Consumer Countries/Markets

UK: WSTA 2017 Budget Report

Rates have risen with inflation at 3.9%.

This means:
- Duty on a 750ml bottle of wine increases by 8p to £2.16
- Duty on a 750ml bottle of sparkling increases by 10p to £2.77
- Duty on a 750ml bottle of fortified wine increases by 11p to £2.89
- Duty on a 70cl bottle of vodka at 37.5% increases by 28p to £7.54
- Duty on a litre bottle of vodka at 37.5% increases by 40p to £10.78
- Duty on a 70cl bottle of Gin at 40% increases by 30p to £8.05
- Duty on a litre bottle of Gin at 40% increases by 43p to £11.50

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Canadian Wine and Grape Industry Contributes $9 Billion in Economic Impact to Canadian Economy

The economic impact of the Canadian Wine industry is up 33% from $6.8 billion to $9 billion over the period 2011-2015.

Commissioned by the Canadian Vintners Association, the Winery & Grower Alliance of Ontario, the British Columbia Wine Institute and the Winery Association of Nova Scotia, the report Canada’s Wine Economy - Ripe Robust Remarkable confirms the wine industry has become a large and significant contributor to the overall Canadian economy, especially in Ontario, British Columbia, Quebec and Nova Scotia.

Key Findings:
- Canadian wine industry production has an annual national economic impact of $9 billion
- An average bottle of wine sold in Canada there is $36.54 of domestic economic impact generated in the country.
- The Ontario wine and grape industry generates $4.4 billion in economic impact, British Columbia $2.8 billion, Quebec $1.1 billion and $218 million in Nova Scotia.
- The wine and grape industry is responsible for more than 37,000 jobs in Canada from manufacturing, agriculture, tourism, transportation, research, restaurants and retail.
Wine-related tourism welcomes more than 3.7 million visitors each year, generating more than $1.5 billion annually in tourism revenue and employment.

The wine industry generates $1.7 billion in federal and provincial tax revenue and liquor board mark up.

For every $1 spent on Canadian wine sold in Canada, $3.42 in Gross Domestic Product (GDP) is generated across the country.

Wine consumption in Canada continues to grow as many Canadians are reaching for a glass of wine over spirits or beer. With Canadian wines presently representing only 30% of total wine sales across the country and imported wine at 70%, there is enormous potential for Canadian wine sales growth which would benefit the entire national economy.

Global Trends - Wine Industry Key Elements

The Future Consumer Households in 2030

Euromonitor International published a strategic briefing (March 2017) about primary trends affecting households to 2030.

By 2030, the global household outlook will be much different compared to today, as technology, urbanisation and economics reshape the behavioural patterns of inhabitants and create new channels of access to consumers.

According to Euromonitor International, a household is a small group of persons who share the same living accommodation. They pool some or all of their income and consume certain types of goods and services. Household members are not necessarily be related by blood of marriage and resident domestic servants are also included.

Households in 2030 will be shaped by these specific trends:

1. THE RISE OF THE SINGLETONS WILL CREATE A LARGE, SINGLE-PERSON LANDSCAPE

Single-person households will become a major consumption group. Households populated by one person are skyrocketing around the world. Over 2016–2030, single-person households will see faster growth than any other household type globally, with around 120 million new single person homes to be added over the period. This demographic is being driven by younger singles exchanging relationships for careers and education, as well as the growing widowed and divorced elderly group, especially large in developed countries. By contrast, households with three or more persons are growing slowly.

What is driving single-person households?

• Education and careers - Young people are focusing on their personal self-development, prioritising academic and career pursuits. Females, in particular, have more educational and work opportunities than ever before, and many are delaying having serious relationships and kids.
• Single is fun - The rise in technology, cheap travel and general entertainment means that today's generations have more choice in how they spend their free time than their parents ever did.
• The elderly - For the elderly, being single is not a choice.

2. URBANISATION AND APARTMENTALISATION, WITH BIG MORTGAGE AND RENTAL MARKETS

Urban hubs are expanding at a faster pace than rural areas in terms of population and households. Factors such as immigration, cities expanding to incorporate more suburban and rural zones and the development of entirely new towns and cities will create a much more urbanised world in 2030. Rural households are not contracting, but urban hubs are expanding at a much faster pace. By 2030, some 5.0 billion people will be living in 1.7 billion urban households.

Apartments are becoming more popular as dwellings. Countries such as China, Brazil and the UK
will see surging growth in apartments through to 2030. Apartments provide a solution for housing large numbers of people in a limited urban space, they can be smaller and therefore cheaper, and they offer easier access to utilities and digital services. Expanding cities are also driving rental markets, as a large number of newly urbanised citizens cannot afford to purchase a home outright.

3. HOUSEHOLDS AS DIGITAL CONSUMPTION UNITS

The rapid globalisation of Internet access is digitalising households at an unprecedented rate. By 2030, the majority of the world’s homes will have unlocked access to services including online video, gaming, gambling, social media, e-commerce, banking, e-health and e-education, among others. This higher level of connectivity, with the help of devices like smartphones, tablets and smart TVs, will enable home trends that will transform consumption behaviour.

One such trend is “cocooning”, living a fully domesticated lifestyle by receiving goods and services at home without needing to leave the house. E-commerce, takeaway foods, and home entertainment are the big winners. Another trend is sofa shopping, when consumers ignore their PCs to shop on mobile devices at home for comfort. This also leads to multi-screening, the use of multiple screens (TV, mobile, tablet) to consume information.

CONCLUSION

Opportunities in 2030
In general, as consumers become more digitally savvy in both developed and emerging markets, households will increase interest in smart homes and other digital services. As the population ages, elderly people in single-person homes will drive demand for remote healthcare services, day carers, e-health and mobility-assisting services. Younger generations will drive the demand for apparel and accessories—boosting both online and offline retail fashion segments.

Beyond the ageing of the general population, urbanisation will propel the global mortgage market, providing opportunities to bank and home finance firms. The rise of apartment living will also supply property developers and construction firms lucrative returns.

Challenges in 2030
While singletons enjoy the freedom of travel, education and lifestyle, they also have weaker spending power than couples. This impacts many goods and services.

Source: Euromonitor International

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How red wine could slow down ageing

Compound found in grapes can stop brain cells from breaking down as a result of growing older.

• Resveratrol can be found in the skin of red grapes and gives the fruit its colour.
• The naturally-occurring compound shares the same benefits of a low calorie diet.
• But bottles of red wine don’t contain enough of the compound to boost health.
• However, the findings could lead to an ‘elixir of youth’ according to scientists.

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