

South African wine exports increase 26% on 2012

The South African wine industry has achieved a 26% increase on 2012's export with volumes of 525.7 million litres sold in 2013 - a new record.



New WOSA CEO, Siobhan Thompson

Strong year-on-year growth occurred in established and newer markets. Sales to the UK, still the country's biggest export destination accounting for just over one-fifth of total volumes exported last year, rose 21% to 111.2 million litres. Volumes to Germany, where South Africa is the biggest New World supplier, increased by 24% to 96.5 million litres, while exports to Russia were up 18% to 37.3 million litres.

The new CEO of Wines of South Africa (WOSA), Siobhan Thompson, attributed the rise in exports to South Africa's bumper harvest in 2013 that had allowed it to fill the gap created by the poor European harvest and to its penetration of new markets.

"It is encouraging that strong gains were achieved in the UK and Germany, our two biggest markets, where packaged wines in particular showed very healthy growth. Packaged wines to the UK were up 31% and to Germany by 17%. At the same time, exports also grew across an increasingly broad range of other markets."

She said the substantial growth in Russian sales was partly the result of the shortfall in the European harvest, where in some cases yields were the lowest in 40 years. "This was also the reason South African sales to wine-producing countries such as France, Italy and Spain increased so dramatically. However, we see as significant, the impressive growth in high potential markets such as the US, where we are confident of achieving long-term growth."

US market potential

She said exports to the US, a market of fast-growing importance to the country, increased by 37%, buoyed by improved distribution and ongoing positive media exposure. This included very favourable reviews in high profile wine publications such as Wine Spectator and The Wine Advocate and amongst the very influential blogger fraternity. The US is currently the world's biggest market for wines.

"South Africa is increasingly perceived as the source of interesting, original and well-made wines, able to appeal to Americans eager to expand their repertoire. This is a very good positioning from which to build our base, particularly as we target Millennials, who are especially eager to encounter new taste experiences."

Strong gains had also been achieved in Denmark, she said, where packaged sales were up by 21%. The country was also making good inroads in many of Africa's major economies as well as in Japan, Thailand and the United Arab Emirates.

White wine sales had risen by almost 18% and reds, by 22%. Sauvignon Blanc, Cabernet Sauvignon, Shiraz, Pinotage and Merlot had seen the biggest increase in volumes exported.

Thompson noted that while bulk volumes had accounted for 65% of wines exported last year, up from 59% the previous year, this was largely a factor of the opportunistic buying on world markets prompted by the poor European harvest. It was also not a situation unique to South Africa, affecting other New World wine-producing countries as well.

For more, visit: <https://www.bizcommunity.com>