

## French wines and spirits exports reached €14 billion in 2019: a deceptive result

Paris, 12 February 2020 – French wines and spirits exports reached €14 billion in 2019 (+5.9%). A significant share of this increase is due to anticipation shipments by business operators, in an international context of strong trade tensions and uncertainty. The export balance totals € 12.7 billion (+8.5%), consolidating the sector's position as France's second largest trade surplus.

*"The 2019 positive result must not be misinterpreted: international political environment and trade tensions had a severe effect on French wines and spirits exports, suggesting 2020 will be a challenging year",* says Antoine Leccia, President of the French Association of Wines and Spirits Exporters (FEVS).

In the **United States**, French wines and spirits exports expanded by 16% in value, to €3.7 billion and 5.5% in volume. After a promising first half, the sales increased mainly as a result of the operators' anticipation strategy related to the transatlantic trade tensions (aeronautics, digital services taxation). The entry into force, on 18 October 2019, of the U.S. 25% additional duties led to a 17.5% decrease of French bottled still wine exports during the last 2019 quarter alone, with a €40 million loss of turnover.

Uncertainties related to the Brexit negotiations resulted similarly in anticipated shipments by companies, with French wines and spirits exports increasing by 4.4% – to € 1.4 billion – in the **United Kingdom**. Sales on the EU markets amounted €4.7 billion (+3.8%).

The economic slowdown in China, as well as the political tensions in Hong-Kong, impacted the turnover with a 3.1% decrease on the **China / Hong-Kong / Singapore** zone. Against the background of the Chinese wine imports decline, the zero-tariff rates applicable to Australian and Chilean products create a strong competitive advantage against French wines, whose sales diminished by 16% in volume and 8% in value. Spirits, and Cognac in particular, remain on a positive trend (+3%).

Overall, French **spirits** recorded a significant increase in export sales (+8.8%), reaching €4.7 billion, with stable volumes at 53 million cases; **wine** shipments reached €9.3 billion (+4.4%), with 139 million cases (+0.7%).

*"Certainly, there are some reasons for satisfaction. For example, our exports to Japan increased by 10 % following the entry into force of the EU - Japan Trade Agreement in February 2019.*

*"Yet, the international environment creates a high-risk situation for our exports on our top-three markets (U.S.A, United Kingdom and China), these countries accounting alone for 50% of our overall sales" explains Antoine Leccia.*

*"Obviously, the situation appears most worrying – and consequently most urgent – on the U.S. market. Arbitrary sanctions imposed on our industry as of October 18, 2019 threaten our growth on the world's leading market. This will have significant long-term repercussions on exporting companies and, more broadly, on the 500 000 wine industry stakeholders.*

*"Without a prompt and significant action from public authorities, the sanctions will have even more impact in 2020. It is now essential for our Government to provide practical solutions to the demands addressed by our industry since October 2019, including the creation in emergency of a €300 million compensation fund. It is time for the Government to shoulder its responsibilities towards our industry" concludes the President of FEVS.*

# French wines and spirits exports in 2019

## Summary in figures

|   |                                  | Volume*            |                     | Value             |                     |
|---|----------------------------------|--------------------|---------------------|-------------------|---------------------|
|   |                                  | 2019<br>(in cases) | 2019/2018<br>(in %) | 2019<br>(in k€)   | 2019/2018<br>(in %) |
| <b>TOTAL WINES</b>                                |                                  | <b>138 987 745</b> | <b>0,7</b>          | <b>9 292 374</b>  | <b>4,4</b>          |
| <i>of which</i>                                   | Champagne                        | 12 656 377         | 0,9                 | 3 100 705         | 7,5                 |
|   | PDO still wines                  | 55 439 436         | -0,8                | 4 586 229         | 3,1                 |
|   | PGI still wines                  | 40 122 331         | 0,3                 | 876 895           | 2,5                 |
|   | French varietal wines without GI | 10 045 634         | 0,9                 | 207 827           | 2,2                 |
|   | Other French wines without GI    | 11 169 158         | 5,3                 | 152 938           | -1,5                |
| <b>TOTAL VERMOUTHS &amp; WINE-BASED BEVERAGES</b> |                                  | <b>2 627 371</b>   | <b>12,6</b>         | <b>65 967</b>     | <b>20,8</b>         |
| <b>TOTAL SPIRITS</b>                              |                                  | <b>53 059 148</b>  | <b>-0,1</b>         | <b>4 662 640</b>  | <b>8,8</b>          |
| <i>of which</i>                                   | Cognac                           | 17 803 184         | 6,6                 | 3 480 980         | 11,4                |
|   | Armagnac                         | 126 208            | 0,5                 | 18 005            | 7,9                 |
|   | Other wine spirits               | 9 611 335          | -0,2                | 204 613           | 0,2                 |
|   | Vodka                            | 11 874 366         | -3,0                | 361 072           | 4,2                 |
|   | Liqueurs                         | 3 979 272          | -0,1                | 287 345           | -0,5                |
|   | Calvados                         | 256 486            | -2,0                | 15 214            | -4,2                |
| <b>TOTAL WINES &amp; SPIRITS</b>                  |                                  | <b>194 674 265</b> | <b>0,7</b>          | <b>14 020 983</b> | <b>5,9</b>          |

\* Wines : 12-bottle cases or 9 l – Spirits: 12-bottle cases or 8,4 l at 40 % vol.

**The press pack and the presentation materials could be found on**

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**PRESS CONTACT**

Valentin DUCROS – +33 6 17 60 43 42 – [fevs@vae-solis.com](mailto:fevs@vae-solis.com)



**Fédération des Exportateurs de Vins & Spiritueux de France**

10 rue Pergolèse 75116 Paris – Tél. : +33 1 45 22 75 73

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