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A historical dip: UK's wine imports fall 7.4% in first half of 2023

New taxation and market trends: the future of UK wine imports

Monday, August 21, 2023



In the first half of 2023, the United Kingdom witnessed a significant shift in its importation of wine, recording a decrease of 7.4% in volume, bringing it to 581.6 million liters. This volume marks a historical low for this period of the year. The notable decline has occurred despite the imminent enforcement of new import taxes on alcoholic beverages in the United Kingdom, scheduled to take effect in August.

The expenditure on wine imports, however, experienced a slight increase of 0.6%, surpassing £1.9 billion, at an average price that continues to rise in pound sterling. The decline was observed across all wine categories in terms of volume, but only bulk wine suffered a reduction in value, being the only category to decrease in price. Bottled wine leads the purchases prominently, and despite a decline in volume, both Italy and Australia retained their positions as primary suppliers. Spain and Portugal showed remarkable growth in value, with Spain notably expanding among the top 10 suppliers.

New Zealand, as the only provider from the New World, reported positive growth. According to data from the British Customs, the United Kingdom's decrease of 7.4% in wine import volume in the first half of 2023 is accompanied by a subtle value increase of 0.6%, exceeding £1.9 billion (GBP), as the average price soared by 8.6% to 3.27 GBP per liter.

This period is characterized by a historically low volume, mirroring similar trends in 2021 and 2013. Nevertheless, the value broke records for this time of year, surpassing the first half of 2022, which was exceptional in itself. The continuous escalation in price, particularly since the Brexit approval, has become a defining feature.

Anticipation of New Import Taxes

The reduction in imported volume occurs in the period preceding the implementation of new import taxes on alcoholic beverages in the United Kingdom, scheduled to commence in August 2023. The British import trend has deteriorated in the first half of 2023 compared to the end of 2022, a year that registered a decrease of 1.6% in volume and an increase of over 20% in value.

Diverse Performance Across Categories

Various categories of wine performed differently. While all wines fell in volume during this first half of 2023, only bulk wine declined in value, being the only category to decrease in price. Bottled wine leads the British imports with 284.3 million liters (-6.7%) and £1,212.6 million (+2.7%), accounting for 49% of the volume and 64% of the total value, gaining some share. Sparkling wine is the second most acquired in value, followed distantly by bulk wine. However, bulk wine is the second most purchased in

volume, well ahead of sparkling wine, which suffered the most significant drop.

Specific Trends in Pricing

Sparkling and bottled wines increased in price above average, while bulk wine declined by 5.3% to 1.05 GBP per liter. The report prepared by the OeMv for the Interprofessional Organization of Wine in Spain also highlighted the best performance in the United Kingdom for bag-in-box wine in both value (+3.6%) and volume (-0.3%), ending the semester at £18.8 million and 11.1 million liters, at an average price of 1.68 GBP per liter (+3.9%).

A Detailed Analysis of Suppliers

The United Kingdom imported wine from 61 suppliers in the first half of 2023, but the top 10 accounted for more than 97% of the total. Among these, only Australia's price dropped significantly (-20%), followed by minor reductions in Chile and South Africa. Italy and Australia led the global decline in volume but continued as primary suppliers, with France breaking the global fall and gaining share as the third provider.

Spain, growing an excellent 11.7%, surpassed Chile as the fourth provider. New Zealand grew by 10.4%, surpassing the United States, while Argentina also lost weight, confirming a poor first half for American wine imports in the United Kingdom. Portugal, however, gained relevance.

Value Positions Among Countries

These positions vary in value, with France clearly leading as the first seller, followed by Italy. The average price of French wine is significantly higher than the rest, explaining its greater share in value. Spain and New Zealand grew at an excellent rate in value, ranking as the third and fourth sellers. European sellers, in general, are more focused on higher-priced wine sales.

The reduction in wine importation by the United Kingdom in the first half of 2023 provides insights into the trends, preferences, and economic factors influencing the wine market. The simultaneous increase in expenditure, coupled with the forthcoming implementation of new import taxes, presents a complex landscape that requires

ongoing analysis and monitoring.

With the constant flux in global economics and political landscapes, such as Brexit, and shifts in consumer behavior, the wine market in the United Kingdom continues to be a subject of intrigue and study.