Dear Media Partner,

**PRESS RELEASE: Wines of South Africa Export Report 2019**

**Premiumization Is Key To Repositioning for SA Wine Industry**

Following on from a tough 2018, exports of South African wine continued to struggle in terms of volume. This can be directly related back to the downturn in overall production due to the drought. Despite the fact that the Western Cape had a slightly more favourable rain season in 2018 compared to the three years leading up to it, vines were still struggling to recover with yields coming in lower than previous years.

The overall value of our exports declined by 7% to R8,5 billion, while the total volume of our exports went down by a sizeable 24% to 320 million litres. The area which showed distinctive growth was in the premium and super-premium ranges, tying into the Wines of South Africa strategy to work towards premiumization of our wine. Packaged wine exports declined by a mere 4% in value compared to the 14% decline in volume to 145 million litres.

Bulk wine exports declined by 30% in volume, however the 17% decline in value indicates that higher prices were fetched for these exports on the whole.

The United Kingdom remains South Africa’s largest export market for packaged wines both in terms of value and volume, followed by the Netherlands which saw positive growth of 11% in value overtaking Germany for the first time. The Canadian market also showed a positive upturn of 10% in value, despite a decline in volume.

In other focus export markets we saw declines in China, Africa, Sweden and Germany while the USA remained flat

In terms of the top-rated varietals, white wine seems to have been the hot favourite in export markets with Sauvignon Blanc leading the pack in terms of volume, however Chenin Blanc and Chardonnay had positive value increases of 14% respectively. Positive prices for South African Cap Classique and Sparkling Wine categories are also worth mentioning.

WoSA CEO, Siobhan Thompson comments, “While 2019 proved to be one of the most challenging years for the industry, we are heartened by the fact that our wines are fetching better prices on most levels . The drought, in combination with an international oversupply resulted in a perfect storm, which caused South Africa to lose listings at the lower price levels. The good news is that we saw momentum in higher price levels where our wines garnered good recognition, leading to positive listings. While it might be to early to say, we consider the movement towards higher value wines as a positive as it forms part of a greater trend which the industry is working towards for 2025”.

The industry remains positive for the future. Following further good rains in 2019, the harvest has begun in many of our growing regions with preliminary feedback from producers being positive in terms of both quality and volume. Producers continue to be resilient while focusing on the future for an industry that is aiming towards positive growth and sustainability on all levels.

Please see the attached infographic for more information.

**ENDS**

**For more information, please contact:**

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*WINES OF SOUTH AFRICA (WoSA) is a not for profit organization which promotes the export of all South African wine in key international markets. Apart from the head office in Stellenbosch, South Africa, WoSA also has offices in Johannesburg, England, Canada, USA, Sweden, China, The Netherlands and Germany.*

*For more information visit www.wosa.co.za or engage with us on Twitter @WOSA\_ZA, Instagram @wosa\_za or Facebook @facebook.com/wosasouthafrica.*