

IRISH  
WINE  
MARKET  
2015



IRISH  
WINE  
ASSOCIATION



## ABOUT THE IRISH WINE ASSOCIATION (IWA)

The IWA represents wine distributors and importers in Ireland and is part of the Alcohol Beverage Federation of Ireland (ABFI). We promote the economic contribution of the wine industry and advocate on issues that affect our industry. We liaise with relevant stakeholders to create a more sustainable business environment for our members, as well as providing members with access to industry information and an opportunity to share best practice.

## OUR MEMBERS



## THE IRISH WINE ASSOCIATION IS A BUSINESS SECTOR WITHIN IBEC

Ibec is the national voice of business in Ireland. Ibec represents the interests of business in Ireland and provides a wide range of direct services to its 7,500 member companies.

### IBEC VISION:

Ibec – The most influential, dynamic business representative organisation in Ireland, driving our business agenda in Europe.

### IBEC MISSION:

Ibec – Leading, shaping and promoting business policy and conditions to drive economic success.



## CHAIRMAN'S STATEMENT

### Government decisions for Irish wine industry must show consideration for implications of Brexit vote

The Irish wine industry continues to make a significant contribution to Ireland's economy. 1,100 people are directly employed by distributors and importers in Ireland, with thousands more jobs supported in the 13,000 restaurants, independent off licences and hotels that sell wine. Sales of 9 litre cases increased slightly to 8.56 million in 2015 but have not yet recovered to the levels of 2011. In 2015, the sector paid €354.6 million in excise to the Exchequer, which represents 31.2% of total alcohol receipts yet wine accounts for just 27.7% of total alcohol sales.

Since 2012, the Government have subjected the sector to penal excise increases of 62% meaning that Ireland has the highest excise on alcohol in the EU. These excise increases, introduced during the financial crisis as an emergency measure, are exerting huge financial strain on thousands of small businesses and thereby jeopardising jobs in an already vulnerable sector. Irish consumers are also getting a raw deal compared to our European partners. This is illustrated by the fact that 14 countries have €0 excise tax per bottle, yet Ireland's excise rate per bottle equates to €3.19. This is over 12% more expensive than the UK, the second most expensive country. In addition, the potential negative impact of Brexit on the industry must be considered by the Government. In particular, the weak Sterling will likely drive cross-border shopping.

In order to protect and create jobs and alleviate some of the risks associated with the outcome of the Brexit vote, Government stimulus is needed to address the issue and an excise cut on wine will act as a key support to this. This will not only aid the growth of the Irish Wine sector but will also benefit the consumer, tourism and the hospitality trade.



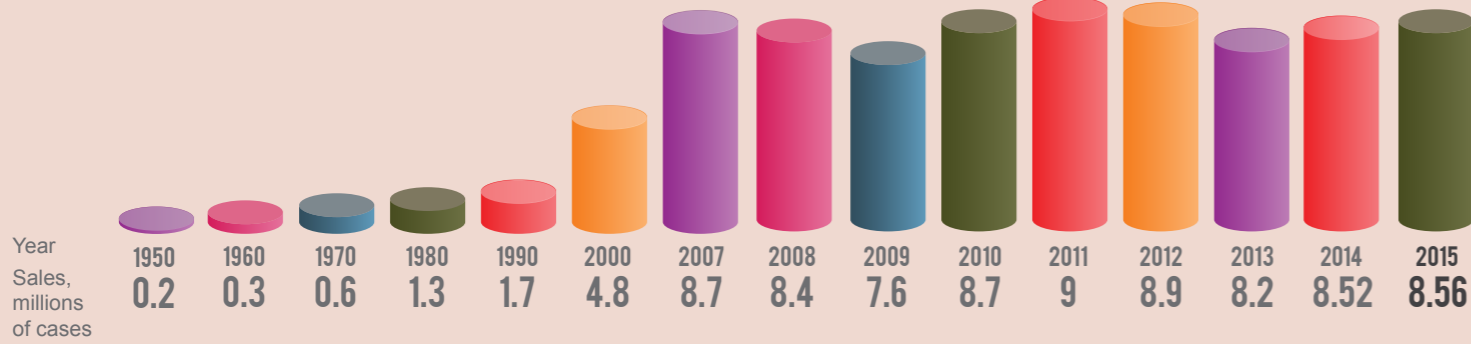
Michael Foley

## A SNAPSHOT: IRELAND'S WINE INDUSTRY

<b>JOBS</b>	1,100 directly employed by distributors and importers. Thousands more in 13,000 restaurants, independent off licences and hotels that sell wine
<b>SALES IN IRELAND</b>	8.56 million cases
<b>EXCISE RECEIPTS</b>	€354.6 million
<b>CONSUMPTION</b>	16.44 litres average wine consumption per capita in 2015 versus 16.40 litres average consumption per capita in 2014
<b>% TAX IN A STANDARD €9 BOTTLE</b>	54%
<b>WINE PRICES</b>	75% of wine purchased in Ireland is between €7 - €10.99
<b>TAXATION COST PER 1000 CASES</b>	€47,035
<b>IRELAND EXCISE RATE RANKING IN EU</b>	1- Highest in EU

## WINE SALES 2014

Total wine sales 1950-2013 (millions of cases)

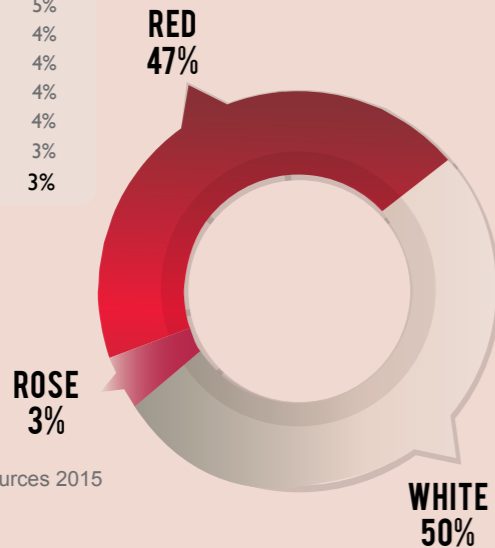


Source: Irish Revenue Commissioners Clearances data, December 2014

## WINE CONSUMPTION BREAKDOWN

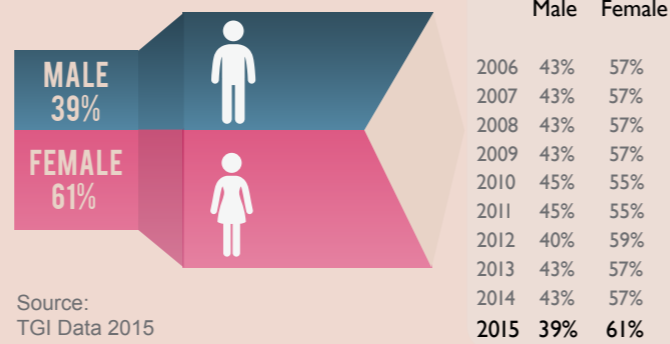
Red / White / Rose

	Red	White	Rose
2003	52%	45%	3%
2004	49%	47%	4%
2005	50%	46%	4%
2006	51%	51%	5%
2007	51%	51%	5%
2008	50%	45%	5%
2009	50%	45%	5%
2010	47%	49%	4%
2011	46%	50%	4%
2012	46%	50%	4%
2013	45%	51%	4%
2014	47%	50%	3%
2015	47%	50%	3%



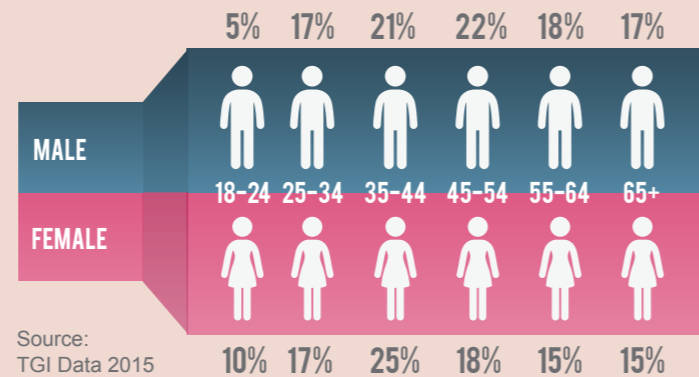
Source: Industry Sources 2015

Male/female (volume share)



Source: TGI Data 2015

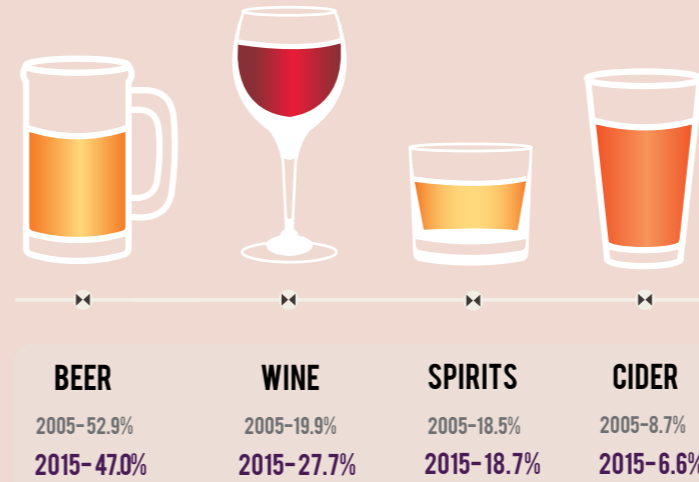
Age breakdown (volume share) 2015



Source: TGI Data 2015

## ALCOHOL CONSUMPTION BY CATEGORY MIX

Alcohol beverage market 2015 (% total volume)



Source: Irish Revenue Commissioners Clearance Data

Excise receipts on alcohol (€m)

	BEER	WINE	SPIRITS	CIDER	WINE AS %
2010	320	210	244	44	25.7%
2011	307	231	247	44	27.9%
2012	308	231	284	43	26.7%
2013	358	302	290	52	30.1%
2014	424.8	354.6	301.8	58.5	31.1%
2015	417.3	354.6	311.0	53.8	31.2%

Source: Revenue Commissioners

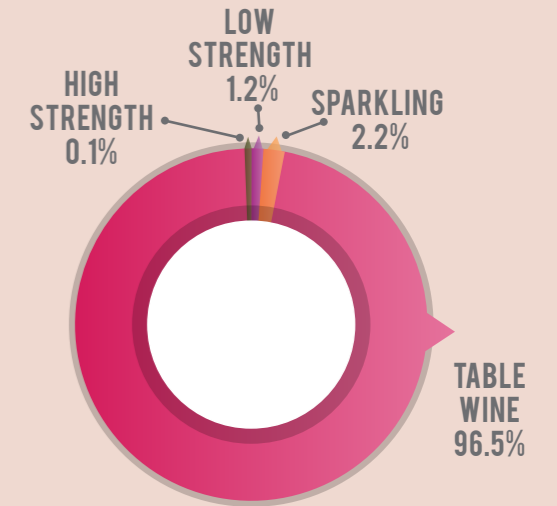
Wine distribution channels 2015

SHARE OF TOTAL MARKET



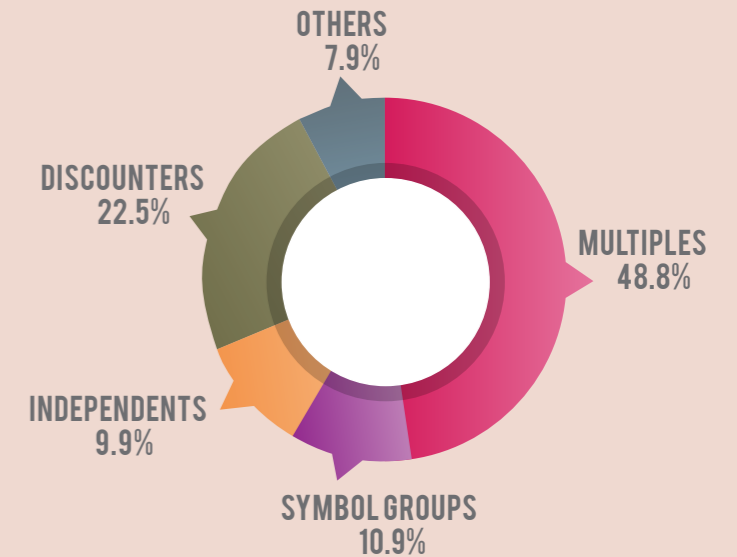
Source: AC Nielsen Dec 15 & IWA member company estimates

Wine categories (% volume share)



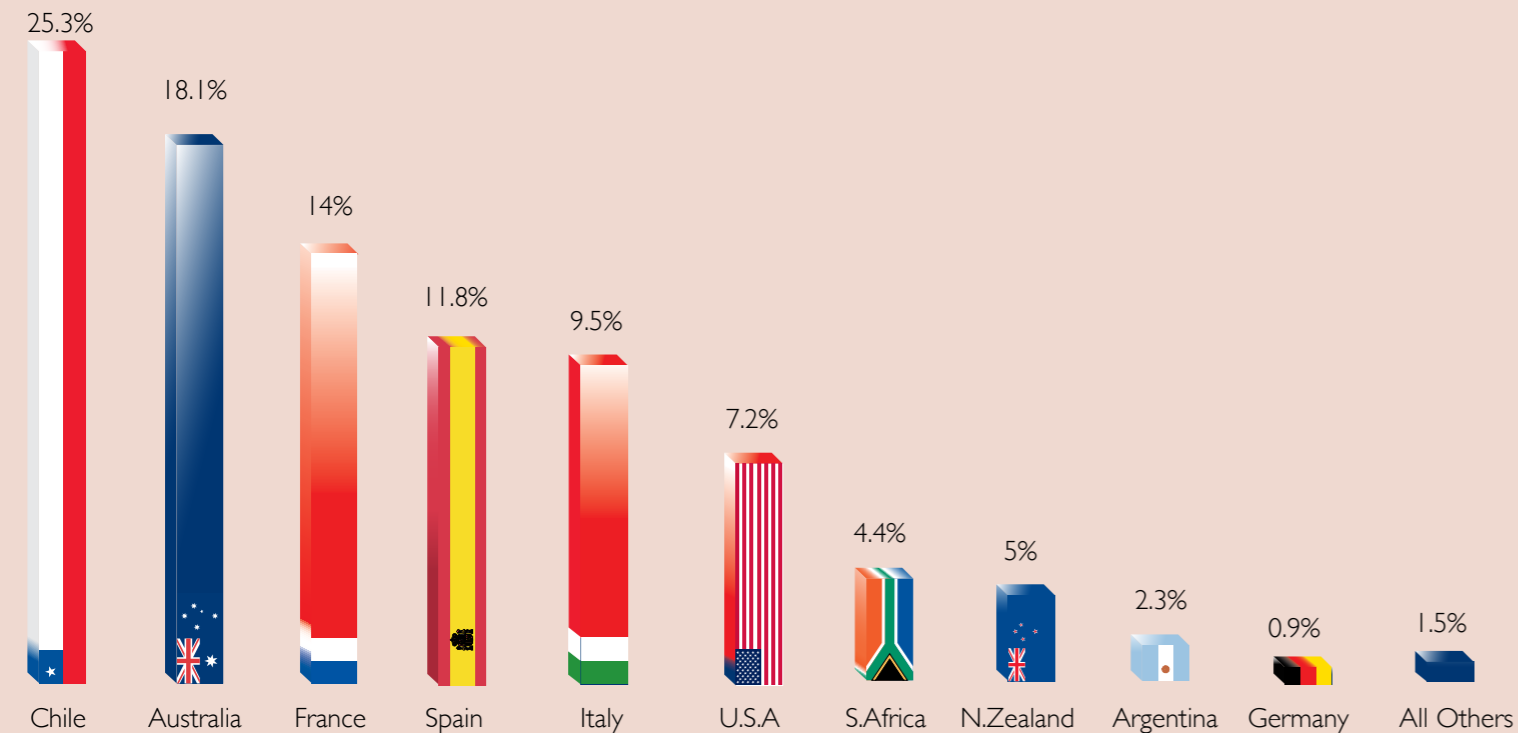
Source: Irish Revenue Commissioners Clearance Data

Off trade distribution channels 2015



Source: Nielsen MAT Dec '15 . (Includes Dunnes Stores & discounter estimate)

## COUNTRY OF ORIGIN



Country of Origin Sales and Market Shares for Table Wines

RANKING	CASES 2008	CASES 2012	CASES 2014	CASES 2015	MARKET SHARES %2008	MARKET SHARES %2014	MARKET SHARES %2015
Australia	2,071,000	2,079,500	1,584,192	1,548,308	26.0%	18.6%	18.1%
Chile	1,721,000	1,819,500	1,998,548	2,166,955	21.6%	23.5%	25.3%
France	1,060,000	1,213,000	1,248,059	1,199,105	13.3%	14.7%	14.0%
United States	916,000	866,450	672,061	616,683	11.5%	7.9%	7.2%
South Africa	606,000	346,570	395,378	376,862	7.6%	4.6%	4.4%
Spain	542,000	866,430	1,005,655	1,012,877	6.8%	11.8%	11.8%
Italy	438,000	866,430	869,657	813,679	5.5%	10.2%	9.5%
Germany	207,000	86,640	95,090	77,085	2.6%	1.1%	0.9%
New Zealand	231,000	346,570	338,314	425,913	2.9%	4.0%	5.0%
Argentina	87,000	86,640	192,796	196,308	1.1%	2.3%	2.3%
All others	88,000	86,640	115,596	131,559	1.1%	1.4%	1.5%
<b>TOTAL TABLE WINE</b>	<b>7,967,000</b>	<b>8,664,370</b>	<b>8,515,346</b>	<b>8,565,334</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>EUROPE</b>	<b>2,335,000</b>	<b>2,772,598</b>	<b>3,334,057</b>	<b>3,207,993</b>	<b>29.3%</b>	<b>39.0%</b>	<b>37.5%</b>
<b>REST OF WORLD</b>	<b>5,632,000</b>	<b>5,891,772</b>	<b>5,181,287</b>	<b>5,357,045</b>	<b>70.7%</b>	<b>61.0%</b>	<b>62.5%</b>

\* The figures for 2015 are based on official trade statistics, IWA Country of Origin Survey, AC Nielsen and other trade sources.

## VOLUME SHARE BY PRICE POINT

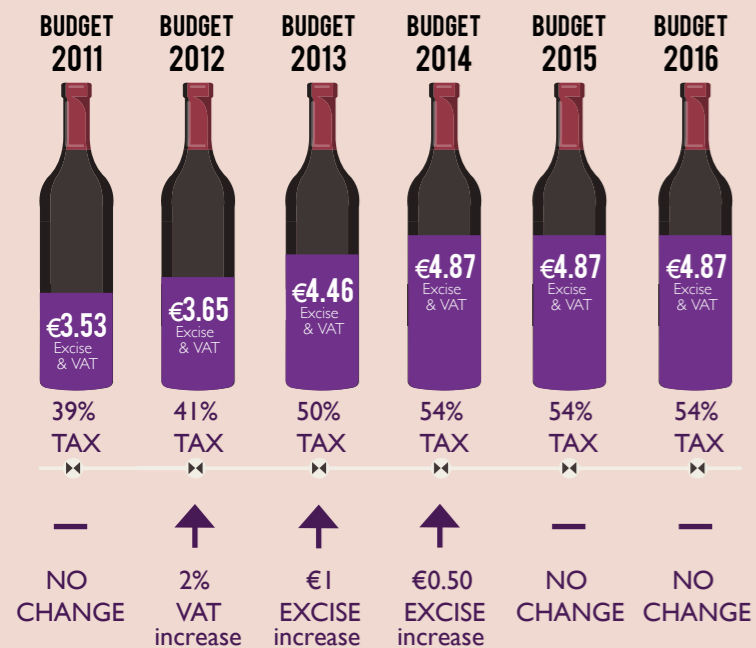
Total wine

	VOLUME SHARE			SALES 9LITRE CASES		
	MAT DEC 14	MAT DEC 15	VOL SHARE CHG	MAT DEC 14	MAT DEC 15	VOL SHARE CHG
€14 PLUS	4.5%	4.1%	-0.4%	145,477	133,494	-8.2%
€13-13.99	3.1%	2.4%	-0.7%	100,211	78,695	-21.5%
€12-12.99	4.6%	5.1%	0.4%	151,007	167,255	10.8%
€11-11.99	7.2%	7.3%	0.1%	233,916	241,117	3.1%
€10-10.99	13.5%	13.0%	-0.6%	439,947	426,024	-3.2%
€9-9.99	31.0%	37.6%	6.6%	1,005,304	1,234,509	22.8%
€8-8.99	17.7%	17.4%	-0.3%	574,120	571,092	-0.5%
€7-7.99	11.3%	7.0%	-4.3%	367,058	230,703	-37.1%
€6-6.99	2.3%	2.2%	-0.1%	74,491	73,236	-1.7%
€0-5.99	4.8%	3.9%	-0.9%	156,084	127,210	-18.5%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>				

Source: AC Nielsen scantrack 2015

## HIGH EXCISE RATES

Table wine - €9 standard bottle



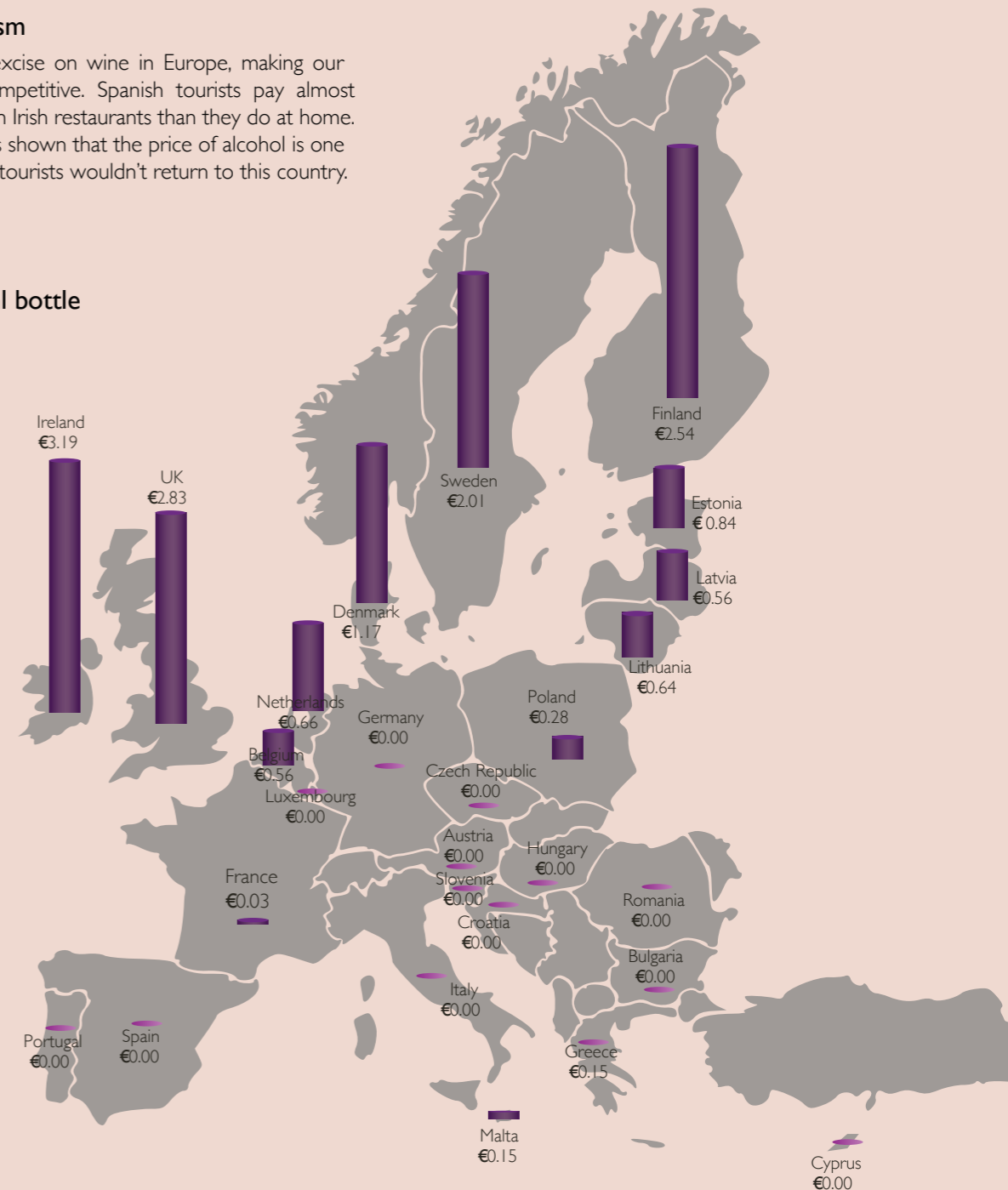
Impact of taxes at differing price points



## Excise: Tax on tourism

Ireland has the highest excise on wine in Europe, making our tourism offering less competitive. Spanish tourists pay almost twice the price for wine in Irish restaurants than they do at home. Fáilte Ireland research has shown that the price of alcohol is one of the main reasons why tourists wouldn't return to this country.

## Excise tax per 750ml bottle

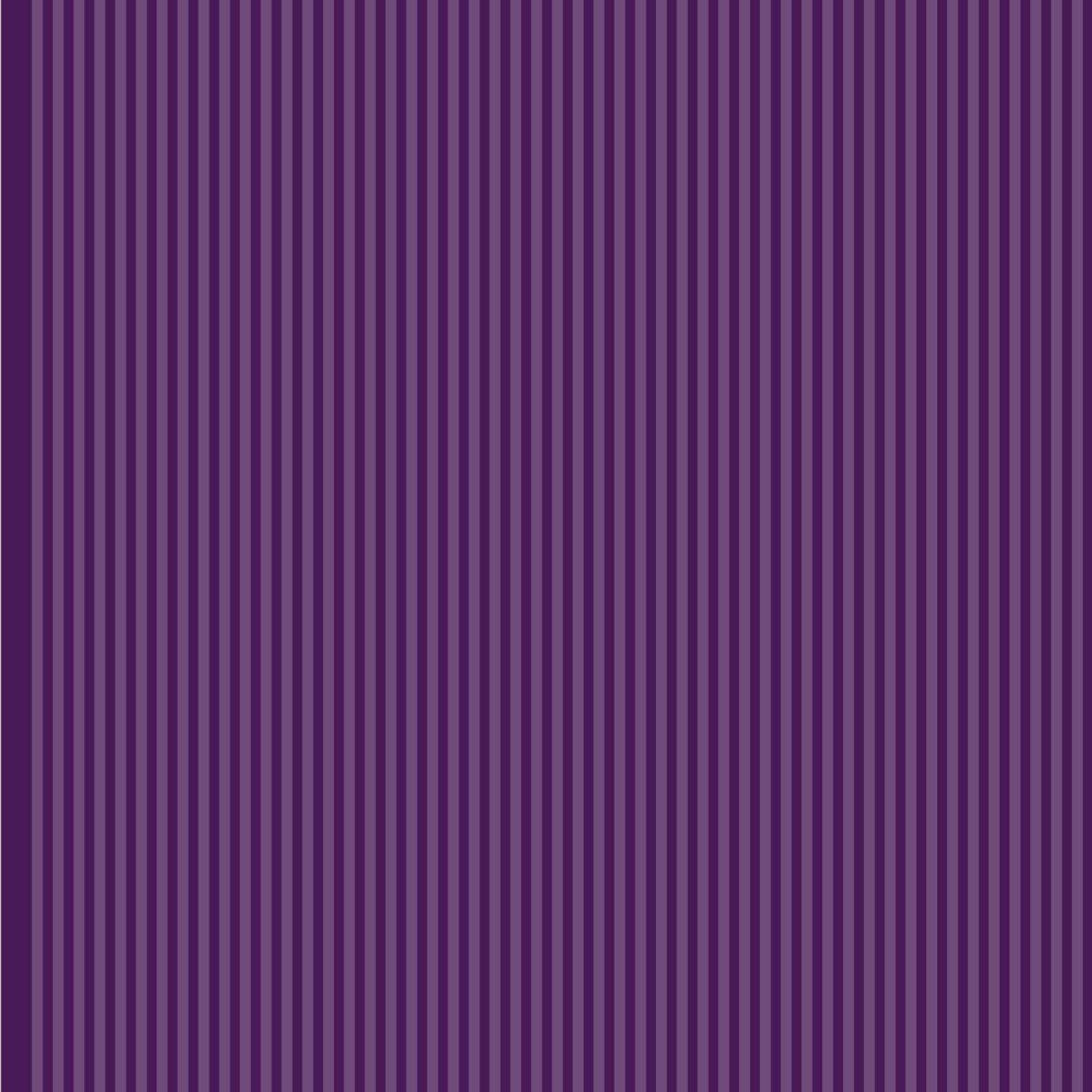


Excise due on the importation of 1000 cases of wine

BUDGET YEAR	RATE PER 9 LITRE CASE	EXCISE PER 1000 CASES
2012	€23.60	€23,600
2013	€33.36	€33,360
2014	€38.24	€38,240
2015	€38.24	€38,240
<b>2016</b>	<b>€38.24</b>	<b>€38,240</b>
<b>TOTAL INCREASE</b>	<b>62%</b>	<b>€14,640</b>

## HIGH EXCISE

- Jeopardises small local businesses and jobs by creating cash flow pressures
- Affects consumers disposable income
- Increases price differentials between ROI and NI
- Affects tourism by eroding value for money perception of Ireland
- Since 2011 the tax take from a standard €9 bottle of wine has increased from 39% to 54%
- The total excise payable to revenue is now €14,640 higher per 1000 cases than 2012





Email: [ann.hare@ibec.ie](mailto:ann.hare@ibec.ie) [www.abfi.ie](http://www.abfi.ie)

The Alcohol Beverage Federation of Ireland  
Confederation House 84/86 Lower Baggot Street Dublin 2  
Telephone: +353 (0)1 605 1581 Fax: +353 (0)1 638 1581