



United Kingdom

Bourgogne wine sales continue to grow



Key figures for 2016 for Bourgogne wines in the United Kingdom

2nd biggest market by volume and revenue for Bourgogne wines

Exports: 15.9 million bottles (up 7.4% on 2015), for revenue of 130.4 million euros (up 11% on 2015)

by volume

- ▶ Still white wines: 85%
- ▶ Still red/rosés wines: 13%
- ▶ Crémant de Bourgogne: 2%

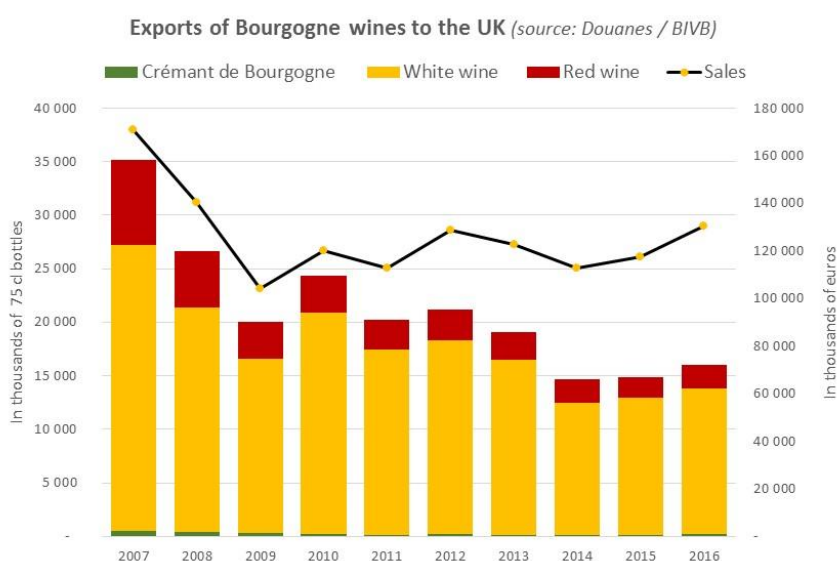
In 2016, Bourgogne wines accounted for 12% of the total volume of French AOC wines exported to the United Kingdom, and 14% of revenue in this category.

Despite being impacted by the first effects of Brexit and a lack of availability, sales of Bourgogne wines continued to grow in the United Kingdom in 2016.

The United Kingdom was the second biggest importer of Bourgogne wines by volume (15% of total volume in 2016), just behind the USA. After a return to growth in 2015, confirmed by the performance in 2016, the Bourgogne region was impacted by the low harvests of the Chablis appellations in 2016 (down 6.2% by volume over the first ten months 2017). But if we exclude from this results the appellations from Chablis, Bourgogne wines maintained market share by volume (up 7.1% in terms of revenue over the first ten months of 2017), and by revenue (up 22%).

This situation could well be affected by the results of Brexit negotiations, with the new framework for trade with the European Union due to be finalized by March 2019.

Significant rise in average pricing

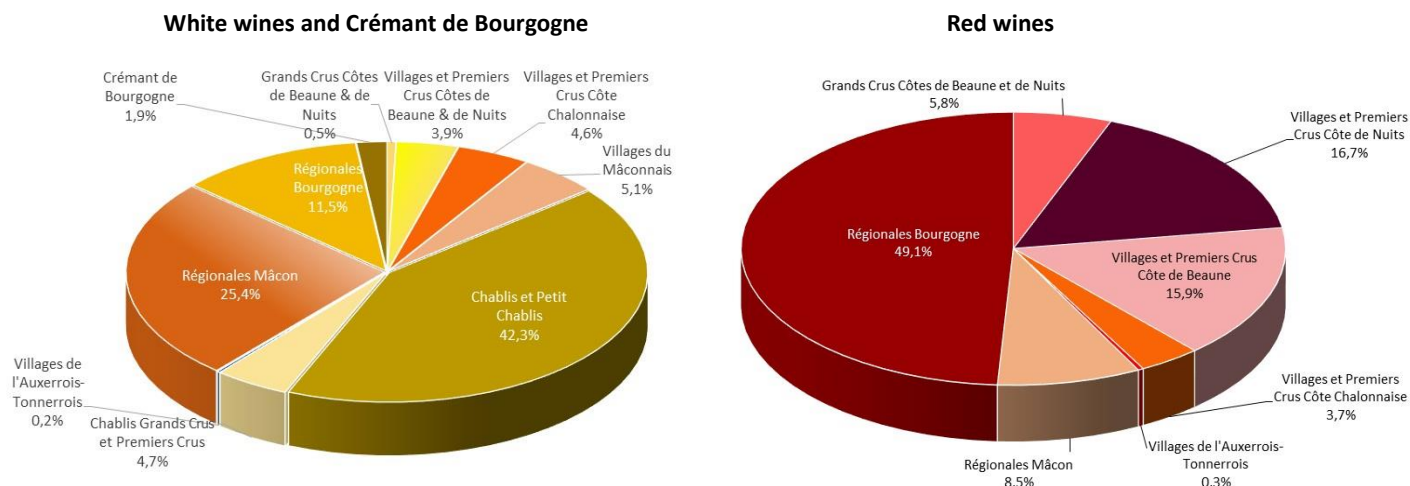


Exports of Bourgogne wines continued to grow in 2016, with sales of 15.9 million bottles (up 7.4% on 2015). Export volumes, however, remained historically low. This seems to be the result of several factors: The market is delicate for certain appellations, lack of available wine for other appellations, successive increases in taxes on wine, and the economic impact of the looming Brexit. Revenue also followed this upward trend, with two successive years of growth (up 11% year-on-year in 2016, and 4% in 2015).

For the first 10 months of 2017, the potential for an upsurge in Bourgogne sales in this market was slightly impacted by the low harvest volumes in 2016 in the Chablis region. As such, exports fell 6.2% by volume over the period. Revenue continued to grow (up 11.4% over the same period in 2016).

New AOCs contribute to growth in Bourgogne wines

Export of Bourgogne wines to the UK per group of AOCs 2016



Sales of white Bourgogne wines accounted for the lion's share of UK sales (*see graphic page 1*). Over the past two decades, growth in Bourgogne wine exports to the United Kingdom has been concentrated on white wines, reaching 85% of bottles shipped in 2016 (the equivalent of 13.6 million 75cl bottles, for revenue of 87 million euros). This dominance is driven by the strong notoriety of the Chablis appellations (52% of white Bourgogne wines exported), and as such, was impacted by the slowdown in sales of the appellation (down 3.2% by volume in 2016).

Other white Bourgogne AOCs, accounting for a major share of export volumes, grew in 2016. This was the case for *Régionale* Bourgogne appellations (up 14.7% by volume on 2015) and Mâcon (up 24.4% by volume). Over the first ten months of 2017, growth of *Régionale* Mâcon appellations (+9.8% in volume) did not make up for the shortfall in volume of the Chablis appellations (down 26.4% compared to the same period in 2016) and Bourgogne whites (down 11.1%), mainly due to lack of availability.

Red Bourgogne wines only accounted for 13% of bottles shipped in 2016 (the equivalent of 2.1 million 75cl bottles, for revenue of 42.4 million euros), yet their growth, in terms of both volume and revenue, was stronger than that of white Bourgogne wines: Up 9.5% and 13.7% (2016 over 2015) respectively.

For the first 10 months of 2017, export volumes of red Bourgogne wines rose by 3.9% over the same period in 2016 (an increase of 69,000 bottles). At the same time, revenue surged by 13.45 million euros (up 39.7%), as all appellations showed growth.

Bourgogne wines present on all distribution circuits

Supermarket sector

In 2016, some 5.68 million bottles of still Bourgogne wine were sold on this circuit (up 9.2% on 2015), with revenue of 65.85 million pounds (up 8.9% on 2015). Sales of Bourgogne white wines in British supermarkets were up 4.4% by volume (*source: IRI*), and sales of Bourgogne reds were up 31.7%.

For the 12 months to end-June 2017, red Bourgogne wine sales were up 19.4% by volume (an increase of 271,000 bottles), while white Bourgogne wines dipped 12% by volume (down 766,000 bottles).

The strong growth by volume *Régionale* Bourgogne white appellations (up 27.5%) and Mâcon (up 32.2%) did not fully compensate for the fall in Chablis sales, which bore the full brunt of low stocks due to the small 2016 harvest (down 30% by volume compared to the same period in 2016).

Restaurant sector

In London restaurants (*2016 survey of 350 points of sale*), Bourgogne wines were in the leading position among the global wine offer in terms of the number of references per point of sale. The number of references was 11% higher compared to 2015.

Chablis AOCs were present in 64% of establishments in 2016 and were in the number-one spot among the global offer of white wines.

Village and *Village Premier Cru* AOCs from the Côte de Beaune were in fifth place, and were present in 45% of restaurants surveyed.

Of the worldwide offer of red wines, the Bourgogne region came out on top in terms of the number of references, up 30.9% compared to 2015.

The top 10 appellations included reds from the Côte de Beaune and Côte de Nuits, with double-digit growth between 2016 and 2015.

Specialized wine stores

Bourgogne wines were in first place in terms of presence in those establishments surveyed (DN¹: 90%), up by 4.8% between 2016 and 2015 (*2016 survey at 30 points of sale*).

By number of references, Bourgogne wines were also in top spot in the global offer: On average, each point of sale stocked 51 Bourgogne wine references.

Out of the worldwide offer of white wines, the Chablis *Village* AOC could be found in 70% of establishments in 2016. Meursault was also in the top 10, and was served in 63% of the establishments surveyed.

The Bourgogne region was in second place in the global red wine offer in terms of number of references, and the leader by presence in the establishments surveyed in 2016.

In the top 10 in number of references, *Village* and *Village Premier Cru* red appellations of the Côte de Nuits were in second place, and *Village* and *Village Premier Cru* red appellations of the Côte de Beaune were in fifth place.

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(Sources: Customs – IRI UK – BIVB – MIBD MARKET)

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¹ DN indicated the number of references out of 100.