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BI Daily

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GLOBAL TRENDS

The Wine Industry is Often Its Own Worst Enemy

Anyone in the wine industry knows that the industry is suffering from a serious decline in sales, which started in 2018, albeit with a brief respite during the pandemic. But over the last two years the decline has become increasingly serious. To quickly recap, all alcoholic beverages are witnessing a decline in sales due to a decline in consumption among younger generations, an aggressive neo-prohibition movement pushing negatively distorted health news, industry consolidation, and a crowded beverages market heavy with competition.

There have been attempts to find good news amid the flood of bad. The “good news” is that consumers are buying less but, when they do buy, are buying more expensive wines.

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In praise of canned wine

They might still seem unconventional and even unacceptable to some, but plenty of people are championing these containers. The letter proposed that: “Switching from glass to alternative formats could save as much as 750,000,000 KgCO₂e of emissions every year in the UK alone. This is the equivalent of taking 350,000 cars off the road overnight and equates to well over a third of the carbon footprint of wine consumed in the UK.”

The conversation about alternative packaging indicating a wine’s quality has plagued the industry since the adoption of screwcaps and typically today refers to bag-in-box, but cans are making a strong case as the alternative-to-alternative wine packaging.

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Devil's Advocate: Time for More Wine Industry Honesty

Many members of the industry want to position wine as 'better' than other forms of alcohol. Robert Joseph suggests that, for their efforts to be effective, we are all going to have to be a lot more honest and open about what we are doing.

So what should we do about the way we – specifically in the US, Australia and New Zealand – communicate its alcoholic strength? I'm talking about the 1.5% tolerance that allows a 15% wine produced and sold in those countries to be legally sold with 13.5% on its label. In South Africa and Russia, the tolerance is 1%, but almost everywhere else including South America and Europe it's 0.5%. For Australians to respond - as two did to me - that it was simply a matter of their government not having got round to amending old legislation is not good enough

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Shipping lines brace for potential US strike

Shipping lines are bracing for the growing likelihood of a strike at US ports along the East and Gulf coasts as the deadlock between the International Longshoremen's Association and the US Maritime Alliance drags on.

Major carriers have announced surcharges to confront the potential disruptions and expect continued strong cargo traffic during the peak season, but have warned of congestion at ports around the world. According to think tank Sea-Intelligence's latest analysis, a one-week strike at US ports in early October could result in backlogs in the country until mid-November, while a two-week strike could impact operations until 2025.

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MAJOR WINE PRODUCING COUNTRIES

IWSR's new Navigator data shows declines continue as US awaits alcohol market recovery

The US beverage alcohol market continued to shrink in the first seven months of 2024, with volumes declining more than expected, according to new US data from IWSR.

IWSR's newly launched product, US Navigator, tracks monthly beverage alcohol consumption by price tier across all US states, going back to 2019. Following the -2.6% decline in US total beverage alcohol (TBA) volumes recorded in 2023, IWSR forecasts had predicted a slight narrowing in 2024, with losses expected to moderate to -1.9%. However, TBA volumes fell by -2.8% in the first seven months of the year.

All major categories except RTDs (volumes +2%) shrank (January – July 2024), with beer volumes falling -3.5%, spirits down -3% and wine declining by -4%.

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