



For Immediate Release

## **The World Wine and Spirits Market with a Look Forward to 2016**

***China surpasses US as third-largest red wine-consuming country;  
U.S. leads consumption for wines over \$10 per bottle;  
U.S. leads tequila consumption, surpassing Mexico.***

New York, January 17, 2013: 5:30pm – Vinexpo executives announced today the launch of its 17<sup>th</sup> edition, to be held June 16-20, 2013, in Bordeaux, France. As the world's largest international wine and spirits exhibition, held every two years in France, Chief Executive Robert Beynat and Chairman Xavier de Eizaguirre also released the results of the latest study of the World Wine and Spirits market to some 100 journalists and trade VIP's.

Said Robert Beynat, Chief Executive of Vinexpo: "In the 11 years we have been working with IWSR, the VINEXPO study has become a standard reference for wine and spirits professionals. Every year, when actual consumption figures are compared to the forecasts, the very low margin of error demonstrates over and over again the reliability of this unique report initiated by VINEXPO."

### About the Study

Vinexpo commissioned a detailed *study*\* from the IWSR Consulting Group (International Wine and Spirit Research), containing in-depth analysis of world wine and spirits consumption, production and trade trends, as well as a five-year forecast (through 2016). The study covers 28 producer countries and 114 wine and spirits markets. Launched in 1971, the IWSR database constitutes the widest, most accurate and most detailed body of information on the world market of alcoholic beverages.

### About Vinexpo

First launched in 1981 by the Bordeaux Chamber of Commerce and Industry, Vinexpo has over the years asserted its position as the leading international exhibition for wine and spirits industry professionals. This year's exhibition plans to open its doors to some 48,000 registrants from around the world in various positions - producers/suppliers, importers, distributors, retailers, sommeliers, beverage buyers and members of the press.

## USA KEY FINDINGS - WINE

- ✓ In 2011, the U.S. became the leading wine consuming nation in volume and value in the world, ahead of France and Italy.
- ✓ The U.S. is the leading consumer market in the world for wines priced at more than \$10 per bottle.
- ✓ The U.S. is the third largest wine importer worldwide, including both still, light and sparkling wines.
- ✓ The U.S. is the fourth largest wine producer in the world.
- ✓ The U.S. is the 6<sup>th</sup> largest exporter of wine in the world in volume and value.

### **1) The U.S. confirms its leadership in the world wine market**

In 2011, Americans consumed 4.5% more wine than in 2010, which was record growth in one year.

Having consumed 317.87 million 9-liter cases (or 3.814 billion bottles), the market exceeded the expectations in VINEXPO's forecast, which the year before had underestimated 2011 growth at 311.31 million cases.

This outstanding performance was confirmed again in 2012, strengthening the U.S. position as the world's leading wine-consuming nation, ahead of France and Italy.

The VINEXPO study foresees that growth in American wine consumption will continue between 2012 and 2016, attaining 12.16%. The U.S. should therefore increase its consumption by 40.52 million cases (or 486.24 million bottles) over the period, equivalent to about two extra bottles for every American of drinking age.

### **2) Lively interest in sparkling wines...**

Sparkling wines represented a market share of 5.4% in 2011, but consumption in this segment is growing twice as fast as that of still wines.

Between 2007 and 2011, the consumption of sparkling wines in the US grew by 17.69% and this should increase by a further 25.26% between 2012 and 2016.

40% of all sparkling wines drunk in the U.S. are imported.

### **3) ...and white wines**

The U.S. is the second largest consumer of white wines in the world; between 2007 and 2011, Americans drank 10.44% more, encouraged by the rising popularity of Pinot Grigio, Sauvignon and Moscato.

White wines account for 40.5% of the still wines drunk by Americans.

### **4) China surpasses US as third-largest red wine-consuming country**

In 2011, although its red wine consumption grew by 12.79% over the five years from 2007 to 2011, the U.S. lost its position as the world's third largest red wine drinker after France and Italy to China.

In 2016, Americans are expected to drink 18% more red wine than in 2012, which would increase their total consumption to 164 million 9-liter cases (or 1.968 billion bottles).

## **5) Wine imports are expected to pick up again**

One bottle out of four drunk in the U.S. was imported, 27% in 2011, to be exact.

Over the last five years, the consumption of imported wines grew by 4.12%. The VINEXPO study foresees, however, that this growth rate will increase to 11.53% over the period from 2012 to 2016.

## **USA KEY FINDINGS - SPIRITS**

### **1) Americans are drinking more spirits**

The consumption of spirits in the U.S. reached 190.87 million 9-liter cases in 2011, up 7.59% compared to 2007. Vinexpo study foresees a further increase of 8.73% by 2016.

### **2) Vodka, rum and bourbon are the stars of the market**

Vodka is the spirit that Americans drink most. 65.25 million 9-liter cases of it were drunk in 2010, a 23.2% increase compared to 2007. Vodka consumption is expected to grow by a further 15.29% between 2012 and 2016.

Rum consumption also increased by 5.22% over the 5-year period from 2007 to 2011, and should grow by a further 7.53% between 2012 and 2016.

Bourbon took third position in the spirits market, surpassing Liqueurs between 2007 and 2011. A further 4.8% rise in its consumption is expected between 2012 and 2016.

As consumption of these spirits increased, that of liqueurs, gin and scotch decreased.

### **3) Hispanic is hot and so is Tequila!**

Just as Argentinean, Chilean and Spanish wines are being drunk more, Tequila has become particularly popular in the U.S., which is the world's largest market for this spirit, well ahead of Mexico.

Tequila consumption grew 15.91% between 2007 and 2011 and will continue to do so at more or less the same rate (14.65%) between 2012 and 2016.

## WORLDWIDE KEY FINDINGS - WINE

### **1) World wine consumption on the increase**

Worldwide consumption of still, light wines (i.e. with less than 15% alcohol content) and sparkling wines increased by 2.8% between 2007 and 2011, reaching 2.679 billion 9-liter cases by the end of the period, the equivalent of 32 billion bottles.

VINEXPO's market survey, the only one of its kind to anticipate changes in consumption, production and trade on a world scale over the next 5 years, forecasts that between 2012 and 2016, growth in worldwide consumption will become faster. It will return to the rates observed between 2000 and 2005 and reach 5.3% over the 5-year period.

By 2016, world consumption will reach 2.873 billion 9-liter cases (or 34.481 billion bottles).

### **2) Faster growth in sparkling wines than still, light wines**

In 2011, sparkling wines accounted for 7.7% of all wines drunk in the world.

Between 2007 and 2011, the consumption of sparkling wines grew by 4.12%, compared to the 2.72% growth in still, light wines over the same period. Sparkling wine consumption is expected to grow by a further 8.52% between 2012 and 2016.

This increase is primarily due to expected rises in consumption in the top four sparkling wine markets worldwide: Germany, France, Russia and the U.S.

### **3) China, the U.S., Russia and Australia drive growth in world consumption**

In 2011, these four markets drank 129 million more 9-liter cases than in 2007, an increase of 1.55 billion bottles.

In 2010, China became the fifth largest wine consumer in the world. In 2011, the U.S. became the leading wine consuming nation and Australia joined the top ten wine drinking countries, relegating Romania to second division.

### **4) Europeans drink less and differently**

For the first time in 15 years, German and British wine consumption decreased between 2007 and 2011 by 2.73% and 4.07%, respectively.

The French and the Italians also reduced their consumption: down 7.13% in the first case and 2.51% in the second.

In Spain, meanwhile, consumption collapsed, down 19.67% in the 5 years between 2007 and 2011.

### **5) The world still prefers red**

Red wine accounted for 54.7% of all still, light wines drunk in 2011.

Between 2011 and 2016, world red wine consumption is expected to grow by 9.1%, driven especially by the Chinese, while white wine consumption should only increase by 2.75% over the same period.

The consumption of rosé wines, on the other hand, is expected to increase by 7.58% between 2011 and 2016, reaching a total share of 9.2% of all wines drunk.

### **6) World sales soar for wines priced higher than US\$10 per bottle**

These wines accounted for 213.56 million 9-liter cases in 2011 or 8.6% of all still, light wines consumed in the world, their consumption having grown by 12.59% since 2007, mainly in China, the U.S. and Canada.

Their growth should continue between 2011 and 2016 by a massive 29.93%, while at the same time the consumption of wines priced from US\$5 to US\$10 per bottle is expected to increase by 9.99%.

Wines that sell for less than US\$5 per bottle, which represented 69.92% of wines drunk in 2011, are expected to increase by 2.77% over the same 5-year period.

### **7) The world wine trade continues to develop**

A little more than one bottle out of four drunk somewhere in the world, 27% to be precise, is imported.

This segment continues to grow faster than the whole market, up 7.92% between 2007 and 2011, compared to 2.83 %.

### **8) France still leads the world with the value of its wine exports**

Having sold US\$9.902 billion worth of its wine overseas in 2011 (5.24% more than in 2007), France consolidated its world position as the leading exporter of wine in value terms.

Italy and Spain came second and third, but the value of their sales grew less than the volumes they exported: revenue was up 24.31% compared to an increase in volumes of 47.62%, a clear sign that the average prices of their exported wines fell significantly.

The same could be said for Australian wines: up 13.3% in volume but down 20.94% in value between 2007 and 2011. Conversely, Chilean wines are pursuing a clear strategy to move up market in the worldwide arena: up 8.13% in volume but up 33.09% in value over the same 5-year period.

## WORLDWIDE KEY FINDINGS - SPIRITS

### 1) Asia-Pacific drinks more spirits than any other region in the world

In 2011, 61.5% of the world's spirits were drunk in Asia-Pacific.

This results from a substantial (74.31%) growth in Asian-Pacific spirits consumption between 2007 and 2011. This is expected to slow down in the next 5 years to 13.63% according to VINEXPO's forecasts.

Baijiu, a Chinese white spirit distilled from sorghum, wheat or rice, alone accounts for more than one third of all the spirits consumed in the world because China is the leading spirits consuming nation.

### 2) World vodka consumption levels out, while rum and brandy continue to grow

Between 2007 and 2011, the world drank 4.93% less vodka, but according to the forecasts in the VINEXPO study, vodka consumption should grow again by 1.56% between 2012 and 2016. In 2011, 491.68 million cases of vodka were consumed worldwide.

At the same time between 2007 and 2011, brandy consumption, excluding Cognac and Armagnac, jumped by 23.24% while rum drinkers consumed 22.32% more of their favorite beverage.

Cognac and Armagnac consumption remained practically stable between 2007 and 2011, down just 0.92%, but is expected to increase significantly by 12.22% between 2012 and 2016.

### 3) World spirits revenue is growing fast

Revenue from spirits sales worldwide increased by 43% over the five years from 2007 to 2011, while volumes sold increased by 32.64% over the same period.

However, Asia alone accounted for 48.6% of revenue from spirits sales worldwide, while consuming 61.5% of the total world volume. However, the move to embrace more up-market products observed, especially in China, continues.

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***Vinexpo will take place from June 16-20, 2013  
at the Bordeaux Exhibition Centre in France.  
For further details, see [www.vinexpo.com](http://www.vinexpo.com).***

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*\*VINEXPO has commissioned its world wine and spirits market study with 5-year forecasts for 10 years now from the IWSR (International Wine and Spirit Research).*