Consumer Countries/Markets

Nigeria Sinks Deeper Into Recession As Economy Shrinks In Third Straight Quarter

Nigeria’s economy sunk deeper into recession after its Gross Domestic Product (GDP) contracted for the third straight quarter of this year by 2.24 percent, according to data released by the National Bureau of Statistics (NBS) on Monday.

The dip follows a 2.06 percent decrease in the year’s second quarter as inflation hit an 11-year high of 18.3 percent last month, driven by an acute dollar shortage that has drastically hit the West African nation’s capacity to import.

Nigeria slumped into recession in August, after a 2.06 percent contraction in the first half of the year, following the continued fall in global oil prices since 2014.

Market analysts project Africa’s second-biggest economy to grow by 2.5 percent next year.

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Global Trends - Wine Industry Key Elements

Out of Africa – the Next Big Wine Market?

Could the world's poorest continent be the savior of the world's wine producers?

Fifty years ago, fine wine was generally the preserve of the Western man. Caucasian, male and wealthy – those were the boxes that needed to be ticked if you were looking to shift any serious volumes of Lafite or Krug.

But times change. The emergence of the BRIC economies – Brazil, Russia, India and China – has completely transformed the global wine industry, with a growing number of brands investing considerable sums into unlocking the potential of the world's emerging nations.

Where should brands search for new customers?
According to the latest IWSR figures, wine consumption in Brazil and Russia, two formerly headline BRIC economies, has fallen dramatically over the past five years. In many emerging Asian economies, (excluding China) it's a similar story – with South Korea still in the midst of a long-term economic recession, imported wine and other luxuries have paid the inevitable price. India too remains an extremely marginal market for imported wine, hampered by harsh taxation regimes and religious considerations including an outright ban on the sale of alcohol in some states.

Yet it's not all doom and gloom in the developing world. There is one part of the globe that, according to the IWSR, has shown impressive growth over the past few years, with headline nations consuming record amounts of imported wine.

That place is Africa.

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Comments: Africa represents 2.4% of global wine export volume and 2.2% in value terms. The CAGR (Compound Annual Growth Rate) forecast to 2020 is 3.8% for still/natural wine and 5.3% for sparkling wine (IWSR).

South Africa is the 2nd largest exporter to Africa with 14.6% of total exports including the Southern African Customs Union countries - Botswana, Lesotho, Namibia and Swaziland. If excluded the Y-o-Y 2015/16 export percentage is 5.1%. The WISE objective is to increase exports to African countries to 10% by 2025 (excluding SACU countries).

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