

### Hong Kong

## A mature market opening up to all levels of Bourgogne appellation

#### Key figures in 2017 for Bourgogne wines in Hong Kong (11 months)

To end November 2017



Fifth biggest market in terms of revenue for Bourgogne wines  
14<sup>th</sup> biggest market by volume for Bourgogne wines

**Exports: 972,070 bottles** (down 4.2% over first 11 months 2016), **for 44 million euros** (up 17.8% on first 11 months 2016), by volume:

- ▶ Still white wines: 49.5%
- ▶ Still red/rosé wines: 50%
- ▶ Crémant de Bourgogne: 0.5%

**For the first 11 months of 2017, Bourgogne wines accounted for 7.4% of the volume of French AOC wines exported to Hong Kong, and 12.3% of the revenue.**

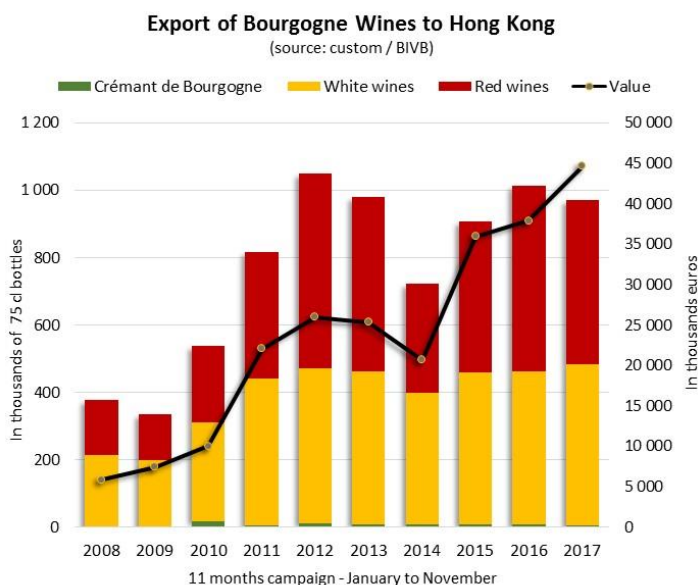
Hong Kong is a mature wine market, the world's seventh-largest importer in terms of revenue. French wines made up 59.3% of the overall import revenue for the first 11 months of 2017. Over the period, Hong Kong imported 537,140hl of wine (equivalent to 71.62 million bottles), for a value of 1.2 billion euros. In this context, Bourgogne wines continued to perform well, setting a new revenue record despite a slight fall in volume compared to 2016, which saw an exceptional increase.

#### A new revenue record for Bourgogne wines

Revenue from Bourgogne wines rose by 17.8% for the first 11 months of 2017 (January to November), reaching 44.6 million euros. This set a new record, and comes in the wake of strong growth in the previous two years. 2017 thus confirmed the high perceived value of Bourgogne wines on Hong Kong distribution circuits.

Volumes slipped back slightly compared to 2016, impacted by a fall in red wine exports (down 11.8%).

These wines did, however, sell for good prices, resulting in growth in revenue of 23% for the

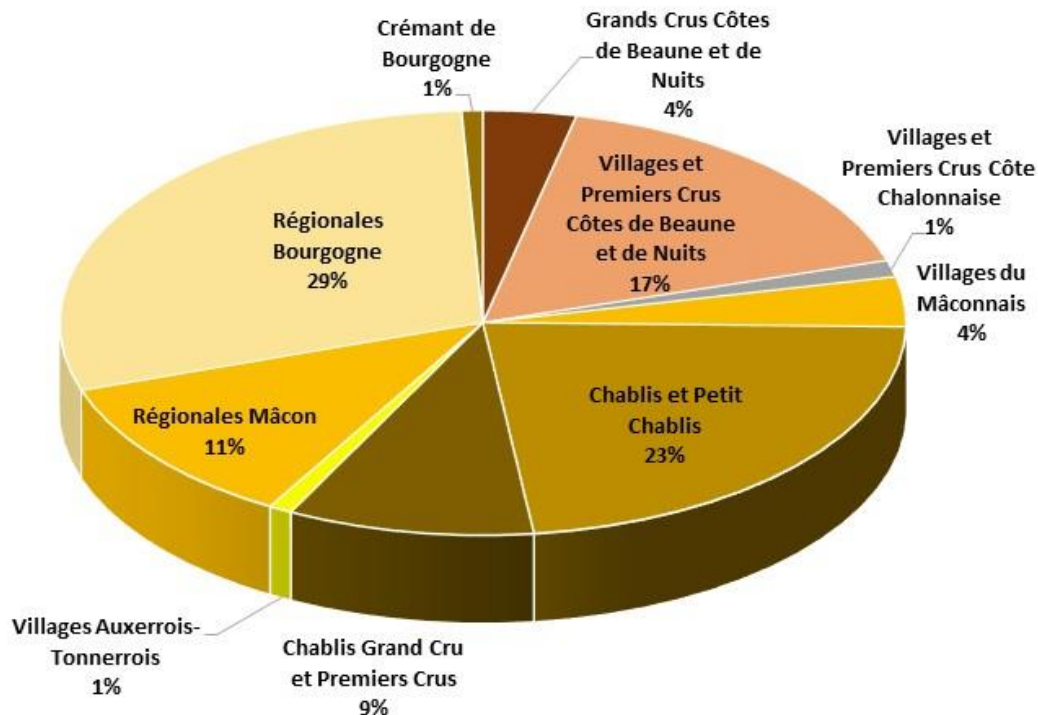


first 11 months of 2017. White wine sales were buoyant, up 6.2% by volume and 2% in terms of revenue. Crémant de Bourgogne still had a small market share (0.5% of imports), but is beginning to make some inroads.

## Bourgogne wines: A balanced market between whites and reds

Export Bourgogne wines 2017 (11 months, January to November)

White wines and Crémant de Bourgogne



Over the first 11 months of 2017, the proportion of white wines among total Bourgogne wine sales grew from 45% to 50% by volume (equivalent to 481,230 75cl bottles), for 9.35 million euros. This is unusual in Asia, where markets traditionally tend towards red wines.

Two groups of appellations performed particularly well, in terms of both volume and revenue:

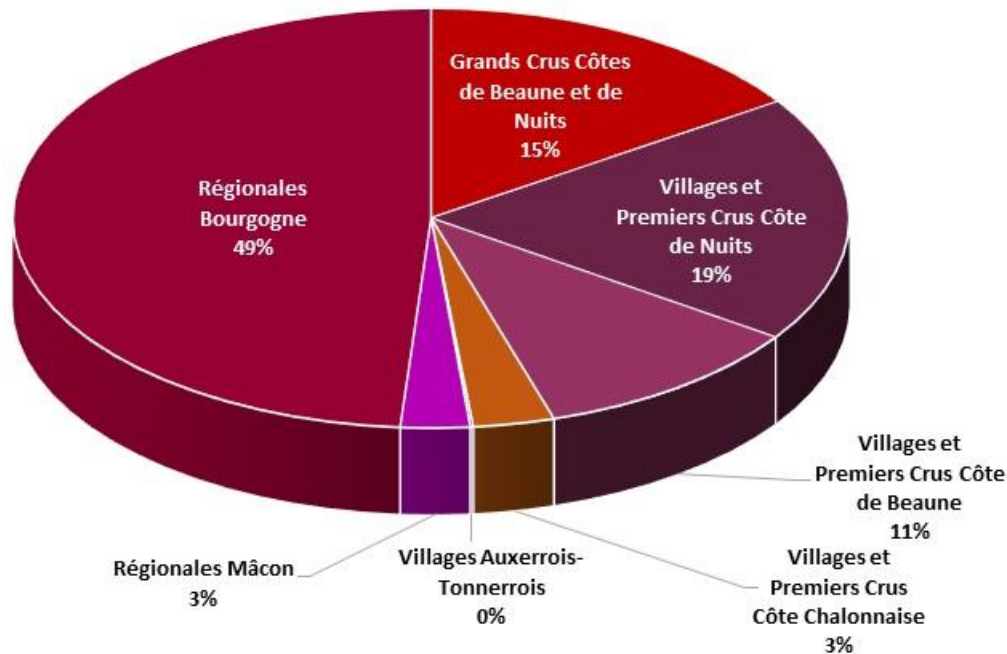
- ▶ The *Village* and *Village Premier Cru* appellations of the Côte de Beaune and Côte de Nuits grew 45% by volume (accounting for 16.7% of white wines) and 37.8% in terms of revenue.
- ▶ The *Régionale Mâcon* appellations set a double record: Up 167% by volume (accounting for 11.4% of white wines) and up 157% in terms of revenue.

The Chablis and Petit Chablis appellations were suffering from a lack of available wine, yet volume sales only dipped by 1.8%.

Due to the lack of available wine, white *Grand Cru* wines dipped 33.2% by volume and 31.7% in terms of revenue. In a sign that the market is opening up to the full diversity of Bourgogne wines, some appellations that sold very little in Hong Kong a few years ago are gaining market share, like the *Village* appellations of the Mâconnais (Saint-Véran, Pouilly-Fuissé) and those of the Côte Chalonnaise (Montagny, Rully, etc.).

## Bourgogne wine exports 2017 (11 months, January to November)

### Red wines



Red wines play an important role in the performance of Bourgogne wines to Hong Kong, since they accounted for 79% of the revenue, worth 35.28 million euros in the first 11 months of 2017, despite accounting for only half the volume sold.

*Régionale* Bourgogne red wines dominated the market, accounting for 49% of exports (up 1.7% over the first 11 months of 2016). The *Village* and *Village Premier Cru* appellations of the Côte de Beaune and Côte de Nuits came second, with 30% of export volumes and 27% of the revenue (up 42% for the first 11 months of 2017 over the same period in 2016).

As with the whites, *Grand Cru* red wines slipped back (down 37.2% by volume for the first 11 months of 2017), due to a shortage of available wine. Nonetheless, when it comes to the *Grand Crus*, Hong Kong wine lovers tend to go for the higher price bracket, since over the period, the revenue from these appellations climbed 9.8%.

The market for red wines was, then, following the same trend as that for white wines, opening up to new, lesser-known appellations, such as Bourgogne Hautes Côtes de Beaune, Bourgogne Côte Chalonnaise, and Bourgogne Côte d'Auxerres, or certain *Village* wines such as Mercurey and Irancy.

## Bourgogne wines sell well on high-end distribution circuits

### Bourgogne wines had a strong presence in the restaurant sector (2017 survey with 150 points of sale)

Among the worldwide offer of wines, Bourgogne were in the top position by number of references per point of sale (up 18.4 points in number of references on 2016). They accounted for 14% of the offer in the establishments surveyed (up 2.7 points on 2016).

Among all Bourgogne appellations, the Chablis appellations were the most widely available in restaurants, featuring on the wine lists of 80% of those surveyed (up 2.9 points on 2016). Close behind came the *Village* and *Village Premier Cru* wines from the Côte de Beaune (74%, up 0.8 points on 2016).

**Bourgogne wine well represented in specialist stores** (2017 survey of 30 points of sale)

Bourgogne wines performed well on this circuit, figuring in second position by number of references per point of sale (up 1.5 points on 2016), all origins taken together. They were stocked in 93% of specialist wine stores surveyed, accounting for 18.9% of the offer.

In terms of global presence in points of sale, as with the restaurant sector, **the AOCs of Chablis were in top spot, available in 96% of establishments** (up 4.2 points on 2016). The *Village* and *Village Premier Cru* appellations of the Côte de Beaune came just behind, being available in 89% of points of sale (stable compared to 2016), followed by *Régionale* Bourgogne appellations in white and red (82%).

**In terms of number of references per point of sale**, *Grand Cru* appellations of the Côte de Beaune and Côte de Nuits were in first place (63 references on average, up 16.5% on 2016). The *Village* and *Village Premier Cru* appellations from the Côte de Nuits came second, with an average of 37 references (up 2.3% on 2016), just ahead of the *Village* and *Village Premier Cru* appellations of the Côte de Beaune (28.8 references on average, up 0.5% on 2016). The AOCs of the Chablis region were in fourth place, with an average of 5.5 references per point of sale (down 9.4% on 2016).

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(Sources: Customs - GTI - BIVB - MIBD Market)

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