



United Kingdom:

Slight upturn for second biggest market for Bourgogne wine

Key figures for the first 10 months of 2015 for Bourgogne wine sales in the United Kingdom



2nd in terms of value for Bourgogne wines (15% of export revenue)

2nd biggest market by volume for Bourgogne wines (17% of export volume)

Exports: 11.5 million bottles (up 0.9% on 2014), worth 91.4 million euros (up 2.3% on 2014)

by volume

- ▶ Still white wines: 85%
- ▶ Still red/rosé wines: 14%
- ▶ Crémant de Bourgogne: 1%

From 1 January to 31 October 2015, Bourgogne wines accounted for 11% of all French AOC wines exported to the United Kingdom, and 12% of the total revenue.

The United Kingdom remains the second-biggest export market for Bourgogne wines, after the USA, despite a sharp drop in 2014 (down 23%). The first 10 months of 2015 (latest figures available) saw a slight recovery, with sale volumes up 0.9%, and a 2.3% increase in terms of revenue.

The Chablis and Petit Chablis appellations dominate the market

This upturn is due to the Chablis and Petit Chablis appellations, where volumes exported to Britain jumped by 28% compared to the same period in 2014. Sales were driven by an aggressive promotional strategy in the supermarket sector.

Sales of Crémant de Bourgogne were also up by a healthy 18%.

Other appellations, however, both red and white, from *Régionale* wines to *Grand Crus*, were all down. The *Régionale* appellations of white Mâcon, which have traditionally performed well in this market, fell back as sales were hit by the low yields in recent years.

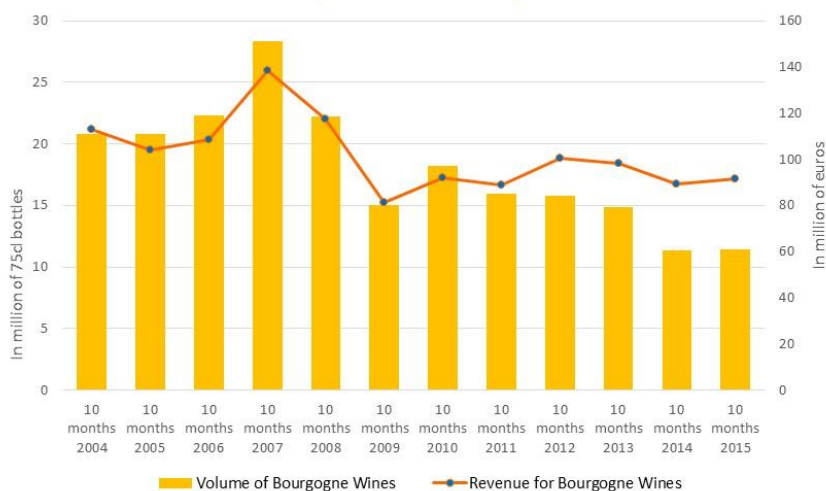
The Bourgogne wine region exported

11.5 million bottles to the United Kingdom during the first 10 months of 2015 (14.6 million for the full year in 2014), for revenue of €91.4 million euros (€112 million for the full year of 2014). The Chablis and Petit Chablis appellations accounted for more than one-third of volumes (more than 4 million bottles).

For the past 20 years, white wines have been the bedrock of Bourgogne wine sales in the UK, a situation that was confirmed in 2015.

Exports of Bourgogne wines to the UK

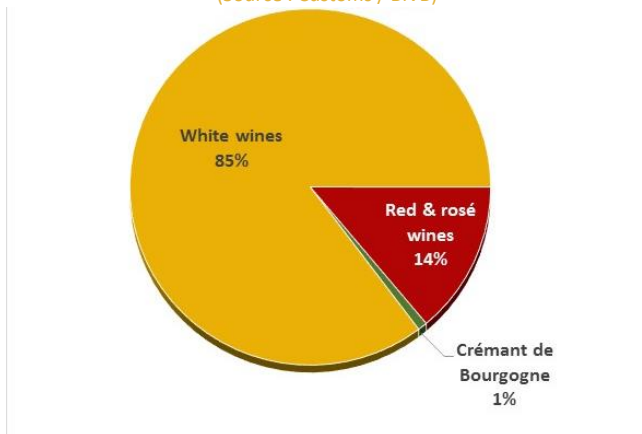
(Source: Customs/BIVB)



Red wines take a smaller market share but prices remain high

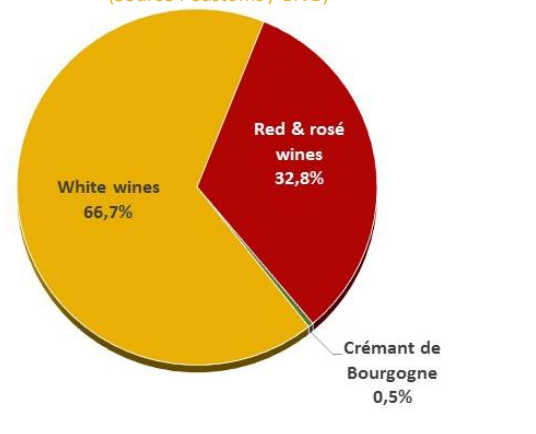
Exports of Bourgogne wines to the UK
in thousands of 75cl bottles

(Source : Customs / BIVB)



Exports of Bourgogne wines to the UK
in thousands of euros

(Source : Customs / BIVB)



White wines accounted for 85% of export volumes (red wines 14%, Crémant de Bourgogne 1%). In terms of value, the figures were more balanced, with 67% of revenue being generated by white wines, compared to 33% for red wines, driven by sales of *Premier* and *Grand Crus*, which sell for higher prices.

With 6 million bottles sold, Bourgogne wines were well represented in the supermarket sector

The fall recorded in 2014 seems due to two main factors: A series of increased taxes on wine in the United Kingdom; and the low available volumes, after two harvests with low yields in 2012 and 2013 for the two benchmark AOC wines in this market, Chablis and Mâcon.

More than 6 million bottles (more than 40% of total exports of Bourgogne wines to this market) were sold in 2014 in British hypermarkets and supermarkets (down 23% compared to 2013). This drop in volume can be explained by the lack of available wine in recent vintages. Nonetheless, prices for Bourgogne wines remained high on this circuit.

In a changing marketplace, Bourgogne wines assert their identity

Customers of specialist wine stores tend to consider Bourgogne wines as a product that sells for the right price. "Consumers who like Bourgogne wines are above all connoisseurs. They are aware that these are expensive products, which tell a story, and they are prepared to pay for that," explains a representative of a network of retailers.

The price seems to be more of a hurdle for the younger and less well informed clientele. Faced with the complexity of the offer of Bourgogne wines, professionals in the sector have decided to promote information via training activities and regular contacts with the UK media.

In a market undergoing major restructuring after the tough years of the financial crash, the Bourgogne wine region, thanks to its *terroir* wines, represents an ideal offer for consumers with increased demands.



Sources: Data for first 10 months of 2015, from 1 January to 31 October

(Customs, BIVB, UBIFRANCE)

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