





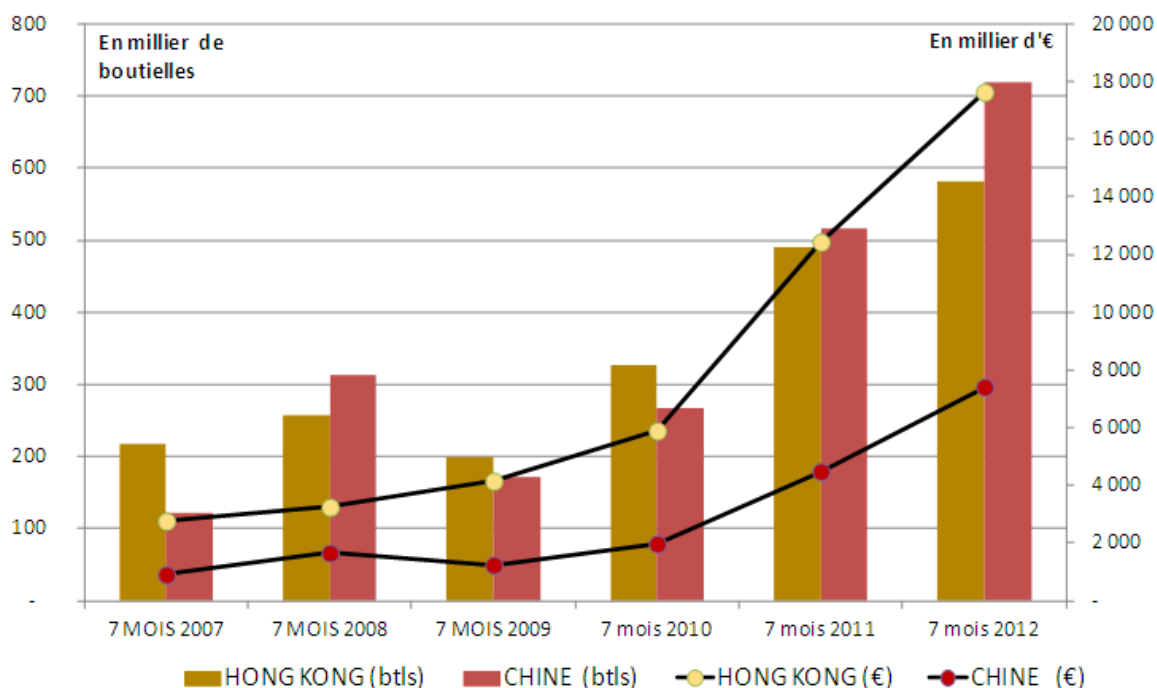
Mainland China and Hong Kong: The 4th biggest market for Bourgogne wine exports

Key figures for exports of Bourgogne wines (2011)

	China:	1.1 million bottles, worth 9.5 million euros
	Hong Kong:	900,000 bottles, worth 24.5 million euros
	Total :	2 million bottles, worth 34 million euros
	In volume terms:	► Still white wines: 41%
		► Still red wines: 58%
		► Crémant de Bourgogne: 1%

Mainland China and Hong Kong together make up the fourth biggest market for Bourgogne wine exports in terms of value, after the USA, UK and Japan.

Number of bottles and value of exports of Bourgogne wines to China and Hong Kong



Mainland China and Hong Kong together account for a growing share of worldwide wine sales.

Despite the global economic downturn, exports of Bourgogne wines are enjoying exponential growth.

The seven first months of 2012 confirm the growth over the last few years (*figures compared to the first seven months of 2011*):

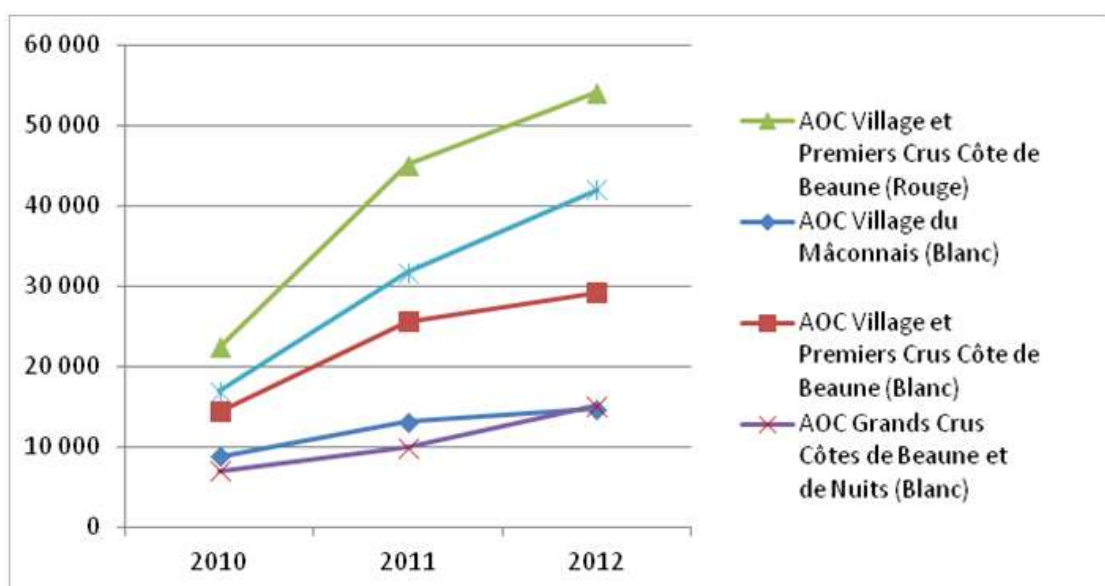
- ▶ **China: +65% in terms of value; +39% in terms of volume**
- ▶ **Hong Kong: +42% in terms of value; +19% in terms of volume**

Since 2010, the highest-value appellations have become as much sought after as regional appellations

During the recession of 2008, exports of Bourgogne wines mainly grew thanks to regional appellations (chiefly red wines), and mainly in mainland China.

Since the end of 2010, village appellations (including Premiers Crus) and Grands Crus have been equally sought-after.

The main Villages, Premiers and Grands Crus Appellations, exported to China and Hong Kong (in numbers of bottles)



All levels of appellation – for both white and red wines – are enjoying this growth.

In Hong Kong, the market is mainly focused on top-of-the-range wines, and high-value appellations are particularly appreciated.

In terms of color, **the volume of Bourgogne wine exported is fairly evenly split with 40% white wines and 60% reds**. Red wines are more profitable than white wines.

The rise in sales of white Bourgogne wines - mainly Chablis - can be compared to **the general growth in consumption of white wines in the country**, in particular in coastal towns.

Growing sales potential boosted by the infinite culinary pairings Bourgogne wines have to offer

The majority of Bourgogne wines are drunk in China's major centers of growth (Shanghai, Beijing and Guangzhou-Shenzhen), and in China's 13 "secondary" cities with over four million inhabitants. They can also be found in sectors where consumers have higher purchasing power and which are more open to Western products.

The wines of Bourgogne are very popular in bars, hotels and restaurants. There are over 300 four- and five-star hotels and 1,500 gastronomic restaurants around the country. A survey of wine lists in Hong Kong in 2011 showed that ***Bourgogne wines are present in 83% of restaurants***, accounting for 18% of the different wines available in this distribution channel.

Among other popular channels for Bourgogne wines, ***wine merchants*** (67% of stores in Hong Kong offer one or more Bourgogne wines) and ***direct sales from importers to the general public*** are significant, as are sales from ***major retailers***.

Sales of Bourgogne wines by major retailers showed less growth than did other wines. But they are set to grow, mainly through foreign stores. For example, 45% of stores in Hong Kong offer Bourgogne wines as do 29% of supermarkets in Shenzhen.

In general terms, Bourgogne wines are becoming increasingly popular. They have the potential to become a key product in a country that is increasingly open to wine culture. The values it represents in terms of being a natural product, its connection to the *terroir*, and its celebrated varieties of Chardonnay and Pinot Noir, are attracting increasing numbers of consumers looking to discover something new.

The diversity of Bourgogne's appellations opens up access to a wealth of food and wine pairings in a country where gastronomy is infinitely varied.

Bourgogne wines, with their infinite nuances, are naturally at home in China, a country whose gastronomy is equally diverse. As with Bourgogne wines, Chinese cuisine is rich in flavors, illustrating the country's unique cultural diversity.

The red wines of Bourgogne, made from the Pinot Noir grape, were the first to discover a resonance for their elegance and sophistication with the Chinese palate. Bourgogne whites made from the Chardonnay grape are also gradually making a name for themselves as an ideal partner to Chinese coastal cuisine with its focus on delicious fish and seafood.

Thanks to the wide range of appellations available and their gustatory qualities which make them stand out from the crowd, Bourgogne wines have a key advantage that makes them undeniably suited to the Chinese and Hong Kong markets.

This financial note was drawn up by the Markets and Development arm of the BIVB – October 2012

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