



United Kingdom: *Bourgogne wines repositioning*



Key figures 2013 Bourgogne wines in the UK

2nd biggest market in terms of value for Bourgogne wines

Number 1 market by volume for Bourgogne wines

Exports: 18.9 million bottles (down 10% over 2012), for 121 million euros (down 5% over 2012)

by volume

- ▶ Still white wines: 86%
- ▶ Still red/rosé wines: 13%
- ▶ Crémant de Bourgogne: 1%

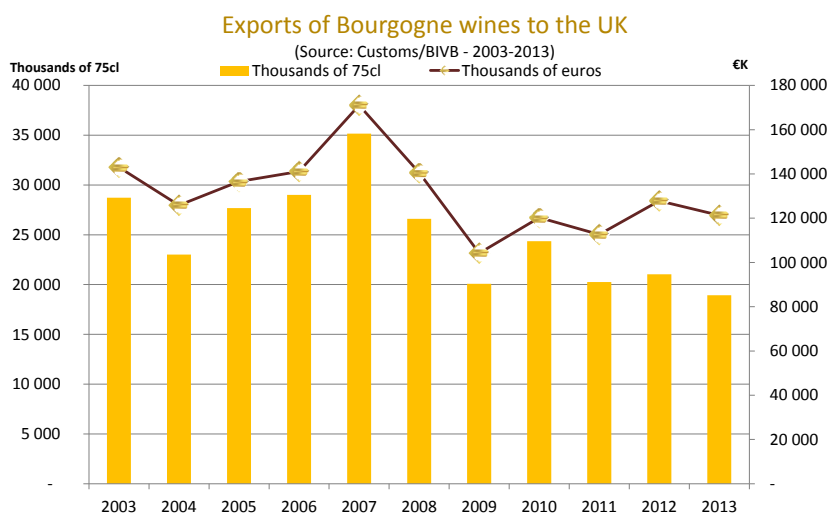
In 2013, Bourgogne wines accounted for 13% of the total volume of French AOC wines exported to the UK, and 11% of revenue from this category.

The United Kingdom has for many years been the leading overseas market by volume for Bourgogne wines (21% of volumes exported in 2013).

Since 2011, it has been the second biggest importer of Bourgogne wines by value (16% of total revenue in 2013), just behind the USA.

The first two months of 2014 confirmed the slow-down of Bourgogne exports to this territory (down 21% over 2013). However, in the same period, revenue was relatively stable (down 0.5% over 2013).

Value is showing significant growth, despite lower volumes



Exports of Bourgogne wines to the UK fell by 10% in 2013, with 18.9 million bottles shipped.

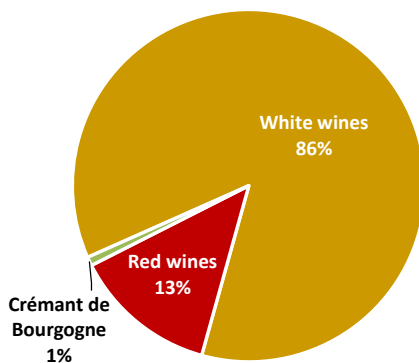
This volume is an historic low. This situation is probably the result of several factors: the crisis in the retail circuits in which Bourgogne AOCs are traditionally most widely distributed in the UK; successive increases in taxes on wine; low volumes of Bourgogne wines available, and so on.

Nonetheless, Bourgogne wines are still popular on the UK market, which is continually changing. Distribution circuits are looking for ways to stand out other than by just offering low prices, and are seeking wines of exception and with a difference, which is exactly the terrain where Bourgogne wines excel.

Sales of *Regional* white appellations dominate the market and contribute to growth

Exports of Bourgogne wines to the UK in 2013 by color

(Source: Customs/BIVB)



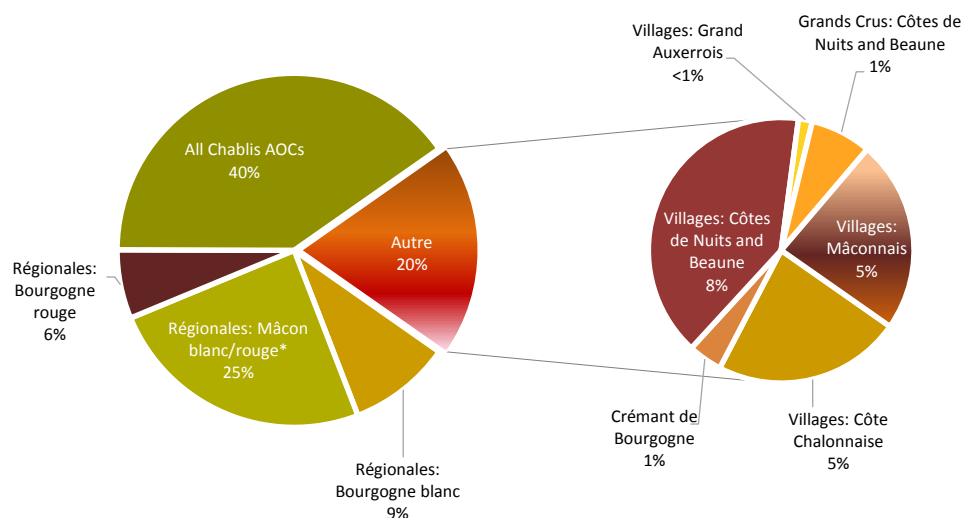
The impact of white wine sales on the performance of Bourgogne wines on the other side of the Channel is evident. For more than 20 years, the growth of exports in Bourgogne wines to the UK has been above all concentrated on whites. This was confirmed in 2013, with white wines accounting for 86% of bottles shipped (the equivalent of 16 million 75cl bottles for revenue of 82 million euros).

This growth was driven by the strong notoriety of the Chablis appellations, which account for almost every other bottle of white Bourgogne sold in the UK (47% of white Bourgogne bottles shipped).

Exports of the *Regional* appellation Mâcon white, which have grown steadily over the 20 years to 2012 (around 5 million bottles, or 27% of total volume of white Bourgogne wines exported), continued to grow in the first two months 2014 (up 6.6% over 2013 by volume, up 34% by value).

Exports of Bourgogne wines to the UK by appellation group

(Source: Customs/BIVB)



* It should be noted that the 25% of Mâcon *Regional* is almost exclusively made up of white wine (24%, compared to 1% of red).

The *Village*, *Premiers Crus* and *Grands Crus* appellations of Bourgogne reds, after showing healthy growth in 2013, began 2014 strongly (up 25% in terms of revenue compared to the first two months of 2013). And while the AOC *Village* whites of the Mâconnais and the Côte Chalonnaise started 2014 rather slowly, they showed excellent performance in 2013, up 26% in terms of revenue.

Bourgogne wines present on all distribution circuits

Of the **45,000 traditional restaurants** in the United Kingdom, half said they offer Bourgogne wine, which makes it the second most widely available French wine region, after Champagne (*source: CHD EXPERT 2011*). The rate of availability is naturally higher in the “high-end” range, represented by the 3-star hotel sector (with 80% offering Bourgogne) and in restaurants with a French theme (90%). The offer of Bourgogne wine becomes much greater among establishments with a higher average cost of meal.

Overall, the Bourgogne region shipped 6 million bottles to the **hyper- and supermarket** circuit, for revenue of 68 million pounds.

Sales of white Bourgogne wines in the British supermarket sector are showing the same trends as other circuits (*source IRI*), with 9% growth in the average sale price, despite a 12% drop in volume.

These changes were confirmed in the first two months of 2014. The circuit is moving towards a higher price point for Bourgogne wines.

In 2011, 84% of UK wine sellers offered Bourgogne wines, with an average of 46 references available during the year (*source: Equonoxe*). On average, more than 3,000 bottles were sold by each specialist wine merchant over the year, with sales concentrated on the end of the year.

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(*Sources: Customs– UBIFRANCE – BIVB*)

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