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# WINE WORLD MAGAZINE

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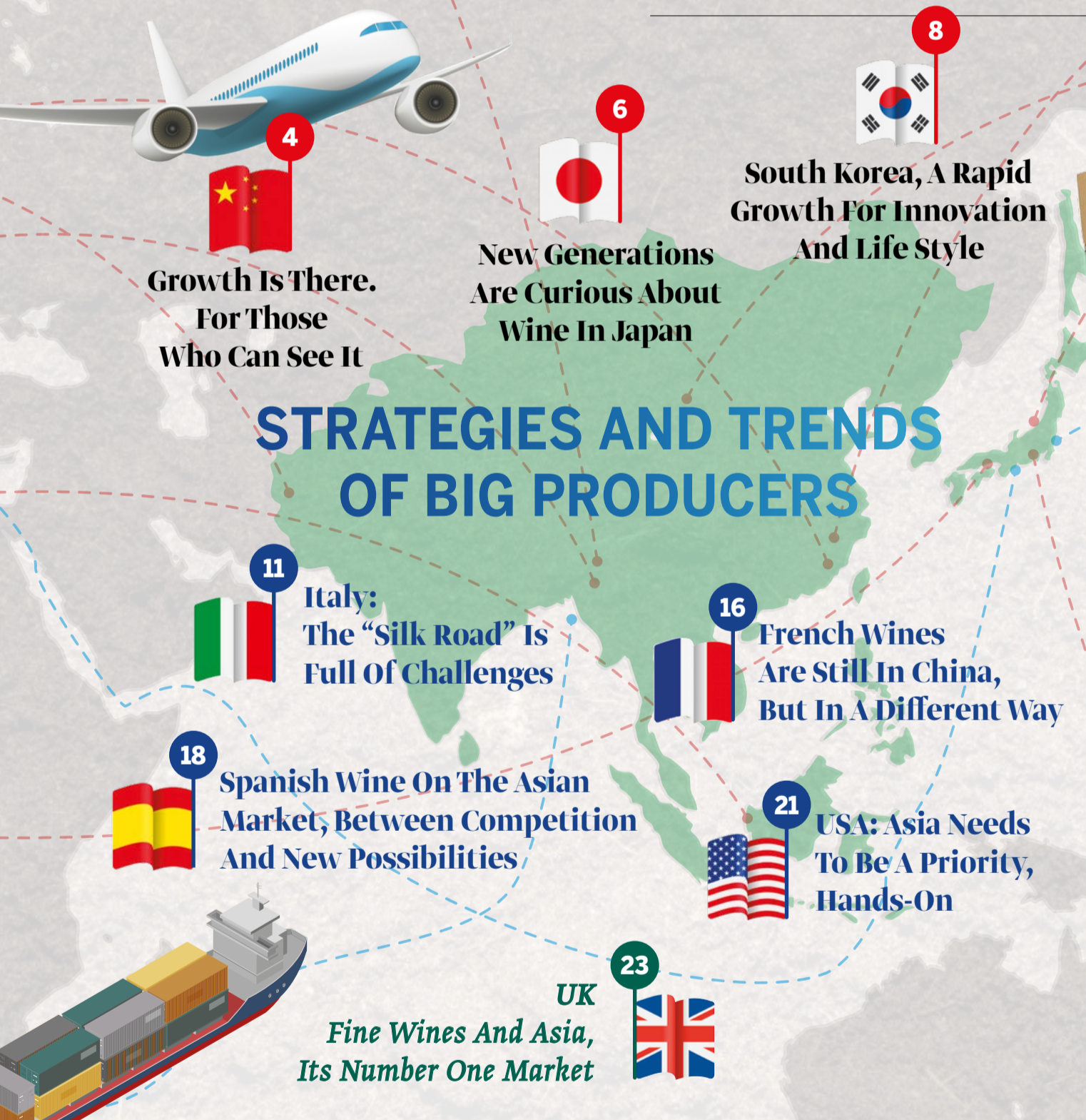
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FOCUS ON A REGION AND ITS MARKETS, SHAKEN BY GEOPOLITICAL TURBULENCE

## IS THE FAR EAST THE MARKET OF THE FUTURE? TRENDS AND PROSPECTS

*Internally large and diverse, the Far East area is made up of huge and heterogeneous countries, like China, and smaller but more mature wine markets, such as Japan and South Korea. There are also strategic distribution centres, like Singapore, and a vast parterre of growing economies which, thanks to tourism, are becoming increasingly attractive for the world's big wine producers. We explored what the main producing countries are doing - Italy, France, Spain and the USA - after Covid-19 and in the middle of some geopolitical turbulence. Because those who can overcome some hurdles can make business, even very good business, starting with the most sought-after and expensive wines*

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WINE OBSERVATORY

WORLD IMPORT

### A SLOW JUNE, AGAIN

Final global balance at -1% in volume, with Italy that scores -1.5 %, thanks to the towing of sparkling wine which compensates the (structural) decline of still wines

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**SUSTAINABILITY IS THE FOCUS OF THE 2022 EDITION, (MILAN, 15-18 NOVEMBER)**

The Wine And Beverage Technology's Industry Is Meeting At **SIMEI**



FOCUS ON AN AREA WITH VERY DIFFERENT MARKETS AND AT THE CENTRE OF GEOPOLITICAL TURBULENCE

# WILL ASIA BE THE MARKET OF THE FUTURE?

## That's Unclear, But Fine Wines Are Already Going Strong



By GIULIO SOMMA AND FABIO CIARLA

**R**eferring to the wine markets in the East is difficult, but perhaps we are already making a mistake from the start. East of what? The risk is focusing too much on the West, Europe and the US, thus failing an approach to a part of the world that often tends to be thought of as completely homogeneous internally.

China, South Korea and Japan are at the same latitude, but have profoundly different cultures (and to talk about China as a homogeneous entity is risky because the number of inhabitants and the size of the country), as are Singapore, Hong Kong, Taiwan, Thailand, Vietnam or the Philippines themselves, not to mention the vastness of India. There are so many huge differences that we certainly cannot speak of a single market. However, there is a common thread that binds these countries and that is the growth of interest, attention and expense for wines, starting with the fine wines that are the real stars of the oenological conquest of markets where the fruit of the vine was already appreciated a few decades ago, while unknown to most. And to understand if this vast area can be considered the true market of the future, we have begun a new global survey by focusing the narration of trends and cultures of the three largest countries in the area (China, Japan, South Korea) through a network of collaborators who live and work in those countries. On the other hand, we asked great wine production territories (Italy, France, Spain, USA) and the experiences of businessmen

*Internally large and diverse, the Far East area is made up of huge and heterogeneous countries, such as China, and smaller but more mature wine markets, such as Japan and South Korea. There are also strategic distribution centres, like Singapore, and a vast parterre of growing economies which, thanks to tourism, are becoming increasingly attractive for the world's great wine producers. Geopolitical tensions, and somewhat Covid-19, are contingent elements that are only partially affecting these markets and make them difficult to understand. Yet producers who overcome this obstacle can make business, even very good business, starting with the most sought-after and expensive wines*

who sell, or try to sell, their wines on the oriental markets. Finally, a different statement must be made as concerns the United Kingdom. The tradition of great wine merchants who come from the British Isles still bears its fruit if, as we will see, most of the market of fine wines passes through British companies and auction houses.

### China

Inevitable, even impossible not to start with China. Potentially the largest market in the world and not only of that area, but also the most difficult and apparently volatile. Things changed a while ago, after the period when large quantities of luxury wines were bought above all as gifts (and ended up in the focus of anti-cor-

ruption laws). Now consumption seems more oriented towards discovery and, assuming few people know it, towards internal production. In China, 40% of people drink local, even if it mainly concerns the low end of the market and is decreasing both on the production side and on the market. As for the rest, France prevails, with the large denominations still making the lion's share, and until recent times, Australia. The ax of customs has fallen on trade with the country of kangaroos, due to geopolitical issues and the gap created (Australian import has almost disappeared within a year) filled by those who were already in China, also because it happened during the pandemic period, which involved many travel problems and certainly not

the best time to happen on a market without a history behind it.

Chile moved immediately, but also individual producers who were already strong, who adapted to the shape, or rather to the taste, of Australian wines in order to make replacement easier. But be careful, China is not all the same, there are differences between inland areas and large centres, and these are also different according to size. And then there are still lockdowns, with consequent severe restrictions on consumption, which has caused a sharp decrease in wine sales in recent months. However, the future looks promising, as stated in the latest analyzes released by Wine Intelligence, a division of IWSR Group, which confirm the cultural growth of the sector in a country traditionally not involved with this type of production.

Among wine consumers, wine knowledge and repertoires are rising, as you read in the presentation of the Opportunities for China's Wine Market, with awareness and consumption by country, region and varietal all growing. This is being borne out in the greater numbers of Chinese wine drinkers that are seeking out quality indicators such as appellations, medals and awards, or descriptions such as reserve, when they make their purchasing decisions. This confirms another aspect of the Chinese market, innovation. The online environment has played an important role in China's beverage alcohol market. China has the highest proportion of online shoppers among all beverage-alcohol buyers, and the country stands out from all other mar-

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**EXECUTIVE EDITOR**  
PAOLO CASTELLETTI

**EDITOR-IN-CHIEF**  
GIULIO SOMMA g.somma@uiv.it

**MANAGING EDITOR**  
CARLO FLAMINI c.flamini@uiv.it

**NEWSROOM**  
ANNA VOLONTERIO a.volonterio@uiv.it

**COLLABORATORS**  
Fabio Ciarla (IT), Ian D'Agata (CN),  
Mari Yasuda (JP), Mi Yeun Hong (KR),  
Christophe Andrieu (FR),  
Jeremy Parzen (US).

Tom Bruce-Gardyne (GB),  
Gabriel Riel-Salvatore (CZ),  
Åsa Johannson (Scandinavia)

**GRAPHICS**  
ALESSANDRA BACIGALUPI  
ALESSANDRA FARINA  
DANIELE RIZZI waikikidesign@gmail.com

**NEWSROOM CLERKS**  
t. +39 02 7222 281  
corrierevinicolo@uiv.it

**PROMOTION AND DEVELOPMENT**  
LAURA LONGONI (desk)  
t. +39 02 72 22 28 41 - l.longoni@uiv.it  
ADVERTISING grafica.editoria01@uiv.it

GIORGIO GORIA  
t. +39 346 7867907 - g.goria@uiv.it  
GIORDANO CHIESA  
t. +39 335 1817327 - g.chiesa@uiv.it

**SUBSCRIPTIONS**  
VALERIA VALENTINI t. +39 02 72222848  
abbonamenti@corrierevinicolo.com

**USPI**  
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kets in terms of overall e-commerce penetration and maturity of beverage alcohol e-commerce. Wine ecommerce has tapped into the curiosity of Chinese wine drinkers, enabling them to engage more with the category; the number of wine consumers who have bought wine online has now passed to 50%.

Wine Intelligence also goes into the details of the forecasts, “IWSR data show that premium-and-above wines have increased their share of the market from 15% in 2017 to a fifth in 2021. By 2026, it is expected that these higher-end wines will have reached nearly a quarter of the market,” they noted.

In other words, local and entry level wine is decreasing, and consumption of premium wines is growing, an opportunity which should be seized by large producing countries. Maybe starting with building the second largest museum in the world - the Universal Wine Museum, a joint project between the Cité du Vin de Bordeaux and the Chinese state - which, according to forecasts, will be inaugurated in 2024 in Beijing.

**Japan, North Korea and the Role of Tourism in the Area**

There is obviously more than China, traditionally Japan and more recently South Korea, but not only. These two countries have the most solid and long-lasting trade relations with the West, they have partly absorbed its culture thanks to globalization and, above all, have practically no internal production (if we exclude a very small share for Japan). In these circumstances compared to China, which is more traditionally linked to structured red wines, these are the most suitable markets to absorb the entire range of wine production, made up of sparkling, white and rosé wines. A particular phenomenon is an attention to the environment, here stronger and better than elsewhere, the Japanese and Koreans being very sensitive to organic or even “natural” productions, and who demonstrate great openness and an increasingly important knowledge of world wines.

Perhaps the Japanese market is mature, and the latest data show a slight decline due to several causes, from the pandemic with its consequent focus on health to the increase in the average age



of the population. However, it was not the private commercial system that raised the alarm, and it seems really strange if we think about the “blocks” that the sector is fighting with the European Union and WHO, but the NTA or the National Tax Agency of Japan that, in the face of a significant decline of incomes due to the limitation of alcohol consumption, has led to a promotional campaign focused, obviously, on traditional drinks but from which all the others, including wine, could benefit.

The South Korean market, on the other hand, is growing sharply, and recovering at very high rates are also countries such as Thailand, Indonesia, Singapore and other smaller ones, where the role of tourism - resumed after the end of the restrictions for Covid - and that of the expat has a huge impact. Consumption is important both in number and variety, thanks to the tourist flow from Europe and the USA, with an eye to neighbouring Australia which, obviously, is trying to relocate the large quantities of wine that before March 2021 went straight to China.

**Fine Wines and Singapore**

Among the Pacific countries just mentioned, however, there are some that play a special role in the chessboard of the global wine market, one of them being Singapore. Independent since 1965, it is one of the richest states in the area, with around 5.5 million inhabitants spread over an



area of 700 square kilometres. The choice, of course, could only fall on small-volume production but with high or very high added value, in a word fine wine. The figures speak for themselves: when asking the world's biggest merchants, one finds that 40% of the business of Bordeaux Index, one of the largest UK platforms for trading wine, is undertaken in Asia. More interestingly perhaps, all the UK auction houses are active in the region, with Sotheby's reporting that Asian buyers accounted for 52% of its record US\$132 million wine and spirits sales last year. First, by value, Burgundy and Bordeaux, but in volume the choice becomes wider and includes white Bordeaux, Rioja, Brunello di Montalcino and New Zealand wines. Some have even defined Singapore as a 'hub' for these wines to all the markets in the area, a definition that is valid and may also be expanded since it seems that many activities previously based in Hong Kong are also moving to Singapore. Especially several trade fairs, events of great importance in the approach to these markets.

to in every way possible. On the one hand, the sale by Weilong Grape, a large Chinese producer, of more than 400 hectares of vines located in Australia has caused a stir. Evidently, the entrepreneurial project behind the management of those vineyards has jammed due, precisely, to political rather than market decisions. On the other hand, Australian producers have found a way to shift part of the stocks on to other markets, both near and far, while at the same time finding different solutions so as not to abandon Chinese consumers altogether. Penfolds for example, one of the country's largest and oldest brands, has long invested outside Australia, a strategy that is particularly useful today. In fact, Chinese consumers loyal to the Penfolds brand will still be able to find it on the shelves, even if the wine may not be Australian. The group has already invested in California, first marketed in 2021, and from this year will launch two wines produced in France (in Bordeaux) with a focus on China. In the meantime, there are already many rumours of a commitment by the group to an even “closer” form of collaboration, namely an investment in the Ningxia area, in order to produce a Chinese wine under the Penfolds brand. In short, the wine sector, when well-structured and with international expertise, is proving to be resilient and capable of responding not only to the challenges of climate change, the most talked about issue of the moment, but also to entrepreneurial and geopolitical challenges.

**Australia and the Resilience of the Wine System at the International Level**

If one wants to compete globally, one must be able to act globally, and have the “numbers”

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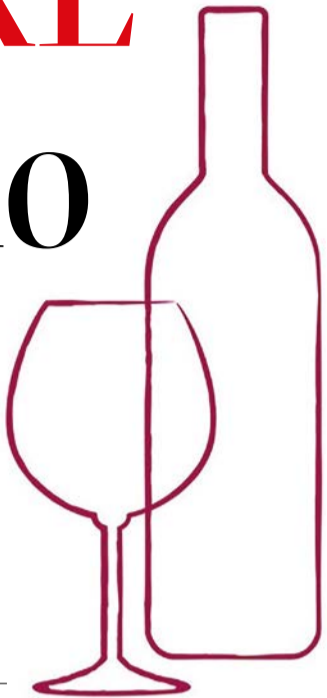
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PRESENT AND FUTURE  
TRENDS IN CHINA

# GROWTH IS THERE For Those Who Can See It

*Tastes and customs that lead to different consumptions need to be taken into account in China's regions and cities. Only interpreting Chinese culture correctly, we can see a potentially exponential growth that has already moved from fine wines only, to wines that are easy to buy. New markets have come in, after Australia has tumbled in volumes by 92% in the past year*

By IAN D'AGATA



In order to analyze and understand the present and future of the Chinese wine industry and what its sales market means to world wines, we need to be clear on a few basic, important, facts. The Chinese economy is massive. According to 2021 data, it is the second largest in the world when measured by Gross Domestic Product (GDP). Its US\$ 17.7 trillion (114.4 trillion yuan) is second only to that of the USA and has been the worst largest since 2017 by purchasing power parity. In other words, China produces 9.3 percent of global GDP. The story is much the same if we look at exports: in 1979, China's exports represented a mere 0.8% of global exports of goods and nonfactor services; but from 1979 to 2009, these have grown by 16% per year. Last but not least, a great deal of the world's manufacturing is Chinese, and there is a huge, quickly growing, consumer market place within the country that is beginning to look for, enjoy, and desire the good things in life. And there is no doubt that wine is squarely among those "good things of life."

The Chinese Wine Market Now

In a similar economic context, wine business cannot have but a bright future. Olivier Six, CEO of East Meets West (one of China's leading fine wine importers), puts the local wine market in perspective when he says: "The evolution in business growth has been nothing short of explosive, with our sales increasing by more than +190% in ten years. "In 2006 when we started turnovers were very small, but they have done nothing but grow over time, in an explosive manner," he said.

In fact, relative to wine, China is currently the world's biggest importer of red wine and the sixth biggest world wine consumer. But with a reported population of 1.4 billion (and that might actually be somewhat higher), the potential for fine wine consumption is not just immense, but so is its growth. This reality is further heightened by China being one of the world's biggest wine producers, which means its population will become increasingly exposed to fine wine. And despite the country's own wine production, about 40% of the wine sold in China is imported, with an obvious shift in interest from purchasing lower quality products towards higher quality wines appealing to a luxury-oriented consumer society. This has been made possible by the country's changing demographics and its economic growth. With a generalized increase in spending power, of travel to foreign countries, and studies abroad (university faculties abroad are filled with young Chinese nationals studying viticulture, enology, wine business and marketing), there has been a steep growth in interest not just in drinking wine but also the business and lifestyle opportunities it offers.

Up until very recently, the ten countries that sold the most wine in China were: France (import value US\$ 1.058 billion); Australia (US\$ 723.25 million); Chile (US\$ 269.7 million); Italy (US\$ 168.4 million); Spain (US\$ 162.1 million); USA (US\$ 75.5 million); South Africa (US\$ 32.9 million); New Zealand (US\$ 28.77 million); Argen-

tina (US\$ 26.18 million); and Germany (US\$ 25.8 million). For the most part, these figures are essentially the same for both sales by volume and value (Spain and Italy invert positions if considering sales by volume amount). However, the souring of relations between China and Australia, have meant Chinese tariffs on Australian wine have quadrupled; consequently, Australian wine exports to China have crumbled (an incredibly steep -92% between 2020 and 2021). And so, while in 2019 Australia's wine had passed France's gaining the first spot in wine import value by country (almost 40% of the market share), following the application of the tariffs its standing fell precipitously (that 40% is now down to 4%). For this reason, in 2021 Chile's wine attained second place, with Italy becoming China's third wine commercial partner (going from US\$ 115.022.270 in value or 6% in 2020 to US\$ 165.326.328 or 10% in 2021, a 44% growth increase). In fact, just about every wine producing country has increased its sales by value increase (Chile +50%, Spain +49%, France +48%). And this despite overall wine sales by value falling by about 8% and imports by 30% because of the Covid pandemic (2020-2021 data). No matter how you look at it, that data is impressive: taking Chile as an example, local importers will tell you that only twenty years ago the majority of people in China were practically unaware Chile even grew grapes, let alone made wine. Today, as the figures show, its wine is a major success story, especially at the lower price ranges. Currently, the sparkling wine category appears to be doing in-



creasingly well in China (but the data needs to be analyzed and interpreted carefully). French sparkling wines, thanks to Champagne, clearly lead the way, trending positively from US\$ 44,780,319 (62% of the market share) in 2020 to US\$ 82,692,664 (or 73%) in 2021, with a noteworthy increase in growth (+85%). Italy follows in second place, with US\$ 15,190,862 in sales by value (or 21% of the market share) in 2020 and US\$ 20,336,592 (or 18%) in 2021, showing +34% in growth rate. However, in terms of price /value of wine sold in China, the difference between the two countries remains enormous: while France exported 82,692,664 liters of wine at an average price of US\$ 32/liter, Italy exported 20,336,592 liters but at a price of US\$ 4/liter. As for Spain, it exported 5,917,096 at US\$ 3/liter and it too saw an increase in its sparkling wine sales (+30% by value). According to Olivier Six, sales of sparkling wines and especially Champagne have exploded in the last three years, in eastern and southern China especially. This has led them to add many more styles of Champagne: Whereas in the beginning we only had one Brut and one Rosé to sell, now we have over twenty".



Olivier Six



Christopher Chen



Zeyu Liu



Ian Ford



Simone Incontro

TERROIRSENSE, WINE REVIEW’S NOVELTY IN CHINA BRIDGES BETWEEN EAST AND WEST



TerroirSense Wine Review (terroirsense.com/en/) stems from the combination of Chinese leaders and capitals and Italian-Canadian writers and knowledge. Ian D’Agata is the editor-in-chief, who is also the chief scientific officer of TasteSpirit, a Chinese wine education and media company, and president and director of the TerroirSense Wine Academy. TerroirSense is a brand new (founded 2020), independent international wine and food review website based in Shanghai. As its name implies, its mission is to provide its readers with unbiased, credible, independent and expert reviews of the world’s best terroir-driven wines. Their goal is to give wine professionals and everyday wine lovers a tool by which to learn about wine in all of its many fascinating aspects: its history, grape varieties, territories, viticulture and winemaking realities. In short, of its terroir. Therefore, their goal is to help establish a culture of terroir amongst all those who love wine and food, a way of thinking that will hopefully expand and become a way of life.



By contrast, **Christopher Chen** of Lelane, another well-known Chinese fine wine importer, cautions that while the sparkling wine uptick is certainly there and encouraging, it is not as generalized as commonly believed and that broad conclusions cannot be presently inferred. “Outside of Champagne, sparkling wines are still of little interest to the majority of Chinese consumers, who find the acidity too high and the effervescence bothersome,” he said. “Champagne has undoubtedly picked up its sales in the last five years, but all other world sparkling wines, even the very good ones from Franciacorta and the United Kingdom, still have trouble selling. For example, Japan is a much bigger market for these wines currently than is China. I have no doubts this will change in due course, as shown by Champagne’s recently improved sales, but it will take patience and some effort.”

China’s Uniqueness when it comes to Wine

When analyzing the Chinese wine market and its potential for sales, it is important to keep in mind a number of factors. Even though the country’s wine market is large one, it is not a “one market” reality only. The country is simply too large (the world’s third biggest country), has too many ethnicities (fifty-five, at last count), and many different traditions (culinary too), all of which translates to many different regional markets (what sells in Northern China does not sell necessarily as well in Southern China, and vice versa) and different city markets (the so-called first-, second-, third-tier cities). Ultimately, it also boils down to many very different types of consumers. It follows that to be successful in selling wine in China wineries need to understand they cannot apply the same marketing and sales strategy everywhere, but need to segment the market and target individual consumer niches. Potential consumers are: distributors, HO.RE.CA members and private/corporate clients. Distributors are faced with different demands depending on the area of the country they operate in. For example, those who work in first-tier cities (Beijing, Shanghai, Guangzhou, Shenzhen) need to sell wines at all price points (low, medium, high); those who work in second-tier cities usually need wines selling at low and high price points; and those working in third-tier cities need the low price point wines only. But not just the size of the city counts: where these are located is also very important. For example, China’s North is a very strong red wine market; the East and the South are where white wines also do very well, besides red wines. The South is where spirits do best, and wine too. Members of the HORECA sector include local restaurants, international restaurants, and wine bars, but this sector usually wants large well-known brands. The private/corporate sector is becoming increasingly important, especially because sales of wine for company events can be especially relevant from a financial standpoint. However, the makeup of the private clients is changing continuously, and the wine offer has to change accordingly. Again, the types of wines that sold extremely well even just ten years ago are seeing their sales volumes dropping by noteworthy amounts. Furthermore, not just where wine is sold, but when wine is sold is important in China. For example, sales increase in a noteworthy manner in occasion of important holidays, such as Chinese New Year. For example, **Vinicio Eminent** of VM Fine Wines, a local importer of fine wines, stress that November-December and January

are traditionally very strong sales months, so if the Chinese New Year falls later in the year, the sales volumes for the year will grow even more than usual.

Despite China’s numerous business opportunities available to foreign wineries, it’s important to establish a strategic plan before jumping into the fray. Unfortunately, there is little primary research data available in the public domain regarding Chinese wine preferences and much of the data available to and used by western companies, not to mention their personnel’s commonly held beliefs, are outdated and frankly not helpful to their cause. Chinese wine consumers are known to be one of the most difficult groups to understand and equally challenging to create a market strategy for.

According to **Zeyu Liu**, young up and coming Chinese sommelier who personifies the emergent Chinese wine expert and professional: “Above all, foreigners need to understand they have to deal with people who live in China, not pseudo-experts on Chinese matters who live in the United Kingdom, Italy or France. To think they’ll accomplish anything that way is just wishful thinking: they will throw away a lot of money for no gain. China is a completely different country than theirs and if you want to break into this market you have to do it with the help of local experts. There are no shortcuts.”

**Ian Ford**, founder of Nimbility (a major brand-builder for wineries in China), stresses the same point: “It’s not enough to have sales, you also need to create brand loyalty: you want repeat buyers because those are the ones that drive sales. Accessibility is also key: you have to know where your wine is being sold, it has to be visible in the marketplace, otherwise even though you have sales, you are not building the brand and its image. But the only way to build that brand is by working with locals who really know the market and have the contacts needed to ensure that brand’s success. You can’t do that with someone living in London or Paris, or who has just recently moved to China, because he/she is without the necessary contacts and the network to establish successful working relations quickly.”

How To Conquer the Market

Reportedly, targeting younger, well-educated and especially female consumers are potential good steps to take. Because of the aforementioned foreign travels and studies, young Chinese are more interested and aware of fine wine than their parents ever were. For example, whereas forty years old men of the middle and upper class still look at Bordeaux as the source of the finest wines, younger generations are a great deal more interested in wines from different countries and of many different types. These include orange and natural wines and wines made from little-known, rare native grapes. Wine is especially important to the well-educated Chinese, who appreciate the cultural advantage wine offers because in China fine wine drinking is associated with belonging to a higher social class (class plays a different role in Asian countries than it does in the Western world and is most defined by economic and social status). Female consumers in China are important because one of the most commonly stated reasons for drinking wine in the country is its variety of health and beauty benefits (including better sleep, improved digestion, healthier skin, lower rate of adverse cardiological effects, all of which have specifically been documented to be of interest to Chinese female wine consumers). As for male consumers, the majority are between 30 and 39 years

of age, reside in first-tier cities, belong to upwardly mobile middle classes or to the upper classes outright. Increasingly, they like to discover and consume new variants of wine, and normally spend 100 and 300 RMB (10 to 35 Euros) per bottle. But their tastes are changing. Olivier Six states clearly that “...whereas it once used to be mostly wines of Bordeaux and Burgundy, today we are selling an increased number of wines from the Loire and Alsace, and that was not at all the case ten years ago.”

**Simone Incontro**, General manager of Veronafiere in China and organizer of the Wine to Asia wine show, states that: “Wine interest and sales in China are all

trending in the right direction and the future will be very positive. Younger generations will drive the new wave of the consumption of wine in China, because they tend to appreciate a more varied offer, such as the more elegant, terroir-driven styles of wines and some of the natural wines, including the new ones from China. Orange wines from Slovenia and the very lifted, mineral wines of Etna from Sicily are among the popular choices for the younger generations in wine bars/restaurants. The older generations have a preference over big brands, especially those in need of business occasions. In the last two years we noticed that the high-priced and expensive cult wines begin to be increasingly in short supply, especially those of Burgundy, while the very low-priced OEM wine have been gradually withdrawn from the market due to the Covid pandemic. More and more people are willing to order and drink fine wines at restaurants and wine bars, especially in first-tier cities of Beijing, Shanghai, Guangzhou and Shenzhen but cities like Changsha, Chongqing, Chengdu and Hangzhou are trending in the same direction.”

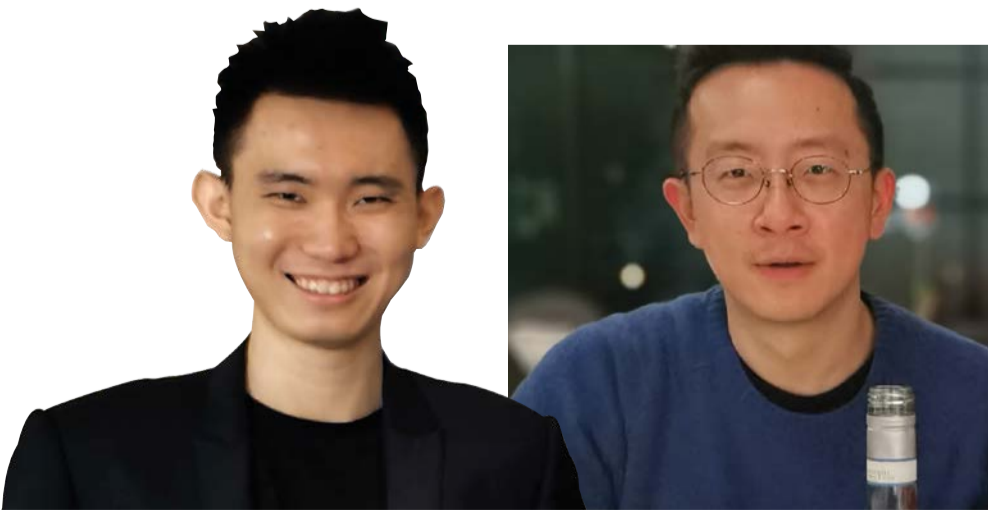
Given all that, you might say that if Rome wasn’t built in a day, then neither was a Chinese fine wine market; but everyone agrees that the elements are in place for major success in this area. **ZiSong Qiu**, Editor-in-Chief of Terroirs et Climats concurs: As wine knowledge among Chinese consumer improves, we see them looking for different wines from different countries: origin and grape type are important now just as much as brand and cost, not to mention bottle label and shape. This is in no small measure to enrollment in recognized quality teaching institutions like the Wine Spirit Education Trust and the TerroirSense Wine Academy. The Chinese want to improve their wine knowledge rapidly but do not bother with cheap knock-off teaching institutions. They want to learn from the best, not make-believe pseudo-experts even if they might boast many different diplomas and certificates of very little consequence.”

According to **Zihong Zhang**, the Deputy Editor of the TerroirSense Wine Review, an international wine magazine owned by a Chinese leader in wine education and media based in Shanghai: “Red wine is still more popular than white wine, but the latter is trending upwards (reds have fallen from the 86% of ten years ago to today’s 68% of the market share), thanks mostly to the huge success of German Riesling and New Zealand Sauvignon Blanc.”

**Massimiliano Vaira**, Italy manager for EMW points out that: “France is really Champagne, Rhône, Burgundy; Chile is mostly interesting for its price-friendly wines, otherwise top wines are harder to sell; Italy is rapidly gaining in favour thanks to the diversity of its grape varieties, given that consumers in China would rather buy Cabernet, Pinot Noir and Merlot wines from France; and Chinese wines too starting to gain in notoriety and hence sales.”

And clearly the anti-corruption measure installed in 2012-2013 have really bitten into the sale of super-expensive grand cru wines; but the positive effect of that has been that now when people do buy those super expensive wines it’s because they actually want to drink them, and not just gift them in a search for improved social status”. While Tran does not believe that Rosé sales have performed as well as many believe, Six points out that at his company sales have picked up in the last three years, even if limited mostly at the first-tier cities. Chinese people eagerly embrace new technologies and are very internet-friendly. In fact, their heavy cell phone usage is related to both business engagements as well as social media posting activity. In fact, data shows that over 900 million people in China have access to the internet and engage with it daily for four hours or more (about 20% of the world’s internet users are Chinese).

In ultimate analysis, the Chinese wine market is undoubtedly a complex one that requires time and patience. But the potential returns of this market are so immense that it is more than worthwhile to invest that time and patience in it.

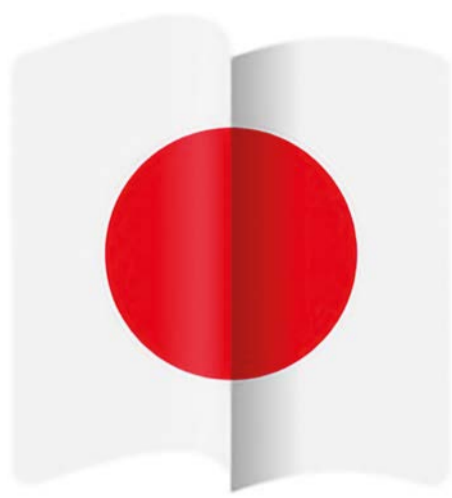


ZiSong Qiu



Zihong Zhang

SINCE 2010, CONSUMPTION HAS GONE UP  
TODAY, EVEN INTERNAL PRODUCTION IS ON THE RISE



# New Generations ARE CURIOUS About Wine in Japan

By MARI YASUDA

**T**he consumption volume of wines in Japan in 2020 accounts for 4.4% of all alcoholic beverage consumption, according to the National Tax Agency survey. This is less than for shochu (9.3%) and sake (5.3%). However, wine consumption has increased by about 30% since 2010. Both imported wines and domestically produced wines exist in the Japanese market. Imported wines account for about 63% of the wine distribution volume in Japan in 2020 (National Tax Agency survey). There are two types of domestically produced wines, “domestic wines,” which are made from imported, concentrated must or imported wines, and “Japanese wines” which are made exclusively from grapes grown in Japan. Japanese wines account for only about 5.4% of the wine distribution in Japan, but their sales are continuously increasing and they are gaining popularity. Regarding the total wine market in Japan based on the shipping volume of imported wines from importers and domestically produced wines from wineries in Japan, in 2021 the imported wines declined by more than 7% from the previous year, while domestically produced wines declined by 8%. In total, the wine market of Japan was down by 7%, according to the estimation of Shuhan News, a leading wine industry newspaper. However, according to a preliminary report by Shuhan News, the wine market of the first half of 2022 (January to June) will remain at about the same level as in the previous year or increase by about 1%. This is largely due to the recovery of on-premise sales following the nationwide lifting of restrictions relating to Covid-19 in April.

## A Breakdown of Imported Wines

such as cans and pouches at The results of 2021 (January to December) show that the import volume of sparkling wines increased by 8.9% to 38.6 million liters. Imported sparkling wines came mostly from France, Spain, and Italy. These three countries accounted for 90% of imported sparkling wines. The best-selling brand was Moët & Chandon of Champagne. Regarding the results of still wines in 2021, the import volume of still wines packed in containers of less than 2 liters decreased by 4.7% to 156.1 million liters and that of packed in containers of more than 2 liters and up to 10 liters, which

includes BiB, increased by 6.1% to 13.5 million liters. The import volume of bulk wines decreased by 19.4% to 34.9 million liters. In 2021, the largest supplier of still wines in containers of less than 2 liters was France. The second largest was Chile, which faced maritime transport problems due to Covid-19 and lost the position of the top country of import it had since 2015. They were followed by Italy, Spain and the United States. Three countries, France, Italy and Spain, accounted for 59% of this sector. The best-selling brand was Alpaca of Chile. Spain and Chile are the two major suppliers for still wines packed in containers of more than 2 liters and up to 10 liters. Chile is the largest supplier of bulk wine. In the first half of 2022, imports of sparkling wine increased by 14.2% from the same period in the previous year, in which the imports from France, Spain, and Italy all exceeded the results of the previous year. The Imports of still wines packed in containers of less than 2 liters increased by 3.6% from the same period last year, with the imports from Chile exceeding those from France.

## Sales Channels for Wine

WANDS and WANDS REVIEW, a leading Japanese wine industry magazine, estimates the ratio of on- and off-premise sales volume of wines in 2021 to be respectively 20% and 80%, based on the sales data of wines from 11 major countries. Regarding the details of off-premise channels, according to a consumer panel survey across the country conducted by Intage inc. which is reported by Shuhan News, supermarkets accounted for 56% of total wine purchase volume in 2021. This ratio of supermarkets is almost the same as the average of all alcoholic beverages. A distinctive feature of wine purchase channels is that “other channels” such as online sales account for 18%, which is higher than other alcoholic beverages (for your reference, the average for all alcoholic beverages in “other channels” is 9%). By age group, 64% of consumers in their 20s make purchases at supermarkets, which is the highest among all age groups. This ratio decreases with age and consumers in their 60s show the lowest purchase rate through supermarkets, which is 54%. Conversely, the percentage of purchases through “other channels” is 10% for those in their 20s, the lowest among all age groups, but increases with



Akihiko Yamaguchi



Risaburo Endo, Yuta Kiyomoto



Anri Nakamura, Richard B. Cohen, Yoshiko Nakamura (Director)



Ken Hasebe



Japan is a small, but solid market that is opening up to some novelties. Young people are eager to explore “natural wines,” a phrase that is surpassing in popularity the word “organic,” and even wines with low alcohol. Society cares deeply about sustainability, with the enormous success of PET, the material that will bottle all the upcoming Beaujolais this year

age, reaching 20% for those in their 60s, the highest for each age group.

## Red Wines Are Dominant

There are no official statistics on the ratio of red and white wines in the Japanese wine market. Akihiko Yamaguchi, Director & Chief Marketing Officer of Mercian, one of the major importers, gives an overview. “In the Japanese market, red wines occupy a larger market than in Europe,” he said. “However, this ratio is different for on- and off- premises sales. In fact, for the on-premise sales, the ratio of white wines is larger than that of off-premise ones. According to our sales volume for the on-premise wines from January to July 2022, the ratio is about 55% red and 44% white wines. On the contrary, the ratio of red and white wines for off-premise sales was 66% red and 33% white wines from the results of 2021.”

## Young People Moving Away from Alcoholic Beverages

All the interviewees say that they “feel” that young people in their 20s and 30s are moving away from wines and alcoholic beverages.

Anri Nakamura Cohen, the oldest daughter of the owner of an importer named Village Cellars and currently Planning & Strategy Manager, offers an interesting perspective on why young people are leaving drinking wine. Village Cellars pioneered imports from Australia and New Zealand and currently im-

port wines widely from all over the world.

“I’ve heard from many people that since Covid-19, young people have less opportunities to drink alcoholic beverages with their company superiors,” she said. “Usually, young people tended to drink RTD when they were students, and after becoming members of society, they were taken to a good restaurant by their superiors, drank wines there, and learned that drinking wine was fun. This kind of opportunity has been lost.”

Ms. Nakamura adds that “our company mainly sells Oceanian wines, but many of the people who buy Oceanian wines have been to those countries on a working holiday. In the last two to three years, people have not been able to go abroad. We will see the impact of this in the next five to 10 years”. The company’s main sales channel is restaurants.

“At casual shops, the taste and price range of wines on offer are different from those served at Michelin-starred French restaurants, but we will improve product offers,” she said. “That can be handled even at such shops, so that customers can come in contact with wine. The concept of food pairing is spreading, so we would like to increase opportunities for customers to come into contact with wine through food.” Yamaguchi of Mercian also points out that experience is important. Mercian is not only an importer, but also a major wine producer in Japan, owning three wineries in Japan.

“Actually, most of the people who visit wineries are in their 20s. Especially young couples who like to travel, he said. “Perhaps, travelling within Japan is easier than traveling overseas under the Covid-19 situation. We want to provide contents that will make these people fall in love with wines. We want people to experience wine, eat, and have a good time.”

**Natural Wines and Wines with Moderate Alcohol Go Well with Young People**

It's not that the younger generation has completely left wines. People who want to drink wine exist, and they look for a shop and visit. Endo Risaburo Shoten, which is a very popular wine bar near Tokyo Skytree and always full, is one of them. **Risaburo Endo**, who owns four wine bars and restaurants in Tokyo including this wine bar and is also a famous lecturer at the Académie du Vin, comments: “Young people these days don't drink large amounts of alcoholic beverages on a daily basis, but when they drink, they have a purpose. I think young people's moving away from alcoholic beverages means that the quality of alcoholic beverages they drink has changed”.

**Yuta Kiyomoto**, the shop master of the main shop of Endo Risaburo Shoten adds: “Our customers range from their early 20s to their 50s and 60s, but our main customers are in their 30s. They come for the clear purpose of drinking wine. At first, they will try wines with an easy-to-understand expression such as Riesling, and they gradually move up to wines

with minor varieties or others.” Mr. Kiyomoto points out that natural wines and the younger generation seem to go well together. “In the past few years, more and more young people prefer natural wine,” he said. “In recent years, many wine shops focus on natural wines and make their interiors fashionable to appeal to young people. I feel that there is a movement that drinking wine presents a casual experience. It seems that the word “natural” is spreading rather than “bio”.” Risaburo Endo supported this view, saying that “more than 20 years ago, some natural wines had a distinct aroma that people didn't like very much, but now such wines are few. In particular, the younger generation doesn't know the former distinct scent of bio wine, so they probably have no resistance to natural wines.”

Mr. Kiyomoto also has an impression that young people tend to prefer wines with moderate alcohol: “In the past, people came to drink after a big job was over, and they requested powerful wines such as Napa Cabernet Sauvignon or Tempranillo with firm tannins. However, under Covid-19, such gatherings have been lost. Also, the taste of food is becoming more delicate and contains less fatty contents. For this reason, wines with less tannin and less alcohol seem to be more in demand. According to my experience, an alcohol level of less than 12-13% is preferred.”

**Japanese Wine**

A wine shop named Wine Cellar HASEBE, which is located in

Yamanashi Prefecture, the largest producing region of Japanese wines, offers approximately 60% imported wines and 40% Japanese wines. The majority of their Japanese wines are produced locally in Yamanashi Prefecture. Founded in 1905, it underwent a major renewal in 2019 and changed its name from Liquor shop HASEBE to Wine Cellar HASEBE-Liquor shop HASEBE.

“The demand for Japanese wines has increased rapidly in recent years,” **Ken Hasebe**, the 4<sup>th</sup> generation of Liquor shop HASEBE and the winner of the 2013 National Wine Advisor Championships. “People in their 30s and 40s often buy them. I have the impression that there are many enthusiasts among those who want Japanese wines. They visit wineries, buy rare wines, and bring them to wine parties. If these wines are natural wines, that is better. Some people even accept a volatile acidity. Perhaps, they feel a sense of status to have popular and rare wines.”

Also, Mr. Hasebe points out that the customers for imported wines and Japanese wines are clearly different: “People who want limited and rare Japanese wines do not pay attention to imported wines. By contrast, some people only purchase imported wines. Many of the latter group are older customers in their 40s and 50s. Perhaps, they have a sense that they can buy local Yamanashi products anytime. Also, Yamanashi reds in the price range of € 7.0-14 tend to have a lighter taste than wines from overseas, so they probably buy imported wines looking

for more body and taste. This is because such people have been drinking imported wines for a long time, and their palate is formed based on imported wines. On the other hand, young people are easy to get attached to Japanese wines. Maybe it's because it's easy to get information. There is no language barrier, and they can get information from friends rather than reading magazines which takes more effort. There is no need for knowing about AOC, Grand cru or Premier cru. They prefer to select Japanese wines reasonably priced around € 14, and drink them in a cup rather than in a wine glass.”

**Advanced Country of PET Bottles**

According to sales trends by container in 2021 published by Shuhan News based on a survey conducted by Intage inc., among still wines sold in off-premise channel, sales of glass bottles (full bottles, half bottles, etc.) account for 70.1% of total wine sales, followed by PET bottles at 15.8%, paper cartons at 8.7%, bag-in-box at 4.9%, and “other containers” such as cans and pouches at 0.4%. However, “other containers” increased significantly by 73.6% from the previous year and by 129.4% from 2017.

Yamaguchi of Mercian, whose main channel is off-trade, said: “Although cans are increasing by double digits, the scale is still very small. I think the predominance of PET bottles over cans is unique to Japan. Many people shop on foot or by bicycle in Japan. Glass bottles are heavy and there is a risk of breaking,

but there is no need to worry about that with PET bottles. Furthermore, PET bottles are easier to store in the refrigerator. Because they fit the habits of Japanese people, their use has exploded. In addition to anti-oxidation technology, there is a technology that enables 100% recycling from PET to PET. Japan is a PET advanced country with more evolved PET bottles than overseas. Beaujolais Nouveau which we import this year is all in PET bottles.”

On the other hand, expectations are there for cans. Village Cellars, whose main channel is on-trade, started to sell canned wines from Australia in November last year. **Richard B. Cohen**, owner and managing director of Village Cellars said: “It was sold out immediately. Considering the quality of this wine, the price is reasonable. I think the wines in cans have potential.”

Mr. Anri continued: “At the moment, we are selling at retail for purposes such as drinking outdoors. We think wines in cans have a potential of being used in the places where glass cannot be served such as concerts and live houses, though the number of these events are currently limited due to Covid-19”.

**Double Punch of Price Increase & Exchange Rate**

Price increases and exchange rates have had a negative impact on the Japanese wine market. In addition to price hikes from wineries and transportation costs, the depreciation of yen has given a double

punch. In particular, the soaring price of Burgundy wine is serious.

“We are looking for cool climate regions as alternatives of Burgundy wines,” said Mr. Kiyomoto of Endo Risaburo Shoten. “Such as Malleco valley in Chile, Uco Valley in Argentina, Tasmania, Western Australia, and South Africa. Their wines have not yet risen in price and have the elegance of Burgundy.”

A concern for the future of the Japanese wine market is the increase in the liquor tax on wine scheduled for October 2023. Until now, the liquor tax on sake and wine, which are the same brewed liquor, was set at €0.3 per 350ml of sake, and €0.2 per 350ml of wine. These taxes are unified to €0.25 per 350 ml, which means the tax on wine will be raised. The tax on wines was already raised from € 0.2 to ¥€ 0.225 per 350ml in October 2020, and it is scheduled to be raised to €0.25 in October 2023. There are concerns about how the impact of the liquor tax increase will affect the sales of wines, especially daily wines, from the end of next year onwards.



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THE COUNTRY RANKS SECOND FOR WINE MARKET ATTRACTIVENESS

# SOUTH KOREA, A Rapid Growth For Innovation And Life Style

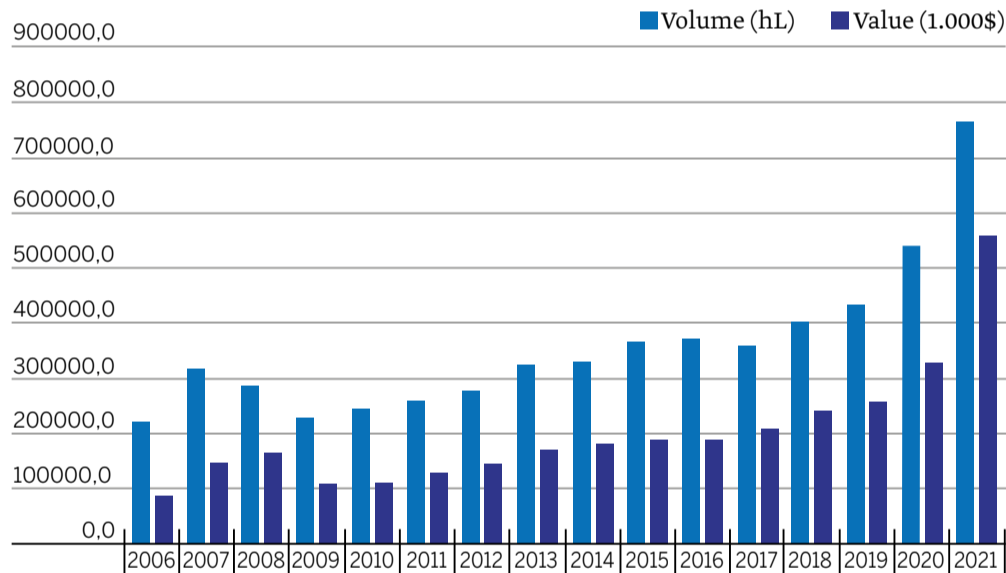
*It began with the lockdown, but South Korean society was ready for a change in mentality and consumption thanks to the new generations of consumers- not the very young-, but adults who know the West well. Wine has become a status symbol, able to get rid of some prejudice connected to drinking, also thanks to a new hybrid selling system that offers both online and offline purchases*



By MI YEUN HONG

According to recent data released by the Korea Customs Service, the total amount of wine imports in 2021 totaled \$559.81 million, an increase of 69.60% over the previous year. In addition, the market increased 229% compared to \$259.25 million in 2019, before the outbreak of COVID-19. Import weight increased 178% from 402,910 hectolitres in 2019 to 765,750 hl in 2021. Wine intelligence Wine Market Attractiveness Compass Model 2021 indicates that South Korea is the second most attractive wine market in the world. It seems that the Korean wine market is undergoing a renaissance.

## Wine Imports Data



Source: South Korean customs' data elaborated by the WWM

## An Overview of the South Korean Wine Market

In the 2000s, red wine dominated the Korean wine market, with a share of 73.5% in 2016. In addition to the traditional image of wine being red, Korean's big interest in health lead the market to the consumption of red wine, because of its antioxidant contents due to anthocyanin. However, the 2021 wine import data reveal a tremendous growth of white and sparkling wines. White wine imports grew to \$13.79 million, up 76.9% from the previous year. Sparkling wines imports also rose 67.6% year-on-year to \$77.82 million. Adding up white and sparkling wine percentages, respectively 17,8% and 14,1%, they now almost caught up to half the level of red wine, being 65.6% of the market. By country, French wine imports total \$181.14 million, up 93.8% from the same period last year, accounting for 32.4% of total wine imports. Chile who had been high ranking in terms of imported quantity since the FTA agreement South Korea- Chile in 2004, had been in second place until 2020, both in volume and value, has moved down to fourth place. The US rose to a second place with \$90.66 million, and Italy rose to a third place with \$90.46 million, just a little shy of US imports. However, compared to the previous year, Italian wines took the lead in growth, As the US increased 61.8% compared to the Italian growth of 85.6%. The Chilean wine imports value was \$74.82 million.

**“The Buying Power” of the Retail Dinosaurs**  
In South Korea, only licensed alcoholic beverage importers can import alcoholic beverages. But un-

like the past, import licenses are easy to obtain. There are over 500 licensed importers in the territory, importers may sell directly to wholesalers, retailers (restaurants and liquor stores), or if they open their own wine shop, they can also sell to individual consumers. In South Korea, leading companies have had the biggest part of the pie, and among wine importers and distributors, Shinsegae L&B, Keumyang International, A-young FBC and Nara cellar are considered the Big 4. These four companies have a market share of about 80%. Among them Shinsegae L&B, founded in 2008, which is in charge of importing and supplying alcoholic beverages and oper-

ating offline stores within the Shinsegae Group, has the throne of the biggest operator in the field with 230 billion won (Approximately 167,5 million dollars) of sales in 2021. In August 2019, an ultra-low-priced wine with a revolutionary price of 4,900 won (approximately \$3.5) was sold at E-Mart, the retail market's leader, as a subsidiary of Shinsegae group. In 2021, E-Mart's sales recorded around 24.9 trillion won (18,350 million dollars. The wine, named “Dos Copas,” was planned and released by Shinsegae L&B. Considering that a bottle of 360 mL of soju, which is called Korea's “common liquor,” costs between 1800 won (\$1.3) and 2,000 won (\$1.45), the price of 4,900 won for a 750 mL bottle of wine was a shock. Shinsegae imported wine in collaboration with a local winery in Chile, contracting 1 million bottles from the first transaction, significantly lowering the price and selling wine a lot cheaper than the market price. Dos copas's sale went over 4 million of bottles until now. After E-Mart's Dos Copas, Homeplus' Copper Ridge (4990 won-\$3.6) and Lotte Mart's Real Fuente (3,900 won-\$2.8) appeared on the market. New consumers who enter the wine market buying ultra-low-priced wines opened their eyes to the attractiveness of wine, and then as a result opened their wallets to higher-priced wines.

**Innovation is Key for Distribution and Social Media**  
“The Korean wine market is in a paradigm shift” said **Lee Chul-hyoung**, the current CEO of Winespoong Inc, who had been involved into the wine business industry since 2000, when he co-founded WineNara, a subsidiary of A-young FBC.

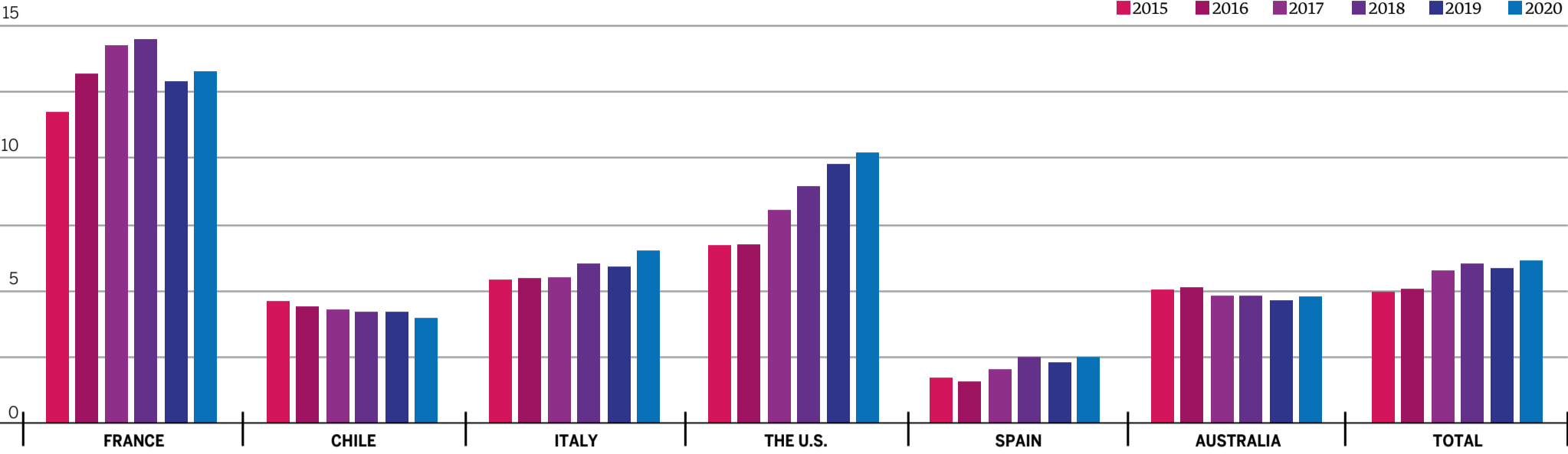
As one of the pioneers of wine culture in South Korea, he opened several wine bars and restaurants and the first wine retail shop in Korea in the early 2000's. “I have experienced the early days of the Korean wine culture to the 2021's Wine Big Bang,” he explained. “I have been working to provide wine selection guides for wine beginners who don't know what to drink because there are so many kinds of wines imported.” With that purpose he launched in 2010 and still presides the Wine Consumer Report (WCR), competition organized in collaboration with Joongang daily, Korea's leading daily newspaper. “After leaving Winenara Inc, I started Winespoong Inc in 2021 as I want to create a new ecosystem by introducing new distribution channels and distribution methods focusing on wine subscription services. Since the existing company was a subsidiary of an import company that focuses on delivery to large retailers who have successful distribution systems in the existing environment, it was difficult to escape the limit of losing regular customers in the retail business due to wine price conflicts,” he said. “Therefore, with the IT development, the traditional distribution channel, which relied on large retailers, is unlikely to be guaranteed in the future, and Korea's wine prices are likely to converge to overseas prices,” he said. “So I believe that a new wine distribution business model is needed.” He analyzed the explosive growth of the Korean wine market with these words. “I think the spread of COVID-19, the trend of using social networks, and the increase of income per capita played a decisive role,” he said. “With the risk of infection, people don't go out and are lead toward drinking alone at home. But in this case, traditional Korean liquor such as soju and makgeolli are not fit to make the atmosphere.” “Wine is good for posting on social media even without side dishes or can be accompanied with simple snacks such as cheese,” he explained. “And when you take a picture of your bottle of wine with lights or candles on at home, you can show yourself very nicely. But beyond this, there were already conditions in play that allowed this to happen. First, the number of generations living alone has increased. There are more single people in their 30s and 40s living alone without getting married. Second, the number of single women in their 20s and 40s has increased, and they tend to be more and more independent economically. Third, until a few years ago, the price range of daily wine was mainly around 20,000-30,000 won (\$14.5-\$21.8), but in the past two years, wines from less than 10,000 won (\$7.3) or around 10,000 won have increased dramatically. Fourth, singles began to focus on the interior design of their houses. They started showing off their house on social media. Guess what kind of alcohol went well with this atmosphere? There is no alcohol as good as wine for people with purchasing power, adapted to women who want to drink low alcohol contents beverages compared to other traditional liquors and beverage, that fits in the home interior, and helps to look unique on SNS.”

**Korean New Generations Want to Be Different**  
“I think the will to differentiate myself from the other members is very big,” said **Yoon Sun-yong**, secretary-general of the Korea Liquor Importers Association. Yoon Sun-yong is a liquor industry

veteran who worked as a professional reporter for liquor magazines for 15 years before joining the Korea Liquor Importers Association. “Koreans have the tendency to identify themselves with cars, especially men have that kind of psychology,” he said. “They often feel that cars represent themselves. And I think the same goes for wine - he explains -. The satisfaction is higher when someone shows and introduces the wine they have specially picked, rather than choosing a wine on a set list. That is the reason why men with power often come to gatherings with their own wine, being prepared to pay a corkage fee.” He cited the recent leap in American wine as example: “The amount of wine imported has increased significantly. The United States is a representative country that has contributed greatly to the increase of average price of a wine bottle. American wines, especially those of Napa Valley, have grown very rapidly. Based on the current demographic characteristics, those in their 40s and 50s who are leading the country are the generations born in the 1980s and 1970s. When they were growing up, McDonald's hamburgers came to Korea for the first time and MTV launched. This generation has experienced a lot of American culture, such as movies, and various other industries, and food since childhood. They are now the leading group and as a result have a sense of closeness to American culture and wine” he said. In fact, the average import price (CIF value) of U.S. wine increased 50 percent over the last five years according to the Korean Government Import data. “One of the characteristics of Koreans is that they now care a lot about differentiating themselves from others,” he said. “It is underlined especially in today's younger generation who is very familiar with expressing these things through social networks. In the past, French or Italian wine was commonly considered the best, and in this situation, differentiation is about promoting new contents. For example, putting a post on social media asking if you know this kind of new brand in Napa Valley.”

**The COVID-19 Outbreak Made Wine Consumption Rise**  
**IlJoo Kim**, Chairman of Drink International, performed in the development of Whisky brands as former President in William Grant & Sons Korea, growing Glenfiddich, Balvenie & Hendrick's to leading positions in their respective category, he is considered as Midas' hand in the field of the whisky sales. Then, in November of last year, through a subsidiary wine specialized importing company called Interliquor, he launched Golden Blanc, claiming to be the most suitable champagne for the Korean palate. “With the help of the Vollereaux winery in Champagne, we had Korean experts who tested samples tailored to the Korean taste,” he said. “Subsequently we had many celebrities taste the Champagne before releasing it”. “For our past generation, drinking large quantities was important and the social habit of drinking with co-workers was preferred over individual consumption. However, the younger generation now places more importance on quality rather than quantity. Individual diversity is more accepted than in the past, and individual choices are respected. For example, when it comes to corporate dinners in the past, it was a virtue to attend. Compared to our generation

Average Unit Price of Imported Wine by Origin  
CIF value - \$ USD / L



Source: South Korean Government Import Data elaborated by the WWM



that experienced high economic growth in the past, the younger generation of today seems to have established a culture that respects each person’s individuality. Koreans have gradually adapted their drinking habits to their individuality. At the same time, the culture of HONSUL, a Korean neologism which means “drinking alone,” and HOME SUL, “drinking at home,” appeared, and it was Covid-19 that caused the explosion to that kind of consumption. “For me it was like a nuclear bomb,” he said. “Due to the Coronavirus, the karaoke bars were whiskey used to be mostly consumed were completely closed. The closing time of restaurants became 9 pm or 10 pm. And KTV bars were completely locked down.” “Someone who has no way to be out after 9pm, can only drink at home, and wine is the best type of alcohol beverage that fits in,” he said. “The Korean whiskey market was worth almost 2 trillion won (1,456 million dollars)10 years ago. Compared to that, the wine market was only about 300-400 billion won at that time. But now, exaggerating a bit, the numbers have reversed.” Today, the whiskey market has shrunk to 700-800 billion won (510 million-580 million dollars), and the wine market has grown to 2 trillion won. In Korea, 10 years ago, the three major alcoholic beverages were said to be soju, beer, and whiskey. But now, when it comes to the three major alcoholic beverages, whiskey cannot be selected. “I personally think that even the soju market could be beaten by wine soon,” he said. “That’s the main reason why I started to create my first own brand of Champagne. My aim is to create a range of my own wine brand, in cooperation with the world’s leading wineries, making the tailor-made wine for Korean consumer’s taste. That is why I’m currently looking for new winemakers and wineries from Europe to collaborate with.”

Korean Liquor Market - Total  
Volume in millions of 9 litre cases

Category	2015	2016	2017	2018	2019	2020	2021	CAGR
Beer	217.02	217.30	222.89	225.11	216.44	213.00	213.02	-0.3%
Soju (National Spirits)	144.25	144.98	145.78	147.92	148.17	142.20	139.02	-0.6%
Whisky	1.77	1.67	1.61	1.54	1.47	1.10	1.33	-4.7%
Wine	3.95	3.84	3.95	4.41	4.78	5.80	8.05	12.6%
Traditional Wine (Rice/Fruits)	51.71	50.10	50.73	50.06	45.93	46.60	45.56	-2.1%
Others	1.47	0.83	1.45	3.08	2.54	2.35	2.44	8.8%
TOTAL MARKET	420.17	418.72	426.41	432.12	419.33	411.05	409.42	-0.4%
Annual Growth Rate	3.2%	-0.3%	1.8%	1.3%	-3.0%	-2.0%	-0.4%	

Source: IWSR, KCS Import Data

Yoon Sun-yong also said: “Covid-19 has had a huge impact on Korea’s mainstream culture. Because I can’t drink outside of the house because of Covid, I have to drink at home, but if I drink soju at home, my wife will feel uncomfortable as someone usually drinks soju in order to get drunk. And when I drink beer, I feel full, and my wife will certainly blaim me saying that I’ll get fat”. “Wine is a little different,” he said. “Even if my wife does not get together to drink it, she has an image of what wine is like and the way to enjoy it through TV series and social media Let’s try to imagine, if a child’s mother is drinking soju alone at home, the child will certainly feel that there is a big problem in his family and will get very anxious. But what about if she drinks wine? He would think that his mother wants to relax, or that she had a slightly stressful day. The perception is totally different.”

Another Factor Driving Wine Consumption  
- Smart Order System

According to our research, South Korea is one of two OECD countries to ban the online sale of alcoholic beverages. Yoon Sun-yong explains it this way. “First of all, Confucianism is in the basis of our country,” he said. “To protect minors, the sale of alcoholic beverages online is not allowed. But the other big reason is due to the market interest. Liquor wholesales licenses are open to be obtained by everyone, but it is extremely difficult to get the permit because the numbers are limited. That is why it is called a lottery when one gets the wholesales license. Actually, the transaction price of a wholesale license is between 500 million won (\$354,000) and 700 million won (\$510,000) in the market.” In fact, online sales in Korea are currently limited to Korean traditional liquor. This was supported at the national level in order to revive the traditional culture of the country. However, in March 2020, the smart order system was allowed, and the consumption of wine was stimulated. The client places an order online, goes to a store that has a liquor retail license nearby, show his ID, and picks up the items. This system doesn’t require professional knowledge in wine as the selection is done online. This was key for the expansion of wine sales in the 24-hour convenience stores in Korea. And there are more than 50,000 convenience stores in South Korea. Last year, convenience store wine sales soared 2-3 times. 7-Eleven wine sales increased 204.4% from a year ago, GS25 increased 158.3%, Emart 24 increased 106%, and CU 101.9%. Woo Chang-gyun, CEO of Shinsegae L&B, explains: “With the revision of the Liquor Tax Act that took effect in early 2020, it is now possible



Woo Chang-gyun



Lee Chul-hyoung



IlJoo Kim



Yoon Sun-yong

to purchase alcoholic beverages online and receive them at offline stores. As a result, many retail stores such as convenience stores and hypermarkets have introduced the ‘smart order’ service, creating an environment where wine can be purchased conveniently at any time. This service allows consumers to purchase wine in advance and take get in the store of their choice. In particular, the smart order service enables

customers to purchase very expensive wines that are usually difficult to find, which increased the demand for expensive wines in the domestic market. At the time of the first implementation of the ‘Smart Order’ service, there were concerns that the system would not be effective because it was not directly delivered at home. However, as more and more consumers enjoy a variety of alcoholic beverages, the smart order service is receiving a great response due to the advantage of being able to directly select and order a variety of wines.” Convenience have become a major source of wine purchases in Korea. Shinsegae, which dominates the wine market, has greatly expanded the number of Wine & More, its own liquor store, to 44 as of the end of last year. Recently, it acquired Shaper Vineyard, a premium winery in Napa Valley, USA. He concludes with some words about the future of wine market in South Korea: “In line with the practice of ESG management, a global industry trend, “good consumption” has recently become a trend in the industry, and each winery is introducing a variety of eco-friendly wines. In addition, although it does not account for a large proportion of alcohol consumption yet, interest in non-alcoholic wines and beer is apparently increasing.”



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ITALIAN WINE IS TRYING TO TAKE  
ON ASIAN MARKETS

# The “Silk Road” is Full of Challenges

By GIULIO SOMMA AND FABIO CIARLA



China, Japan, South Korea, Hong Kong, Thailand, Indonesia: a complicated galaxy as told by Giovanni Geddes da Filicaja (Frescobaldi), Francesco Paganelli (Cevico), Massimo Romani (Botter - Mondodelvino), Pietro Mattioni (Zonin 1821) and Sandra Janetzki (Henkell - Freixenet)

Until a decade ago, Asia (with the exception of Japan) was for Italian wines a promised land. All, or almost all, to be discovered. China, with an impetuous economic growth shifted the balances of world trade and soon became the target for every producer, especially for the largest and most structured. Meanwhile, countries a long way off from the geography of wine, such as South Korea and Vietnam, have suddenly become interesting, while in-

ternational tourism has given importance to the markets of South East Asia, from Indonesia to Thailand. A reciprocal love, which led to fast increases of sale volumes for many companies (in the first six months of 2022, Italian wine exports reached 289 million Euros, 7.6% of total exports), generated by important investments and focused on promotion, marketing and on commercial activity. This trend lasted at least until 2020, an important sliding door for the global economy,

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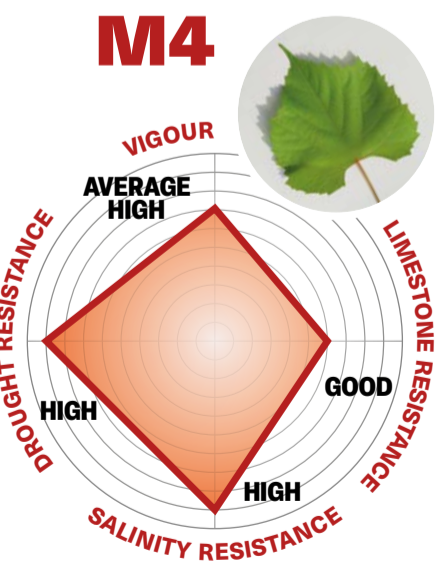
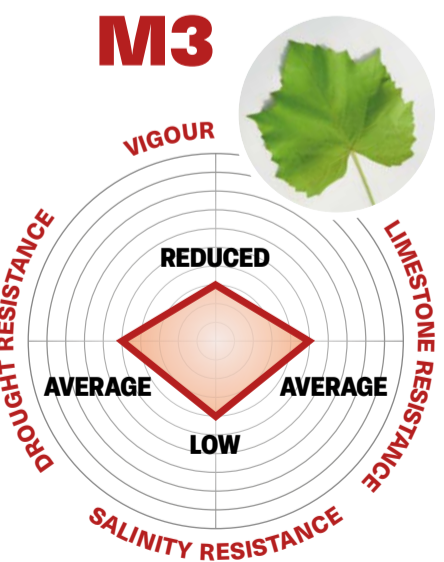
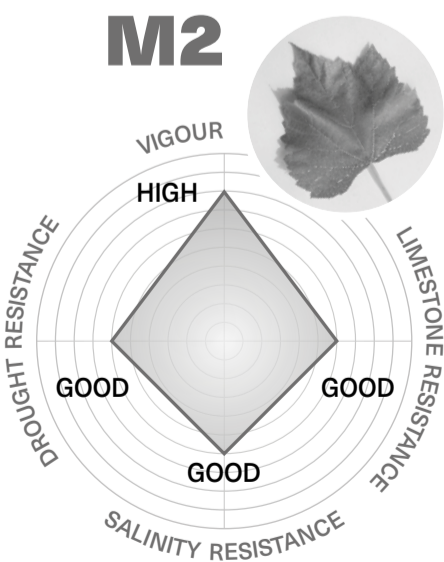
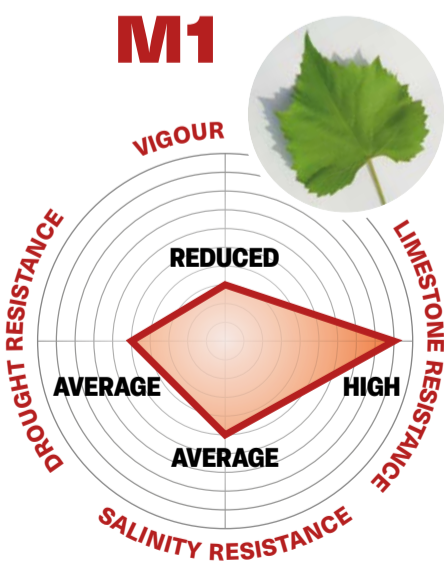
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with the pandemic and lockdowns that have upset all balances and certainty, especially on the Asian market. Two years later, the situation is recomposing, but the after-effects are enormous. Trade with Asia has become more expensive, the supply of raw materials more difficult, energy prices have exploded and, above all, in that long dormant giant that is China, something has broken. The area is in constant agitation, managers and companies leave Hong Kong and focus on Singapore, and tension with the US over Taiwan's destiny is now skyrocketing. On the domestic front, the relentless fight against Covid-19 has led to temporary lockdowns of entire cities, with disastrous economic repercussions.

The framework is complex, but Italian wineries are ready to bet that it can still be recomposed, in order to return to growth on a market with enormous potential, for every type of wine, from entry level to the ones of top of the range. A market that has just begun to be understood in its complexity. By focusing on business models based on Chinese economic culture, instead of the Western one, and by always looking out for new ways to bring together cultures with so many differences. Despite a disastrous first half of 2022 for shipments of Italian wines to Beijing (56 million Euros in sales volumes, 14% less than in the first half of 2021), the opportunities are

still all there, in a country with 1.42 billion potential consumers that have to be "educated" about Italian wine, ready to be stimulated with specific products, with nothing left to chance, not even the label.

Taking into account the rest of the continent, the scene is the most uneven. The connection with Japan has deep roots, and it's no coincidence that it is the most faithful and westernized market. South Korea is the surprise of recent times, while in the other countries of South East Asia the return of mass tourism has boosted consumption, which has been depressed for two years and almost exclusively linked to tourists and expats. And then there is Prosecco, which seems to do well also in these areas.

"The turning point on the Asian markets came with the Place de Bordeaux", Giovanni Geddes da Filicaja, CEO of the Frescobaldi Group, said. "Since 2009, in fact, Masseto has been distributed in Asia, as well as in

the rest of the world, with the exception of the United States, Canada and Italy, by French négociants, and ever since the average annual growth of the sales volume in the region has been of 20.5%. Ornellaia arrived on the place in 2015, with a distribution covering the entire Asian area; in this lapse of time it has grown at an annual average of 27%. In 2019, it was the turn of Luce, supplied throughout all Asia with the exception of Japan, and marking an average annual growth of 26.8%. In 2021, Castelgiondo also began to be distributed, but it is too early for an exhaustive judgement. We work in a more widespread manner, with 15 négociants on each brand, and the growth, compared to when we worked with classic importers, has been noticeable. Asia has moved from being a marginal market to a market which, together with the other countries managed by the négociants, makes the 30% of the foreign sales volume of the Frescobaldi."

Looking at the trends on the markets, Mr. Geddes da Filicaja added, "the interest of the Asian consumer is growing, but it concerns essentially great wines, or extremely valuable ones. In China also, despite the rigidity of a policy that aims at zero infections, with total lockdowns in many cities, the average growth of our brands is close to 20%. As mentioned before, all this is thanks to the Place's négociants, which arrived in Asia many years ago, initially with Cognac, then with the great French wines,



Giovanni Geddes da Filicaja



Francesco Paganelli

and only in 2009, with Masseto 2006, and with wines from other countries. Japan, on the other hand, does not show such a significant growth, unlike Central Asia, including countries such as Vietnam and South Korea." In the future, Mr. Geddes da Filicaja concluded, "the goal is to work always with products with high added value, and therefore with well-known brands, in order to expand the sales points, and in order to increase the recognition and prestige of the brand, also through the work of our brand ambassadors. A bottle, without a label, is worth nothing: the label says it all, it tells the story of a wine, his image. For this reason, starting from the first of August, we have opened an office in Bordeaux, where one of our partners is working. It is not a coincidental choice, because every year the entire Asian market goes to Bordeaux, and we want to be part of this movement. Among the competitors, on the Place, there are big brands from all over the world, not only the French, but also the big Italian and American brands."

**Francesco Paganelli**, Export Manager Asia Accounts of the Cevico Group underlines the diversity of Asian markets difficult to describe with a single trend. According to Mr. Paganelli, who started to focus on the Far-East over 15 years ago "when we decided to invest organically in that area of the world, the sale balance was worth just over zero: today we are at over 15 million Euros, 16.7% of the total of our exports, that adds up to 90 million of Euro. In the last five years, business has doubled, and this year we will grow by 40%. Cevico did not have a strong tradition abroad 15 years ago, and we decided to focus on Asia because it offered a large space to fill, and today we are everywhere, from Mongolia to Bhutan. We accompany the wine product with a careful service, very important in Asia, where culturally a customer is willing to pay for the service at least as much as the product. To assist the customer at every stage is a fundamental aspect, very often underestimated by producers, but we proved it is a winning point. The other important ele-

ment is that in order to internationalize the company we have localized the product: by adapting it from an organoleptic and packaging point of view to the needs of the markets. As we produce 140 million bottles, we need to approach the mass market with wines capable of conquering the average consumer. In China, for example, after the stop of imports from Australia, we proposed wines produced in Sicily and Puglia, which had an organoleptic profile similar to the Australian wines, therefore important alcoholic gradations and very clear aromas, and it was a success."

The situation in Southeast Asia, Mr. Paganelli said on the other hand, "is decidedly positive, because countries such as Singapore, Indonesia and Thailand have reopened without any limitations their borders to international tourism and found themselves with the need to fill their warehouses in view of the high season. It is also an excellent opportunity for Italian wine, which must carefully follow certain dynamics, such as the displacement of the commercial barycenter of the region from Hong Kong to Singapore: it is no coincidence that Vinexpo will take place here. The disappointment due to the decline in China is pushing many Italian producers to leave the Asian area, but it is a huge mistake: China is not Asia. Similarly, China and Asia follow different logics from any other country, so proposing there a model that has been a

Continued on Page 14 ➤



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# GAI

◆ Continued from Page 11

success in the West is not the right move.” Strategically, Mr. Paganelli added, “we have invested in local people, trained in Cevico, who act as cultural mediators throughout Asia between fairs and events. They are fundamental characters, especially in China, where almost no one speaks English, and they know how to help us for any operational urgency in the area. Another often underestimated aspect is packaging, which plays a very important cultural role: it is appearance, but also a way to amaze and add value to what we sell, and it concerns all Asian markets, with the exception of Japan. Moving on to consumption trends, China is willing to pay much more than in the past for quality, but it is still linked to muscular, full-bodied, red wines with an important alcohol content. In Japan, there is a great sensitivity for organic wines, without sulphites and with sustainable packaging. As for the wines, freshness and fruit are preferred, with a growing demand for bubbles. In South Korea, the lockdown has pushed a lot domestic consumption, but it is a complex market. In Southeast Asia, consumption is driven by tourists and the millions of expats who live there, with Italian cuisine acting as a driver for our products.” Another group that has a historical presence on the Asian markets is Botter-Mondodelvino. “Our presence on the Asian markets is historical in many countries of Asia-Pacific, and

in particular in China and South Korea, where in recent years we have increased our territorial proximity through our branches,” said **Massimo Romani**, director delegate of the Mondodelvino, Botter Group. “In China, a few months after the pandemic, we set up a 50% joint venture with a local partner in Shanghai, which has not yet expressed its full potential. The country now is



a black box, with lockdowns, inability to travel and political instability, both in the area and internally, where a profound reshuffling is taking place in the local authorities, and that is likely to produce changes, especially for international operators. Nevertheless, we are convinced that there is a future for Italian wine, but with long-term strategies. For example, taking over the market share of Australians that have fallen in disgrace is possible, but it will be a slow process. There is still

a lot of Australian wine to sell on the market. And then there is Chilean wine, purchased in bulk and bottled as table wine, a segment that is not of particular interest to us but that exists and which we have to deal with.” In South Korea, we have opened a company – Mondo del Vino Korea – which is doing very well, it is a rapidly growing market and very much in love with Italian wine. We have a team of area managers and our resident is based in Singapore

in order to deal with the other Asia-Pacific markets. The growth trend is positive everywhere. Compared to 2019, the last pre-pandemic year, the average is +20%. Reds are driving consumption, while bubbles arrived later and slowly, but are now experiencing a positive trend: in the first eight months of 2022, excluding China, the export of sparkling wines was higher than in the same period of 2019, despite the fact that the expats (large consumers of bubbles) have not yet

returned to the big cities, nor to Singapore or Hong Kong.” “China, however, is a story for itself,” Mr. Romani explained. “The internal economic situation, the lockdowns and the crisis in the construction market have slowed down exports. In addition, Hong Kong has completely stopped: the change in local governance and political instability have caused thousands of managers to leave, leading to a major crisis in the Horeca channel and, consequently, the closure of many specialized importers.” In addition to the complexity of the international geopolitical situation, what worries the CEO of Botter-Mondodelvino is “the great issue of maritime transport, because it is difficult to afford traveling for products that have no high added value. It could prove to be a critical element for the evolution of the sector in Italy, which still boasts a high amount of generic wine production. On the Asian markets, people over 50 are rooted in their traditions, while young people, especially in China and Korea, are much more open and in love with

Italy. This means that, progressively, tastes are changing, but to understand the extent of the change we must wait to finally get out of the pandemic. We believe that Asia can be an important market, but I don’t think it can reach the level of the United States in the next few years.” On the other hand, the man who sees this turbulence as an opportunity is **Pietro Mattioni**, CEO of the Zonin 1821 Group, whose first market is the US (40%), while Asia is still stuck at a few percentage points. Mr. Mattioni explained that “the Group has a sales volume of 200 million Euros, with over 80% of exports. In the Pacific area, we are already strong in Australia, and we are trying to strengthen our distribution in the Asian area, where we have opened a branch, in China, in Shanghai. Here the signs of turbulence can also be seen as an opportunity: it could be the breaking of the status quo. In South Korea, in the last two years, the volume of sales has grown a lot. It is a market that is premiumizing and westernizing, and which at the moment



Massimo Romani



Pietro Mattioni



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rewards French wines. We are talking about a rich economy, which looks to the Western lifestyle as an aspirational model, and wine, like fashion and gastronomy, is part of it. In Japan, that has been compressed by a long lockdown, we are slowly recovering, after the recessive dynamics recorded by Horeca last year."

Returning to China, Mr. Mattioni added, "it is a market that must be understood carefully and avoiding banalization. I am confident that we will be able, as an Italian wine system, to have the success we deserve, but we must not forget that China is a country that must be approached following different schemes: respecting and entering with sincere dialogue in a business culture, which is very different from the western one. Here, there is no predominant wine culture: we must be able to communicate the distinctive value of our products. In the next period the market will grow, but a possible phenomenon of autarchy production is not excluded."

Looking at consumer trends, Mr. Mattioni explained that "in China we notice a shift towards easier, rounder and more pleasing wines, both red and white. The top of the range, on the other hand, remains faithful to tradition, and is a guarantee for the future. Young people love simpler wines and whites, such as Moscato, which is strong in the 18-24 age category, because it evokes the tastes of soft drinks. As time goes by, thanks to the gradual strengthening of the passion for this sector which

will consolidate on a cultural level, the consumer's palate will also evolve: we will move on to more sophisticated and refined wines. Also because together with the age the spending capacity will increase. The Chilean wines filled the empty space left by Australia on the Chinese market, and they seized a logistical opportunity and exploited the absence of custom duties by focusing on bulk wines, which are bottled in China, and become ad hoc wines for Chinese consumer. As the Australian one, Chilean wine is functional for local consumption: this is why we need to invest more so that the distinctiveness of our production is recognized. With some surprise, Prosecco is becoming a passepartout, functional everywhere: the surprising aspect lies in the ability to regenerate itself at any time. We will see what will happen in 2023, the challenge is to maintain the current price level even with the drop in grape costs after the rich harvest of 2022. As for the organizational level in Asia we have two resident managers in Singapore and an office in Shanghai, from which we cover from the Middle East to New Zealand. More than of the geopolitical uncertainty, we are worried about the loss of purchasing power of families, in Asia as much as in the rest of the world. The wine market is characterized by an anti-cyclical consumption, but we must consider carefully a possible loss of interest for premium wines that could occur in the coming months. In the medium term, as a com-

pany we are not betting on Asia as the first market in the world, but we are still studying more targeted investment strategies in order to generate brand awareness at a local level. It is certainly difficult to imagine that it could be a 'new America' for our sector."

Celebrating an important growth for bubbles in Asian markets - but still limited in absolute numbers - is the giant "Henkell Freixenet, which closed its 2021 sales volume at 1.326 billion Euros, with global growth of 11%.

"The Asia/Pacific Region, where we have been for decades, stopped at 39 million Euros, down of -6.8% compared to 2020," said **Sandra Janetzki**, Senior Vice President of the group. "Due to travel restrictions and Covid-related closures, Japan lost positions, while Australia for the first time exceeded one million bottles. The two most important brands of the group, Freixenet and Mionetto, grew significantly, respectively by +8.5% (to 107.7 million bottles) and +32.6% (to 35.2 million bottles), but in Asia the numbers are still marginal, despite the great future potential."

After all, Mrs. Janetzki said, "in Asia sparkling wines (core business of the group, EdN) represent only 8% of all imported wine, according to the

latest IWSR data, but the positive aspect is that the growth in the consumption of sparkling wines was +2.1% between 2017 and 2021, while still wines, in the same period, lost 10%. In this context, Freixenet is the first sparkling wine, for consumption, both in Japan and in China (excluding Champagne). Consumer tastes, it is well established, differ from country to country even in Asian markets, so it is really a challenge to resume unique trends, there are too many differences, for example, between China, South Korea and New Zealand. If there is a macro trend able to connect everyone, it is Prosecco, a category that exploded years ago in mature markets such as USA, UK, Germany, and which has now also reached Asia. Another important trend is the role of digital and e-commerce platforms

in marketing and sales. The trend of premiumizing is also growing on the Asian market, where the interest of the consumer for the most exclusive and high-quality products is growing. In South Korea, on the other hand, the new trend is "Newtro" (the updating of what was fashionable in the 80s and 90s, ed), and all commercial sectors must watch this development carefully."

Turning to China, Mrs. Janetzki said, "it is difficult to make anticipations, because we are experiencing a period of great tension and of rise and falls of the consumer market. The restrictions still keep the country's major cities cyclically closed, but the hope is that we will regain stability in the coming months, in order to allow wine exports to restart. The dragging of the pandemic, however, is still felt every-

where in Asia, where the problems today also concern the supply chain, which delay delivery times. Our commercial structure differs from country to country. In some markets we have our own sales units, in others we work with local partners. In addition to the strong political uncertainty in the area, many circumstances are causing significant price increases and delays throughout the supply chain. The evolution in the prices of glass, packaging materials, energy and logistics are onerous, and the wine itself (especially certain types) has become more expensive due to the scarcity of the 2021 harvest. To all this is inflation has to be added, but also the Covid, which is still with among us. This completes a picture that makes it impossible to make any predictions for the future."



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Eric Bantegnies



Eric Aracil



Clement Piquet

*French wines were the first to explore the Chinese market. For a lot of good reasons, the Chinese did like a lot of french wines, specifically those from Bordeaux. But the Covid-19 pandemic, local production and some new tastes are changing established things, and very fast. If the most valuable wines from Bordeaux and Burgundy are still highly demanded, France is also able to export some fruity and well-rounded wines from Roussillon or Rhone valley. French producers are however also in Japan, South Korea, Singapore, so not only in China*



# FRENCH WINES Are Still in China, But in a Different Way

By CHRISTOPHE ANDRIEU

A pocryphal history enjoys a lot what may be now considered as predictive sentences. The one from Napoleon is still very famous: "When China will awake, the world will tremble". Nobody can prove that the Emperor truly said this phrase, and we can't say anymore that the world is completely "trembling" because of this awakening. Just for fun, we may change a little bit the expression. When China awakes, French wine producers will be exporting a lot more.

Indeed, the last two decades could be considered as a new eldorado for the French in general, and for the Bordeaux wines more specifically. But the Covid pandemic reshuffled the cards. For a long period, approximately one bottle out two was a French one on the Chinese market (and for the French part, two bottles out three were from Bordeaux). It has changed a little bit, now in value, on a global import market of 1.2 billions dollars, French wines still represent 40%. For a very short period, Australian wines even became a major exporter (41%) but in the last two years the situation has dramatically changed for these wines, not just because of Covid, but also due not only because of some new taxes due to geopolitical reasons. Without this, we can assume that the Australians would have been the new kings of the great Middle Kingdom. But, of course, time has changed. Covid, transportation, new rules, markets and even tastes, everything has evolved very quickly.

## Less Business Travel

The first restraint on the Chinese market is actually linked to the (un)ability to travel. "It's still very complicated to go there," **Thibaut De La Haye**, Asia export manager of Advini, one of the most important wine groups in France, noticed. "To get a visa is really uneasy and if you're able to go to China, you're not sure of what may happen. After two weeks of quarantine, some cities or even regions may be confined for a long period. If you don't have any trade office or sales representatives in the country, it's very difficult to continue your business. And selling wine cannot be explained by video call only."

**Eric Bantegnies**, famous winemaker from Blaye Côtes de Bordeaux, Château Bertinerie (90000 bottles sold to China the good years), is of the same mind.

"The biggest problem is the near impossibility to

travel and to meet our clients," he said. "And I must say that we miss each other." Beyond business travel, it's quite easy to understand how hard it is for merchandise too. But these problems are not those faced by wine exporters.

## New Registration Rules

"Now, each producer has to register on his own," **Eric Aracil**, export director of Roussillon wines, a very appreciated DOC in China, said. "Some parts are in English, some others in Chinese. It can bridge some producers. But, wherever we are going in the world, we have these kinds of restraints. If your enterprise is not solid enough, it's not very interesting to go on the export markets, specifically on the long haul. China is probably one of the countries in the world where the administra-

tive formalities are amongst the strongest, but it's also the case for the US Market or even the Japanese one."

Near Bordeaux, **Eric Bantegnies** completely agrees:.

"In comparison to our own rules, I don't think that Chinese are doing worse than the French administration sometimes," he said. "We can ask ourselves why there is a new registration formality and what is the purpose or is it like the FDA number in the US? But it's not so complicated to get it. Of course, it makes the packaging rules more complicated. Usually, if you've got a good importer, it's rather easy to manage. All over the world, all the administrations are producing new rules to make our lives more difficult."

"We can only give thanks to them," Mr. De La Haye concluded with a touch of humour. "When

you want to export your wines to China, you really need to have specific stocks. It's another restraint but when you are selling wines worldwide it's very often like this."

## Consumption Hit by the Crisis

Naturally, the long Covid-19 pandemic and new registration rules by the GACC are not the best and staunchest allies of French winegrowers. But the last two years have also been impacted by great changes on the Chinese wine market, as the CEO of Dragonshark wine importer, **Clement Piquet**, told us.

"Looking overall, Covid has impacted a lot of Asian markets, but situations are different country by country," he said. "In China, for the first time, we saw wealthy people beginning to spend less money and becoming wise savers. Now, even for the wealthy Chinese, when you buy real estate, you need to be audited to prove your ability to pay. So, naturally, wine consumption has been affected too, even for the main market leaders." Indeed, wine consumption fell.

"The first thing is how the confinements are tough," Mr. Bantegnies said. "Suddenly, a city or a region can be totally confined. It means no more business meals, which are normally a great source of consumption. But hopefully, the gift market stays active, especially for the Chinese new year season."

For the Advini company, global exports of still French wines to Asia-Pacific are down by approx-



imately 18% in volume and 6% in value. For the Chinese market, volumes went down 28%, and value by 11% (data from the end of June 2022). “Chinese wine market is a fabulous and amazing market,” Mr. Piquet said. “But make sure first to be prepared for it. For example, if you plan to sell your wines in China mainly in hotels and restaurants, be aware that consumers can bring their own wines in restaurants! It means you can buy your wine in a shop close to the restaurant and then you take it with you. That’s why it’s better to choose collaboration with local importers and local distributors.”

New Ways of Consumption

As nature abhors a vacuum, the wines that haven’t been able to travel during the long Covid crisis have been replaced mostly by local wines. It’s quite a new phenomenon, but we could guess that all the Chinese production has to be sold one day to the local market. Clément Piquet confirmed this.

“Firstly, there is indeed an internal situation,” he said. “There are more and more wine estates in China. A new law authorized even the small producers or even individuals with a small wine property to sell their own wines. And Chinese consumers are very proud of their local wines.” But the lack of foreign wines during the last two years cannot explain all the actual changes. “I now have 11 years of experience in the Chinese market,” he added. “In China, the market is changing approximately every three or four years. Now, the consumers are more educated. They began their tastings and drinking with wines from Bordeaux for the French wines, now they are discovering wines from Rhone valley, Burgundy or Loire. But we don’t have to think that French wines will remain the kings there. They appreciate opulent and silky Italian wines, and of course wines from the new world.” Mr. Piquet also noticed that the Chinese may have some cultural differences that can change their mind. “There is a huge incomprehension for the labels, specifically the French and Italian ones,” he said. “These labels are too complicated for many consumers. In Asia and in China even more, consumers mainly get interested in grape varieties as

they are more and more passionate and educated about wine. Yet, on the French label, you always have the name of the chateau and the appellation, it doesn’t always reflect a specific terroir or a specific wine blending. Except if you are a very famous brand, you should not launch your product on the Chinese market without first highlighting the grape type as for other criteria. You may encounter disinterest from Chinese consumers.” But this experienced CEO also knows how to decode some cultural ways of life.

“There is a huge gap between our cultures,” he said. “You have to understand that before making business, you should create a real and strong human relationship with your future business partners, take time to know your interlocutors, learn and share the tea ceremony, share your astrological signs, talk about your family, your hobbies, your favorite wines. Then you may have a chance to talk about a potential wine collaboration. You have to understand and respect some old traditions, as they are very strong and respected in their everyday life.”

Colored Wines, Rounded Tannins

If wines from the New World, specifically Chile, are appreciated it’s also because their taxes are lower. But a diplomatic crisis can change a lot. Australian wine estates have seen the effect very quickly. After the frigates crisis, taxes grew from quite nothing to 200%. We also have to remember that the 42% tax on European wines was created just after the solar panel crisis some years ago. But taxes are one thing, tastes another. In a way, Chinese consumers really do like “well-rounded, rich and voluptuous wines,” as Eric Aracil from Roussillon remarked. That is typically why these famous fruity wines from south of France are very appreciated in China. “This is our first export market since 2011,” he said. “We did a great job for a long time with this country. Of course, 2020 has been a terrible year for everybody with a global decrease from minus 35% to minus 45%. But for Roussillon we have limited the damage (-25%). We have almost recovered our pre-crisis levels with 10,644 hectoliters sold to China (only for our DOC, not IGP).” The profile of the Grenaches from the Roussillon (3.2 Euros per bottle ex-cellar) are not the only

ones able to seduce Chinese consumers. “Actually Grand Cru and Premier Cru from Burgundy are highly demanded on this market,” Mr. De La Haye from Advini said. “But great Bordeaux wines are still in high demand, specifically the most famous appellations like Saint-Emilion, Pomerol, Pauillac, or Margaux. And Bordeaux is still very reassuring. It’s like a huge brand which is still the first Doc French vineyard. The fact is that after discovering wines beyond the grand crus from Bordeaux, they now want to taste some other premium wines like the ones from Burgundy.” And there is also a great place for the colored wines profiles with rounded tannins and higher level of alcohol. The GSM blend (Grenache, Syrah, Mourvèdre) is becoming more and more popular, Mr. De La Haye explained.

New Asian Destinations

Of course, if the competition is now stronger on the Chinese market, probably it’s time to think about some other destinations in the east of Asia. “Roussillon wines have been sold in Asia for a very long time,” Mr. Aracil said. “Mostly in South Korea, which is a more mature market with higher added values. We are also selling into Japan or Singapore.” “Singapore is a completely different market,” Mr. Piquet said. “Taxes are quite high, but the income level is one of the highest in the world. Everybody there speaks English, so it may be easier for European winemakers to sell their wines directly, without local intermediaries or at least less than in China. The cultural gap is not so large. The only problem is the final price for the wine. A basic wine is sold for 30 Euros, and as a result, it is not always referenced in the fair category of price-quality ratio where it should be.” Asian markets and specifically the Japanese market is already a target for Advini group. “Business traveling is already easy and tourism is now open again,” Mr. De la Haye said. “The Japanese market is rather good. Grand crus from Bordeaux and great wines from Burgundy as well as Champagne are taking off very fast for the time being. Actually, Japanese are eager to drink only the best ones. It’s very important

because, during Covid, they were looking more for affordable wines from the new world, sold in convenience stores or supermarkets. And, actually first-price wines are suffering due to price competition and less interest from consumers.” A question of price which is also relevant in South Korea.

“Chilean wines have a specific trade agreement,” Mr. De La Haye said. “It’s quite hard to sell your own wines after them as we don’t have the same tax level. In a way, I think that French and European wines have lost the first-price category on these markets. We cannot sell these kinds of wines that cheap. But we are more considered for the most valued wines.” “The market in South Korea is growing fast, specifically for Burgundy wines and champagnes,” Mr. Piquet echoed.

For the champagnes, the wine food-pairing and the many talented Japanese chefs is actually a new lever.

“Japan and South Korea are coming back very strong,” Mr. Aracil said. “We still have no worry that Singapore and Taiwan might continue to be a growing market. India seems to be a good opportunity, but will it really open in the future?” “We already sell our wines in Japan, Malaysia or Singapore,” Mr. Bantegnies said. “But until the beginning of this year it was complicated as well for some of these countries. Let’s say that at the end of spring, the situation will become more normal for almost all the world, except for China. However, the post Covid situation pushes us to revise our strategies for several countries to replace the disappeared customers. And it will take time.” There is also the specific situation of Hong-Kong, as Clément Piquet explained. “The wind is fully in the sails of Shenzen as this city built very close to Hong Kong was able to be more energetic in the last few years,” he said. “Hong Kong is still a reference for the world market, however you should consider it on a downhill slope in terms of attractiveness.” In a few words, things are changing very fast in the whole Asian market and mostly in China, a country that seems to awake to the wine, but not only to import them. Also to produce a lot for their local market. Any idea for the next step, Mister Napoleon?



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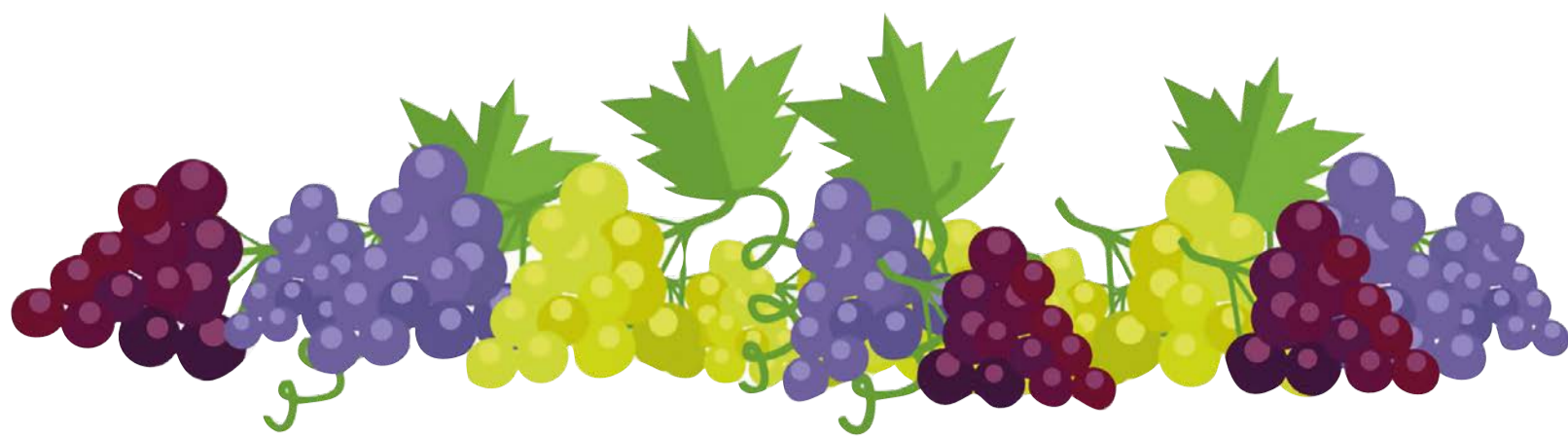
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GREAT REDS AND  
CAVA, THE WALK OF  
IBERIAN WINES IN  
THE EAST



## SPANISH WINE

# on the Asian Market, between Competition and Possibility



Frank Scheepers



Jesi Llopart



José Luis Villar

In a world of wine that has always looked to the West, the markets of the Far East, such as those of China, Japan, South Korea and Hong Kong, are an opportunity that has not yet been fully explored. Especially for a producing country like Spain, which in order to find its way must deal with very strong competition from France, Australia, Italy and Chile. The Spanish wine export market, after all, in the first half of 2022, showed the best result ever, with exports reaching 1.435 billion Euros, 4.1% better than in the first six months of 2021. Two categories have been behind the growth: still wine in bottles, which although it differs slightly from the previous figure (+0.7%) is worth 60% of exports, with a value of 869.8 million Euros; and sparkling wines, that reached 223 million Euros (+10%).

The importance of the Asian market, however, is still quite marginal: China and Japan, together, only represent 8.3% of the export of Spanish wine (to the value of 120 million Euros) and are respectively the tenth and eleventh market of reference. No other Asian country is among the 21 commercial partners of Spain for wine. In order to continue to grow Spain must first consolidate its position, especially in Japan, where Cava had an excellent performance in the first six months of the year: +21.5%. On the other hand, the Chinese context is different, with a significant drop (-18.2%). China historically prefers Spanish red wines: above all Rioja, Ribera del Duero and Priorat.

As three historic Spanish wine companies, such as Codorniu, Llopart and Bodegas Frutos Villar, have said to "Wine World Magazine", they have in front of them a mountain to be climbed with patience and must continue a path that began a few decades ago, excluding the pandemic period when they suffered an unexpected stop.

The fundamental goal - here as everywhere else - is to conquer the Asian wine lover, always keeping in mind the numbers of average consumption, decidedly lower than in Europe and North America. Above all a great deal of communication work must be done to describe the specificities of the territories, names and brands often completely unknown to the general public.

### International Fairs Are Essential

Relations with the Asian markets of Codorniu, the oldest winery in Spain, which today produces 60 million bottles of Cava, began in Japan, "in the seventies, and only then we visited China, South Korea, Hong Kong and Singapore," said the company's Chief Commercial International, **Frank Scheepers**.

"Today Asia is worth 15% of all our exports, but consumer awareness is growing year after year, giving a great importance to the brand," Mr. Scheepers added. "The elements that most influence the purchasing process, in fact, are the history of the winery, the international awards and scores and the size of the company. There is still a lot to do for the Asian consumer, because the choice still falls, in many cases, on international varieties: Cabernet Sauvignon, Syrah and Merlot for reds, Chardonnay and Sauvignon Blanc for whites. Codorniu, on the other hand, has done a great job over the years, creating an important space for Spanish grape varieties such as Tempranillo, Macabeo, Xarel-lo and Parellada."

"First of all, we need to make our brand known, promoting premium products under the umbrella of Spanish wine and denominations," he explained. "Obviously, we have to deal with very strong competition from France, Italy and Australia, and finally educate the customer about the great variety of our denominations and our vines. In this context, the role of international fairs is fundamental, since these allow us to make contacts and find potential customers: it is the fastest and most functional way to grow in the region. The most important customers for us are those of Singapore and Hong Kong, which act as hubs for all Asian countries. Fairs, however, are not enough, so our salespeople often travel to individual markets, to meet potential customers in person and work alongside our local team in Asia, whose role is very important in reducing cultural distances with our partners. Understanding the customer, and knowing how to take care of them, is very important, which is why we must constantly work to shorten the distance from markets, especially those with the greatest potential. It is no coincidence that Codorniu has offices and staff in Shanghai, Singapore and Hong Kong (where still wines, especially reds,

Asia seen from Codorniu, Llopart and Bodegas Frutos Villar: a (commercial) trip beginning in Japan and looking to China, without forgetting smaller but interesting markets such as the Philippines. Cultural distance has to be reduced and it would be necessary to work hard on brands

are the most popular), but also in Japan, where interest in sparkling wines is historically strong, and the opportunities, even for us, are enormous."

### A Slowly Changing Market

"We have been known on the Asian market for years, but with still modest volumes," said **Jesi Llopart**, export manager and sixth generation of producers of Cava of the Llopart family, which produces 550,000 bottles, 20% of which end up abroad. Of these, a quarter is sent to Far East.

"Our goal is to find, in each country, a commercial partner who knows our philosophy and our wines well, and who knows how to promote them, shortening the cultural distances that separate us," Mr. Llopart said. "Asians are not big wine consumers, but there is a very interesting potential segment, made of great connoisseurs, who know how to appreciate quality wines, and who are gradually becoming interested in new wines and regions, which go beyond France, the main exporter almost everywhere. For our company, the paradigmatic case could be Japan, where we have been present for the last 20 years. It is a historic market for us, but also very large, competitive and demanding, and it takes perseverance to seize the opportunities, especially in niches such as that of organic, vegan or sulphite-free wines. There is potential, since it is a country that knows and appreciates Catalan gastronomy."

For the Manager, however, not only Japan exists, but also South Korea and Hong Kong, where they have been present for seven years.

"The Asian market is a market that changes slowly; before the pandemic it seemed more receptive to trends coming from Europe," he said. "But now the feeling is that everything has stopped. At a strategic level, the Manager focuses on what it defines as "passive internationalization, that means being strong in Spain so that importers perceive us as a strong brand. In general, looking beyond the case of Llopart, in Asia red wine is the entry product, and the Spanish ones enjoy a certain prestige, with names like Rioja, Ribera del Duero or Priorat, the closest to us. Behind the reds, the share of whites and sparkling wines - which also have similar characteristics, such as acidity, freshness and moderate alcohol content - is practically the same, and it's in this category that our most exported labels in Asia, the Rosé Brut Reserva and the Brut Reserva, fit in."

### Strong Competitors and Opportunities

More recently, but also multifaceted and important, is the arrival in Asia of the wines of Bodegas Frutos Villar, a company founded in Castilla-La Mancha in 1922, which today also includes Bodegas Cigales, Bodegas Santa Eulalia and Bodega Toro.

"Our arrival in Asia dates back to 2011 - and today we can be found in almost every country, with the exception of Hong Kong, with the eastern markets currently worth 30.8% of all our export," said **José Luis Villar**, at the helm of the company. "The greatest difficulties come from China, where for years the market has preferred almost exclusively French wines, purchasing from Spain only low-cost products, which guaranteed significant margins. Another important competitor is Chile, which has invested heavily in China and has enjoyed a free trade treaty with Beijing for some years. Furthermore, it is important, but very difficult, to build solid and personal relationships, because of cultural differences, but we are lucky to have our salesman on the field, who works constantly to create new opportunities."

Apart from China, Japan, which has solid trade relations with Spain, and South Korea, where the free trade treaty with the EU has given an important boost to shipments, we should not underestimate the possibilities offered by Taiwan, Vietnam and, above all, the Philippines, a Spanish colony, in different forms, from 1565 to 1896 and, concludes Mr. Villar: "still has such strong commercial relations with Spain that we started exporting our wines to Manila in 2006, through a company that controlled several Spanish restaurants and clubs. Despite the 110 million inhabitants, wine consumption is rather moderate, because it almost exclusively concerns the middle class, which represents a decidedly minority part of the country. Here too, as in China, French and Chilean wines are a step forward, but the relationship between Spain and the Philippines is helping us to grow."



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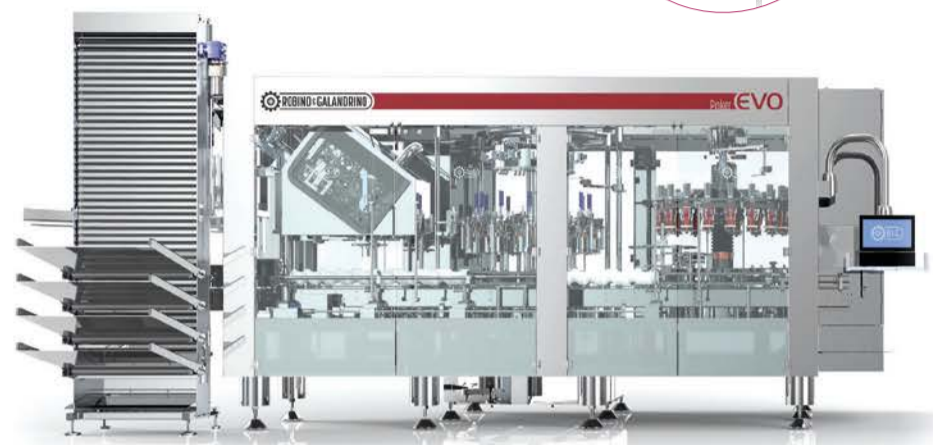
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Andrew Nelson



Gino DiCaro



Jeff Morgan



Peter Godoff

By JEREMY PARZEN

# Asia Needs to be a Priority, Hands-On

“Asia is certainly the future,” said **Andrew Nelson**, co-founder of War-Room Cellars, a winery group headquartered in San Luis Obispo, California. “For any winery that is focused on growing its export, Asia needs to be a priority.”

Building their Asian market presence is a goal for the short term, according to Mr. Nelson, the managing partner of a group that includes six winery brands. Of those, three — including its flagship heritage brand Bonny Doon, a historic Santa Cruz Mountains estate and winery, are currently exported to Asian countries. Despite the group’s early success in the months since the pandemic-era lockdowns in the U.S. ended, he conceded that he hasn’t “quite figured out how to do it yet.”

Young, energetic, and charismatic, Mr. Nelson, who has regularly appeared on “40 under 40” (wine professionals destined to succeed) lists, is emblematic of the new wave of California winery group managers who see Asia-Pacific as the only major foreign market that has yet to be infiltrated by their wines.

Getting your wines into Asia, he said, “takes a much more involved approach” than in other world markets. It’s key to have “someone on the ground traveling there and doing the kick-off and pushing through the language barrier” in each region.

Having a high-profile legacy brand like Bonny Doon, he noted, helped to open doors and was also an important element in connecting with an “importer that can tell a brand’s story.”

## California Wine Ebbs in Europe, and Flows in Asia

According to data provided Wine Institute, a California-focused advocacy group that was founded the year after the repeal of Prohibition, the California wine industry exported more than \$1.4 billion of “wine and wine products” throughout the world in 2021. Technically that number includes a small percentage of wines from other states that pass-through California ports on their way east. But other states represent a “tiny margin,” said **Gino DiCaro**, communications director for the Wine Institute, who provided the figures.

The Asian market — Japan, China, Hong Kong, and South Korea — accounts for \$279 million in export sales, roughly 20 percent of yearly sales to foreign markets. Only Canada, which shares a border and a common language with the U.S., buys more California wine — more than \$500 million in exports in 2021, representing more than a third of the total.

By comparison, the 27 countries that make up the European Union only bring in roughly \$190 million of California wine exports (roughly 14% of the total).

These figures paint a clear picture of why Californian growers, producers, and bottlers are increasingly looking to Asia for growth.

Another element driving this trend is the fact that sales in the United Kingdom, where California has its biggest market share in Europe, decreased by nearly \$50 million in 2021, a more than 20 percent drop.

While it is not clear whether pandemic lockdowns, domestic and political challenges (like Brexit), or the vexing logistics issues that all sectors of the industry are facing led to this drop, one thing is clear: California needs to look beyond Europe if it hopes to compete in a growing international market for fine wine.

But especially since pandemic restrictions were

first put into place across the globe in early 2020, California wine has continued to make inroads in Asia even as it loses ground in Europe, a market where it faces steep competition from domestic winemakers and bottlers. Sales of Californian wine grew by nearly 20 percent in Asia with respect to the previous year, adding more than \$64 million in gross sales. Today, California sells more wine to Asia than it did in pre-pandemic 2019.

Except for Japan, where sales are inching back toward their 2019 levels, the total volume of wine shipped to the Asian market has grown by roughly \$8 million since 2019. But that seemingly modest figure is all the more impressive when we consider that California lost roughly \$57 million in sales in Asia in 2020 but then grew by close to \$65 million in 2021.

And with respect to 2020 sales, the South Korea market bounced back with more than 50 percent growth in 2021. China (not including Hong Kong) delivered a whopping 80 percent in growth for the sale of California wines there over the 12-month period.

In short, the numbers do not lie: Asia, as Nelson points out, has the greatest potential for growth in the 21<sup>st</sup> century.

## A Role for Wine Education and Culture

Taiwan “is not a traditional wine-drinking nation,” **Jeff Morgan**, a highly successful veteran wine-industry entrepreneur, noted. “But it’s becoming so because of the synergy between the educators and restaurateurs.”

Mr. Morgan owns and runs Covenant Wines, including a popular urban winery in Berkeley, California, and a co-branded winery in Israel, which produces high-quality kosher wines for the U.S. and Israeli markets. He currently sells both brands in Asia.

A connection with an American ex-pat at the Taiwan Wine Academy landed a pre-pandemic date for a consumer seminar. That presentation ultimately led to an introduction to an importer. But the story of how he broke into the Japanese market was one of a salesman’s true grit. Mr. Morgan, as he recounts the episode, simply called every retailer, distributor, and importer he could find there until “someone finally answered the phone.” Today he ships both his American and Israeli wine “at all different price points” to his Asian partners.

“They are very good businesspeople,” he said. “They know how to sell wine. And they are very responsive [in their correspondence] and they pay their bills on time.”

Mr. Morgan echoed Mr. Nelson’s comments on how a personal presence and connection on the ground.

“Doing business in Asia is very personal,” he said about his experiences selling wine on the other side of the Pacific Ocean. “They are reserved at first. But once you establish a warm connection,

they are not only charming and welcoming but they are also loyal business partners.”

Another key to his success in Asian markets, he explains, was the fact that his partners there appreciate the cultural value of the products they are working with.

“They are really starting with nothing” in terms of wine culture, he said. “They are trying to create. Cultural foundation for this newfound love of wine.”

Over the course of his travels, mostly in Taiwan and Japan where his market share continues to grow, said Mr. Morgan, “I don’t have to answer questions about [what it means to be] kosher or about Israel.”

All of his Israeli wines happen to be kosher but no one seems to care, he noted, “It’s all about wine, it’s about terroir, it’s about history.”

## Business “Their Way”

“Everywhere you go, the cultures are different,” said **Peter Godoff**, a New Yorker and former restaurateur who has run two of Napa Valley’s most popular wineries (Swanson Vineyards in Rutherford and V. Sattui in St. Helena) and now runs the Asia-focused wine brokerage Wine Jugernaut.

“You must acknowledge that and be attuned to that,” he said. “If you want to do business with them, you have to do it their way. You can’t force them to buy something. You have to be accepting of that. A lot of wineries missed the boat.”

He remembered of his early days in Napa, because they didn’t try to understand their would-be buyers’ cultural difference. Ultimately, Mr. Godoff boiled it down to what he calls his three questions: When do you need the wine? How much wine do you need? What price range do you want?

“If they answered those three questions, they would probably accept the deal,” he said.

Buyers weren’t interested in numbers of cases, he said. They wanted to talk about how many

## CALIFORNIAN WINEMAKERS SEE OPPORTUNITY FOR GROWTH IN ASIAN MARKETS

*Today, 20% of North American wine exports travels to Asia. Only Canada is a better market, while Europe remains a difficult one, with sales going down even in the UK. Not all producers are ready to work with such different markets, but those who are trying know that they need a practical, on-the-ground approach, and above all the skills to adjust to the local culture, as Asia’s countries are still building their own wine culture*

cases could fit into a 20- or 40-ft. container.

Much of the wine sent from California and Europe to Asia is intended for gifting, he noted, and in some cases his clients needed literally thousands of bottles of wine to give to their employees, for example. Because of this custom of giving wine as gifts, Asian buyers tend to be extremely “label conscious,” he said. A lot of his deals were easier to close, he explained, when “they could see it on the internet and they could see the price and see what it is.”

A robust online presence made a significant impact on his buyers’ perception of the products, he said.



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# Fine Wines and Asia, Its Number One Market

China, Singapore, Hong Kong, Taiwan. The major auction houses and retailers for fine wines focus on these countries. No less than 52 percent of buyers of wines and spirits at Sotheby's auctions in 2021 came from Asia. The great French ones are the favourites, but wines from Italy, California and New Zealand are starting to grow. It is however a volatile niche



By TOM BRUCE-GARDYNE

“It is no exaggeration to say that Asia has become the focus of the world's fine wine trade,” wrote Jancis Robinson in the Financial Times in 2010. In Bordeaux, that year's vintage was offered for sale in May 2011 at record prices. While many traditional buyers in the UK and US refused to pander to such naked greed, the top châteaux became increasingly reliant on Hong Kong and China. There were tales of wealthy Chinese besieging the Hong Kong office of the venerable, London wine merchant - Berry Bros & Rudd, waving their cheque books in the air and demanding to know what number to fill in. Very soon however, the boom turned to bust with prices collapsing from August that year. A decade on, the region's fine wine market has changed beyond recognition according to **Thibaut Mathieu**, managing director for Asia at Corney & Barrow, another London-based pillar of the wine establishment, that opened an office in Hong Kong in 2007. This was followed by an office in Singapore in 2013, and Shanghai last year, which suffered “a rough time in April and May with the lockdowns. But since then, business has been pretty encouraging,” he said. “Shanghai is a market that is getting more and more sophisticated,” he explained. “We have limited stocks of the wine we sell, so we want to place them carefully with customers.” Today's wealthy Chinese consumers “are curious,” he said. “They don't want just wine; they want a certain grape and a certain region.” While there is an obvious interest in the most prestigious names like Lafite or Latour in Bordeaux, and there is “an element of label-drinking” he reckoned, “the big difference with Europe, is in having wine with a meal.” Asian consumers will pair prestigious bottles with food, yet the idea is not quite part of their culture in Mathieu's view.

## The Two Key Markets

Hong Kong and Singapore are the two key hubs for trading fine wine in Asia- Singapore took off in 2008, when its government slashed duty rates on wine to zero. The London merchants and traders piled in and quickly opened branches there. “London is really the centre of the fine wine trade,” **Mathew O'Connell**, head of investments at Bordeaux Index, said. “And one of the reasons is that the UK probably has the highest amount of wine in professional storage. The primary attraction for people in Asia is the provenance and condition of the stock.” At Bordeaux Index, which claims to be the largest UK platform for trading wine, they do about 40% of our business in Asia, according to Mr. O'Connell. These so-called ‘investment grade’ wines include the top growths from Bordeaux, the most sought-after Burgundies, leading vintage Champagnes and a few famous names from Italy, California and beyond. For those interested purely in investment, safe storage and guaranteed provenance are clearly crucial. The bottles can rest undisturbed in a temperature-controlled and well-secured cellar in England while their ownership is fiercely traded around the world. Like everywhere, there are investors, collectors and high-end drinkers in Asia that form a kind of three-legged stool. So long as the wines are occasionally drunk, causing the supply to shrink and prices to rise, the stool will remain stable. That is the theory. After China's somewhat ugly baptism into the fine wine world of Bordeaux in 2011, things have settled down in Asia. “It's a market that is learning very fast,” said Mr. Mathieu. “Peoples' tastes have evolved, they are broadening their knowledge and they have become more savvy when it comes to price.” As well as having a portfolio of exclusive wines, British merchants like Corney & Barrow rely on the service they can offer clients in Asia.

“We have a fine wine warehouse in Hong Kong, our own trucks and flexible deliveries,” Mr. Mathieu said. “We can provide storage in the UK which is slightly cheaper than in Asia, and a shipping service either by boat or air.”

As for what the firm can offer its suppliers, the answer lies in the route to market. “Accessing the end consumer is complicated,” he said. “The châteaux in Bordeaux, from First to Fifth growths, produce a vast amount of wine. If they were to sell to individual customers, it would be impossible.”

## Bordeaux, Burgundy and Champagne Dominate the Market

Diageo, the biggest international spirits producer with brands like Johnnie Walker and Smirnoff, also plays in this space with its wine merchant subsidiary - Justerini & Brooks which focuses on private clients through its branch in Hong Kong.

“We supply collectors and drinkers in Taiwan and mainland China, but mainly in Hong Kong and Singapore,” said **Giles Burke-Gaffne**. “The trade is dominated by Bordeaux, Burgundy and Champagne, though there is growing interest in Piedmont. While historically, it has been a red wine market, we have noticed white wines have increased a bit, with people starting to use Rieslings, Chardonnays and even sweet wines to pair with spicy, Chinese dishes.”

While Asian consumers have no shortage of local options, he believes that there is a sense in Singapore and Hong Kong, that people like to buy wine from their UK merchant.

“If you have had decades of importing and selling wine, it's about that track record and relationship,” he said. “If you trust Giles at J&B, you want his advice, he knows what you like to drink.”

He describes many of his top clients as “people who travel the world - they're global, and they probably own property in London so it's no problem to drop in and talk to their merchant there.” J&B tries to steer clear of the speculative end of the fine wine trade.

“We do actively get to know our customers, and sell to people we believe are drinkers,” Mr. Burke-Gaffne said. “We're not interested in targeting people who are purely in it for investment”.

Being aware of a buyer's motives is not always easy, but he tries to distinguish between “those who would open a case as soon as they got it, and those who might sell a case or two ten years later”.

## Asia's Secondary Market

There is a very busy secondary wine market in Asia that has a distinct English accent. All the British auction houses are active with Sotheby's reporting that Asian buyers accounted for 52% of its record US\$132 million wine and spirits sales last year. There are also the UK-owned trading platforms like Live-Trade that is part of Bordeaux Index, and Liv-ex which published its half-year report on fine wine trends in Asia in July. By value, Burgundy was the region's most traded wine on the platform, with a 39.2% share compared to 37% for Bordeaux. Yet by volume, its top ten traded wines in Asia were far more eclectic, including a white Bordeaux, a Rioja, a Brunello di Montalcino and a New Zealand Chardonnay. At Bordeaux Index, **Mathew O'Connell**, believes that not all these ‘investment grade’ bottles are simply being traded.

“We think compared to a decade ago, more of this stuff is being drunk, and younger in its life, and that's obviously a positive for the market,” he said.

If these wines are becoming too expensive to consume in the old world, maybe that is less of an issue among the high-net worth drinkers of Asia. As of 2021, there were no less than 698 billionaires in China, while Hong Kong had the highest number per capita in the world.



Thibaut Mathieu



Mathew O'Connell



Giles Burke-Gaffne

AN OVERVIEW OF ONE OF THE MOST INTERESTING WINE MARKETS IN EASTERN EUROPE

# A Small, Yet Thirsty Country

*From beer to wine, the country is shifting consumption, becoming a very interesting buyer for several large producers. Sparkling, pink and white wines are expected to sell most, while the reds should remain stable*

By GABRIEL RIEL-SALVATORE



With its 10.7 million inhabitants, the Czech Republic is a small, yet thirsty market when it comes to wine. Boasting a yearly per capita consumption of circa 22 litres, the country of Václav Havel stands as one of the world's largest markets for wine importation as local production hardly meets the demand, especially in big cities. A famous beer nation, Czech people also enjoy drinking wine on a regular basis—a trend that has been picking up steam in the last few years. While Czechs do remain the biggest beer drinkers on the planet, according to the Kirin Beer University Report 2019,

with a staggering 188.6 litres per capita annually, a study conducted in 2020 by the Czech wine-growers' association Vinařský Fond (Wine Fund) revealed that 73% of Czech adults drink wine while 65% prefer beer. Not yet saturated, the Czech wine market is still open for business. With a growth of 4% between 2017 and 2018 reaching 228.4 million litres in volume, sales are expected to continue increasing by around 2% per year until 2023, reaching an overall volume of



252.3 million litres, according to Euromonitor's forecasts. Sparkling wines, still rosés and whites should experience the highest increases, while sales for red wines should remain fairly stable. Bag-in-boxes between 2 and 10 litres are also on the rise, with Italy leading the way since the introduction of a new customs code in 2017. In 2018, Czechs consumed 21.5 litres of wine per capita annually; this figure should continue rising to 23 or 24 litres by 2023. The demand for wine has been

growing hand in hand with the country's rising number of retailers and specialty bars, with the off-trade segment accounting for 75% of the distribution and 25% for the on-trade.

"I think the Czech market is a nice niche market whose potential is growing every year," said **Antoine Fanjat**, a local French wine importer representing wines from Bordeaux and Languedoc. "Wine consumption per capita is relatively high, which puts the country ahead of other countries that consume a lot of wine, such as England. The average price of wines purchased is also rising, especially in the main cities like Prague and Brno, making the Czech Republic one of the few wine markets still growing."

Boasting the second highest purchasing power among Central and Eastern European countries (behind Slovenia), Czech consumers seem increasingly interested in quality products echoing the European trend towards better and healthier food. Drinking wine several times



Antoine Fanjat



Jakub Příbyl

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Petr Hubeny



Tomas Oroszlan



Michal Šetka



per week, for a monthly budget of about €16, Czech consumers spend on average between €4 to €9 per bottle for their personal consumption and up to €19 when purchasing a present for someone.

“Czech consumers living in the provinces are generally looking for better value for money than the urban consumers, who are more focused on quality and are willing to pay more for it,” Mr. Fanjat underlined.

Used to drinking local wines, Czechs need to rely on foreign ones to quench their thirst as their local production—slightly inferior to that of Champagne with a vineyard of circa 20,000 hectares—can only satisfy a third of the demand. Foreign wines from all corners of the world account for the other two thirds of the market with Italy, France and Germany dominating in terms of volume and value.

“The range of wines we have on the Czech market is simply outstanding,” claimed **Jakub Příbyl**, one of Europe’s best sommeliers and a wine expert working as a sales director for a local Czech importer. “Most of the world-famous wineries can be found here. It’s really unique considering the size of our market.”

He likes to compare Prague to Munich in terms of business potential.

“In general, Czechs are looking for richer, bolder, slightly sweeter wines that are closer to the United States and Russian palates in terms of taste as opposed to our neighbours from Austria or Germany, who prefer dryer wines,” Mr. Příbyl said. “This is quite strange for me, because these wines don’t match our cuisine at all.”

“On the other hand, more knowledgeable and educated people are willing to spend good money for famous coveted appellations from Burgundy or Bordeaux for instance,” he added. “Yet, Czechs are a little bit conservative, tend to stick to what they know and are not really open to discover new wines that much. Natural and orange wines, for instance, never really became hip here and are less popular than they were six years ago. These wines remain marginal even in the specialized wine circles.”

According to the Czech Wine Fund 2020 report on local wine consumption, almost 60% of the 1,200 survey respondents preferred drinking Moravian and Czech wines. Out of those, more than half (54%) preferred drinking white wine, preferably with some residual sugar, while 25% favoured reds, 6% enjoyed sipping rosé and 15% did not have any preference. The study also revealed Czech wine drinkers were willing to pay higher prices to support domestic producers, spending about 25 CZK (€ 1) more per bottle compared to 2016 when the survey was last conducted. With a climate and growing conditions similar to southern Germany, the two wine regions of Czech Republic focus primarily on white wine production (60-70%). Moravia, in the south, accounts for 96% of the total production of the country. Bohemia, which includes the city of Prague, produces the remaining 4%. Since the country was under Austro-Hungarian rule for several centuries, Czech viticulture has strong similarities with its Austrian neighbour, especially in the Moravian region. Bohemian winemaking,

for its part, is more comparable to that of Germany.

“Sixty percent of our sales are about Czech wines. The rest are mainly wines from Italy and France,” **Petr Hubeny**, wine buyer for the Tesco Group in Czech Republic, said. “German wines have a good reputation and remain attractive for Czech consumers, while Austrian wines are considered too close in style to Czech wines. With the price and the quality of local wines going up, Austrian wines are becoming less and less attractive in the retail sector.”

“As for wines from the ex-communist countries such as Bulgaria, Moldova or Hungary,” he continued. “People expect cheap wines and are not willing to pay a premium for good bottles from these countries. Hungary, Slovakia or Moldova have always been performing relatively well in the bulk wine category, yet not so much in terms of added value per bottle.”

“People in Czech are used to drinking sweet wines from Hungary and Tokaj still enjoys a very good reputation, although sales are not what they used to be 20 years ago,” said **Tomas Oroszlan**, export manager for the Hungarian producer Tokaj-Hetszolo Organic Vineyards.

He recently presented his wines at the Prague Wine Festival 2022 with the help of the promotion board Wines of Hungary.

“The problem we are facing is the growing trend for dryer wines,” he admitted. “Yet, even dry Furmint wines are hard to sell here, while quality reds made from our traditional grape varieties such as Kadarka

remain relatively unknown and limited to a niche market of connoisseurs. There is still a lot of work to do.”

An opinion shared by **Michal Šetka**, editor-in-chief of the Czech magazine Wine & Degustation, who believes that Slovakian and Hungarian wines are not appreciated as much as they should.

“It’s mainly because they don’t have a name,” he said. “They are close competitors that come from former communist countries, which we don’t trust, even if we share a similar history. When it comes to Austria and Germany, it’s a totally different story. We trust western countries and the sales reflect that. Appellations such as Mosel, Rheingau, Wachau or Kamptal all enjoy top reputations. These two countries are also using single grape varieties such as Riesling and Gruner Veltliner, to which we are accustomed. You can find these wines in most good restaurants.”

In 2021, the Czech Republic imported 722,000 hectoliters of bottled wines (+ 1% on 2020), for a value of € 164 million, an increase of 4% compared to 2020, according to the UIV Wine Observatory. Italy ranked first in the market both in terms of volume (22%) and value (26%). France’s position remained stable, ranking fourth as the largest exporter in volume (10%) and third in value (16%), while Germany did well by maintaining second place in volume (19%) and value (21%). “Czech consumers generally have a high opinion of French wine, especially red wines,” Mr. Šetka said. “However, the classification of French wines is difficult to understand for Czech consumers who are used to varietal wines. The Grand Crus of Bordeaux and Champagne have the best reputation in the country and are the most coveted regions, thanks to the great quality of their wines.”

“The popularity of Italian wines is indisputable in the Czech Republic,” said Mr. Fanjat. “This can partly be explained by their good value for money and the proximity of Italy to the Czech Republic, where many Czechs enjoy spending their holidays,” Mr. Fanjat said.

“At the entry level, Italian wines in the Czech Republic unfortunately follow what could be coined as the triple “P” phenomenon where Pinot Grigio, Prosecco and Primitivo literally dominate the market,” said Mr. Příbyl. Easy to understand and often carrying residual sugar, these wines also have the advantage of being monovarietal wines. Fortunately, connoisseurs are also looking for Barolo, Brunello and Super

Tuscan wines, which they can spend a lot of money on.”

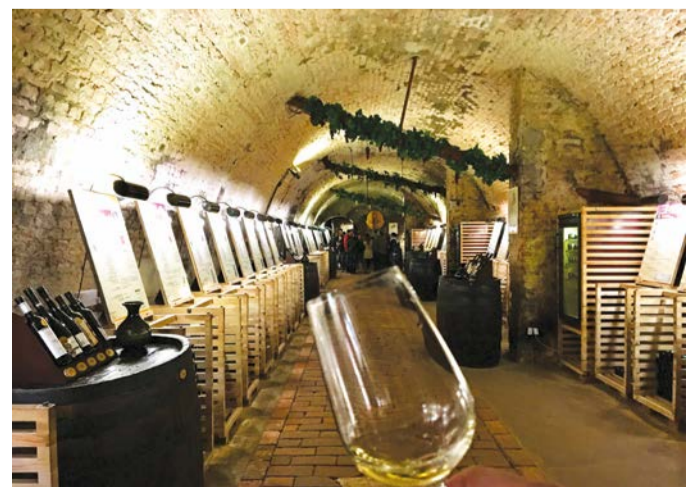
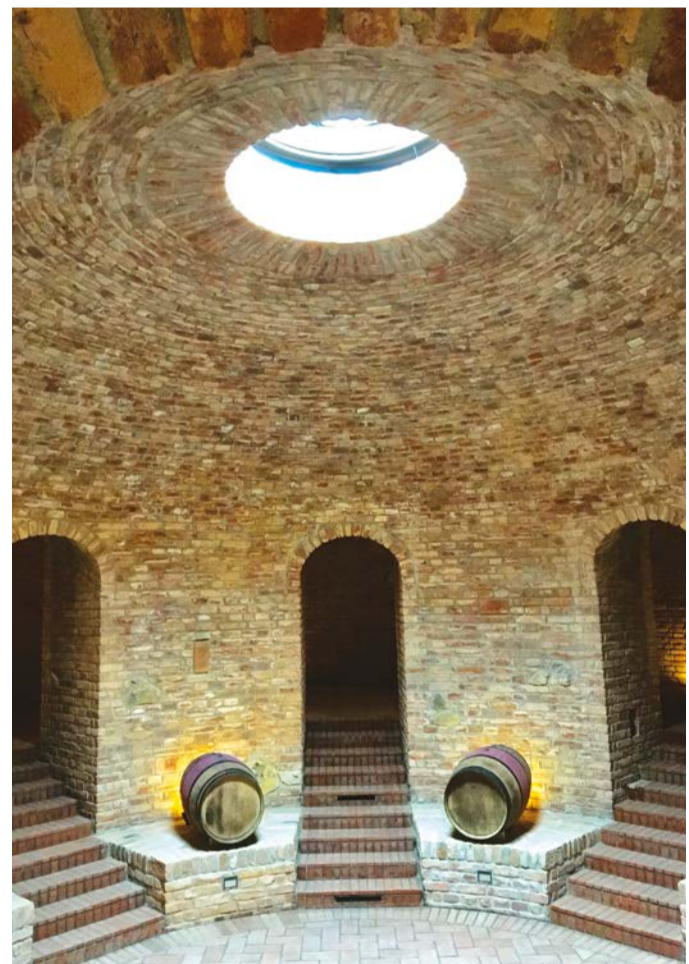
“At the marketing level, the Czech consumers are quite conservative and are used to buying single varietal wines where the name of the grape is written on the label,” Mr. Fanjat said. “Italians excel in the visual marketing of their wines, although Czechs tend to prefer more classic dressings when it comes to French or German wines.”

Sparkling wines are becoming more and more popular in the Czech Republic mainly thanks to Prosecco and Champagne. Indeed, the volume and market value of this category will increase nearly 80% in value and 60% in volume over the period 2018-2023 according to Euromonitor’s forecasts. Rosés are also booming, with sales increasing by 8% in volume in 2017-2018. Yet, Czech wine consumers continue to prefer white wines, which corresponds to the current world-

wide trend towards drinks with less alcohol and more fruitiness that are easy to drink and accessible to beginners.

“At the trade level, the Czech Republic is part of the European Union, which facilitates trade and avoids customs duties,” Mr. Fanjat said. “In addition, there are no excise duties on still wines. However, the Czech Republic became conservative regarding the sparkling wines which it is producing in large quantities with local companies, such as Bohemia Sekt, who are holding 70% of the market. The excise duty then amounts to approximately € 90 per hectolitre.”

Finally, the dynamics of imports in terms of value are higher than those of volumes, supporting the idea of a trend for more quality products, mainly due to the high purchasing power of its capital city, confirming there is plenty more to order than beer in the Czech Republic.



WINES AND SPARKLING WINES IN THE CZECH REPUBLIC

Two Thirds of Wines Are Imported

Source:  
Wine Observatory  
of the Unione Italiana Vini

Still and Sparkling Wines, Imports into the Czech Republic

.000 litres	2016-20 Avg.	2020	2021	Chg. 21/20	Chg. 21/ 5-y Avg.
Sparkling wines	6,001	7,294	10,710	46.8%	78.5%
Bottled wines	62,802	71,570	72,162	0.8%	14.9%
Bulk wines	68,322	64,209	58,377	-9.1%	-14.6%
Wines in 2-10 l. boxes	3,125	3,718	5,340	43.6%	70.9%
Total	140,252	146,791	146,590	-0.1%	4.5%

.000 Euro	2016-20 Avg.	2020	2021	Chg. 21/20	Chg. 21/ 5-y Avg.
Sparkling wines	23,798	27,665	37,118	34.2%	56.0%
Bottled wines	131,429	157,874	164,052	3.9%	24.8%
Bulk wines	44,783	44,685	41,021	-8.2%	-8.4%
Wines in 2-10 l. boxes	3,895	4,812	5,914	22.9%	51.8%
Total	203,906	235,035	248,104	5.6%	21.7%

.000 Euro/litre	2016-20 Avg.	2020	2021	Chg. 21/20	Chg. 21/ 5-y Avg.
Sparkling wines	3.97	3.79	3.47	-8.6%	-12.6%
Bottled wines	2.09	2.21	2.27	3.1%	8.6%
Bulk wines	0.66	0.70	0.70	1.0%	7.2%
Wines in 2-10 l. boxes	1.25	1.29	1.11	-14.4%	-11.1%
Total	1.45	1.60	1.69	5.7%	16.4%

Bottled Wines per Country of Origin (.000 Euros)

Country	2016-20 Avg.	2020	2021	Chg. 21/20	Chg. 21/ 5-y Avg.
Italy	29,818	37,477	41,826	11.6%	40.3%
Germany	21,516	32,460	34,341	5.8%	59.6%
France	23,950	25,632	25,897	1.0%	8.1%
Slovakia	6,283	12,216	12,298	0.7%	95.7%
Spain	9,835	9,473	9,159	-3.3%	-6.9%
Chile	7,634	7,699	8,937	16.1%	17.1%
Moldova	7,146	7,410	7,871	6.2%	10.1%
Hungary	8,286	7,575	7,775	2.6%	-6.2%
Austria	2,254	4,212	3,099	-26.4%	37.5%
Portugal	1,896	1,872	2,055	9.8%	8.4%
Argentina	1,120	685	811	18.3%	-27.7%
South Africa	1,162	555	496	-10.6%	-57.3%
others	10,528	10,607	9,487	-10.6%	-9.9%
Total	131,429	157,874	164,052	3.9%	24.8%

Sparkling Wines, Country of Origin (.000 Euros)

Country	2016-20 Avg.	2020	2021	Chg. 21/20	Chg. 21/ 5-y Avg.
Italy	8,428	9,764	12,952	32.7%	53.7%
France	8,971	8,599	12,209	42.0%	36.1%
Germany	3,943	5,395	8,276	53.4%	109.9%
Austria	127.6	119	1,897	1494.4%	1387.0%
Slovakia	771	1,330	769	-42.2%	-0.3%
Spain	502	481	522	8.6%	4.0%
Hungary	87	67	18	-73.7%	-79.6%
Others	968	1,910	474	-75.2%	-51.0%
Total	23,798	27,665	37,118	34.2%	56.0%

Bulk Wines, Country of Origin (.000 Euros)

Country	2016-20 Avg.	2020	2021	Chg. 21/20	Chg. 21/ 5-y Avg.
Slovakia	8,420	14,466	14,840	2.6%	76.2%
Hungary	10,670	10,688	7,947	-25.6%	-25.5%
Italy	9,437	6,934	5,930	-14.5%	-37.2%
Spain	8,269	3,235	5,642	74.4%	-31.8%
Argentina	1,155	4,439	2,039	-54.1%	76.6%
Moldova	2,385	2,320	1,536	-33.8%	-35.6%
South Africa	933	391	592	51.4%	-36.5%
Austria	602	885	579	-34.5%	-3.8%
Germany	303	324	273	-15.6%	-9.8%
France	433	288	213	-26.1%	-50.8%
Macedonia	353	114	123	8.2%	-65.1%
Romania	319	31	0	-100.0%	-100.0%
Others	1,503	571	1,304	128.3%	-13.2%
Total	44,783	44,685	41,021	-8.2%	-8.4%

Globally, official statistics certify an import flow of nearly 146 million litres in 2021, 4.5% higher than in the years 2016-2020. The analysis of payments is equal to 248 million Euros, corresponding to a growth of 21.7% on the average of the same period

By PAOLO FERRANTE



With just over 18,000 hectares of vineyards and an annual production of around 750 thousand hectolitres, the Czech Republic plays an important role as an importer in the wine sector, with purchases from abroad which, including wines and sparkling wines, currently cover about two thirds of the country's total consumption, estimated to be stable at over 2 million hectolitres (19.8 litres per capita). In 2021, official statistics certified a flow of imports, including wines and sparkling wines, of nearly 146 million litres, higher by 4.5% than the 2016-2020 average, but essentially in line with data of the previous year. If, on the other hand, we look at a deeper historical series, in the past higher volumes can be observed, with a peak of imports of more than 170 million litres reached in 2011. An analysis of the payments presents a different picture, with almost a continuous growth in spending across the border. A dynamic that has left in the balance sheet for the last twelve months the biggest ever outlay, equal to 248 million Euros, corresponding to a growth of 21.7% on the average of the 2016-2020 period. This also reflects a change in the composition of imported products, a phenomenon that has consolidated over time the incidence of sparkling wines and bottled wines and, at the same time, reduced that of bulk wines, by far the cheapest of all categories. In this regard, it should be considered that based on 2021 data, bottled wines have reached a volume share of over 49%, compared to 45% recorded in the 2016-2020 period. Sparkling wines, today at 7.3% of the total, were at 4.3% over the past five years, while the weight of bulk wines fell from 48.7% to less than 40%.

In monetary terms, bottled wines now cover two thirds of total expenditure; another 15% is due to imports of sparkling wines, while bulk wines and wines in packages of over 2 litres account respectively for 17% and 2%.

The biggest foreign expenses remain sparkling wines, with an average import price of € 3.47 per litre, which is still lower by 13% compared to the five-year historical average. On the other hand the 2.27 Euros per litre paid (on average) for the import of bottled wines shows an increase of 8.6%; bulk products are also more expensive,

purchased on average at 0.70 Euros per litre, while wines packaged in containers of over 2 litres have suffered a double-digit depreciation, falling to 1.11 Euros.

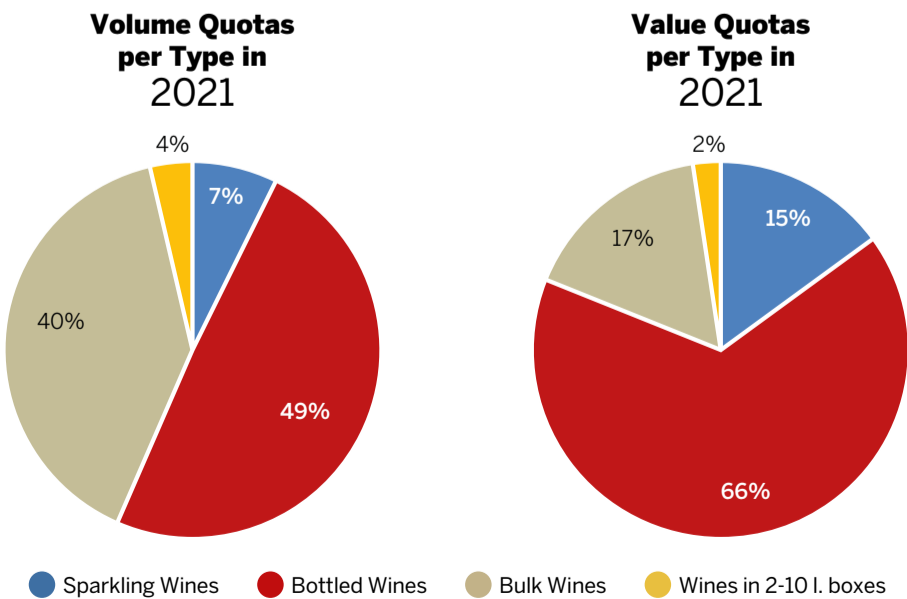
**Market Leaders? Italian Wines**

The value of imports considered by origin confirms, in the Czech Republic, the primacy of Italian labels both in bottled wines and sparkling wines segment. Germany also plays a significant role (second supplier of bottled wines and third of sparkling wines) and France, which comes second for the export of bubbles. The share of Italian wineries, in monetary terms, is 25% on the sector of still wines in bottles (it was 23% on the 2016-2020 average) and 35% on that of sparkling wines (unchanged compared to the five-year average).

The geographic map of bulk wines is different: the largest exporters in the Czech Republic are Slovakia and Hungary, which together cover 55% of the total value. Italy and Spain follow, but however visibly lose ground to the advantage of Slovakia and the Argentine wineries. Among the few non-European countries that appear on the list of main suppliers, we find Chile, in sixth position in the bottled segment, and Argentina, fifth exporter of bulk wines. South Africa is also on the market, with relatively modest values both on the bottled wine circuit (those from Pretoria, however, are the most expensive) and in that of bulk wines.

Italian wines, considering bottled ones, are placed in a price range that appears roughly in line with the general average, but lower than French labels. The price gap between the two competitors is more pronounced on the sparkling wine market, due to the weight of Champagne, but in this case Italy has an average unit value higher compared to the average of this sector and the second highest one among all the countries of origin.

On the whole the most expensive still wines, apart from South Africans, are the Portuguese and the Austrians while the French are the most expensive among the bulk wines, followed by German products. The cheapest wines if we consider the bottled ones, are the Chilean and Spanish; the Hungarians in the sparkling wine sector, while on the bulk circuit the cheapest, based on the average prices recorded in 2021, are Argentine and Spanish wines.



*Molte volte le idee nascono dai sogni,  
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# WHITE WINES in Scandinavia

*In Scandinavian countries, the preference is for red wine. When it comes to white wine, well known international varieties and high-volume bag-in-box wines have the leading role, but why and what are the trends?*

In Scandinavian countries, there is a preference for red wine. In Norway, the sales of white wines have more than doubled since 2010, with 2.2 million litres sold in 2021, according to the statistics from the state monopoly, Vinmonopolet. That is half of the sales compared to the red wine category. In Sweden, the situation is similar, with the white wines counting for around 30% of sales at Systembolaget, the state monopoly, compared to about 55% of red wine. The white wine segment is growing, with Australia as a leading country in Denmark.

"In Denmark, Australian whites are the market leader and most popular are Chardonnay and Sauvignon Blanc," said Danish wine journalist **Thomas Rydberg**. "There is also a growing interest in Riesling, Albariño, and white wines from the Rhone valley." He explains that the Australian white wines had an increase of sales after dropping the prices consequently when the Chinese put an increased taxation on Australian wines. Something that made them lower the prices on other markets.

In Norway, Germany ranks first place for white wine sales. "But Chablis and Sancerre are also doing very well," said **Tone Veseth Furuholmen**, Senior Product Manager, to Vinmonopolet. Instead, South Africa is the number one country for white wine in Sweden but loses volume to France, with solid growth.

"Chardonnay and Sauvignon Blanc are the most sought-after grape varieties, but we see a growing interest in Albariño, Riesling and Gruner Veltliner," said **Stefano Johansson**, from the press office of the Systembolaget.

According to the state monopoly press office in Sweden, Systembolaget, white wine sales are based on known grape varieties or a specific price range. Italy maintains the fourth position with 10% but loses shares. Instead, there is an increase for France, Germany, and Spain.

In Sweden, traditionally, red wine has been seen as the most exclusive. For a long time in Sweden, until the 1980, the wine scene was characterized by the English vision: red from either Bordeaux or Burgundy and white from Germany, and sweet wine: port wine, sweet sherry, and madeira. Until the 1940, almost half of the wine consumption in Sweden was madeira.

"It should be said that in the past Swedes did not drink a lot of wine," said Swedish wine journalist **Mikael Mölsted**. "It was only with the founding of today's monopoly, Systembolaget, in 1955 that it turned around. The government made a campaign to make the Swedish inhabitants drink wine instead of vodka or other liquor. Sweden was thus totally underdeveloped when it comes to wine. The wine world first opened in the 1990."

When it comes to white wine, traditionally Swedes preferred sweet or off dry German wines.

"These were wines that were suitable for a population that had no habit of drinking wine. When you think that a wine is either too sour or too bitter, sweetness does the trick," said Mr. Mölsted. According to **Camilla Forslund**, chief sommelier at the Winery Hotel in Stockholm Swedish costumers have much more knowledge about red wine. The preference towards red wines also has to do with the weather and the food culture.

"Most of the year it is cold and dark here in Sweden, our cuisine is traditionally meat driven, with mushrooms and creamy sauces," she said "This together with the fact that people know more about red wine make them not chose a white wine when they go out." She also means that the regular segment at the state monopoly, Systembolaget, contains white wines that are either very aromatic or very bland, and doesn't help to educate customers. In her experience guests think it is more luxurious to drink a red wine

By ASA JOHANSSON

than a white.

"In restaurants, more classical wines are going strong such as Chablis, Sancerre and quality German Rieslings. Also, the trend is still strong for Sauvignon Blanc and Chardonnay in a new world style," she said.

Camilla Forslund also sees that wine influencers on social media and the articles in wine magazines mostly focus on red wines.

"Our customers nine times out of ten, order red wine, and they are willing to pay more for a bottle of red compared to a white," she said. "Even our guests that join us for aperitifs or after work, prefer Prosecco, a beer, or a glass of red wine. The few that orders white, ask for something they know, a Chablis or Sancerre, for example."

She also believes that it is very important to educate sommeliers and people working on the floor that can help and influence the choice of the customers.

"We almost did not sell any still Italian whites but recently we got a new sommelier that is passionate about this and now sales have increased significantly," she said. "The passion and knowledge of those serving and working behind the counter, is a key to reach new customers."

## The Price Point for White Wines

In Sweden, France is the country that sells white wines for the highest price, followed by Germany and New Zealand. Instead, Italy sells more in the lower price segment, under 10 Euros per bottle. "Three litres bag-in-box in the price segment between 20 and 30 Euro stand for the largest volumes, while for bottles, up to 8 Euros a bottle. Still, the 8-to-10-Euro segment increases at the expense of the cheaper one," said Stefano Johansson, from the Systembolaget.

"A good importer with good finances - is the short answer," Mr. Mölsted responded, when asked what white wines need to have to enter the Swedish market. "If you want to win a tender from Systembolaget, it is most common with organic white box wines and more odd grapes from unusual origins depending on what the monopoly considers trendy. Otherwise, you can make it with any wine if you have the right storytelling and taste profile and if you have the money to invest in communication."

**Elisabeth Engelsen**, from the Swedish wine importer Provinum, sees a preference for crisp, dry white wines with minerality.

The situation in restaurants is different. Here the preference goes toward classical white wines.

"At the top restaurants, either extremely classic wines are served," Mr. Mölsted said. "Oor whites from Germany or Austria and natural wines from different places - and perhaps a slightly odd bottle of orange wine in some places."

In Norway, things are a little different.

"The white wines that sell the most in Norway have an average price of around 12 and 15 Euros per bottle, while for the bag-in-box of three litres, the average price is around 40 Euros," said **Trond Erling Pettersen**, who works as a category manager at the Norwegian State Monopoly.

In Denmark, 80% of the sales go through supermarkets with an average price is around 6 Euros per bottle. On the off-trade, the price point is higher.



Elisabeth Engelsen



Trond Erling Pettersen



Mona Haugen-Kind

## Packaging

Not being traditional wine-producing countries, the Scandinavian markets are very open-minded about packaging and different types of closures. In Sweden, more than half of the sales are bag-in-box wines. The most sold white wine in Sweden in 2021 is a 3-litre bag-in-box called Castillo de Gredos White that sold 2,4 million litres. Figures to compare to the most sold white wine in a bottle, Stoneleigh Sauvignon Blanc with 373 000 litres.

There is also a trend towards smaller (1.5 or 2 l), cheaper boxes (max 10 Euro) in Sweden. PET is increasing, and aluminum cans have an increasing demand.

"Bag-in-box packaging is starting to find new customers looking for more premium wines than has previously existed," Mr. Johansson said. "In the matter of cork or screw cap, it is probably not a decisive factor in the choice of wine. Possibly the screw cap can be perceived as more attractive as it is easier to open."

"We often get these questions regarding packaging and closures for wines," said Ms. Forslund. "People are curious about which is best and if there's any quality wine to be found in bag-in-box. Most people seem to choose fancier bottles with regular corks for special occasions but prefer bag-in-box in their everyday life."

In Norway, the trend is similar to Sweden.

"Norwegian wine customers are very open and are happy to try new formats," said Mr. Erling Pettersen. "Both screw caps, bag-in-box, and PET bottles are popular in Norway. 1.4 million litres sold (out of 2.6) In 2021 were on bag-in-box."

According to wine journalist Thomas Rydberg, the bag Bag-in-Box is important for the lower segment and counts for approximately 40% of all whites in Denmark.

## Prosecco and the other White Wines

Italian red wines now have a leading position in the Scandinavian markets. Italian wine accounts for more than a third of sales in Sweden, but it is primarily red wines. In Denmark, Italy has a market share of 21%, but 94% are red and only 6% white. In Norway, the situation is similar with Italy in first place in sales, ahead of France and Spain.

Given the success of Prosecco in recent years, the question to ask is whether the sparkling wine from Veneto has influenced the sales of still white wine in Scandinavia?

The sale of sparkling wines has increased significantly over the past 10-15 years in Norway. However, there is no indication that this is directly at the expense of the market share of white wine.

"Prosecco and other sparkling wines probably compete with white wine, red wine, and rosé wine in general," Mr. Erling Pettersen said. "But there is no direct link between the sale, for example, of Soave and the sale Prosecco. I rather think that the success of sparkling wines has meant that more customers have opened their eyes to white wine as a good alternative to red wine."

Norwegian wine journalist Mona Haugen-Kind disagrees. Indeed, she thinks quite the opposite.

"For many, Italy means red wine or Prosecco, while going to France or Germany if you want a still white," said **Mona Haugen-Kind**, a Norwegian wine journalist. "There is no doubt that the sales of sparkling wines have grown in recent years and will continue to do so as well as rosé wines, and all of this makes it difficult for other whites to find new market shares."

In Sweden, neither the monopoly nor Elisabeth Engelsen of the Provinum see a correlation between the success of Prosecco at the expense of Italian or other white wines.

On the other hand, Prosecco has not had the same success in Denmark.

"Prosecco has not been as successful in Denmark as in other countries, and Cava has a strong presence in supermarkets. Wine bars and restaurants focus more on French sparkling wine and some German bubbles", Danish wine journalist Thomas Rydberg, said.



Thomas Rydberg



Tone Veseth Furuholmen



Mikael Mölsted



Camilla Forslund

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**SUSTAINABILITY IS THE FOCUS OF THE 2022 EDITION,  
TAKING PLACE IN MILAN (ITALY) FROM 15 TO 18 NOVEMBER**

# The Wine And Beverage Technology's Industry Is Meeting At **SIMEI**

**F**our days of professional workshops, events, conferences, but most of all networking and face-to-face meetings with professional operators, buyers and exhibitors. This is the visiting card of the 29<sup>th</sup> edition of SIMEI, the international exhibition of machines (and products) for oenology and bottling, which will start on November 15<sup>th</sup> at the Fiera Milano exhibition centre in Rho (Milan, Italy) and end on Friday, November 18. A much-expected edition also because, due to the pandemic, the fair skipped 2021. There is also a great desire to meet face to face and, above all, in our country, the absolute world leader in research and production of cellar technologies and, more generally, for the beverage industry. But let's see in order why the November edition should not be missed

## A TOP-LEVEL PRODUCT OFFER

There will be over 400 brands exhibiting at the fair, from all over the world, representing the complex and entire landscape of products that compose the universe of beverage technology. The lion's share will obviously be for the wine sector, with all the technologies and products employed from the arrival of the grapes in the cellar to bottling, to the end of the line, the packaging and the arrival of the bottle on the shelf, passing through all the intermediate phases of processing and refinement of the product. But there will also be large space for the companies operating in the other beverage chains: beer, soft drinks, spirits, oil and mineral waters. Therefore, an opportunity not to be missed for a discussion and an update for all professionals who work in this varied world, and to see first-hand the many novelties on display. The numbers of the exhibition scene are therefore important, and they will have as a counterpoint professional visitors and buyers coming from 32 countries around the world, through delegations that had already organized the trip a long time ago. SIMEI will thus be the arena of excellence for all networking initiatives in the various sectors, thanks also to partnerships with various trade associations, including Assoenologi, Assobirra, Assobibe and Mineracqua.

## SUSTAINABILITY AS THE KEY WORD

Considering the actual economic situation, the attention of exhibitors for the topic of energy saving is increasingly perceptible. There is also attention for the topics of reduction of the impact on the environment and the search for greater efficiency in the production and transformation process. In fact, machines and products designed or improved with the aim of perfecting the control of parameters will be seen, often with data saving in the cloud, and therefore able to reduce both the non-conformities of the product being processed and its processing times. And this is the case, for example, of some equipment for crushing and filtration, which see the introduction of special functional devices and new types of material. While still talking of materials and raw materials, or new processes of manufacturing them we will have, for example, cork closures obtained through new physical processes able to reduce the presence of Tca, but also screw caps and caps in aluminum and plastic materials (poly laminate) obtained with a significant amount of recycled material. Or systems, recently introduced in the oenological field, able to "kidnap" the CO<sub>2</sub> produced during the fermentation phase and ready to be used for the cultivation of microalgae which can be used for the production of feedstuff, cosmetics, etc. In other words,

a large range of innovations that match perfectly with the key topic of the 2022 edition of SIMEI, sustainability as a matter of fact, with a large part of the scheduled side events also dedicated to this topic.

## EVENTS, MEETINGS, CONFERENCES

But SIMEI, in addition to being an exhibition of absolute value, is also an opportunity for professional updating and meeting between operators. In line with the range of products offered in the fair, and with the key topic of the 2022 edition, talks will concern all the beverage supply chains, therefore in addition to wine, also beer, oil, spirits and mineral waters. Particularly important, also because for the first time they will be held in Italy during a fair, are the two sessions scheduled by the Sustainable Wine Round Table, the entity that welcomes international stakeholders that operate in the oenological field and which aims to formulate internationally valid standards to define a "sustainable wine" (see box). The first session will be dedicated to technologies able to reduce the production of greenhouse gases in the wine sector, while in the second appointment the attempt will be to systematize viticultural and oenological practices, standards and traditions in use in all the world and to find a solution universally accepted. Obviously there will be also space for technical conferences, including the one dedicated to the use of amphorae for vinification and aging of wine, an ancient practice that has renewed interest; but in program they are also talks about circular economy that deepen the theme of the reuse of waste from the wine sector, whose disposal today has a less sustainable cost, in economic and environmental terms. Still on the subject of wine, there will be a conference dedicated to the prevention of light defects in white and rosé wines, organized by Assoenologi and the round table on the disposal of waste from the wine industry with a view to the circular economy, organized by Millevigne. Another topic will be a new "stylistic" proposal for wine, considering the issue of low and no-alcohol wine, climate change and sustainable viticulture. There is also a wide range of appointments for all the other beverage sectors. Among these we point out the theme "energy self-sufficiency", which will be discussed in a multisectorial meeting organized by Unione Italiana Vini, Assobibe, Assobirra and Mineracqua; but also a series of events dedicated to spirits and "Italian grape ale" beers. And finally, the "café on sustainability", daily events "in pills" that will informally explore issues related to sustainability and design of cellars. For details on the programme of meetings and conferences, please check the fair's website.

**GET YOUR FREE  
TICKET ON  
[WWW.SIMEI.IT/EN](http://WWW.SIMEI.IT/EN)**

Stay tuned with the programme:  
**[www.simeit.it/en/2022-edition/  
events/conference-programme](http://www.simeit.it/en/2022-edition/events/conference-programme)**



## THE INNOVATION CHALLENGE

A now usual appointment is the Lucio Mastroberardino Innovation Challenge competition, which rewards the new products presented by the exhibitors and concerns all the phases: processing of raw materials, transformation, refinement, end of line and packaging. An excursus among the applications is interesting also in order to understand the development lines around which the supplier companies are moving. In several cases these are evolutions and improvements of already existing technologies, with a view to lower energy or water consumption and better performance control also thanks to artificial intelligence systems, as is the case of some presses or new models of filters. The monitoring of parameters and the "dialogue" between the cellar equipment, locally or remotely, are also aspects on which companies are focusing, in order to improve the timeliness of intervention and the efficiency of the production process. Equally interesting is the effect of these innovations on reducing the carbon and water footprint of cellars, thanks also to the use of biotechnologies. Referring to "organic", the attention of suppliers for the marketing of adjuvants and additives, suitable for use in an organic regime, is increasingly strong. As for packaging, new types of materials will be presented, in particular for closures, both for capsules and screw caps; without neglecting the traditional cork with the presentation of increasingly safer products, thanks to new technologies capable of reducing the risks of cork taste. Many of these innovations will be awarded; with a novelty this year, the introduction of the "Green innovation award" which will recognize the most effective and promising solutions in the field of climate mitigation, circular economy or water and energy consumption.

## SIMEI 2022: WHEN&WHERE

**When:** November 15-18, 2022

**Where:** Fieramilano - S.S. del Sempione 28 - 20017 Rho (Milan, Italy)

### How to get there:

**METRO:** Red Line M1 - Rho-Fieramilano stop.

**TRAIN:** High speed / Regional / Fast Regionals / Trenord S5 / S6 / S11 - Rho Fiera stop.

**CAR:** A50 Tangenziale Ovest / A4 Venice, A8 Varese, A9 Como (exits fieramilano, Pero-fieramilano). Over 10,000 parking spaces

**AIRPLANE:** Direct buses from Linate, Malpensa, Orio al Serio during the days of the event.

**For all the details:** [www.simeit.it/en/visitors/how-to-get-here](http://www.simeit.it/en/visitors/how-to-get-here)



WOMEN IN WINE  
AT THEIR 2<sup>ND</sup> WORLD FORUM

*“Women, Wine, Future” is the topic of the 2<sup>nd</sup> World Forum which will bring together in Milan, during SIMEI, the representatives of the most important world associations in order to create new synergies and discuss the future of female enology*

**“Women, Wine, Future”**  
2<sup>nd</sup> World Forum of the  
Women in Wine  
Thursday 17 November  
SIMEI Fiera Milano (Rho - Italy)  
For information:  
[donne@ledonnedelvino.com](mailto:donne@ledonnedelvino.com)



The 2<sup>nd</sup> World Forum of Women in Wine organized by the Associazione Nazionale Le Donne del Vino will be held, thanks to the collaboration with SIMEI, Unione Italiana Vini and ICE, on November 17<sup>th</sup>,

during the International Enological and Bottling Equipment Exhibition at Fiera Milano Rho - Italy. The meeting will involve the representatives of ten foreign associations. Cristina Pandolfi, president of the A.M.U.V.A. Asociación Mujeres del Vino de Argentina will arrive from Argentina, together with the enologist Noemi Fatima Villagra. Jane Thomson, president and founder of The Fabulous Ladies Wine Society, will represent Australia, accompanied by Corrina Wright who was recently named “Winemaker of the Year” by the Australian Society of Viticulture and Oenology (ASVO). For Austria, there will be the founder of 11 Frauen und Ihre Weine, Heidi Schroeck; from Chile for MUV, Asociación de Mujeres del Vino, the vice president Claudia Gacitúa and the enologist Patricia Roca, for Croatia the president of Women on Wine Sanja Muzaferija accompanied by the

enologist Valentina Jakobovic, while from France it will be the enologist and president of the Femmes de Vin Melanie Pfister, together with Aurelie Bertin, to represent the French women of wine. Stefanie Herbst chairwoman and enologist together with Silke Wolz will speak for Vinissima, the association of women of wine from Germany, while the Women in Wine New Zealand will be represented by President Nicky Grandorge and Kate Radburn. Together with them will arrive from Peru Gladys Torres Urdy founder of Las Dama del Pisco, the president Carmen Lizbeth Robatty Abrill de Moquillaza and the producer Rosva Yanina Cardenas Saravia; from the USA Rania Schroeck; from Chile for MUV, Asociación de Mujeres del Vino, the vice president Claudia Gacitúa and the enologist Patricia Roca, for Croatia the president of Women on Wine Sanja Muzaferija accompanied by the

“The goal is to increase opportunities,” said **Donatella Cinelli Colombini**. “So that the process towards equality in terms of career, salaries and social recognition in the cellars takes place as quickly as possible.” The meeting with international realities will be full of ideas, and after the session with foreign associations there will be the conference “The Future of Wine is now,” which will be attended by prominent representatives of the wine sector. On November 16, the Lombardy delegation of the Associazione Nazionale Le Donne del Vino organized a tour of the cellars of the Lugana area for the foreign guests. The Women of Wine of the World will be hosted by the Olivini companies in San Martino, owned by member Giordana Olivini, Ca Lojera in Sirmione of Ambra Tiraboschi and Perla del Garda of Giovanna Prandini in Lonato del Garda.

Donatella Cinelli Colombini and Heidi Schroeck signing the partnership agreement



## AUSTRALIA



Corrina Wright, winemaker at Oliver's Taranga

CORRINA WRIGHT WINS ASVO  
WINEMAKER OF THE YEAR 2022

Corrina Wright is the lead voice of the sixth generation of the Oliver family and the impetus behind their wine label – Oliver's Taranga

Corrina Wright was named “Winemaker of the Year” by Australia's peak wine professional association, the Australian Society of Viticulture and Oenology (ASVO).

ASVO Awards for Excellence was held at the National Wine Centre in Adelaide, with many luminaries of the wine industry in attendance, including fellow finalists for “Winemaker of the Year.” Corrina was nominated by her peers and was awarded for her leadership in several different areas. Having served on the boards of the Winemakers Federation of Australia, the McLaren Vale Grape Wine & Tourism Association, the Australian Society of Viticulture and Oenology and as a Future Leaders alumna, Corrina has shown her commitment to industry in many ways.

She has been very active in the development of innovative wine styles made from alternative grape varieties, such as Fiano, Vermentino, Sagrantino and Mencia. Oliver's Taranga has become a leader in these varieties, inspiring others to plant them and generously providing information to others interested in diversifying their varietal mix. Corrina was also credited for her clear commitment to the future of the wine community, being a key instigator and contributor in Australian Grape and Wine's creation of a Diversity and Equality Charter (DEW) for the wine industry. Her commitment to increasing diversity in the wine industry as also included an advisory board position on the Australian Women in Wine Awards (AWIWA), and her contribution to the creation of the sold out “hear me roar” shiraz – the world's first wine produced by women to raise funds for women in wine with 100% of profits from sale go to assist women to flourish and succeed in their chosen profession in the Australian wine industry. Corrina holds leadership positions within the wine judging community, being a past chair of the Perth Royal and Margaret River Wine shows, where she ensured that for the first-time female judges made up 50% of the judging panels.

“It is very humbling to be nominated by my peers and to be in such luminary company as my co-nominees and the previous recipients of this prestigious award,” said Corrina. “Innovation and contribution to the wider wine and regional communities has been a strong theme in the previous generations of my family, and I am very honoured to be continuing this great tradition.”

# Everything Is Ready FOR THE 2022 EDITION OF BULK WINE

*On 21<sup>st</sup> and 22<sup>nd</sup> of November, the leading trade fair for bulk products returns to Amsterdam. Otilia Romero de Condés, CEO of the World Bulk Wine Exhibition, said that the core of current market trends – sustainability, alternative packaging methods, bottling at the destination, etc – make bulk wines very popular. She promised to tackle all these topics throughout the conference that, this year, will play a key role in the fair*

**T**he new edition of the World Bulk Wine Exhibition will be back this following 21<sup>st</sup> and 22<sup>nd</sup> of November in Amsterdam. How does the 2022 edition promise to be? What events are returning and what are the new ones for exhibitors and visitors?

We look forward to this edition with optimism, since this year means normality in the aftermath of the pandemic. The WBWE was the first international fair that took place in 2021. We made a great effort since we were aware that re-activating the market as soon as possible was vital. Global uncertainty is evident and that makes business platforms as solid as the WBWE one to be more essential than ever. As we have always done, we are working on guaranteeing a stable context, in which wineries can find the best commercial outlets for their products. At the same time, the world has changed and wineries must be flexible and capable of adapting to what the market demands. Bulk wine is very popular because it is the core of current market trends: sustainability, alternative packaging methods, bottling at the destination, etc. We will tackle all these topics throughout our conference that, this year, will play a key role in the fair.

**The Amsterdam 2022 edition follows the one in the US, held last June in Santa Rosa - California, and in 2019 there was also an Asia edition. From your privileged observatory, what trends have you seen emerging in these three different places?**

Each market entails its particularities, and a winery cannot enter each of them with the same mentality. Asia is a giant with very large and diverse buying needs. Some buyers look for large volumes at affordable prices, yet a growing number of buyers seek specific wines to develop their brand. The Asian market is extremely interesting though, currently, the pandemic has triggered an estrangement that needs to be analysed before going back to organizing an event with every guarantee.

The USA is a market focused on bulk wine of great quality. Private labels dominate the market; wineries and entrepreneurs are looking for particular wines to create their brands. Design and image play a very important role; bottling at the destination is crucial. The wineries that produce quality bulk wine have enormous potential in the US marketplace.

Amsterdam's fair gathers everything relevant regarding the bulk wine industry in one single place. Nowadays, and after 14 years of hard work, we are the most important fair for the wine trade. The WBWE is a 100% professional encounter, where virtually the entire global harvest can be seen in just two days. Buyers come to Amsterdam looking forward to solving their needs, and we can say that comprises a search for both large bulk wine volumes and specific qualities for developing a canned wine brand or a new type of wine for a supermarket chain; i.e. bulk wine is the wine business while the wine business is in Amsterdam.

**Focusing on the 2022 edition in Amsterdam, have you foreseen initiatives or events that take into account the new trends that have emerged in the markets? In particular, related to new packaging methods such as cans or taps, bag-in-box design, new consumers, private label opportunities, etc.**

At the WBWE, we have been anticipating these trends for a long time. We have done so by bringing the gurus and experts in those fields to better understand their issues and to help wineries to recognize where the current wine trade is moving. Soon we will reveal this year's confer-



Otilia Romero de Condés, CEO of the WBWE, and Vicente Sánchez Migallón, Technical director of the WBWE

ence program, considering that this one is perhaps the most brilliant of all organized to date. We will speak on alternative packaging methods, bottling at the destination, e-commerce, non-alcoholic wines, buyer needs, etc.; and all that together with some of the most prominent professionals from the sector. We are looking forward to announcing the panels.

**Sustainability is now a key aspect of production, including wine. What are the challenges (and opportunities) in sustainability that can be offered by bulk wine to producers and consumers?**

Sustainability is the key word. We cannot continue to export all the wine bottled. We can't. The planet does not sustain it any longer. Therefore, we have to see wine for what it is: bulk wine and sell it for the quality of the product itself, and from there we should begin thinking about how we want to sell it, in which sort of packaging, to whom (target audience), with what messages... However, we have to forget the idea of wine in a bottle: wine is wine, i.e. bulk wine.

**Each edition of WBWE hosts the International Bulk Wine Competition, an opportunity to promote wines among potential buyers,**

**test their quality and increase business possibilities. Looking at the various editions of the competition, is it possible to draw up an outcome of how the quality of bulk wine has evolved in recent years?**

The evolution in bulk wine quality has been intense. And that is because wines are increasingly better made, but also because bulk wine buyers increasingly demand greater qualities. As with bottling wine, it all depends on what a buyer is looking for, what sort of wine, what grape variety, what market such wine is intended for, etc.; nevertheless, what must prevail is the quality.

**After Amsterdam, what other events do you have planned for the world of bulk wine?**

For now, we are focused on getting professionals from across the world to succeed in attaining their objectives at the fair; Amsterdam is the epicentre of the wine business. Our purpose is to diversify the supply, so that all buyers can find the wine that they are looking for, and that our clients, wineries, do here the best transactions of their whole marketing year. We have succeeded in positioning Amsterdam as the capital of the wine trade, and our job is that the industry's professionals continue to be attracted to a market full of possibilities.

# WBWE





The Wine Observatory's Platform and Its Data

All the information is on the platform Wine Observatory ([www.wine-observatory.com](http://www.wine-observatory.com)), where the data on each single country are available for download, as well as customized statistics. Quarterly reports on retail sales in the USA, UK and Germany, based on NielsenIQ, are also available.



WORLD EXCHANGES  
FOR THE FIRST  
SEMESTER

A SLOW JUNE, AGAIN

WORLD TRADE: First semester

BOTTLED W. SPARKLING W.

BOTTLED W. SPARKLING W.

BULK W.

	,000 Litres			,000 US\$			US\$/litre		
	2021	2022	% Chg.	2021	2022	% Chg.	2021	2022	% Chg.
USA	85,038	91,806	8.0	763,107	881,856	15.6	8.97	9.61	7.0
UK	64,757	74,577	15.2	379,076	553,867	46.1	5.85	7.43	26.9
Japan	16,404	18,740	14.2	266,497	328,138	23.1	16.25	17.51	7.8
Germany	30,573	30,834	0.9	208,139	221,040	6.2	6.81	7.17	5.3
Switzerland	9,443	10,315	9.2	102,234	110,087	7.7	10.83	10.67	-1.4
Canada	8,095	10,489	29.6	86,861	107,525	23.8	10.73	10.25	-4.5
France	15,974	16,412	2.7	63,567	61,696	-2.9	3.98	3.76	-5.5
South Korea	3,447	4,108	19.2	36,402	48,104	32.1	10.56	11.71	10.9
China	6,027	4,272	-29.1	50,819	42,556	-16.3	8.43	9.96	18.1
Hong Kong	1,232	1,348	9.4	45,624	29,832	-34.6	37.02	22.13	-40.2
Brazil	2,119	2,187	3.2	10,550	11,225	6.4	4.98	5.13	3.1
Total	243,110	265,088	9.0	2,012,876	2,395,925	19.0	8.28	9.04	9.2

	,000 Litres			,000 US\$			US\$/litre		
	2021	2022	% Chg.	2021	2022	% Chg.	2021	2022	% Chg.
USA	358,956	354,739	-1.2	2,269,931	2,383,914	5.0	6.32	6.72	6.3
UK	288,782	305,004	5.6	1,302,252	1,530,823	17.6	4.51	5.02	11.3
Canada	135,353	142,368	5.2	905,190	964,711	6.6	6.69	6.78	1.3
Germany	256,494	237,518	-7.4	1,037,787	888,821	-14.4	4.05	3.74	-7.5
China	140,185	113,109	-19.3	709,361	617,374	-13.0	5.06	5.46	7.9
Switzerland	56,022	49,472	-11.7	566,531	524,166	-7.5	10.11	10.60	4.8
Japan	76,619	79,445	3.7	474,836	499,341	5.2	6.20	6.29	1.4
Hong Kong	18,337	15,700	-14.4	633,478	490,919	-22.5	34.55	31.27	-9.5
France	47,929	49,702	3.7	224,949	269,531	19.8	4.69	5.42	15.5
South Korea	33,753	28,311	-16.1	236,877	241,664	2.0	7.02	8.54	21.6
Brazil	72,390	68,034	-6.0	215,182	201,077	-6.6	2.97	2.96	-0.6
Total	1,484,821	1,443,401	-2.8	8,576,374	8,612,341	0.4	5.78	5.97	3.3

	,000 Litres			,000 US\$			US\$/litre		
	2021	2022	% Chg.	2021	2022	% Chg.	2021	2022	% Chg.
UK	219,354	237,793	8.4	306,885	341,127	11.2	1.40	1.43	2.5
Germany	382,148	329,869	-13.7	273,587	236,726	-13.5	0.72	0.72	0.2
USA	212,663	242,115	13.8	217,367	218,831	0.7	1.02	0.90	-11.6
France	224,583	234,958	4.6	111,556	138,030	23.7	0.50	0.59	18.3
China	62,463	63,804	2.1	52,749	65,320	23.8	0.84	1.02	21.2
Switzerland	26,834	28,192	5.1	46,591	44,011	-5.5	1.74	1.56	-10.1
Canada	59,865	53,532	-10.6	44,550	39,648	-11.0	0.74	0.74	-0.5
Japan	17,791	19,475	9.5	19,189	20,972	9.3	1.08	1.08	-0.2
Total	1,205,702	1,209,737	0.3	1,072,474	1,104,664	3.0	0.89	0.91	2.7

Aggregated total	2,933,633	2,918,226	-0.5	11,661,723	12,112,930	3.9	3.98	4.15	4.4
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Note: % change based on USD. Please check the single countries for their currencies. Since the outbreak of the war in Ukraine, Russia stopped publishing custom data. All the data in these pages do not take Russia into account.

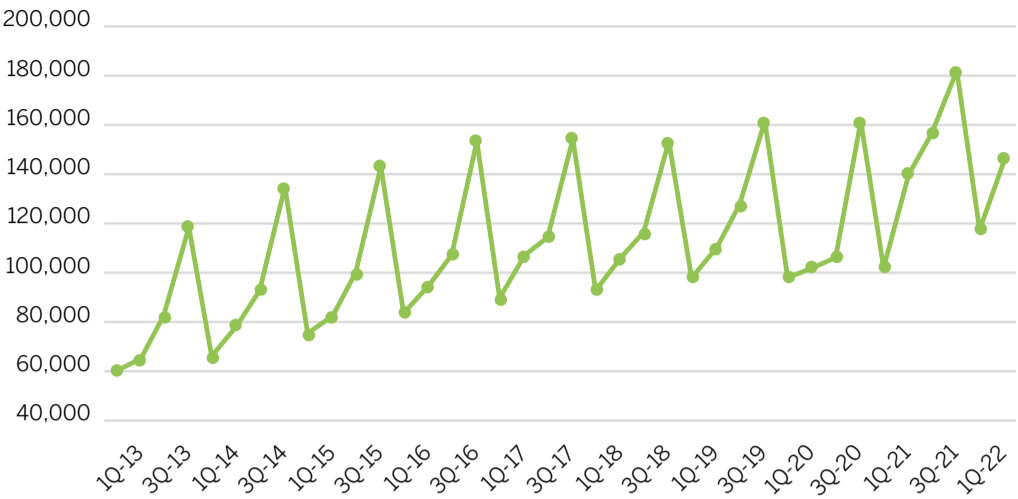
Final global balance at -1% in volume, with Italy that scores -1.5 %, thanks to the towing of sparkling wine which compensates the (structural) decline of still wines

By CARLO FLAMINI - Wine Observatory

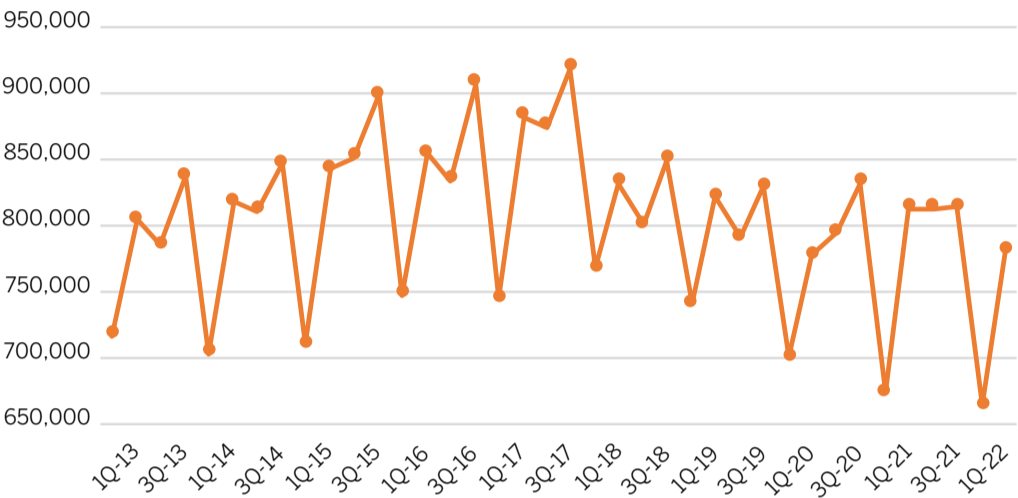
World trade had the hand-brake on also in June. In the first half of the year, imports from the main countries (excluding Russia, which has blackened its own data since the beginning of the war) fell by 1% in volume, due to a mix of a positive result of the sparkling wine sector (+9%) and a negative result of the still packaged wine segment (-3%). Bulk items registered a zero balance. If we consider value, thanks to the appreciation of the US dollar over the Euro, the global figure marks +4%. Here again the dynamic of sparkling/still wines has a double pace: respectively +19% for bubbles, against 0.4% for still wines. If we look at the volume and consider the trimesters the global trend is moving towards a flattening of the trade: zero balance in the fourth trimester of 2021 and in the first 2022, -1% in the second trimester of the year. The causes of the downturn are to be found not only in the fall of still wines, but also of sparkling wines: bubbles go down to +4% after having been close to +15% from the end of 2021 to March 2022. Still wines worsen the already difficult situation of the end 2021/early 2022, dropping to -4%. It is clear that there is a trend of retracement, that is moving still wines towards 700-800 million litres per trimester against pre-pandemic averages of 800-900 million. On the side of sparkling wine, the expansive phase is still going on, but with more subdued tones than in the recent past.



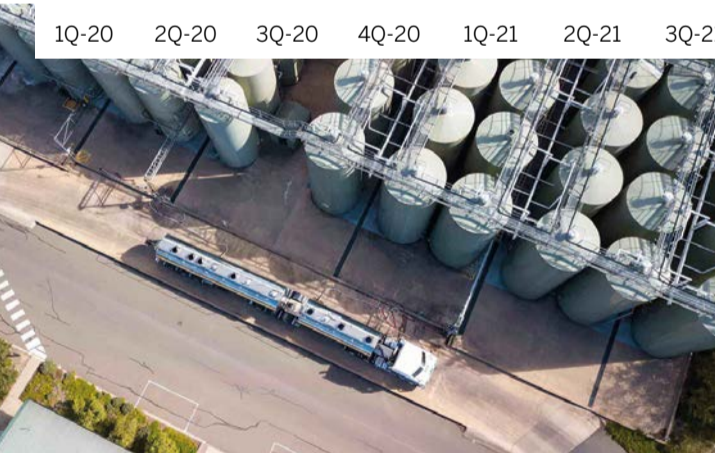
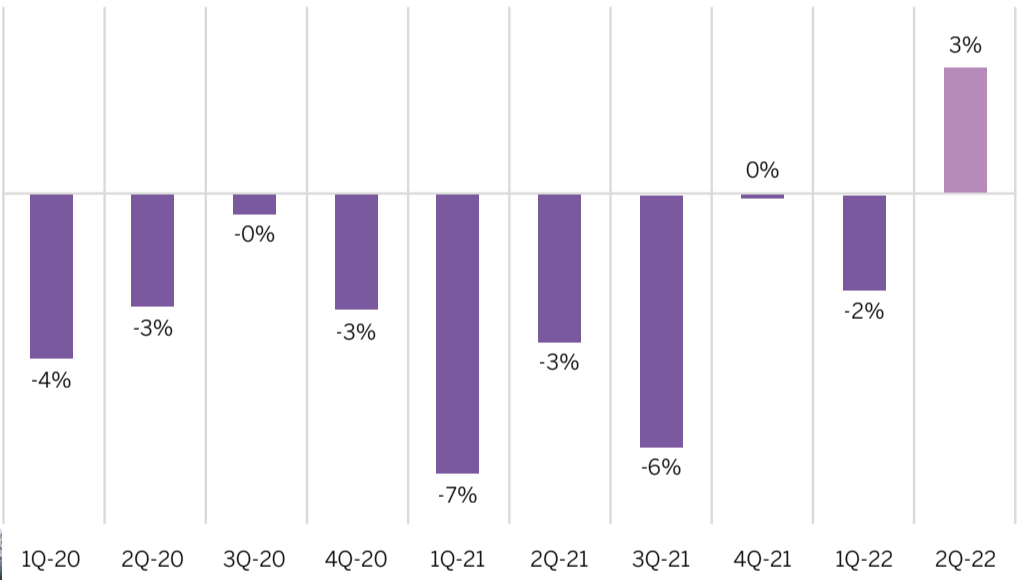
SPARKLING WINES - ,000 litres



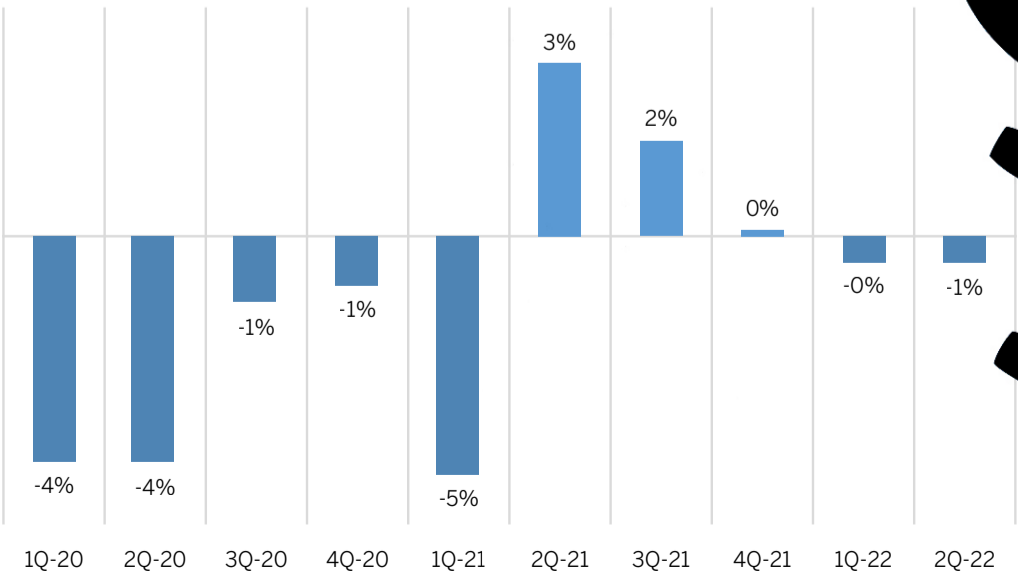
BOTTLED STILL WINES - ,000 litres



BULK WINES: % Chg. volume by quarter



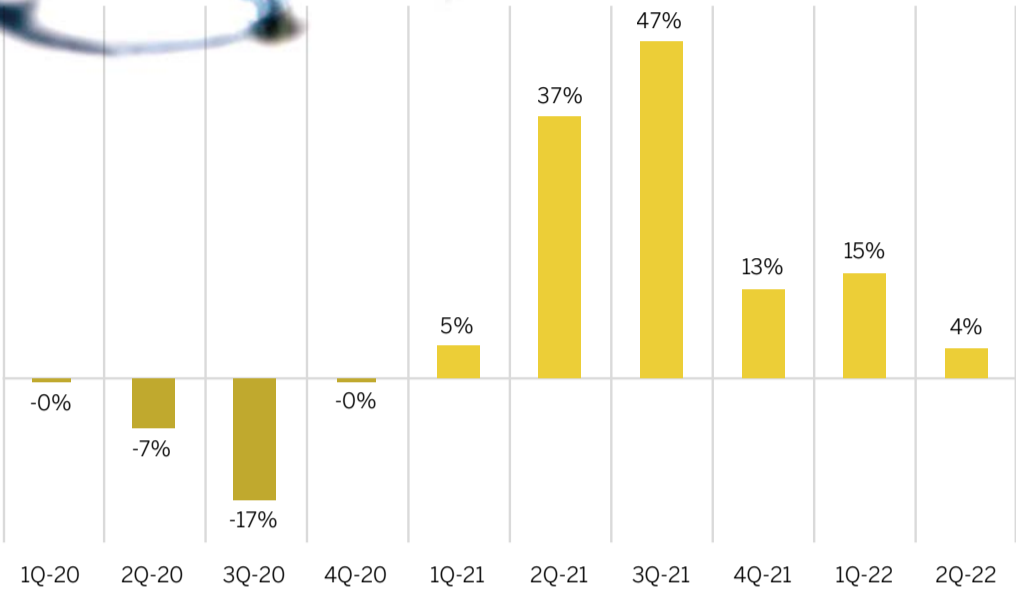
WORLD IMPORTS: % Chg. volume by quarter



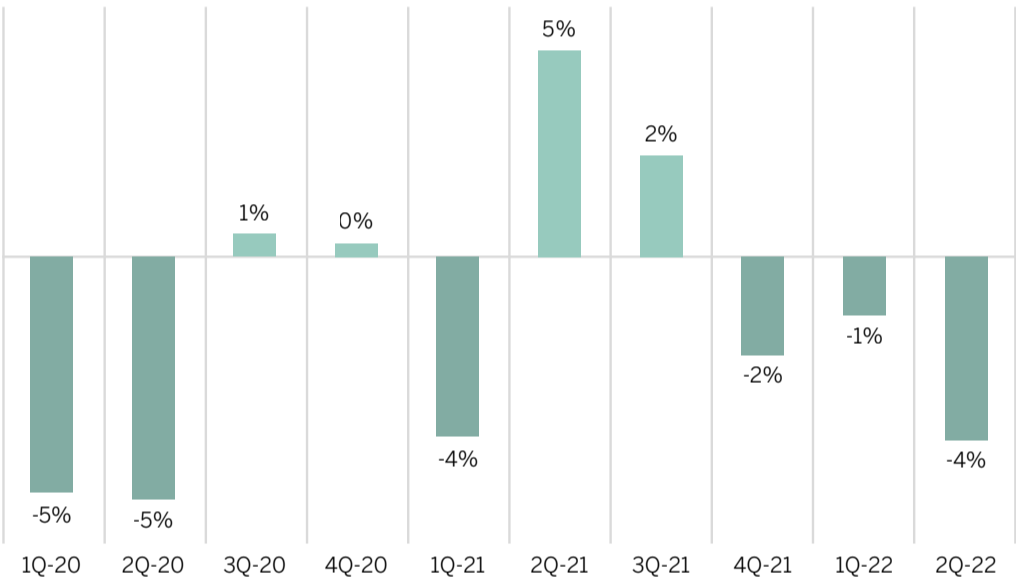
In these pages are some of the 2022 data for the main wine import and export countries, analysed and commented by the Wine Observatory of the Unione Italiana Vini

The full data, including all the details on the wine types, are available on [www.wine-observatory.com](http://www.wine-observatory.com)

SPARKLING WINES: % Chg. volume by quarter

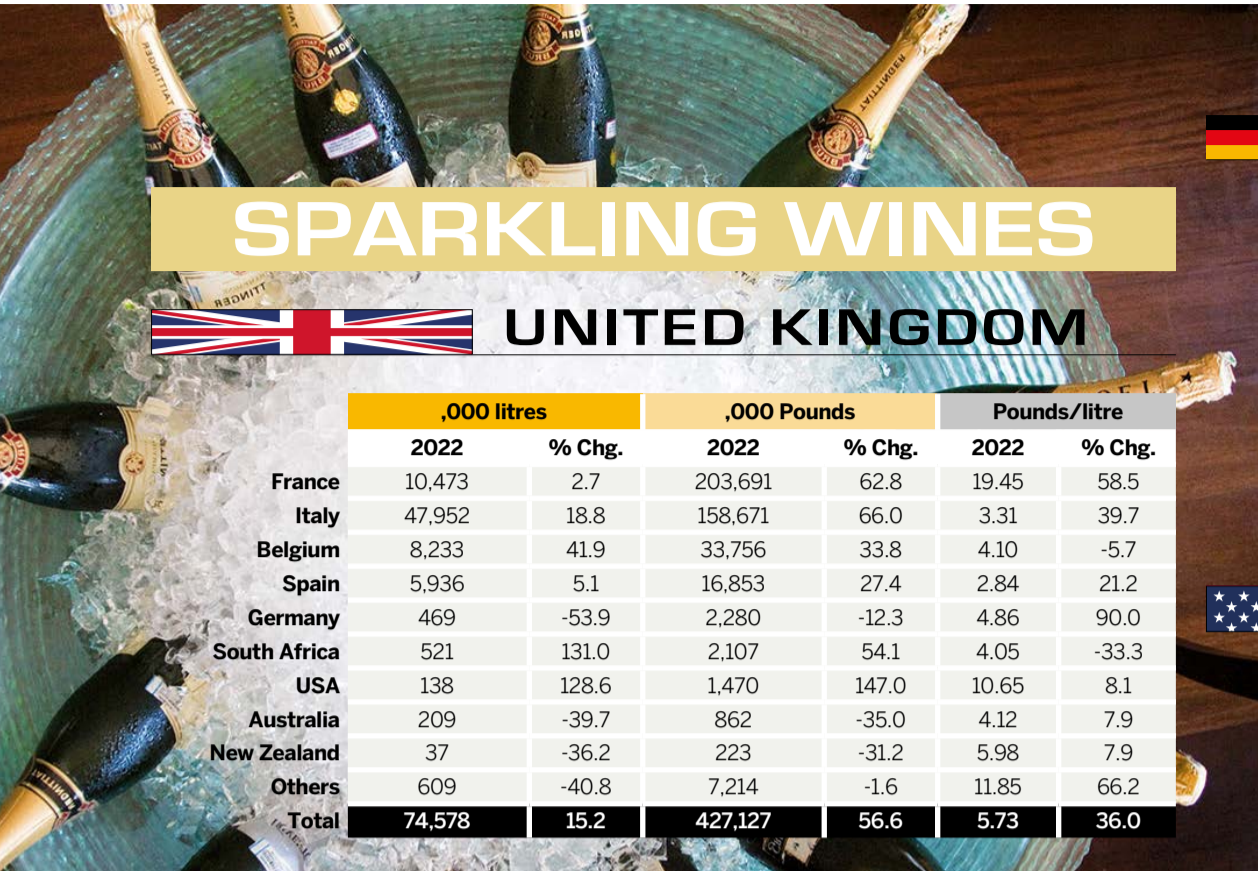


BOTTLED STILL WINES: % Chg. volume by quarter




The Main Markets

Let's come to the analysis of the main markets. In the United States the only still wines to run consistently are the New Zealanders (+17%), while the French and Spaniards see a retreat. Australia is recovering, but is still dealing with the need to find another market for the products that can no longer be sent to China. As for the sparkling wine, if the Italian performance was positive, Champagne has more than doubled the growth, close to +20%, both in volume and value. At the same time Cava shipments are in sharp decline. In the UK, if we consider still wines, France is stable, Spain is going down and Belgium, thanks to a triple growth compared to the year 2021, leaps into fourth position, with almost 80 million British pounds of value. The growth of New Zealand was also terrific (+27%), together with the good performance of the Australian cousins (+12%). Chile is still among the big names. Regarding sparkling wines, a sensational surge in value was recorded by the Italians (+66%, up to 158 million British pounds), and by the French, with average prices increasing of 60%, up to 20 British pounds per liter. Germany confirms the moment of slack: for the sparkling wine the generalized increase in average prices (+16%) and the relative expenses (+17%) compensates for the stability. But coming to volumes of still and semi-sparkling wines the falls involve also the value (-6%), with negative balances not only for Italy (-8%), but also for France and Spain. Withdraw also for the bulk component (-14% in volume), due to generalized increases in average prices practiced by Italians (+15%) and Spaniards (+27%). The general expenditure fell by 5%. On the Chinese market, the poor Italian performance is in line with the general data (-20%), with negative peaks for France and Spain (just under -30%) and with a growing trend only for Chileans. Australians are now almost completely out of the market: from January to June only a little more than 2,500 hectoliters of still wine packaged from Canberra were cleared through customs in Beijing.




# SPARKLING WINES



## UNITED KINGDOM


	.000 litres		.000 Pounds		Pounds/litre	
	2022	% Chg.	2022	% Chg.	2022	% Chg.
France	10,473	2.7	203,691	62.8	19.45	58.5
Italy	47,952	18.8	158,671	66.0	3.31	39.7
Belgium	8,233	41.9	33,756	33.8	4.10	-5.7
Spain	5,936	5.1	16,853	27.4	2.84	21.2
Germany	469	-53.9	2,280	-12.3	4.86	90.0
South Africa	521	131.0	2,107	54.1	4.05	-33.3
USA	138	128.6	1,470	147.0	10.65	8.1
Australia	209	-39.7	862	-35.0	4.12	7.9
New Zealand	37	-36.2	223	-31.2	5.98	7.9
Others	609	-40.8	7,214	-1.6	11.85	66.2
Total	74,578	15.2	427,127	56.6	5.73	36.0

# SPARKLING WINES



## GERMANY


	.000 litres		.000 Euro		Euro/litre	
	2022	% Chg.	2022	% Chg.	2022	% Chg.
France	10,301	2.2	132,814	26.2	12.89	23.5
Italy	11,985	-6.1	48,242	0.7	4.03	7.3
Spain	8,131	10.9	18,457	9.6	2.27	-1.2
Austria	147	0.9	1,039	-26.1	7.06	-26.8
Ukraine	103	86.6	649	123.0	6.29	19.5
South Africa	34	-13.1	247	-14.8	7.33	-1.9
Others	133	-8.0	688	2.5	5.17	11.5
Total	30,834	0.9	202,136	17.1	6.56	16.1



## USA


	.000 litres		.000 \$		\$/litre	
	2022	% Chg.	2022	% Chg.	2022	% Chg.
France	23,588	20.5	525,862	21.2	22.29	0.6
Italy	56,754	7.6	299,666	10.7	5.28	2.9
Spain	9,167	-11.2	43,398	-8.8	4.73	2.7
Germany	369	-38.6	1,901	1.2	5.16	64.7
Australia	210	81.3	1,206	71.6	5.75	-5.4
Others	1,718	2.0	9,823	19.0	5.72	16.7
Total	91,806	8.0	881,856	15.6	9.61	7.0

# BOTTLED WINES



## GERMANY


	.000 litres		.000 Euro		Euro/litre	
	2022	% Chg.	2022	% Chg.	2022	% Chg.
Italy	106,109	-7.8	376,285	-7.5	3.55	0.3
France	46,777	-9.1	201,499	-2.7	4.31	7.0
Spain	38,276	-1.4	90,634	-9.6	2.37	-8.4
Austria	13,045	-9.5	33,700	6.5	2.58	17.7
USA	4,858	-8.2	24,012	5.3	4.94	14.6
Portugal	7,713	-19.8	22,463	-11.8	2.91	9.9
South Africa	5,660	-17.4	17,458	-18.0	3.08	-0.8
Australia	2,087	40.8	9,738	55.0	4.67	10.1
Chile	2,711	1.7	9,280	-4.4	3.42	-6.0
Greece	2,578	-2.9	5,775	0.1	2.24	3.1
Argentina	958	-21.1	4,875	-10.5	5.09	13.5
New Zealand	436	-37.4	3,170	-23.0	7.27	22.9
Hungary	1,733	-7.5	2,719	-3.4	1.57	4.4
Switzerland	93	-8.4	1,057	-9.7	11.35	-1.4
Croatia	206	170.5	710	108.8	3.44	-22.8
Turkey	188	130.3	621	105.6	3.31	-10.7
Moldova	190	-43.0	378	-37.1	1.99	10.3
Bulgaria	27	40.4	98	42.0	3.62	1.1
Others	3,873	1.4	9,481	9.1	2.45	7.6
Total	237,518	-7.4	813,953	-5.5	3.43	2.1



## USA


	.000 liters		,000 \$		\$/litre	
	2022	% Chg.	2022	% Chg.	2022	% Chg.
Italy	121,286	-4.0	820,214	2.8	6.76	7.1
France	66,840	-1.6	696,500	6.2	10.42	7.9
New Zealand	28,995	17.4	215,830	14.8	7.44	-2.2
Spain	21,097	-11.3	131,973	-3.3	6.26	9.1
Australia	38,113	7.7	130,812	12.7	3.43	4.6
Argentina	23,804	4.9	117,950	6.6	4.96	1.6
Chile	19,000	-6.3	66,906	-2.2	3.52	4.4
Portugal	12,198	-16.9	63,600	-8.8	5.21	9.8
Germany	8,007	0.5	38,136	13.4	4.76	12.8
South Africa	3,989	-10.3	20,630	3.0	5.17	14.9
Others	11,412	6.0	81,363	11.1	7.13	4.8
Total	354,739	-1.2	2,383,914	5.0	6.72	6.3

# BOTTLED WINES




## UNITED KINGDOM

	.000 litres		.000 Pounds		Pounds/litre	
	2022	% Chg.	2022	% Chg.	2022	% Chg.
France	59,795	0.2	398,071	27.1	6.66	26.9
Italy	58,735	-7.3	164,007	14.4	2.79	23.4
Spain	36,558	-11.4	110,583	15.3	3.02	30.2
Belgium	26,631	304.7	78,523	216.6	2.95	-21.8
New Zealand	14,761	27.0	70,651	38.6	4.79	9.2
Chile	24,475	0.8	67,947	3.0	2.78	2.1
Australia	17,945	11.8	54,556	15.1	3.04	2.9
South Africa	13,760	9.1	42,762	28.2	3.11	17.5
Argentina	14,835	11.6	42,346	22.6	2.85	9.9
Germany	10,213	-4.6	32,708	34.0	3.20	40.5
Portugal	8,425	-10.3	26,256	-6.4	3.12	4.4
Netherlands	11,441	107.6	26,233	129.2	2.29	10.4
USA	2,747	-57.9	26,107	3.3	9.50	145.4
Others	4,682	-41.0	40,395	5.9	8.63	79.5
Total	305,004	5.6	1,181,144	26.1	3.87	19.4




## CANADA

	Litres		\$ Canadian		\$ Canadian/litre	
	2022	% Chg.	2022	% Chg.	2022	% Chg.
USA	26,218,857	4.4	290,244,488	9.0	11.07	4.4
France	27,631,751	-2.3	272,597,526	2.0	9.87	4.4
Italy	30,923,212	9.5	254,624,779	12.5	8.23	2.7
Australia	12,435,728	14.8	87,705,800	18.9	7.05	3.6
New Zealand	6,872,777	32.6	71,433,205	41.5	10.39	6.7
Spain	9,432,765	-13.2	69,303,798	-12.6	7.35	0.7
Chile	9,928,705	12.4	51,709,433	15.0	5.21	2.3
Argentina	6,373,204	15.3	45,530,121	17.6	7.14	2.0
Portugal	5,714,384	-6.9	35,144,118	-5.6	6.15	1.4
South Africa	3,007,481	8.5	17,821,612	8.4	5.93	-0.1
Germany	1,425,898	-3.4	9,813,298	4.9	6.88	8.5
Others	2,403,579	13.7	20,977,613	21.6	8.73	7.0
Total	142,368,341	5.2	1,226,905,791	8.8	8.62	3.5



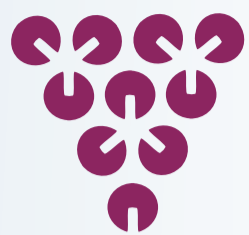
## CHINA

	Litres		\$		\$/litre	
	2022	% Chg.	2022	% Chg.	2022	% Chg.
France	36,219,961	-27.1	276,099,439	-9.0	7.62	24.7
Chile	32,974,184	3.1	140,985,435	12.0	4.28	8.6
Italy	10,819,251	-14.3	60,805,628	-14.3	5.62	0.0
Spain	16,706,643	-26.1	46,392,188	-29.0	2.78	-3.9
USA	1,940,670	0.2	24,177,502	43.8	12.46	43.5
Germany	2,124,523	14.7	11,462,153	0.0	5.40	-12.8
New Zealand	933,256	-5.4	10,570,360	2.3	11.33	8.1
Argentina	1,990,204	-7.4	10,266,404	-11.3	5.16	-4.2
Georgia	2,428,003	41.9	8,775,151	53.2	3.61	8.0
South Africa	2,021,505	-39.8	7,467,664	-42.4	3.69	-4.3
Portugal	1,530,702	-36.1	5,840,030	-41.3	3.82	-8.1
Moldova	1,094,064	-38.7	2,708,953	-37.0	2.48	2.8
Australia	253,791	-94.3	1,110,262	-97.5	4.37	-57.1
Others	2,071,915	-24.2	10,712,002	-30.8	5.17	-8.7
Total	113,108,672	-19.3	617,373,171	-13.0	5.46	7.9



## JAPAN

	.000 litres		.000 Yen		Yen/litre	
	2022	% Chg.	2022	% Chg.	2022	% Chg.
France	20,076	-1.2	26,279,839	16.2	1,309.03	17.7
Italy	14,876	0.0	9,442,386	9.1	634.74	9.1
USA	4,719	46.3	9,247,783	56.7	1,959.68	7.1
Chile	22,799	12.7	8,011,632	28.2	351.41	13.8
Spain	8,539	-13.7	3,091,967	-4.7	362.12	10.5
Australia	3,311	18.0	1,836,275	35.4	554.64	14.8
Germany	1,308	-2.3	865,830	18.5	661.71	21.2
New Zealand	507	18.5	615,618	35.6	1,213.96	14.4
Portugal	828	-4.1	473,619	22.9	571.95	28.2
South Africa	785	-14.0	456,387	0.1	581.22	16.4
Argentina	638	-14.5	411,337	1.5	644.26	18.7
Others	1,059	10.6	937,364	19.5	885.19	8.1
Total	79,445	3.7	61,670,037	20.4	776.26	16.1



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Stefano Frascoli – mob. +39 335 7526676  
stefano.frascoli@bekaert.com

## BERTOLASO Sustainable Innovation: Sparkling Wine Speeds Up

A household name and historical player in designing and implementing automatic systems and solutions for wine and beverage bottling, the Bertolaso Group has joined the team of specialists of the Della Toffola Group and gained a significant push towards innovation and attention to sustainability. It is precisely from these two assets that perfectly complement the traditional strengths of Bertolaso Group's offerings - research, experience, and technology - that the concept of a new model of electro-pneumatic isobaric filling valve, designed and patented by the Group's technical department, was born. Created for filling sparkling wine at room temperature, this new model is highly flexible and capable of increasing machine productivity with the same number of valves and is totally interchangeable with currently used isobaric valves. In addition, the new electro-pneumatic isobaric valve allows to significantly scale back periodic maintenance activities while drastically reducing the gas consumption involved in the filling process - and contributing substantially to lowering the carbon footprint.



## DELLA TOFFOLA GROUP At SIMEI 2022 A Team Of Specialists For The Wine World Technology

SIMEI 2022, scheduled from 15 to 18 November in Fiera Milano, will unveil the path of continuous growth that holds together Della Toffola's expertise in the winemaking process. The Group became part of the Investindustrial portfolio in 2020 focusing on key values - technology, sustainability and Italianness - providing continuous support and trusted advisory to customers worldwide. This path of growth led Della Toffola to be a constellation of leading Italian brands, with outstanding capabilities in designing and

manufacturing of automated and sustainable technologies for still and sparkling wines, spirits, beer and the beverage industry. The experience and competence of the most qualified specialists, all at once. Della Toffola for cross-flow filtration and Permeare for high-end filtration solutions, the experience of Sirio Aliberti and Gimar in the fermentation and winemaking sector, Bertolaso's prestigious history in bottling lines and APE's specialized expertise in packaging: the new Della Toffola Group is ready to present its tailor-made and sustainable solutions.

**A team of specialists for wine world technology**  
The business partner for the wine world, with a complete offering of cutting-edge machinery and the experience of the most qualified specialists: Della Toffola and Permeare in filtration, Gimar for vinification, Sirio Aliberti for fermentation, Bertolaso for bottling lines and APE for final packaging.

**DELLA TOFFOLA GROUP**  
dellatoffola.it

**D**uring the last years the requests about “Industry 4.0” production plants are increased. For that reason we’ve adapted our machineries to Industry 4.0 requirements. But we not only provide Industry 4.0 ready machineries, we can realize complete production plants with these requirements. Designing the entire plant, every technology will be integrated as its best. But it’s not just about Industry 4.0. Now medium and big wine producers look for the total automation of the working process, in order to simplify the employees working load and also to have a more efficient

management of the entire production process. We can find the maximum expression of this in the “FAP” (Full Automatic Process), a pressing system composed by three or more pneumatic presses that allows to manage all the grape pressing process automatically, from the grape loading to the washing of the presses. The “FAP” system is managed by a software that can handle autonomously all the working phases. The software, together with appropriate accessories like automatic valves, level probes, weighing cells and flow meters, allows to realize a fully automatic pressing centre.  
*Info: [www.enoveneta.it](http://www.enoveneta.it)*

## ENOVENETA Automatic Plants And Industry 4.0 For Winemaking Sector



## GAI MACCHINE IMBOTTIGLIATRICI Gai, An Innovative Season In View Of SIMEI 2022

**M**ore efficient, 100% proprietary technologies, with a higher level of programming and customization. Solutions for both the bottling and the can filling processes to execute all the operations that speed up processing and improve the quality of the production cycle. At the upcoming SIMEI, hosted in Milan from 15<sup>th</sup> to 18<sup>th</sup> November, Gai Macchine Imbottigliatrici will be presenting interesting innovations, the most important one concerning the field of high-speed canning machines, a sector in which the company based in Ceresole d’Alba is becoming an increasingly important player at an international level. Gai aims at creating an entirely in-house technology, a machine for can closing with very high standards and noble,

cutting-edge materials. In terms of proprietary technologies, Gai is moving towards a greater independence also in the labelling sector, in particular with the software for machine management: they will be 100% programmed by Gai engineers and they will guarantee a better integration with the mechanical part, as the engines efficiency will be radically improved. Even the famous UNICA electro-pneumatic valve, an exclusive Gai patent, is facing a new season. The R&D department is working on improving the efficiency and control of the filling cycle. The new UNICA valve will increase the parameterization possibilities (already very high in the current model) which will lead to advantages on the care and quality of the bottled products, potentially performing even better.

## GARBELLOTO Carlotta G. & P. Garbellotto Spa Since 1775, The Leading Italian Company In Barrels And Barriques Production

**O**ne of the oldest trades in the world is linking up with the modern technology, combining tradition and innovation. In our new plant, called “Intelligenza Artigianale”, which consists of 70,000 m<sup>2</sup> of which 15,000 m<sup>2</sup> covered, the artisanal work of the coopers is assisted by robotic lines, guaranteeing very high quality standards. Our Master Coopers can focus solely on the choice of wood, its aroma, toasting and finishing, all aspects that only the experience and craftsmanship of this ancient profession can ensure. The wood, where it all begins, is sawn in our sawmill in Slavonia at km 0, and with the import agreement for French oak with Groupe Canadell, we are able to select and season huge quantities of oak and only the “best of the best” will be used to produce casks and barriques. In order to always give the best to our customers, the NIR and DTS patents have been studied to maintain a unique aromatic peculiarity. The NIR® (Near Infrared Reflectance) patent, analyse by X-ray each stave, subdividing them according to their aromatic charge, so as to build barrels and casks that are sweeter, spicier, more balanced or more structured. The DTS® (Digital Toasting System), on the other hand, allows the toasting of the barrels to be digitally controlled, enabling the aromas of the wood to be brought out to the full. Garbellotto has been able to bring an ancient craft into the future.



**M**etalux Capsule was established in 1964 by Dino Illario Dal Ri in Italy. Being a pioneer in global capsules’ production and with over 55 years of experience and know-how, Metalux supplies high quality capsules to over 40 countries worldwide which makes Metalux one of the main well-known manufacturers of bottle capsules in the global packaging market. Available products are PVC capsules, aluminium wine capsules,



## METALUX Capsules Of All Kinds, Including Pvc-Free Ones

capsules for sparkling wines and PET capsules. The main activity of the company is the production of PVC, PET and aluminium bottle capsules, according to the latest technologies in production processes. Recent addition to our variety of products is the PVC-Free heat shrinking capsules, PVC-Free poly laminate capsules and PVC-Free champagne capsules. Metalux is always valid in order to satisfy any new requirement of each client and ensure for the

best result. Most customers of Metalux are active in the production of wine, champagne, sparkling wine, olive oil, alcohol beverages and beer. The history of Metalux is based on investment in technology and equipment and its philosophy is that “a quality product has no boundaries”.  
*Info: +39.0421.331266 / +30.22410.81767  
[info@metaluxcapsule.it](mailto:info@metaluxcapsule.it)  
[manager@metaluxsa.com](mailto:manager@metaluxsa.com)  
[www.metaluxsa.com](http://www.metaluxsa.com)  
[www.metaluxcapsule.it](http://www.metaluxcapsule.it)*

NORTAN  
New Syncrocap Capsule Distributor

Thanks to an innovative mechatronic project (Feds Technology), the new Syncrocap distributor can automatically adapt to the different capsules to be processed, thus reducing the format change times up to 80% and the imperfections due to human intervention. Compared to standard capsule distributors, the new Syncrocap represents a significant step forward for the whole sector. Each component has been completely rethought and redesigned around the following objectives: *processing optimization, increase in reliability, reduction and simplification of maintenance, minimization of the format change times for operators.* The main heart of the innovation is the fully electronic separation and distribution group, where a new proprietary mechatronic technology (Patent Pending) called F.e.d.s. Technology (Fully electronic distribution system) has been implemented. This leads to a reduction in setting and format change times by the operator of about 80% and to the complete elimination of errors and problems that may arise due to rough adjustments. Furthermore, thanks to a series of algorithms that encompass all Norton experience, all mechanical devices have been eliminated and the concept of “Electronic Cam” has been introduced, which allows to automatically adapt the timing and parameters of the various components based on the type of capsule in work. The 40% reduction in details and the optimization of production processes has led to a significant increase in reliability.



TMCI PADOVAN  
The New Hp Dynamos With Enhanced Flowrate

The first patented rotary dynamic cross-flow filter with new design HP monolithic discs. Suitable for: juice lees; wine lees; sulphurated lees; semifermented wines; still red and white wines; liquor wines behaviour; sparkling wines (with Isobaric Dynamos HP). Advantages: no red color reduction (Abs at 520nm); retentate very high solids concentration up to 70-80%v/v according to discs pitch; no clogging due to generated polysaccharides fibres; no oxygen pick-up (when using a very limited nitrogen sparging); very low energy process (from 0,1 to 0,3kW / m<sup>2</sup>); higher nominal flowrates (60-70 l/m<sup>2</sup>h with high solids products); long filtration cycles (up to 100 hours or more without any rinsing and/or washing); very low trans-membrane pressure (max 1,1 bar); strong self-cleaning effect on the membranes; smart calibrated back- wash; easier cleaning procedure with ambient or tepid water and light chemicals concentrations; washing water and detergents volume reduced up to 80-90% in relation to traditional crossflow; surfaces from 0,1 to 28m<sup>2</sup> and modular expansions to 128m<sup>2</sup>. New main features: forth dosing point for foamy detergents besides caustic, peroxide, acid; detergents presence magnetic flowmeter; mixing valve for tepid water (30-35°C) CIP; special instrument to detect outlet turbidity even with CO<sub>2</sub> bubbles presence; continuous level probe on the filtrate tank and frequency-controlled extraction pump; retentate spillover mono pump.

VCR - VIVAI COOPERATIVI RAUSCEDO  
The Resistant Generation

Vivai Cooperativi Rauscedo, in the belief that Research and Experimentation are the only weapon to face the challenges of the future, are investing in a far-sighted genetic improvement program based on crossing and breeding techniques, involving more than 70 table- and wine-grape varieties, with particular attention to autochthonous varieties and their clones, aiming at representing the national as well as the international ampelographic assets. In recent years, hundreds of different crossbreeds have been obtained, giving birth to hundreds of thousands of resistant genotypes. The new genotypes undergo a thorough health selection for secondary diseases, preferring those less susceptible to Black Rot and / or Phomopsis cane and leaf spot. The agronomic behaviour and the organoleptic assessment of micro-vinifications are investigated as well. The selection of new disease-resistant varieties alongside the selection of new rootstocks and innovative agronomic practices will be fundamental to offer new viticultural models, which can lead to a significant reduction in inputs in the vineyard: significantly shrinking plant-defense treatments, less irrigation and fertilization and consequent cut of production costs, with no impairment of the quality of grapes and wines. Only Research and Innovation will allow us to overcome the challenges of climate change and energy crisis, and to help the Italian wine industry in maintaining its valuable and prestigious position globally!



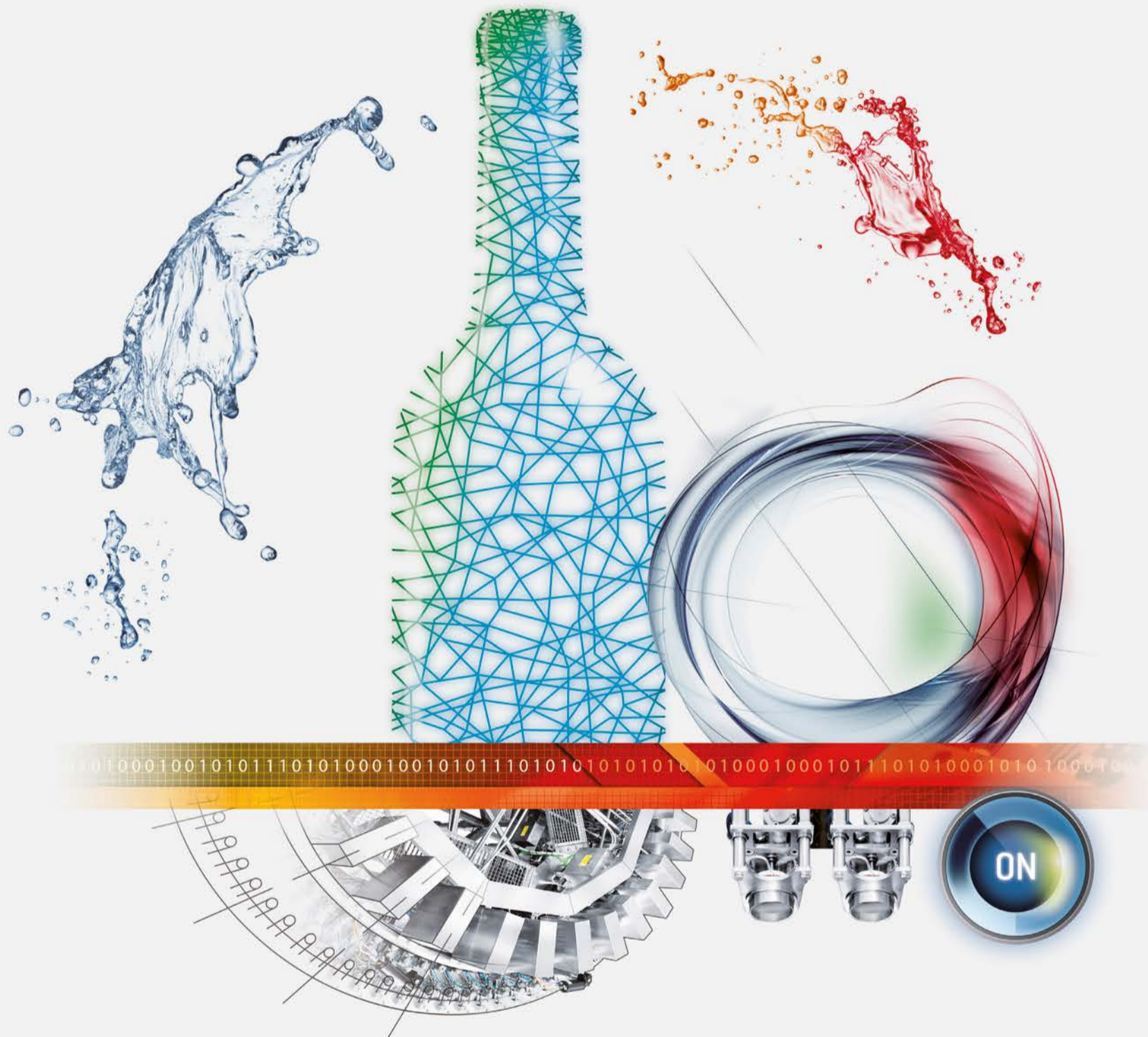
VETROPACK  
Glass Packaging: New Standards In Sustainability

From 15-18 November 2022, Vetropack Group, one of Europe's leading manufacturers of glass packaging, will be demonstrating at the SIMEL, the International Enological and Bottling Equipment Exhibition in Fiera Milano, how it intends to set standards in sustainability in the future. In Hall 2 at Stand F11-G12, Vetropack will be providing an insight into production processes at the new Italian site in Boffalora sopra Ticino. The new plant is located very close to the Milan trade fair: a state-of-the-art production facility is currently being built in Boffalora sopra Ticino, which will be one of the glass manufacturer's largest production sites. The investment volume in the new site amounts to over CHF 400 million. Compared to the previous location, the manufacturer expects an increase in production capacity of around 70 percent. In addition, thanks to modern equipment and smart technology, Vetropack Italia will be able to increase its flexibility both in production and in the warehouse operations. A series of additional measures is set to reduce potential environmental impact: the demolition material from a former paper mill at the same location has been used in the construction of the new facility. Both water used for production and exhaust heat from the furnaces will be consistently reused thanks to recycling systems, and emissions will be greatly reduced with the help of the latest filter systems.



INTERNATIONAL  
ENOLOGICAL  
AND BOTTLING  
EQUIPMENT  
EXHIBITION

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**29<sup>TH</sup> EDITION**

**15th-18th November 2022  
Fiera Milano (Rho) - ITALY**

[info@simei.it](mailto:info@simei.it) / [simei.it](http://simei.it)