

South African wine sales fall

South African wine sales have followed UK sales sharply lower, Tai Collard, MD of direct wine marketer, Wine of the Month Club said on Tuesday, 21 April, 2009.

"The rampant growth of the UK wine market has seemingly come to a sharp halt with sales falling by the most in living memory as consumers suffer the effects of rising taxes and the economic recession," said Collard.

He noted that the local estimates of the South African wine market showed that the total wine stock at private and producer cellars will amount to 396.8 million litres on 31 December 2008 - amounting to a total of 28.4 million litres less than the previous year.

According to market research company Nielsen, off-trade sales in the four weeks to May 2008 were down 5%, or about 4.5 million bottles, compared with the same period in 2007.

"This statistic will be a blow to UK wine retailers who have enjoyed strong growth during the past few years as consumers moved from beer to wine," said Collard.

"It is still all about a wine glut; there is still too much wine out there. It still outstrips supply. This is a situation that will not change in the near-term, despite the fact that domestic (South African) demand for natural wine has essentially shown zero growth for the 12-month period ending August 2008."

Collard pointed out that although wine sales in Britain grew by 6% to €5.6 billion to the year ended March 2008, growth had now come to a standstill.

Wine of the Month Club, which boasts more than 30 000 regular clients, is the country's biggest direct wine marketer, boasting a logistic operation that enables wine to be delivered to clients, to their doorsteps, around the country.

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