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British Wine Imports: a shift in trends amidst new fiscal policies

The changing landscape of the UK's wine market in the first half of 2023

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In the first half of 2023, the United Kingdom experienced a notable shift in its wine import patterns, as reported by British customs data. Despite a 7.4% decrease in the volume of wine imports, amounting to 581.6 million liters, the overall value of these imports saw a marginal increase of 0.6%, exceeding 1.9 billion pounds (GBP). This paradoxical situation is largely attributed to a significant rise in the average price of

imported wine, which climbed by 8.6% to 3.27 GBP per liter.

This period marks a historic low in terms of import volume, comparable to the years 2021 and 2013. However, in terms of value, the first half of 2023 broke records for this time of the year, surpassing the exceptionally high figures of the first half of 2022. This continuous increase in average price, particularly post-Brexit, has been a defining feature of the market.

The decrease in imported volume precedes the introduction of new taxes on alcoholic beverage imports in the UK, set to take effect in August 2023. Comparatively, the overall trend of British wine imports in the first half of 2023 has deteriorated relative to the end of 2022, a year that recorded a 1.6% drop in volume but over 20% growth in value.

All wine categories witnessed a fall in volume during this period, though only bulk wine saw a decline in value, with a drop in price being the primary cause. Bottled wine leads the import market with 284.3 million liters (-6.7%) and 1.212.6 million pounds (+2.7%), accounting for 49% of the total volume and 64% of the total value. Sparkling wine ranks second in value, with 437.6 million pounds (+2.7%), but bulk wine, despite a 12.2% decrease in value, remains second in volume.

Notably, prices for sparkling (+15.8% to 6.65 GBP per liter) and bottled wines (+10.1% to 4.27 GBP) rose above the average. In contrast, bulk wine prices fell by 5.3% to 1.05 GBP per liter. Bag-in-box wine showed positive growth in both value (+3.6%) and volume (-0.3%), ending the semester at 18.8 million pounds and 11.1 million liters, priced at an average of 1.68 GBP per liter (+3.9%).

The UK imported wine from 61 different suppliers in this period, with the top 10 accounting for over 97% of the total. Among these, only Australia (-20%) and, to a lesser extent, Chile and South Africa (both below 2%) experienced a price decrease. Italy (-6%) and Australia (-8%) led the overall volume decline but remained the top suppliers. France, however, broke the trend by increasing its share as the third-largest supplier, with 80.4 million liters (+0.7%), followed by Spain with a significant growth of 11.7%, surpassing Chile.

In terms of value, France solidified its position as the leading seller, with nearly 730 million pounds (+6.8%), followed by Italy with 410 million pounds (+3.2%). The average price of French wine stood at a premium of 9.07 GBP per liter (+6%), explaining its higher value share. Spain and New Zealand also saw excellent growth rates in value, surpassing Australia, which experienced a significant decline. The other major suppliers – Chile, the United States, South Africa, and Argentina – all suffered double-digit falls. Portugal, along with Spain, recorded the highest growth rate, consolidating its position in the UK market.

The first half of 2023 has been a period of transition for the UK wine market, marked by decreasing volumes but increasing values, shifts in supplier dynamics, and a clear trend towards higher-priced wines, particularly from European vendors.