

US poised to surpass Italy as world's largest wine market



Vinexpo CEO Robert Beynat announces the latest results from the IWSR-Vinexpo report to the media

The US will overtake Italy and France as the world's biggest consumer country of wine by 2014, according to the latest IWSR-Vinexpo report.

Italy was the top consumer country in the world, with preliminary estimates that sales were 296.9m nine-litre cases. This was roughly flat on 2009 and sales are forecast to decrease by 0.8% over the next five years. The US market, meanwhile, is predicted to grow by 9.4% in the five-year period, lifting consumption to 315m cases by 2014. Vinexpo CEO Robert Beynat said: "Italy is now the main consumer of still light wine by volume in the world, but will be second before 2014. It's a trend we've seen for years – the US will be the first market by volume by 2014."

This shift reflects a trend that is occurring around the world: while global wine production remains relatively stable at around 3bn cases each year, traditional consumer markets such as France, Spain and Argentina are seeing a decline in consumption, while newer markets open up. These traditional markets have high consumption per capita – in 2009 per capita consumption for drinking age consumers in France was the highest in the world at 57.8 litres, according to the IWSR-Vinexpo report. As consumption habits shift due to factors such as increased taxes, less lunchtime consumption, stricter marketing and drink-driving laws and a desire for fashionable imported products, these mature markets are inevitably in decline.

Meanwhile, newer markets such as the US, China and

Russia are the biggest drivers of consumption growth. All have low per capita consumption despite high total consumption volumes. Although the US will be the number one consumer market for still light wine by 2014, per capita consumption will be "13 litres, which is half that of the British," points out Beynat, leaving great potential for further growth.

Last year, the wine industry was confronted with one of the more difficult years in recent memory owing to the deep recession in many key markets, such as the US and the UK. Nevertheless, the global still light wine market has proved largely resilient to the crisis, at least in volume terms, but downtrading remains a general trend in a few markets. Global still light wine returned to growth in 2009 with a moderate 0.25% increase on 2008 levels or an extra 6.4m cases. North America and Asia are responsible for all growth, while Europe continues to shed volumes. Faster growth of 0.6% is expected in 2010, with the global market expected to reach 2.5bn cases by 2013.

Sparkling wine, from a much smaller base, suffered badly from the economic crisis (-1%), but is expected to recover and overcome its 2007 peak this year. Challenging economic conditions worldwide in 2009, especially in the first half, are largely responsible for this decline. An improvement in sparkling wine sales in the key Christmas and New Year period is responsible for the better-than-forecast performance.

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