



French wine and spirit exports: A commercial and economic challenge for France

With a turnover of 10.1 billion euros in 2011, French wine and spirits exports have increased by one billion euros, as compared with 2010 (10.5%). Following a significant recovery in 2010, partly due to the replenishment of stocks, 2011 consolidated the solid economic state of exports and indicated the sustained consumption of French wine and spirits in nearly 200 markets.

With a growth of 9%, wine and spirit exports are the second largest positive contributor to the French trade balance (8.6 billion euros), after aeronautics (17.7 billion euros, -2%).

The French Federation of Wine and Spirits Exporters (FEVS) is proud of the sector's business results; their enterprises did not only focus on traditional markets but also on emerging economies.

These results reflect the strong performance in different product categories:

- On a global scale, wine sales won back ground in their main foreign destinations, although not quite matching 2007 figures. Over ten years, wines have lost 12% in volume and increased 7% in value: Bordeaux and Champagne are largely responsible.
- Spirits, which recovered faster than wine in 2010, reinforced their market share, both in value (7.5%) and in volume (5%). With a 10% rise in sales, Cognac surpasses the 2 billion euro mark (alone representing 66% of all spirit exports in value).

FEVS President Louis Fabrice Latour concluded that 2011 was characterised by:

- **An increase focused more heavily on value (10.5%) than on volume (2.4%);**
- **Difficulties in recapturing traditional French wine markets within the European Union.** Exports of French wine to Germany and the United Kingdom dropped by 11% and 13%, respectively, in value and by 13% and 38% in volume over ten years;
- **Further development in emerging markets:** for example BRICS (Brazil, Russia, India, China and South Africa) account for more than one billion euros in turnover, i.e. over 10% of our exports.

There are approximately 500 French businesses which export wine and spirits, most of which are SMEs spread out across the country. They export French products and cannot be relocated due to solid roots in their territory.

For Louis Fabrice Latour, however, the key lies elsewhere: "What is of prime importance is that we work together year in and year out to maintain our enterprises' strong export performance. This resilience is essential if we are to continue to make a substantial contribution to the national economy".

Louis Fabrice Latour also pointed out that the wine and spirit industry employs close to 30,000 workers. On a larger scale, these businesses have made a significant impact on their surroundings and, as such, nearly 40% of wine or spirits sales from French vineyards depends on exports!

With this in mind, the strategic challenge to strengthen and secure our access to third countries becomes clear, both for the sake of our businesses and a healthy national economy. According to Louis Fabrice Latour, "The support from public authorities is crucial to help us open up new markets: India and Brazil are both promising markets. However, we cannot increase our sales there until we

have eliminated existing obstacles (tariff-related or other). Only then will we be able to defend our global market share in volume and strengthen our value creation”.

WINES (cases 9L) SPIRITS (cases 8,4 L; 40% vol)	Volume (cases of 12 bottles)		Value (K€)	
	12 months 2011	%/2010	12 months 2011	%/2010
TOTAL WINES	147 322 329	+1.8	6 967 018	+11.9
CHAMPAGNE	11 271 842	+4.7	2 132 256	+9.3
AOC STILL WINES	59 849 509	+7.0	3 613 411	+19.9
WINES/PGI	41 978 285	-11.1	713 421	-4.8
WINES WITHOUT GI BUT WITH GRAPE VARIETY	9 340 950	+51.6	133 842	+28.6
WINES WITH NEITHER GI NOR GRAPE VARIETY	18 377 946	+0.9	167 655	-21.7
TOTAL VERMOUTHS & WINE BASED APERITIFS	1 425 197	-19	23 626	-8.8
TOTAL SPIRITS T	54 502 195	+4.7	3 089 975	+7.5
COGNAC	13 439 092	+5.2	2 041 038	+10.1
ARMAGNAC	175 899	-3.0	19 239	-2.0
OTHER WINE BASED SPIRITS	11 371 676	-3.2	144 751	+1.1
VODKA	14 675 793	+10.7	356 961	+7.0
LIQUEURS	4 622 522	+3.3	312 665	0.0
CALVADOS	282 019	-5.0	17 434	-6.6

Source : Customs/F.E.V.S.