

## United Kingdom

*With Brexit looming, Bourgogne wines sales pick up again*



### Key 2018 figures for Bourgogne wines in the United Kingdom

2<sup>nd</sup> biggest market in terms of revenue and volume

**Exports:** 13.7 million bottles (down 8.8% on 2017), for 140.8 million euros (down 3.7% on 2017)

By volume

- ▶ Still white wines: 80%
- ▶ Still red and rosés wines: 18%
- ▶ Crémant de Bourgogne: 2%

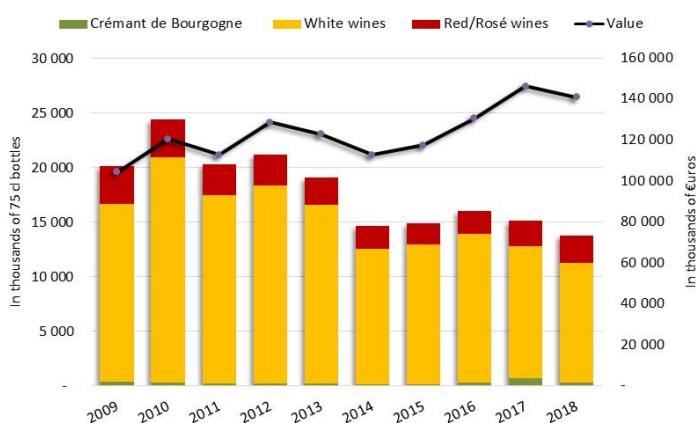
**In 2018, Bourgogne wines accounted for 11% of the total volume of French AOC wines exported to the United Kingdom, and 14.2% of the revenue in that category.**

Against the backdrop of uncertainty surrounding Brexit, overall wine exports to the United Kingdom stabilized in 2018 (down 0.6% by volume compared to 2017). Over the first eight months of 2019, French wines gained market share, with growth of 15.8% by volume and 9.6% in terms of revenue compared to the same period in 2018.

The United Kingdom's departure from the European Union may now happen on 31 January 2020. But until the outcome of the general election on 12 December is known, it is hard to establish whether the latest round of negotiations between Brussels and London will form the basis for a future relationship.

### 2019 more favorable for Bourgogne after recent years

Exports of Bourgogne wines to the UK (source: Customs / BIVB)



In 2018, exports of Bourgogne wines by volume were down by 1.3 million bottles on 2017, for the second consecutive year.

The volume exported fell to its lowest level in 23 years. This situation is due to several factors:

- A trickier market for certain appellations
- A lack of available wine for others
- Successive increases in tax on wine
- Economic uncertainty surrounding Brexit

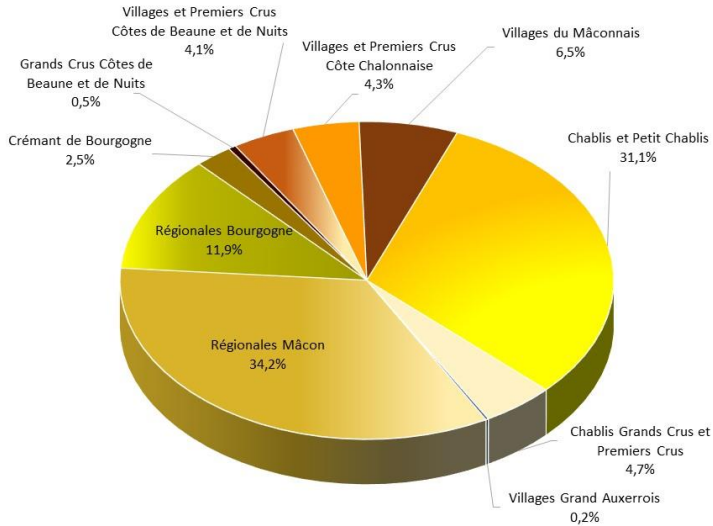
Revenue figures were also impacted by this downturn (down 5.36 million euros in 2018 / 2017), after several years of steady growth.

In the first nine months of 2019, performance picked up for Bourgogne wines. The volume of wine exported to Britain saw **growth of 7.9% by volume and 5.4% in terms of revenue**. The Chablis and white *Régionale* appellations (Bourgogne and Mâcon) proved most popular, selling 7.22 million bottles (72.5% of total volumes), up nearly 1.16 million bottles on the same period in 2018.

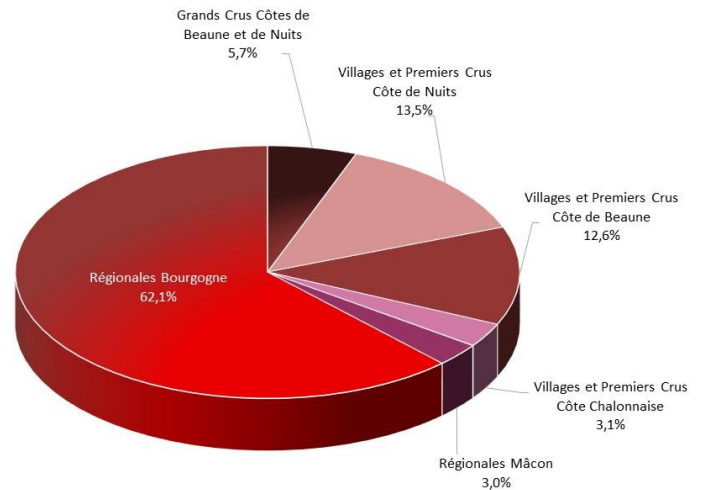
This situation confirms the prediction of Frédéric Drouhin, committee member of the Bourgogne Wine Board (BIVB) and former president the Bourgogne *négociants* body, from November 2018: "To avoid Bourgogne wine being out of stock on British shelves, it is highly probable that many Bourgogne estates and merchants will ship a larger number of cases ahead of time while they wait to see what happens."

## Sales of Bourgogne white wines up in 2019

Exports of Bourgogne wines 2018  
White wines and Crémant de Bourgogne



Exports of Bourgogne wines 2018  
Red wines



### Sales of Bourgogne white wines still dominate UK market (see graph page 1).

Over the past two decades, growth in exports of Bourgogne wines to the United Kingdom has been mainly concentrated on white wine, accounting for 80% of bottles shipped in 2018 (equivalent to 10.98 million 75cl bottles, for revenue of 80.85 million euros). The domination of white wines can be explained by the strong presence of Chablis appellations, which enjoy good brand awareness on this market (37% of Bourgogne white wines exported in 2018). As such, exports were impacted by the slowdown in sales of these appellations (down 16% year-on-year by volume in 2018), due to the two small harvests in 2016 and 2017. The other appellations also saw sales slip back.

**Over the first nine months of 2019**, Bourgogne wines recovered market share thanks to *Régionale* Bourgogne appellations (up 12.1% by volume on the same period in 2018), the Chablis appellations (up 15.8% by volume), and *Régionale* Mâcon wines (up 24.7% by volume). These three groups of appellations accounted for 86% of the volumes of white wines exported to the United Kingdom.

**Bourgogne red wines only accounted for 18% of all bottles shipped in 2018** (equivalent to 2.5 million 75cl bottles, for revenue of 58.7 million euros). However, they showed stronger growth than Bourgogne white wines by volume (up 9.2% on 2017), while remaining stable in terms of revenue (down 0.4% on 2017).

**In the first nine months of 2019**, the tendency was reversed, with volumes of Bourgogne red wines exported dropping sharply by 21.9% on the same period in 2018. This was mainly due to *Régionale* Bourgogne appellations (52.4% of red wines), which slumped 38.6% by volume and 40.6% in terms of revenue after the strong growth in 2018 (up 52% on the first nine months of 2017). The market is finding a new balance.

## Bourgogne wines across all distribution circuits

### In restaurants: Bourgogne wines are very present in London

In London, **Bourgogne wines were in top position among the global wine offer. They accounted for 16% of the offer**, with an average of 28 references per establishment surveyed. **The number of references was up 10% on 2017.**

#### In terms of white wines

- Chablis appellations were present in 67% of establishments, making it the leading group of AOCs in terms of presence among the worldwide offer of **white wines**.
- White *Village* and *Village Premier Cru* appellations from the Côte de Beaune were in the top spot in terms of number of references proposed among all white wines (down 3% on 2017).

### In terms of red wines

- Bourgogne was in second place in terms of number of references, with 14% of the offer. This was up by one point on 2017.
- Among the top 10 appellations, *Village* and *Village Premier Cru* wines from the Côte de Nuits and *Grand Cru* wines from the Côte de Beaune and Côte de Nuits performed well, both growing 15% in terms of number of references compared to 2017.

*(Source: 2018 survey of 350 London restaurants)*

### Specialist wine stores in London

**Bourgogne wines were number one in terms of presence, and could be found in 94% of establishments surveyed.** By number of references, Bourgogne wines were also in top spot among the global wine offer: **On average, each point of sale proposed 44 Bourgogne wines references.**

Among the worldwide offer of **white wines**, the *Village* appellation of Chablis was in first place, and could be found in 74% of establishments. Mâcon wines (including Mâcon with a geographical denomination) also featured in the top 10, and was present in 54% of establishments surveyed.

Among the worldwide offer of **red wines**, **Bourgogne was the second region by number of references** (on average 23 per establishment) **and in top spot in terms of presence per establishment** (94%).

Among the top 10 by number of references, *Village* and *Village Premier Cru* red appellations from the Côte de Nuits were in second place, and *Village* and *Village Premier Cru* red appellations of the Côte de Beaune in fourth place.

*(Source: 2018 survey of 50 points of sale)*

### In the supermarket sector

In 2018, **some 6.43 million bottles of still Bourgogne wine was sold** on this circuit (down 4.3% on 2017), for **revenue of approximately 72.2 million euros** (61.73 million pounds, down 1.1% on 2017).

Sales of Bourgogne wines in British supermarkets slipped **2.3% by volume** for **white wines** and **10.1%** for **red wines**.

By volumes, over the first 10 months of 2019, Bourgogne **red wines** were down 7.9% by volume (a drop of 127,000 bottles), whereas Bourgogne **white wines** edged up 0.7% by volume (32,000 bottles).

Against this backdrop, **certain Bourgogne wines nonetheless showed very good growth by volume**, notably the appellations of Mâcon (up 48.3%), Chablis (up 6.5%), and red *Village* appellations of the Côte Chalonnaise (up 2.6%).

***Economic report produced by the Markets and Development department of the BIVB – Nov 2019***

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

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