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European wines gain ground in the UK market

How UK's wine import values defy volume trends

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The first half of 2023 has marked a notable shift in the UK's wine import landscape. According to the latest data from British customs, there has been a 7.4% decrease in the volume of wine imports, totaling 581.6 million liters. However, the value of these imports has seen a marginal increase of 0.6%, surpassing 1.9 billion GBP. This

paradoxical scenario, where the value increases despite a drop in volume, is primarily attributed to a significant rise in the average price per liter of wine, which now stands at 3.27 GBP, marking an 8.6% increase.

The first six months of 2023 have recorded historically low volumes, mirroring figures seen in 2021 and 2013. Despite this, the period has set a record in terms of value, surpassing the first half of 2022, which itself was exceptional. This ongoing rise in average prices, particularly post-Brexit, has been a key factor in these dynamics.

The decline in imported volume comes just before the implementation of new alcohol import taxes in August 2023. When comparing these figures to the end of 2022 — a year that saw a 1.6% drop in volume but over a 20% growth in value — the trend appears to be worsening in 2023's first half.

All wine types experienced a drop in volume during this period, but only bulk wine decreased in value, also being the only category to see a price reduction. Bottled wine remains the leader in UK imports, both in volume (284.3 million liters, down 6.7%) and value (1.212.6 million GBP, up 2.7%). Sparkling wine ranks second in value, despite a significant volume drop, and bulk wine, despite its decrease in both value and volume, remains a major player in the market.

There has been a notable price increase for sparkling (+15.8%) and bottled wines (+10.1%), significantly above the average increase. In contrast, bulk wine prices have decreased by 5.3%. Bag-in-box wines have shown the best performance in both value and volume, indicating a growing interest in this format in the UK market.

The UK sourced wine from 61 suppliers in the first half of 2023, with the top 10 accounting for over 97% of the total. Among these, Australia and Chile saw a price decrease. Italy and Australia led the decline in volume but remained the top suppliers. France, on the other hand, has seen an increase in its market share, with Spain also showing significant growth. The positions vary in terms of value, with France leading significantly, followed by Italy. The average price of French wine is notably higher than others, contributing to its larger value share.

European sellers, focused on higher-priced wines, have generally fared better than their American counterparts, who are major suppliers of bulk wine. This is reflected in the challenging first half for American wine imports into the UK, with countries like South Africa, Chile, and Argentina losing market share. In contrast, Portugal has seen notable growth.

The first half of 2023 has been a period of contrasts for the UK wine import market. Despite a decrease in volume, the value of imports has grown, driven by a significant increase in the average price per liter. The market is witnessing a shift, with European wines gaining ground over their American counterparts, and an evolving consumer preference that is currently favoring higher-priced wines and innovative formats like bag-in-box.