

## Mainland China: Bourgogne wines return to growth after stagnating in 2018



### Key figures in 2019 for Bourgogne wines in China

10<sup>th</sup> biggest market for Bourgogne wines (in terms of revenue and volume)

**Exports: 2 million bottles (up 24.4% on 2018), for 28.8 million euros (up 22.7% on 2018)**

by volume

- ▶ Still white wines: 21.2%
- ▶ Still red/rosé wines: 78.4%
- ▶ Crémant de Bourgogne: 0.4%

**In 2019, Bourgogne wines accounted for 3% of the volume of French AOC wines exported to China, for 7% of total revenue.**

Every year, China is becoming a more mature market for wine. In 2019, it was the world's fifth biggest wine importer, with 6.13 million hectoliters (down 11% on 2018), worth 2.18 billion euros (down 10% on 2018). Over this period, French wines moved into second place. This contraction in imports was notably due to the development of Chinese wine production, aimed at increasing local consumption.

### Bourgogne wines set fresh revenue record



Exports of Bourgogne wines enjoyed **strong growth in revenue (up 22.7% on 2018)**, beating the record set in 2018. This record applied to both red and white.

Volumes exported returned to growth (up 24.4%), having dipped in 2018, totaling the equivalent of 2 million 75cl bottles. Meanwhile, volumes exported easily beat the record set in 2017, and were up 11.2% on that year.

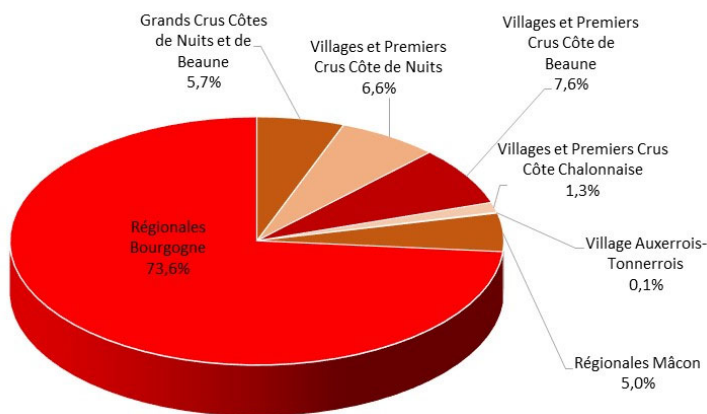
**This performance was solely driven by red wines, which surged 36% on 2018.** White wine exports fell by 5%. *Régionale* Bourgogne red appellations played a key role in this

growth (up 45.3%). Paradoxically, it was the *Régionale* appellations (Bourgogne and Mâcon) which dragged down the figures for white wines (down 16.4% on 2018).

The first quarter of 2020 was strongly impacted by the COVID-19 pandemic and the lockdown measures imposed in February by the Chinese authorities. The volume of Bourgogne wines exported fell by 34.8% compared to the same

period in 2019, while revenue, which had held up into February, finally ended the quarter with a significant 18.9% drop. The economy in China has gradually been getting back on its feet since April. The figures for the second quarter, which will be available in mid-July, will provide an early indication as to whether Bourgogne wines have benefitted from this resumption.

## Exports driven by *Régionale* appellations and the most renowned wines

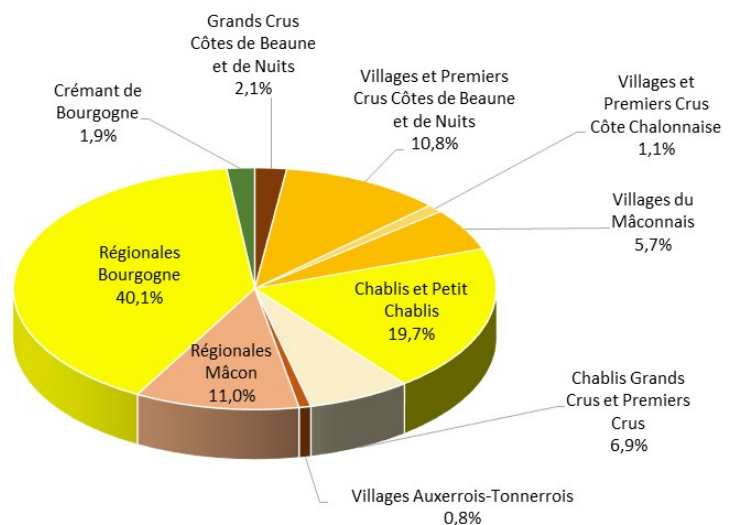


**Red wines have always dominated exports of Bourgogne wines to China and play a key role in their prestigious image.** In 2019, they accounted for **78.4% of Bourgogne wines shipped to this market**, despite the fact that only 29% of the region's wines are red, compared to 61% white (10-year average, 2010-2019).

After an unprecedented drop in volume sales in 2018, red wines were inevitably behind the return to growth for Bourgogne wines in 2019: Up 36% by volume and up 22.8% in terms of revenue.

**The slowdown in exports by volume of Bourgogne white wines in 2019 (down 4.9%)** does not reflect the growing popularity of these wines in China. They have undergone significant growth in the past decade, with sales more than doubling from around 185,000 bottles in 2010 to nearly 429,000 bottles in 2019.

This is a positive sign in a market that traditionally tends to favor red wines. Wine lovers in China's coastal cities are increasingly finding that Bourgogne white wines make a perfect accompaniment for their seafood-based cuisine.



Crémant de Bourgogne is practically absent on this market, which is concentrated on prestige brands of sparkling wine.

Sales of both colors of Bourgogne wine dipped in the first quarter of 2020 compared to the same period the previous year. The drop for red wine, down 36.9% by volume, was slightly greater than that for white wines (down 30.8%). This was due to the measures linked to the COVID-19, pandemic, which had a major impact on the hotel and restaurant sector. Nonetheless, red *Village* and *Village Premier Cru* appellations from the Côte de Beaune and the Côte Chalonnaise showed strong growth, up 72.1% and up 340% by volume respectively. In terms of whites, Chablis stood up well: Sales of Petit Chablis and Chablis were stable (down 0.5% by volume), whereas Chablis Grand Cru and Premier Cru soared by 137.3%, although the total volumes concerned were small.

## Bourgogne wines well represented on the high-value Shanghai market

### Hotel-Restaurants: Bourgogne wines maintain market share

In the hotel and restaurant sector (*2019 survey of 200 points of sale in Shanghai*), wines of French origin were in top spot, with 34% of the overall offer, and were present in 91% of those establishments surveyed.

**Bourgogne wines were in top place among the worldwide offer in these establishments in 2019** (14% of the offer). **Bourgogne wines were present in 73% of establishments surveyed.**

Among the global offer, *Régionale* Bourgogne red appellations were present in 48% of establishments, followed by the Chablis appellations, with at least one reference in 47% of establishments, just ahead of *Village* and *Village Premier Cru* white appellations from the Côte de Beaune (30%).

The wider offer of Bourgogne wines remains largely undiscovered on this circuit. The five most widely available Bourgogne white appellations were among the classics: Chablis, Bourgogne, Meursault, Chablis Premier Cru, and Pouilly-Fuissé. The same was true for red wines: Bourgogne, Gevrey-Chambertin, Nuits-Saint-Georges, Nuits-Saint-Georges Premier Cru, and Pommard Premier Cru.

### Bourgogne wines stable among specialist wine stores

Bourgogne wines were in second position in specialist wine stores, with nearly 16% of the global wine offer and an average of 33 references per establishment surveyed (*2019 survey of 30 points of sale in Shanghai*). **Bourgogne wines were present in 73% of those establishments surveyed** in Shanghai.

As in the hotel-restaurant category, the top five best-selling appellations were mainly the best-known ones:

- ▶ For white wines, Chablis sits alongside the *Régionale* Bourgogne appellation, Chablis Premier Cru, Pouilly-Fuissé, and Chassagne-Montrachet Premier Cru
- ▶ For red wines, the *Régionale* Bourgogne appellation can be found with Gevrey-Chambertin, Gevrey-Chambertin Premier Cru, Nuits-Saint-Georges Premier Cru, and Volnay Premier Cru

The collaboration between the Bourgogne Wine Board (BIVB) and the various stakeholders in the distribution sector, in the form of educational aids to facilitate discovery of the diversity of Bourgogne wines, should lead to a widening of the offer and thereby meet the demands of consumers for good-value Bourgogne wines. This is notably the case for *Régionale* Bourgogne and Mâcon appellations plus a geographical denomination like Mâcon-La Roche Vineuse, Bourgogne Coulanges-la-Vineuse, and Bourgogne Côte Chalonnaise, and some of the lesser-known *Village* and *Village Premier Cru* appellations, including Irancy, Fixin, Rully, Chorey-lès-Beaune among the reds, and Saint-Véran, Viré-Clessé, Auxey-Duresses, and Saint-Bris for whites.

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*(Sources: Customs - DEBupDAU - MIBD Market - BIVB)*

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