the systems which guarantee the authenticity of Cape wine are borne by the producers. Even allowing for some padding in the figures released annually by producer organisations, the industry employs or contributes to the employment of 250 000 South Africans.

If this is what can be achieved without help or interference it does suggest that less rather than more "government" may be the only way forward. It’s unlikely that government will continue to leave the industry alone. Already we are witnessing massive interference in liquor legislation, officially in line with employment equity. To put this in context: the liquor industry has always been one of the most transformed segments of the economy, with both the ownership and employment profile completely in line with the national demographic. The problem for government is that most of the traders and their employees are operating without liquor licences, a situation which reflects the inability (or incompetence) of the authorities to regularise a situation which has prevailed from long before 1994.

Click here to read more