

PRESS RELEASE

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## Fundamental changes ahead for global wine industry

Following a bump in the road, China is once more expected to drive global grape wine consumption between now and 2020, according to the *IWSR Vinexpo Report 2017*, the most comprehensive survey of the global wine market. Asia-Pacific will thus supplant the Americas as the main engine for wine growth over the coming period. At current rates, China will overtake the UK to become the second most-valuable still wine market by the end of the forecast period.

For 2017, premium wines (above \$10.00) are forecast to grow the most. Winemakers in Australia, France and Italy will perform particularly well on the international stage. Each is expected to see an additional 1m nine-litre cases this year alone. New Zealand's rise will continue, particularly in North West Europe. However, by virtue of their expansive and developing home market, premium US winemakers will enjoy the most volume gains.

Premium, pale dry rosé may have dominated the headlines in recent years, but rosé's main driver remains off-dry varieties. According to IWSR analyst Giles Gough, this is where the category is expected to continue to see the most gains over the coming period. "Emerging wine markets will be a key driver – especially South Africa – where 'natural sweet' rosé has captured the imagination of emerging middle-class drinkers," says Gough. "Even in developed markets, the sweeter rosé style has an important role to play in talking to younger drinkers, who otherwise may defer entry to the category, or not at all."

The biggest innovation remains low-alcohol and flavoured wines. These products have been one of the major success stories in the UK, while Germany has led the way in flavoured low-alcohol and/or alcohol-free sparkling wines. Elsewhere in Europe, low-alcohol and flavoured wines are gaining traction, in part to fight category blur – the tendency among consumers to switch between beers, ciders and wines – and in part in response to ever-growing levels of health awareness. Prosecco's boom is set to continue worldwide as the trend spreads geographically. In 2010 prosecco was 10% the size of Champagne in the UK; by 2020 it is forecast to be three times bigger.

### About the *IWSR Vinexpo Report 2017*

The report comprises a global summary with detailed market and consumer insights for an additional 20 key countries, forecasts for 2016 to 2020, and historical data from 2010. It offers breakdowns by market, volume, colour, value and price point. Additional data on international trade, production and area under vine is also supplied. The final section places wine in the context of the global alcohol market and examines how it is affected by category blur, thereby assessing potential growth threats and opportunities across three key global regions.

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For inquiries, please contact Brandy Rand, VP of US marketing and business development, at [brandy@theiwsr.com](mailto:brandy@theiwsr.com) or +1 646 830 2616 for US companies, or Graziella Jeffery, Business Development Director, at [graziella@theiwsr.com](mailto:graziella@theiwsr.com) or +44 (0)20 7689 6834

### About the IWSR

The IWSR is the leading source of data and analysis on the alcoholic beverage market. The IWSR's database, essential to the industry, quantifies the global market of wine, spirits, beer and mixed drinks by volume and value, and provides insight into short- and long-term trends. Our data is used by all of the largest multinational wine and spirits companies, as well as many more local companies. The IWSR's unique methodology allows us to get closer to what is actually consumed and better understand how markets work. The IWSR conducts face-to-face interviews with over 1,500 companies in 118 countries each year, with further input from 350 companies. The IWSR tracks overall consumption and trends at brand, quality and category level.