



## THE MARKET FOR WINE AND SPIRITS IN THE UK AND FORECASTS TO 2010

MARKET RESEARCH BY VINEXPO/IWSR 2007

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1. **UK wine drinkers consumed 1.676 billion bottles of grape wine\* in 2005**
  - Wine consumption in the UK rose by 25.54% between 2001 and 2005, an increase of 24.56% for still wine and 45.32% for sparkling wine
  - By volume we drank 12.57 million hectolitres\*\* of still light wine equivalent to 1.676 billion bottles\*\*\*
  - In 2005, UK was the fifth largest consumer of wine by volume in the world after France, Italy, USA and Germany
  - Between 2005 and 2010, consumption is forecast to grow by 9.27% and reach 13.736 million hectolitres, equivalent to 1.831 billion bottles, in 2010
  - Annual average growth of wine consumption over the ten years from 2001 to 2010 should reach 3.71% - this growth is three and a half times faster than the rise in world consumption
  
2. **The UK will be Europe's biggest wine market by 2010**
  - Total retail sales of still wine in the UK in 2005 were £4.937 billion (\$8.513 billion) \*\*\*- a rise in value of 25.22% between 2001 and 2005
  - VINEXPO/IWSR forecast that by 2010 sales will reach £5.496 billion at current exchange rates (\$9.477 billion) making the UK the biggest market in Europe for retail sales of wine in Europe.

### **3. British set to drink more wine per capita**

- Annual consumption of wine per person of legal drinking age in 2005 was 26.9 litres
- This figure puts the UK in the same league as Australia (28.3 litres per year per head) or Holland (28.6 litres), but trailing Denmark (38.3 litres) or Germany (36.6 litres)
- In the run up to 2010 the average wine consumption per head by adults of legal drinking age should reach 28.5 litres, a rise of 5.95% over 2005
- This is equivalent to 38 bottles per head, or five glasses a week (less than one a day)

### **4. Sales of higher priced wine will drive market growth**

- Wines priced at more than £2.90p a bottle (\$5) accounted for 48.6% of volume sales in 2005, a rise of 41.2% between 2001 and 2005. By contrast, volume sales of wines priced at less than £2.60p (\$5) a bottle grew at only 12.05%
- This phenomenon is even more marked with wines priced at more than £5.20p (\$10) a bottle where volume sales rose by 64.64% between 2001 and 2005
- Between 2005 and 2010 sales in this price level are forecast to rise by 35.9%

### **5. Red wine accounts for half of all wine drunk, while rosé is on the rise**

- Consumption of red wine by volume rose by 35.71% between 2001 and 2005 while consumption of rosé wine increased by 63.58% over the same period
- Between 2005 and 2010 these two categories are forecast to rise by 8.39% for red wine and 25.02% for rosé
- Red wine accounted for 52.45% of all wine drunk in the UK in 2005

## 6. Australia is the UK's top wine supplier

- Australia became top supplier with imports of still and sparkling wine growing by 51.78% and putting it in leadership position in 2005
- Imports from the USA more than doubled over the five year period (100.37%) and imports from South African grew 51.6%

## 7. Scotch whisky is still the UK's biggest selling spirit...

- Scotch whisky is the UK's top selling spirit, despite a steady decline
- In 2005 7.339 million 9 litre cases were sold, a fall of 6.77% compared with 2001
- Sales are forecast to fall further by 10.34% between 2005 and 2010
- The UK remains the fourth largest market in the world for whisky sales by volume

## 8. ...but vodka is poised to be top in 2010

- Vodka is rapidly becoming the UK's top selling spirit with annual growth forecast to reach 5.53% over the ten years from 2001 to 2010
- Sales are poised to reach 8.405 million 9 litre cases by 2010.

### Footnotes:

\* *all references to wine mean grape wine as opposed to wine made from other fruit*

\*\* *one hectolitre = 100 litres or nearly 133 75 cl bottles*

\*\*\* *assuming standard 75cl bottles*

\*\*\*\* *all value data calculated in US dollars and converted to £ sterling @ rate of £1 = \$0.52*

### UK media enquiries:

#### **Voice**

St George's House, 3 St George's Place, Twickenham, TW1 3NE

#### **Eugène Bacot**

**Tel:** 020 8892 4052

**Email:** eugene@voice-pr.co.uk

#### **Colin Lewis**

**Tel:** 020 8892 4088

**Email:** colin@voice-pr.co.uk

### France media enquiries:

#### **Vinexpo**

2 cours du XXX Juillet  
33074 Bordeaux Cedex - France

#### **Mathilde Carreau Gaschereau - Press Attaché**

**Tel:** +33 (0) 5 56 56 01 68

**Fax:** + 33 (0) 5 56 56 00 12

**Email:** presse@vinexpo.fr