

**HD Blog: Vinexpo IWSR Study Confusing and Confounding**

**CR** Distributed by Contify.com

**WC** 1,000 words

**PD** 13 March 2014

**SN** Indian Wine Academy

**SC** ATWINE

**LA** English

**CY** Copyright © 2014 Indian Wine Academy

**LP**

Mar 13: Xavier de Eizaguirre, Chairman and Guillaume Deglise, the newly appointed CEO of Vinexpo, were in India last week on the traditional visit when they released the Study conducted by International **Wine** & Spirit Research (IWSR), which is confusing and confounding as it claims Australia overtook France in **wine** imports in a total market of only 1.2 **million** cases including 280,000 cases of imported wines. Subhash Arora reports

Australia's share of **wine** sales in India increased by a whopping 72% to over 73,500 cases in 2012 from 48,800 cases four years ago in 2008, according to the Study which has been done globally for 28 **wine** producing countries. The French wines are shown to have dwindled in their share to barely 60,000 cases.

**TD**

Aussies might smirk while the French seethe with anger. Sale of 73,500 cases from Australia and only 60,000 from France! Something seems to be amiss. Although the Aussie Jacobs Creek, the leading single imported **brand** in India, considered to be the Johnny Walker Black Label by the novices, **sold** between 30,000-35,000 cases (the study needs to elaborate) the next popular brands Yellow Tail and Lindeman sell 4-5000 cases between them (estimates are based on interviews with Berkman India and Mohan Bros, importers of the two labels).

It seems highly unlikely that other Australian labels would make up the sale of balance 35,000 cases-unless the figures include import of bulk wines which have been a regular feature in the past and delWine has often written about it in the past.

The figure of 60,000 cases for France appears to be low (with total estimated import of 280,000 in the study, it implies about 21.5% share which according to most estimates hovered between 35-40% till recently. While, I would like the French to comment about the figures, it is pertinent to keep in mind that Moet Chandon alone sells between 25,000-30,000 (9-liter) cases of Champagne and has been increasing its shares consistently- like Jacobs Creek. Between the two, they are the top two selling single **wine** labels in India.

Curiously, at a similar briefing in 2010 which I attended in Delhi, the IWSR Study had then proclaimed the sale of 1.709 **million** cases while the current study shows the reduced consumption at only 1.2 **million** cases! It had put the figure of red **wine** consumption at 72% for 2009 and further predicted that it would rise to 78% in 2013. I had then commented 'until I see the full IWSR report and analyse reasons for their optimism and seeing red, I would surmise- based on the figures collected from producers that the reds are consumed between 60-62%, Rose at 3-5% and the balance 33-37 % are white wines.' (Blog: Red, Red **Wine**). I could not lay my hands at the report but interestingly, the current study puts the consumption of red **wine** at 61%!

One major assumption that the Study has not cared to clarify is whether it has considered the low- ended fortified wines including the so called Goan 'Port' and other unfortified Ports (natural Ports where Sula is the uncrowned king with an estimated sales of 200,000 cases this year. This 1.2 **million+** case sub-Rs.150 category is the biggest and fastest growing market segment and does not seem to find mention in the study.

Study does have some interesting findings. It shows that the sales of Italian wines increased faster than French wines- by 104% while the consumption of Chilean wines went up by about 76%. It claims an

increase of 16.3% in **wine** consumption between 2012 and 2013. (One can surmise that the study refers to the calendar year whereas, traditionally, the figures released are for the financial year Apr-Mar)

Indian **wine** consumption is expected to grow by 73.5% increase expected in the next 4 years, according to the Study. It predicts doubling of the sales of sparkling **wine** which is now a distinct possibility with the introduction of Chandon by Moet Hennessey India and the consequent expansion of this segment and more of the producers adding sparkling **wine** to their portfolio and the existing ones turning more aggressive because of the Chandon arrival.

Vinexpo turning Spiritual

Talk to any **wine** importer in India and he would lament that it is becoming increasingly important to add spirits to the **wine** portfolio for sustained growth. For the current edition in **Hong Kong** on May 27-29, Vinexpo has gone 'spiritual' too. Deglise said that that a pavilion titled as 'Spiritual' was being dedicated to liquor products at **Hong Kong**. This was for the first time that this new concept was being launched outside the biennial event in Bordeaux. The move is apparently to focus on the Asia Pacific market which he said, was now the single largest consumer of **wine** (3.4 **billion** bottles) and spirits.

The 'India Conference' at Four Seasons Hotel was attended by our Mumbai Correspondent Maloo Natarajan who had a chat with Guillaume Deglise CEO of Vinexpo, He is quite bullish about the **Chinese** markets but conceded that the Indian market didn't even fall in his radar as the consumption was so small. On the question of **Chinese** buying vineyards in France, he clarified that Bordeaux was always owned by other nationalities (even Rothschilds and Corinne Mentzelopoulos, owner of Chateau Margaux are outsiders) and that it was not a concern for the French. The Conference sponsored by Sula whose CEO Rajeev Samant also attended the activities for a while, had a relatively poor attendance of around a dozen people since Vinexpo **Hong Kong** is not of as much interest to India as the Vinexpo (Bordeaux) which is attended by most importers.

For a related article regarding Vinexpo 2012 click Vinexpo **Hong Kong Sold** Out

Subhash Arora

**IN** i426 : Wine | i41 : Food/Beverages/Tobacco | ialco : Alcoholic Beverages/Drinks | ibevrg : Beverages/Drinks | icnp : Consumer Goods

**NS** c411 : Management Moves | cboard : Board of Directors | csImc : Senior Level Management | c41 : Management Issues | ccat : Corporate/Industrial News | ncat : Content Types | nfact : Factiva Filters | nfcpx : FC&E Executive News Filter | nfcpi : FC&E Industry News Filter

**RE** india : India | austr : Australia | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | indsubz : Indian Subcontinent | sasiaz : Southern Asia

**PUB** Indian Wine Academy

**AN** Document ATWINE0020140321ea3d00001