Consumer Countries/Markets

China: A Mixed Retail Picture

Private consumption remains the strongest driver of the economy, despite a cooling in activity from last year. However, performance across the retail sector is mixed, with a number of segments and companies struggling amid rapid shifts in consumer demand. In the long term, the outlook for the market remains relatively bright, despite the expected slowdown in economic growth, with significant room for an expansion of spending on entertainment and leisure in particular.

Growth in beverage sales eased to 10.3% in January-May, compared with 13.1% in the same period of 2015, in contrast to the increase in food sales. Beverage consumption is not as essential as food in daily consumption, and thus tends to be given up first during economic downturns.

Pacific Rim moves to ease bottleneck in wine trade

Wine lovers and exporters around the Pacific Rim will have reason to pop the cork on Thursday (July 7) after officials slashed red tape on shipments in the region that will ease an expensive bottleneck.

The Asia Pacific Economic Cooperation (APEC) group said in a statement that the 21 member economies had agreed on a standard, simplified certificate, replacing the multi-layered system that had led to losses of about US$1 billion a year in the industry.

And while exporters such as Australia, Chile, New Zealand and the United States are expected to benefit from the simplified regime, wine drinkers will also have a reason to celebrate as it is should lead to a wider array of choices at cheaper prices.

APEC groups Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, Russia, Singapore, Taiwan, Thailand, the United States and Vietnam.

[China EIU July 2016]

Click here to read more
Global Trends - Wine Industry Key Elements

Wine: Africa rising

Despite considerable economic turbulence in some markets, wine is still blossoming in Africa.

The sense of hope and opportunity surrounding Africa’s remarkable period of expansion and development had been neatly captured by the ‘Africa Rising’ narrative that permeated throughout the world media over the past decade. However, in 2015 the headlines spoke once again of a continent in crisis as Africa’s economic fragility was laid bare by a sequence of oil price crises, currency depreciations, corruption scandals, terrorist attacks and environmental emergencies.

But a continent of over 1bn people and 54 countries cannot be taken as a single entity and while, indeed, some countries find themselves in a state of flux, others have flourished. Overall, the dynamic wine market in Africa closed the year with a positive growth rate of 2.4%, narrowly outpacing its own five-year average growth rate.

Southern Africa: engine of growth

Key to balancing the books in what was a fractious year for the continent was the continued development of South Africa’s booming still light wine market. Despite an economy struggling with the plummeting value of the rand, inflation, unemployment and drought, the wine market continued its staggering expansion (+8%) driven by urban, female, first-time consumers who have taken to entry level sweet rosé wine in a big way.

What started a few years back with Four Cousins’ Natural Sweet Rosé has now been taken to a new level by the explosion of Distell’s 4th Street across South Africa’s townships. Also a hit with the student market, 4th Street’s sweet, easy-drinking style, young and vibrant image and unbeatable pricing – particularly in the 3L Bag-in-Box format – has connected with new, female drinkers for whom wine is sophisticated and aspirational, yet affordable.

Source: IWSR Global e-news July 2016

Natural / Physical Resources

Scientists observe first signs of healing in the Antarctic ozone layer

Scientists at MIT and elsewhere have identified the “first fingerprints of healing” of the Antarctic ozone layer, published today in the journal Science.

The team found that the September ozone hole has shrunk by more than 4 million square kilometers — about half the area of the contiguous United States — since 2000, when ozone depletion was at its peak. The team also showed for the first time that this recovery has slowed somewhat at times, due to the effects of volcanic eruptions from year to year. Overall, however, the ozone hole appears to be on a healing path.

Click here to read more