



THE STATE OF PLAY OF **CHAMPAGNE** IN THE UK 2018

Tyson Stelzer





CHAMPAGNE IN THE UK THE STATE OF PLAY IN 2018

SEVENTEEN
YEAR LOW
26.8 MILLION
BOTTLES IMPORTED



DOWN
3.6% BY
VOLUME
AND 2.2%
BY VALUE
ON 2017



LARGEST
CONSUMPTION
PER HEAD OUTSIDE
CONTINENTAL
EUROPE

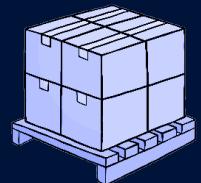


1.5%
INCREASE
IN PRICE
PER BOTTLE

HIGHEST
AVERAGE
EX-CELLAR VALUE
IN 5 YEARS



NV & ROSÉ
SALES ARE
IN LINE WITH
WORLD AVERAGES





HIGHEST
COOPERATIVE
IMPORTS
IN 5 YEARS



RECORD
LOWEST GROWER
IMPORTS
IN RECENT HISTORY

RECORD
LARGEST NUMBER OF
HOUSES
IMPORTED



COOPÉRATIVES
OUTSELL GROWERS 13 TO 1

GROWER SHIPMENTS
15X LESS
THAN WORLD AVERAGE



VINTAGE
IMPORTS AT A
DECADE-LONG LOW

THE STATE OF PLAY OF CHAMPAGNE IN THE UK 2018

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THE BUBBLE HAS BURST IN THE UK

2019 represents a dramatic watershed for champagne in the UK.

Triggered by the GFC and exacerbated since the announcement of Brexit (the ‘looming end of the world’, as one British champagne importer recently put it), Champagne in the UK has hit a dismal seventeen year low. In 2018, imports hit their lowest point since 2001. Among Champagne’s top ten markets, the UK ranked last for grower champagnes, and among the lowest in average spend per bottle, in diversity of brands and in affection for prestige and vintage.

So dramatic has been the UK champagne crash – plunging more than 30% in volume since the GFC in 2007 – that the country looks set to relinquish its mantle as Champagne’s biggest export market as soon as next year. The US is hot on its heels, and rising fast.

Read on: the following 20 pages represent the most comprehensive report on a year in the life of champagne in the UK – a rigorous fermentation of all the latest trends and analysis to emerge from up-to-the minute data just released into the public domain.

HAS IT LOST ITS SPARKLE?

A little digging below the surface reveals that champagne in the UK is far from losing its bubble.

In spite of collapsing volumes, the value per bottle of champagne in the UK is on the rise. The British uphold their title of consuming more champagne per person than any country outside continental Europe, coopérative imports are at a five year high, rosé sales remain buoyant, and champagne lovers are now privileged to a greater diversity of houses than any time in history. And, when all is said and done, even after a decade of decline, the UK still remains Champagne’s largest export market.

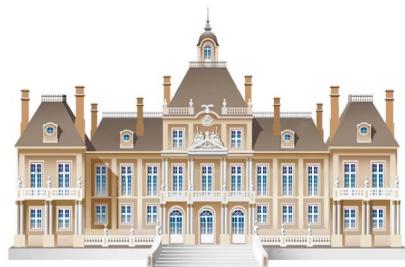
This optimism is not speculative rhetoric, it is the conviction of the influencers across the Champagne region. Champagne brands large and small are not withholding stock to brace for the impact of Brexit. Rather, they are confidently lobbying more bottles than ever across the channel to ensure even the looming end of the world does not interrupt the precious flow of champagne.

The long and deep history of champagne in the UK has not been without its political challenges. And yet it remains that Champagne owes more to Britain over five centuries than it does to any other export market. Champagne’s very existence was hinged on this relationship, and its future will remain inextricably entwined with its longest standing effervescent ally.



OF CHAMPAGNE'S TOP TEN MARKETS IN 2018, THE UK:

HOLDS ITS POSITION AS
**FRANCE'S BIGGEST
EXPORT MARKET**
BY VOLUME OF IMPORTS



IMPORTS ONE OF THE
SMALLEST NUMBER OF
CHAMPAGNE HOUSES

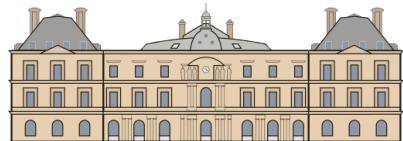


IMPORTS ONE OF THE
SMALLEST NUMBER OF
COOPÉRATIVES



IS SET TO BE
**OVERTAKEN
BY THE USA**
NEXT YEAR AS THE
BIGGEST EXPORT MARKET

RANKS AMONG THE LOWEST IN
PRESTIGE IMPORTS



**IMPORTS MORE
COOPÉRATIVE CHAMPAGNES**
BY VOLUME THAN ANY OTHER

**IMPORTS LESS
GROWER CHAMPAGNES**
BY VOLUME THAN ANY OTHER



IMPORTS ONE OF THE
**SMALLEST
NUMBER OF
GROWERS**

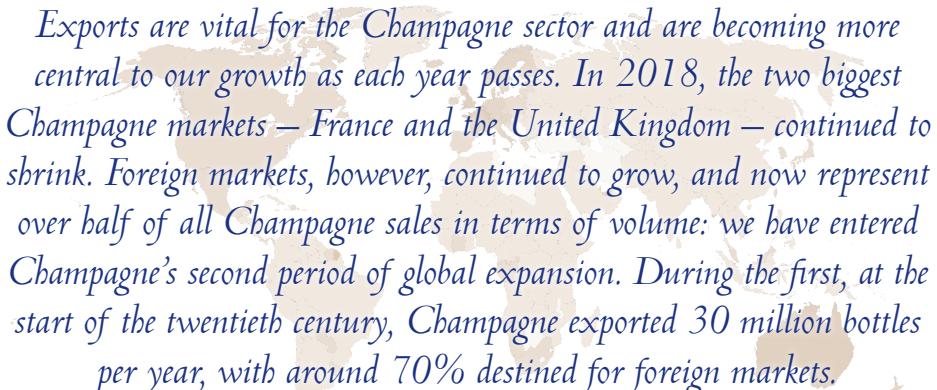
**RANKED AS
4TH LARGEST
MARKET**
PER HEAD OF POPULATION



HAS ONE OF
THE LOWEST
AVERAGE
SPENDS
PER BOTTLE

A brand new era in the world of champagne.

2018 marked a milestone turning point for the global balance of champagne sales.



Exports are vital for the Champagne sector and are becoming more central to our growth as each year passes. In 2018, the two biggest Champagne markets – France and the United Kingdom – continued to shrink. Foreign markets, however, continued to grow, and now represent over half of all Champagne sales in terms of volume: we have entered Champagne's second period of global expansion. During the first, at the start of the twentieth century, Champagne exported 30 million bottles per year, with around 70% destined for foreign markets.

Vincent Perrin, Directeur Général, Comité Champagne

For the first time in history, champagne exports grew to exceed French sales in 2018. Fifteen years ago, exports represented barely more than one-third of the region's production.

The true champagne export figures are actually even stronger again, since the official numbers do not account for sales to international tourists, nor countless boot loads driven across French borders daily!

FRANCE OFF THE BUBBLE

In 2018, French sales were down 4.2% to 147.0 million bottles and turnover down 1.8% to €2 billion, a decline stronger than expected due to a disappointing fourth quarter, in which the 'gilets jaunes' movement diminished both consumer spending and confidence.

More than 50% of the volume loss was attributed to supermarket sales, which now account for just one-third of France's champagne sales by volume. Refreshingly, almost one million fewer bottles priced at less than €10 were sold. Promotional pressure on champagne is likewise diminishing, with a 16% decrease in supermarket promotions on champagnes priced under €18.

THE REST OF THE WORLD TO THE RESCUE

Champagne shipments in 2018 dropped to 301.9 million bottles (down 1.8% on 2017), the lowest since 2009, following crashes in the French and UK markets, with sales in the rest of the European Union relatively stable. Nonetheless, the region was able to notch up a record turnover of €4.9 billion (up 0.3% on 2017), thanks to another year of steady growth in countries outside the European Union (up 2.1% to 78.7 million bottles and €1.6 billion, now representing 26.1% of sales by volume and 32.2% by value).

In spite of unfavourable exchange rates, particularly for the United States, Japan, Switzerland, greater China, Australia and Canada, there was nonetheless growth in both volume and turnover in Japan, Switzerland, Spain, Greater China and Canada.

Export markets were where champagne's diversity shone again in 2018, eclipsing its record 2017 export values for rosés, prestige, demi-sec, extra brut and brut nature. Rosé in particular continued its spectacular trajectory in 2018, now representing 10% of volume and 11.8% of value of exports, up 3.6% to €356 million. The USA is due much of the credit, having averaged 10% growth each year since 2010, surpassing €100 million for the first time in 2018. More than one in every six bottles of champagne popped in the USA is now pink.

Valued at €2.9 billion, champagne was again France's most lucrative wine export in 2018, accounting for almost one-third of export sales, and a close second to cognac in the spirits sector. Wines and spirits are now France's second biggest export after aeronautics.

CHAMPAGNE GLOBALLY

2018



RECORD HIGHEST EVER TURNOVER
€4.9 BILLION



FRENCH & UK SALES DOWN 4.1%



EXPORT SALES OUTSIDE EUROPE ACCOUNT FOR 32.2% OF VALUE

EXPORTS EXCEED FRENCH SALES FOR THE 1ST TIME



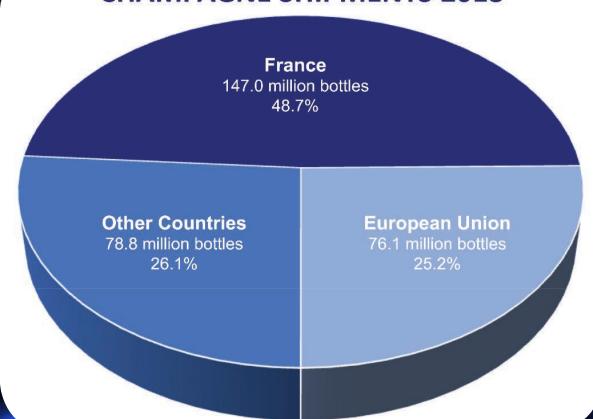
EXPORTS UP OUTSIDE FRANCE NOW 51.3% BY VOLUME & 58.3% BY VALUE

RECORD EXPORT VALUES OF ROSÉS, PRESTIGE, DEMI-SEC, EXTRA BRUT & BRUT NATURE



CHAMPAGNE NOW FRANCE'S MOST LUCRATIVE WINE EXPORT

CHAMPAGNE SHIPMENTS 2018



EXPORTS OUTSIDE EUROPE UP 2.3% EXCEEDING EXPORTS WITHIN EUROPE FOR THE 2ND TIME

FOREIGN MARKETS CONTINUE TO GROW... WE HAVE ENTERED CHAMPAGNE'S SECOND PERIOD OF GLOBAL EXPANSION
- VINCENT PERRIN, DIRECTEUR GÉNÉRAL, COMITÉ CHAMPAGNE

WHY TASTE CHAMPAGNE LONDON?

Some might say we are completely mad to launch the inaugural Taste Champagne London in the midst of Brexit – the ‘looming end of the world’.

Taste Champagne is here to proudly and unashamedly champion the homeland of Britain’s favourite fizz, not in spite of the turmoil of Brexit but because of it. We are honoured to unite with 40 of the greatest names of champagne, from the smallest growers to the largest houses, in a bold statement of solidarity; that regardless of political boundaries, Champagne is open for business and stands resolutely alongside its great friends in the UK.

Taste Champagne is here to offer the wine trade, media and champagne-loving public the opportunity to ride the crest of the UK’s bubbling champagne wave, to discover all the greatest houses crossing the channel for the first time, while exploring everything new and exciting from all the old favourites.

Six years ago, the inaugural Taste Champagne presented 52 estates in one city down under. In 2019, we are proud to showcase more than 100 houses for an audience of more than 5,000 champagne lovers across ten events in Australia and Hong Kong, and to bring this event to London for the very first time.

It's our pleasure to invite you to the biggest champagne showcase series in the new world.



2018 harvest in Coulommiers-la-Montagne
Tyson Stelzer photography



The UK's unique champagne demographic

34% of Britain's adult population purchases champagne

42% of purchasers are aged 21-34 (this group is only 38% of the population)

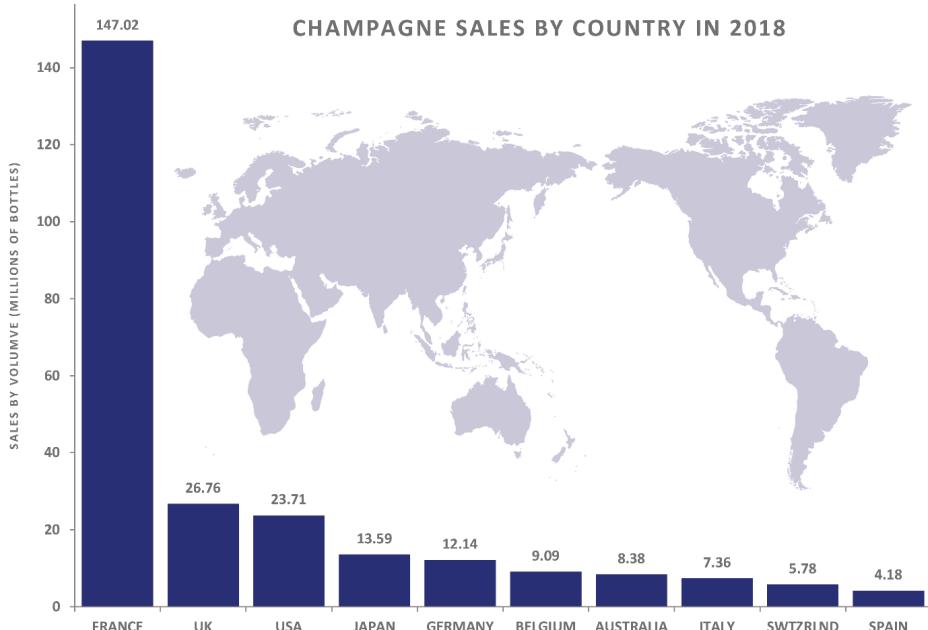
70% of British people are prepared to pay more for quality alcoholic beverages

71% enjoy trying new things

Statistics compiled by Tyson Stelzer, largely from data presented in *Les Expéditions de Vins de Champagne en 2018, 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009 and 2008*, Comité Champagne.

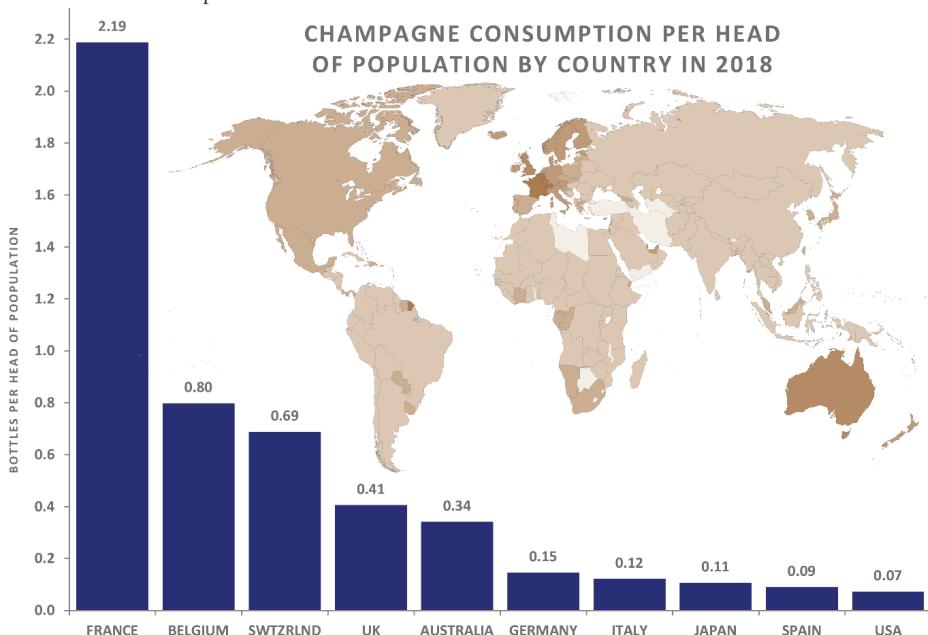
Champagne's top ten markets

The UK holds its position as France's biggest export market by volume, with close to 27 million bottles landing in 2018. This represents a decline of 3.6% on 2017. The majority of this decline stems from supermarket sales, which account for 77% of losses. The USA is fast closing the gap, and if current trends continue, it's set to overtake the UK next year. The USA is already the biggest market by value, currently boasting a full 42.1% lead on the UK. Meanwhile, Sweden, Australia and Germany suffered decline in 2018, while greater China, Japan, Switzerland, the US, Spain and Canada enjoyed steady growth.



Remarkable consumption

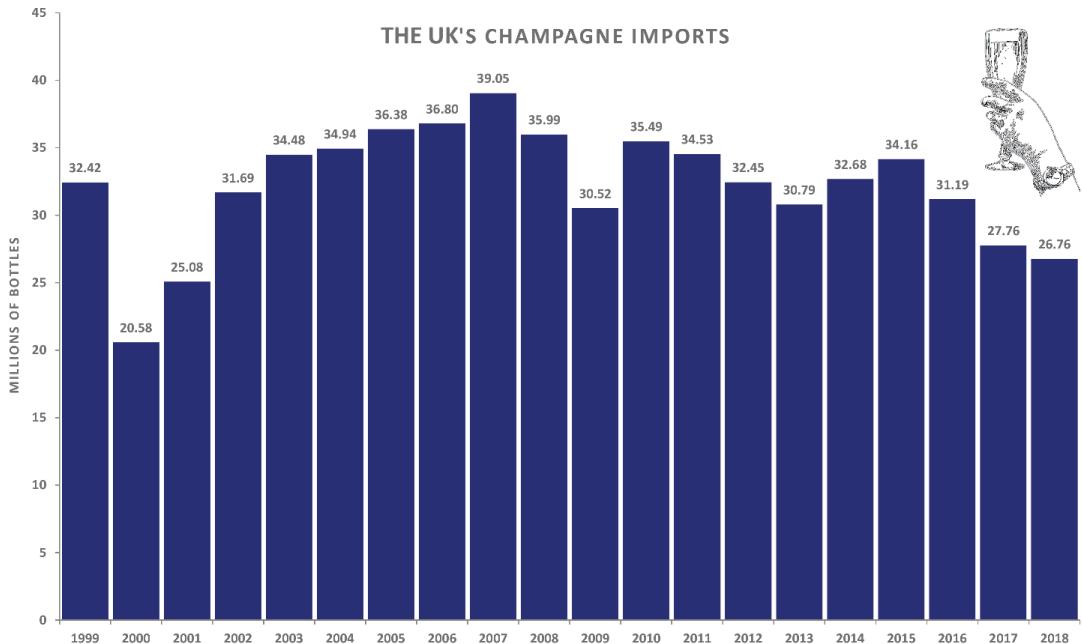
The UK holds its place as the fourth largest champagne market per head of population, and the biggest outside of continental Europe.



Champagne in the UK losing its sparkle

In 2018, the UK's champagne imports hit their lowest point since 2001, continuing a general downward trend since the onset of the global financial crisis in 2007, exacerbated since the announcement of Brexit in 2016.

There is a little encouragement to be read into the trends, as 2018 posted the smallest decline in recent years, down just 3.6% in volume and a more modest 2.2% in value, thanks to an average increase in price per bottle of 1.5%.



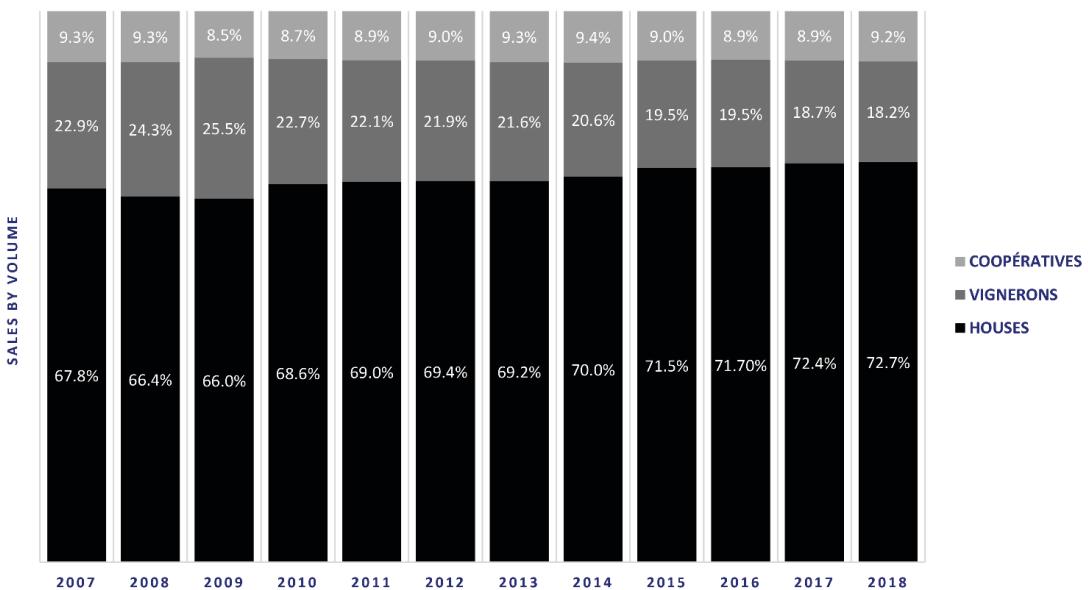
Champagne houses, growers and coopératives

Over the past decade, global sales by volume by champagne houses have grown 13.3% and coopératives by 10.8%, while growers have dropped by a devastating 26.7% as Champagne moves toward a steadily increasing dominance by its houses.

In 2018, houses shipped 72.7% of the volume and 77.5% of the value of champagne, growers 18.2% of volume and 14.8% of value, the remaining 9.2% and 7.6% respectively accounted for by coopératives.

2018 saw grower sales decline to 54.9 million bottles, down 4.4% on 2017, for a value of €725 million, down 3.3%. The long-term trend is even more revealing, as just a decade ago in 2008, growers sold 78.5 million bottles, almost one-quarter of all champagne sales.

THE CHANGING BALANCE OF CHAMPAGNE

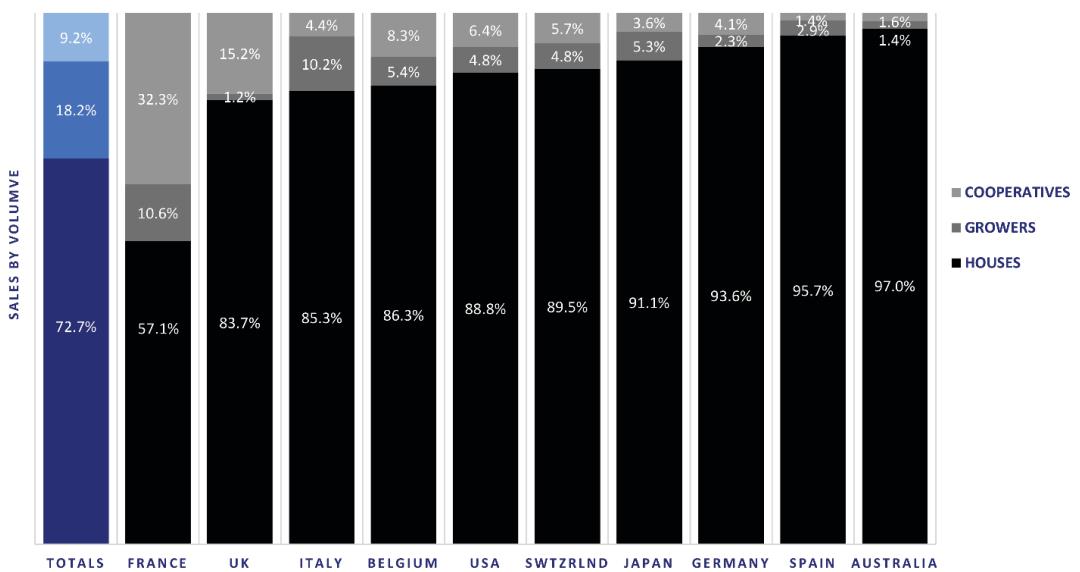


Chouilly, June 2018
Tyson Stelzer photography

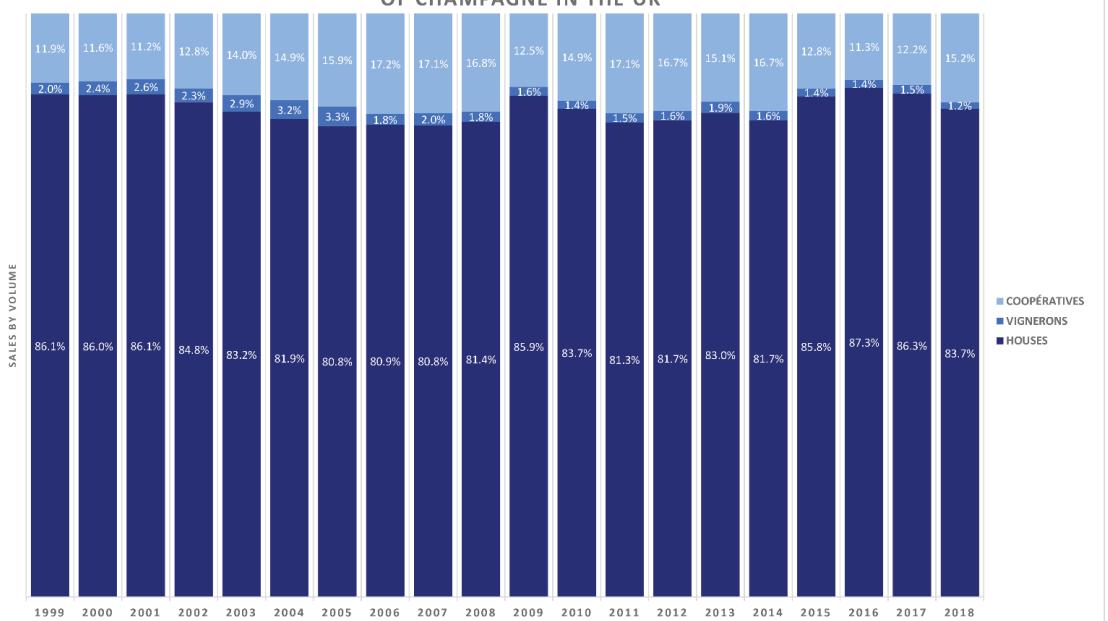
The grower crisis... and coopérative revival

Of Champagne's top ten markets, the UK shows the lowest representation of champagne growers, dropping in 2018 from 1.5% to just 1.2%, compared with 18.2% globally. This means, of every 80 bottles of champagne sold in the UK, fewer than one was from growers. Globally, it's more than 14 in 80. The UK's market share by volume for champagne coopératives is on the rise and now the strongest among Champagne's biggest markets, representing 15.2% (more than 1 in 7) in 2018, the highest since 2014. Globally, it's 9.2% (less than 1 in 10).

CHAMPAGNE SALES BY CATEGORY IN 2018

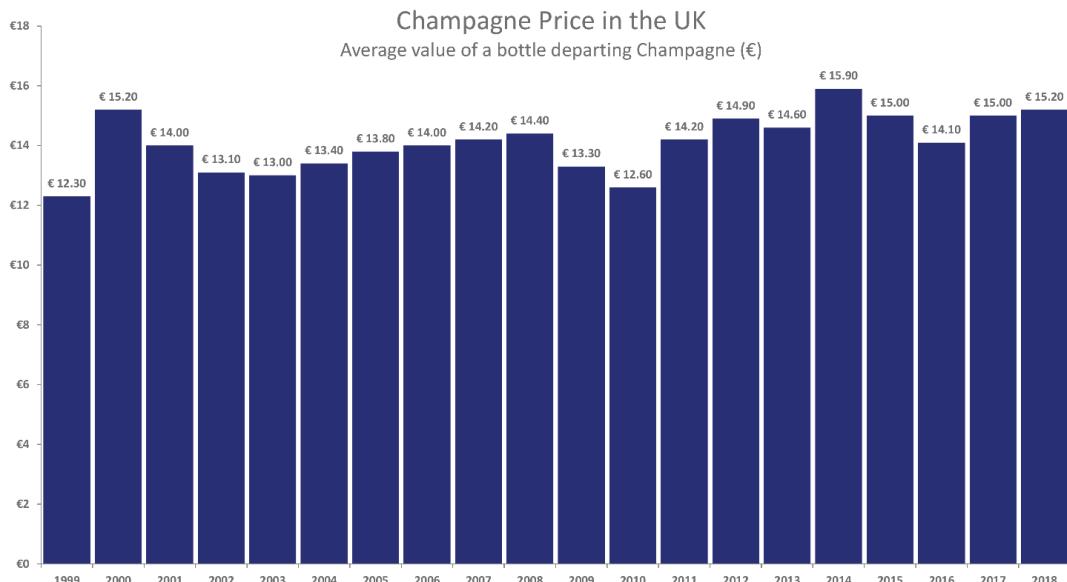
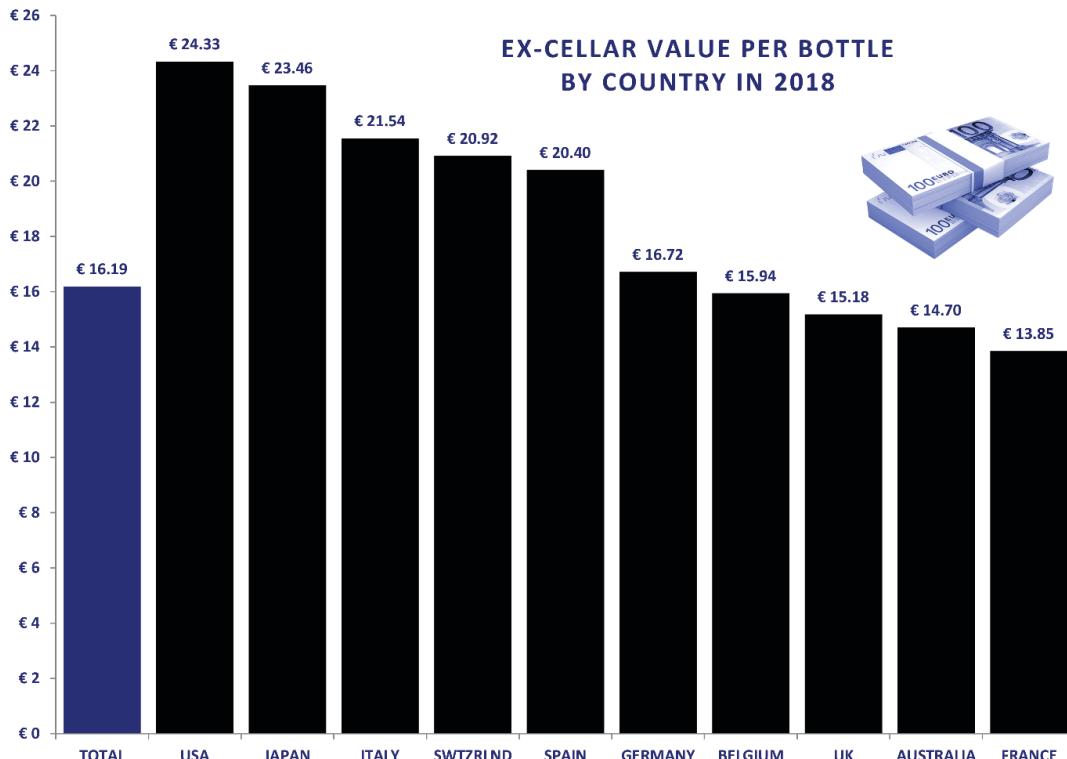


THE CHANGING BALANCE
OF CHAMPAGNE IN THE UK



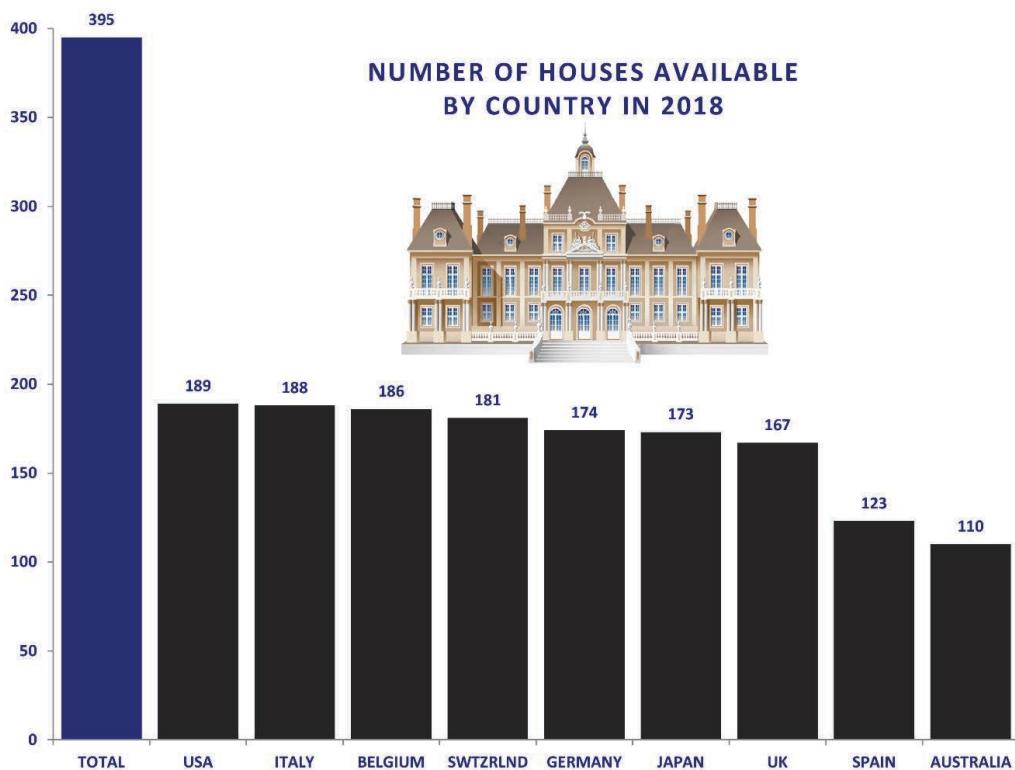
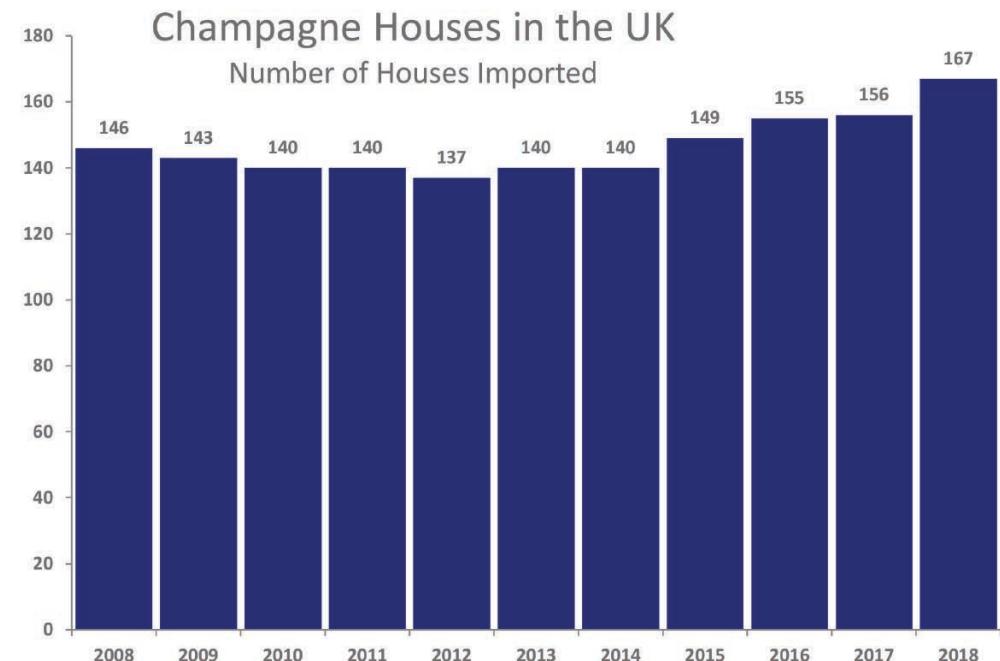
Depressed values

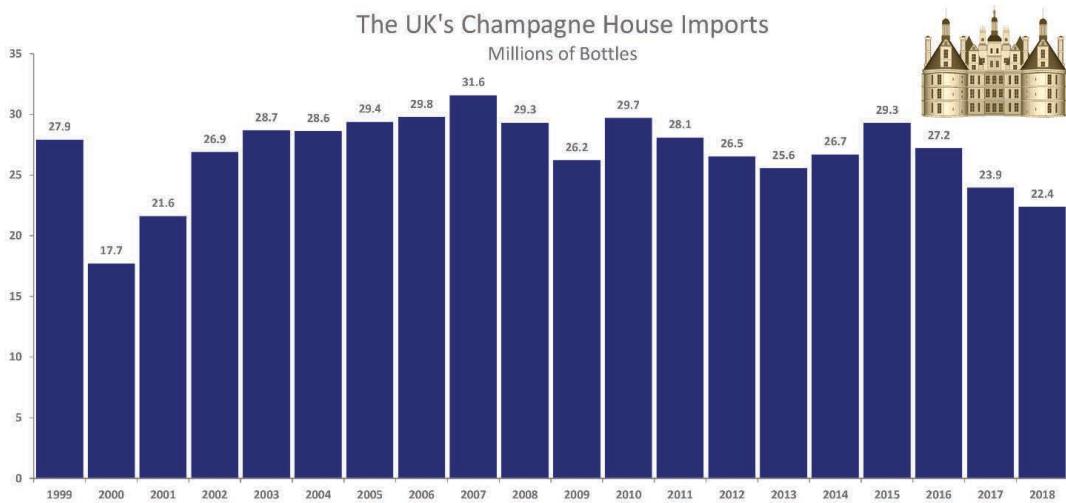
Of Champagne's top ten markets, the UK's average spend per bottle remains among the lowest (only Australia and France are lower), though a small rise in recent years has made for the highest average ex-cellar value since 2014, and the equal second highest in the past 20 years.



Limited house diversity

Of Champagne's top ten markets, the UK offers one of the smallest representations of houses, just 167 of a total of 395 houses. But there is encouraging growth here, as this figure represents an all-time record, a rise of 11 on 2017, and 30 more than six years ago. Even still, UK consumers have access to a smaller range of champagne houses than any other major champagne market besides Spain and Australia.

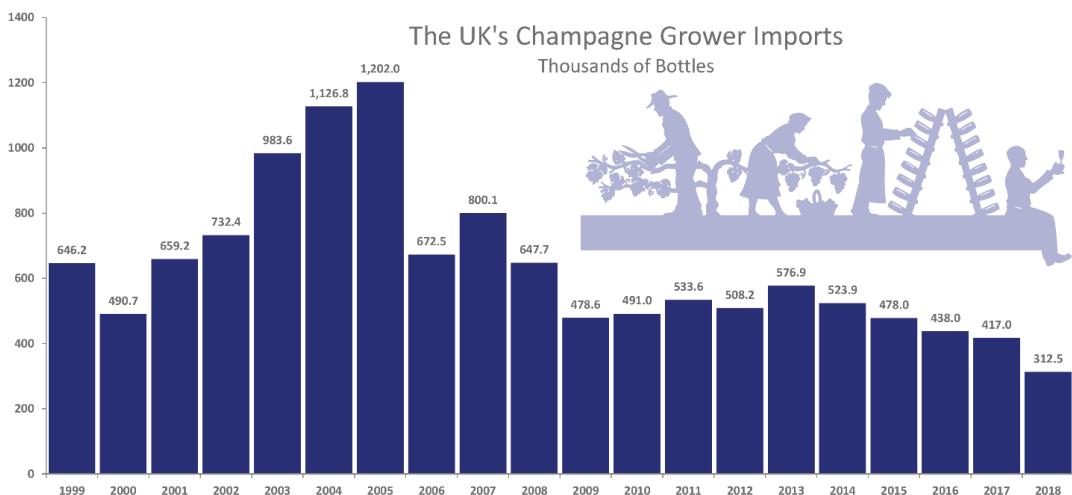




Growers hit a record low

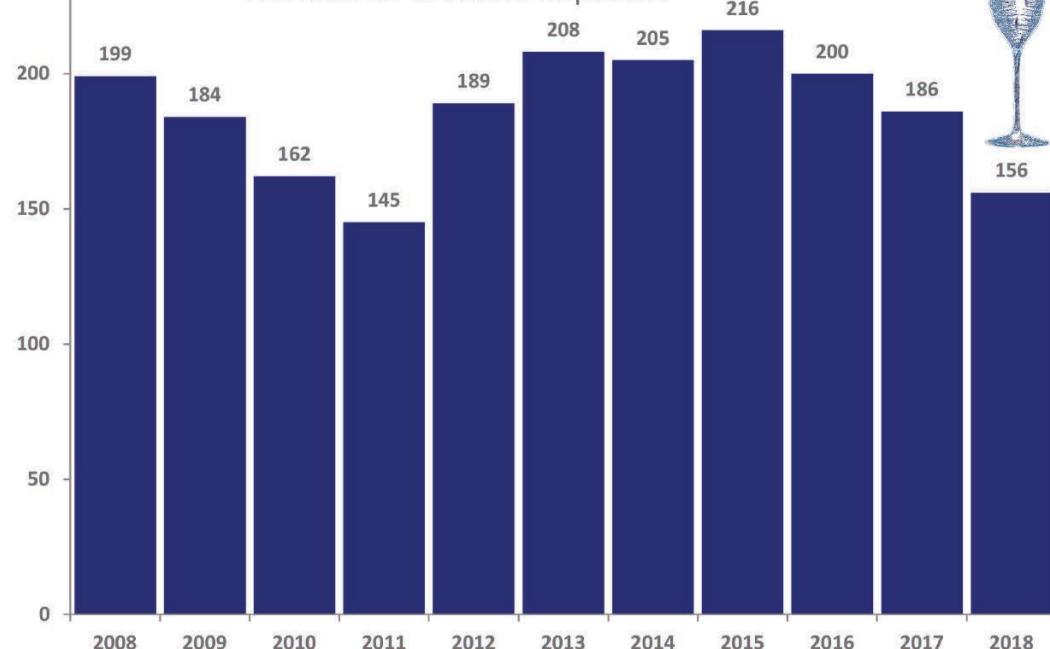
In 2018, the UK set a new record for the lowest level of grower imports in recent history, a drop of more than 25% on 2017 and barely one-quarter of what it was in its heyday of 2005. Grower diversity in the UK is likewise at an all-time low, with just 156 of a total of 4,159 growers landing in 2018, the second smallest number in recent decades, down from 186 in 2017 and 216 in 2015. This places the UK third after Australia and Spain for its lack of grower diversity. Italy imports but one-quarter of the champagne of the UK, yet enjoys access to more than 400 growers.

Taste Champagne 2018 is proud to introduce ## growers for you to discover. This represents ##% of the estates showing this year.

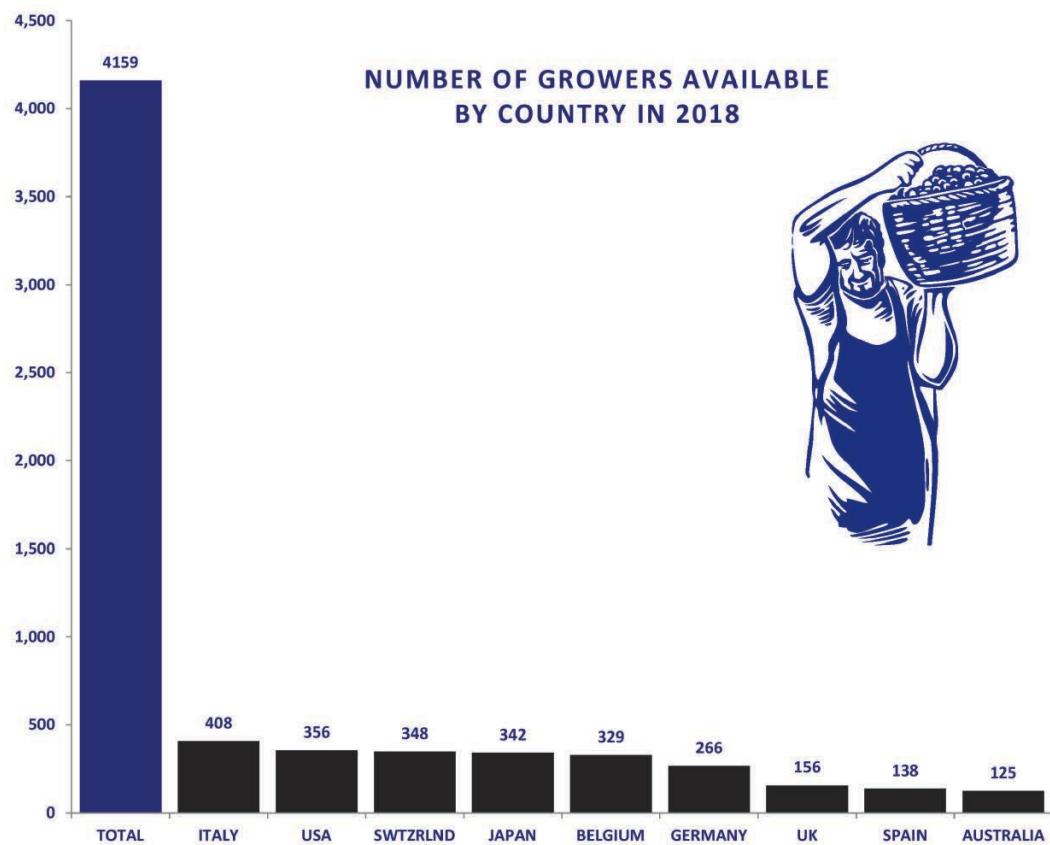


Champagne Growers in the UK

Number of Growers Imported

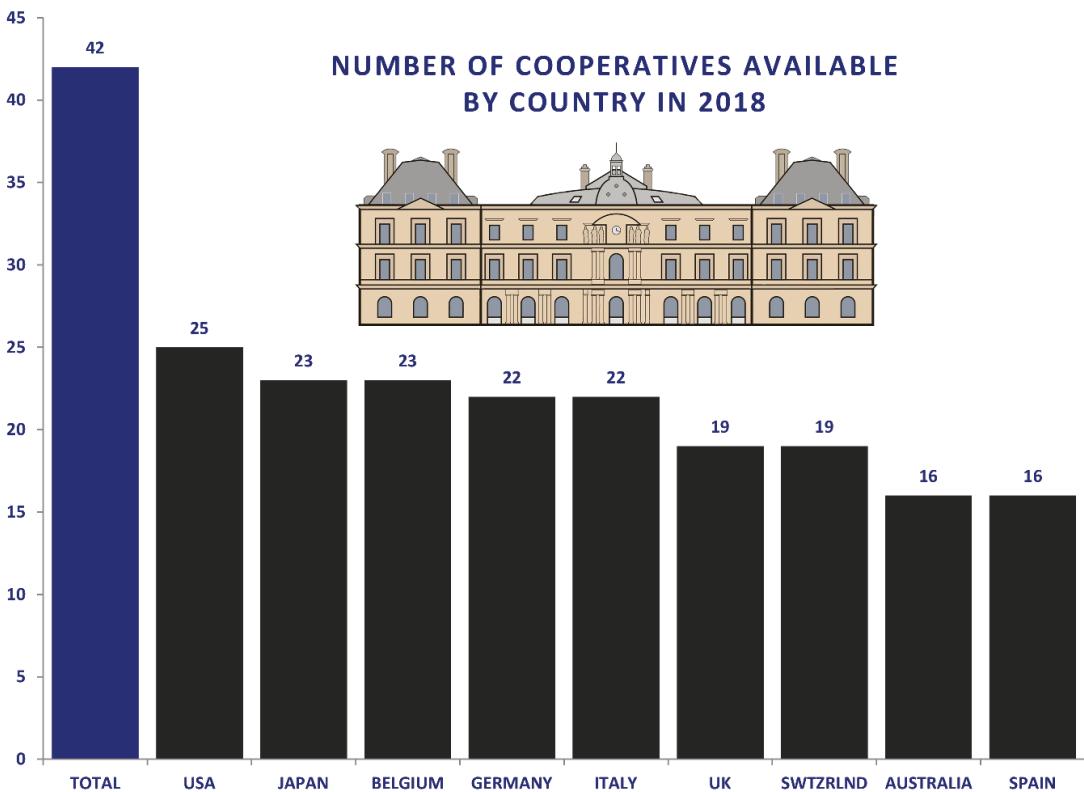
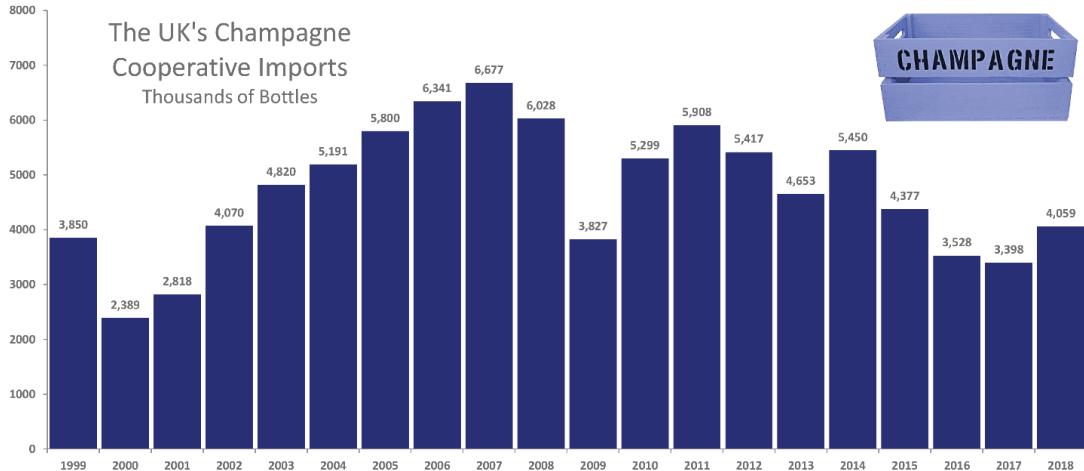


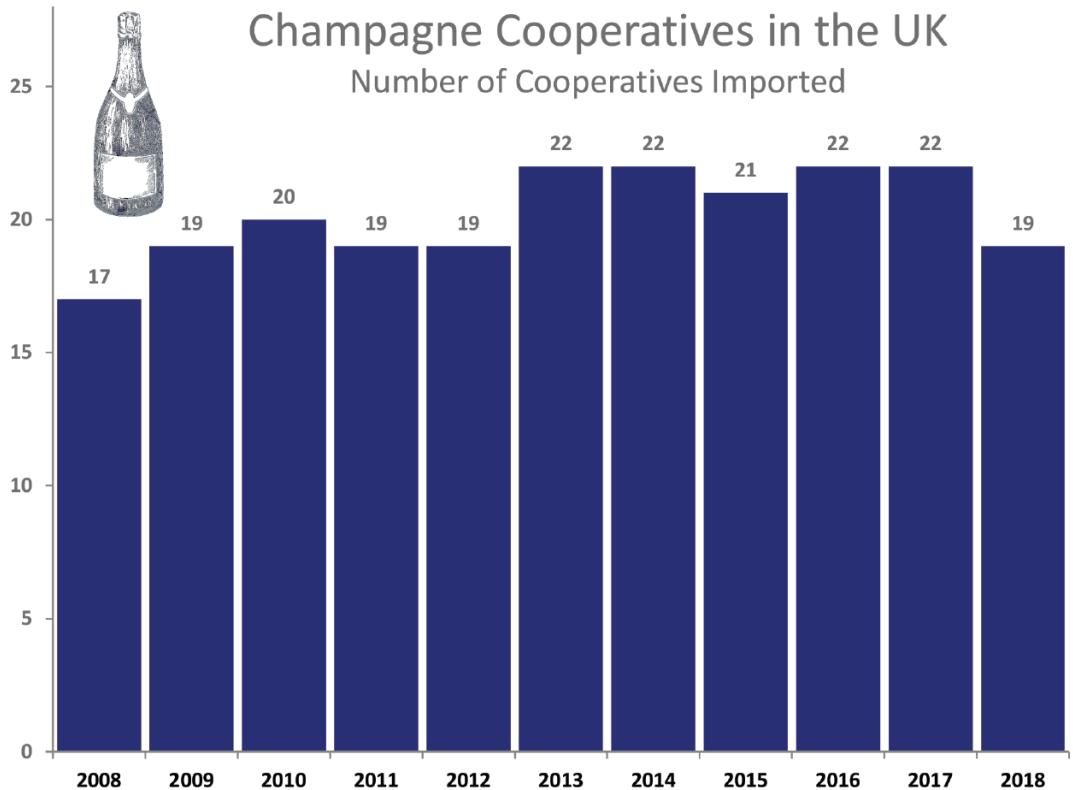
NUMBER OF GROWERS AVAILABLE BY COUNTRY IN 2018



Limited coopérative diversity

Of Champagne's top ten markets, the UK imported one of the smallest numbers of coopératives in 2018, just 19 of a total of 42, the equal smallest number in a decade, exceeding only Spain and Australia. However, the number of bottles is on the rise, representing an impressive jump of 19.4% in volume and 22.8% in value on 2017. Coopératives now outsell growers in the UK 13 to one.





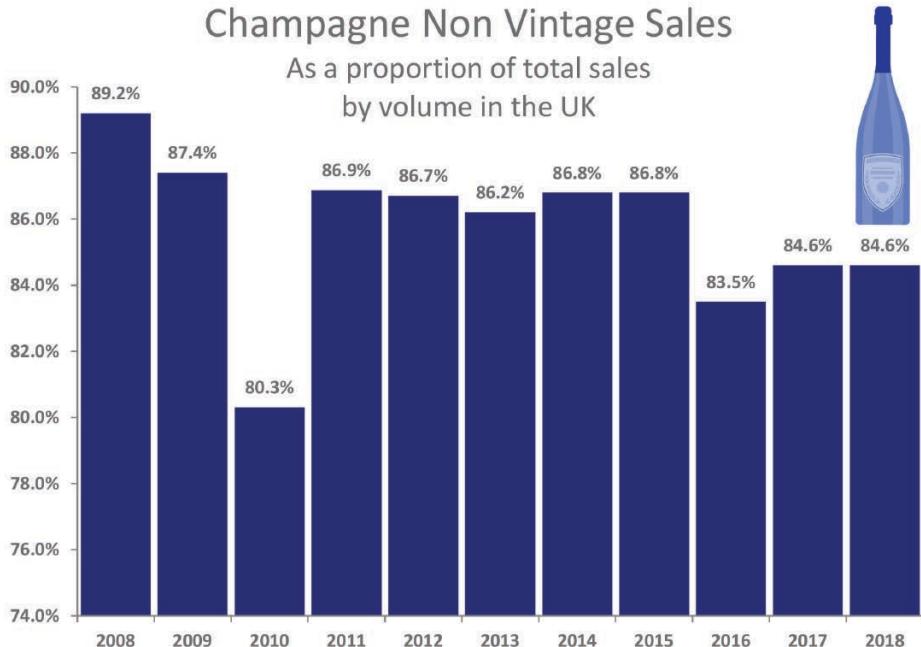
Hautvillers, January 2013
Tyson Stelzer photography

Non-vintage preoccupation

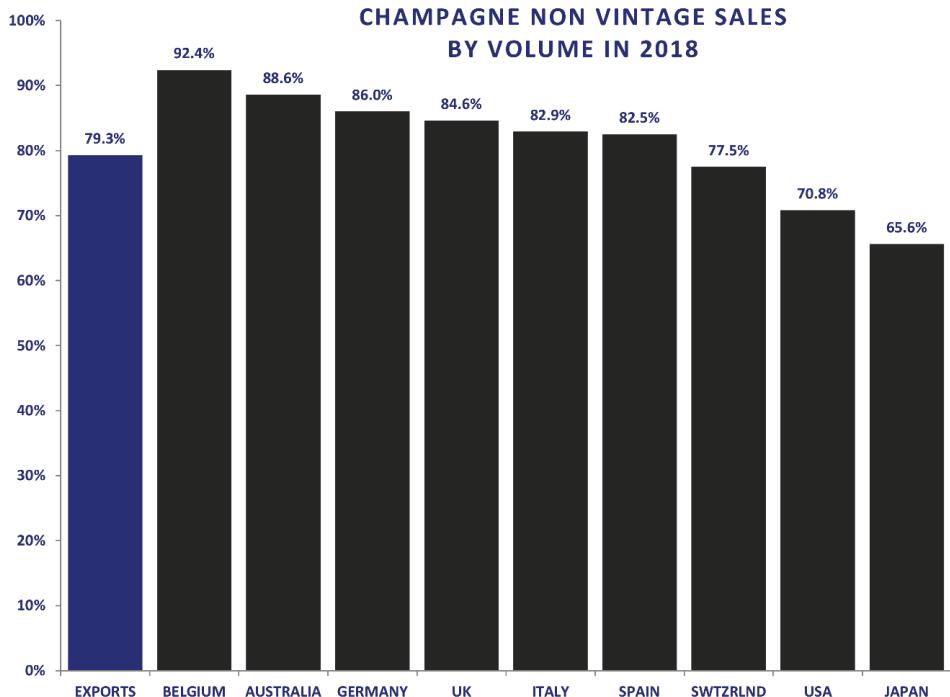
Of Champagne's top ten markets, the UK's non-vintage focus is a little more than average. For every 20 bottles of champagne sold in the UK, almost 17 are non-vintage. On average across all markets, it's less than 16 in 20. In Japan, it's 13. The UK's preoccupation with non-vintage has long fuelled its champagne obsession, and it's encouraging to see signs of a modest swing over the past decade to embrace the wonderful diversity of champagne and discover vintage, rosé and prestige.

Champagne Non Vintage Sales

As a proportion of total sales
by volume in the UK

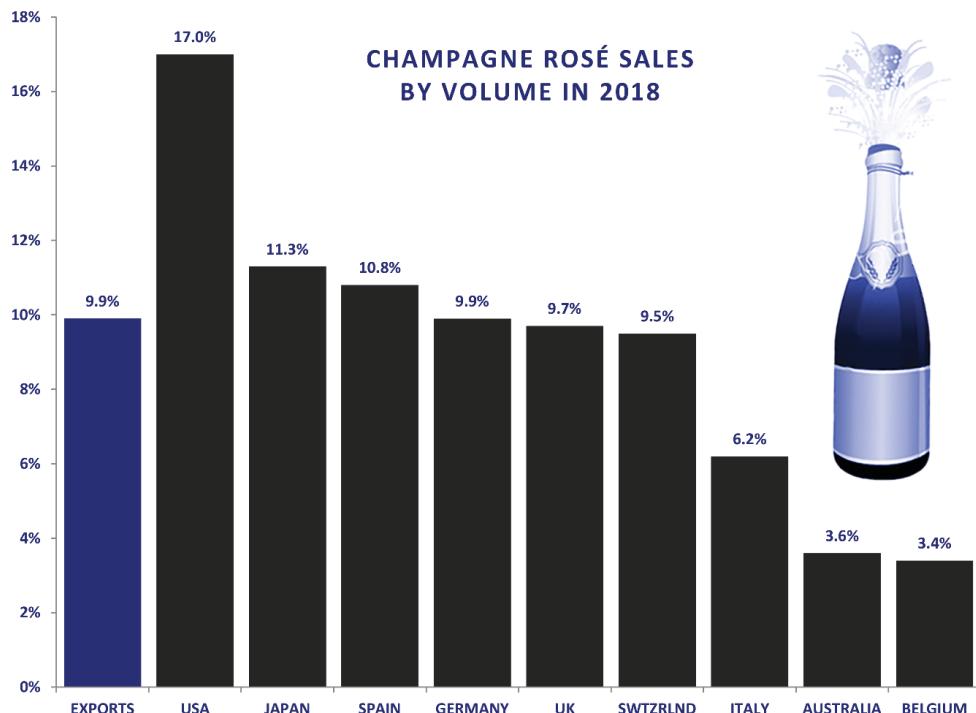
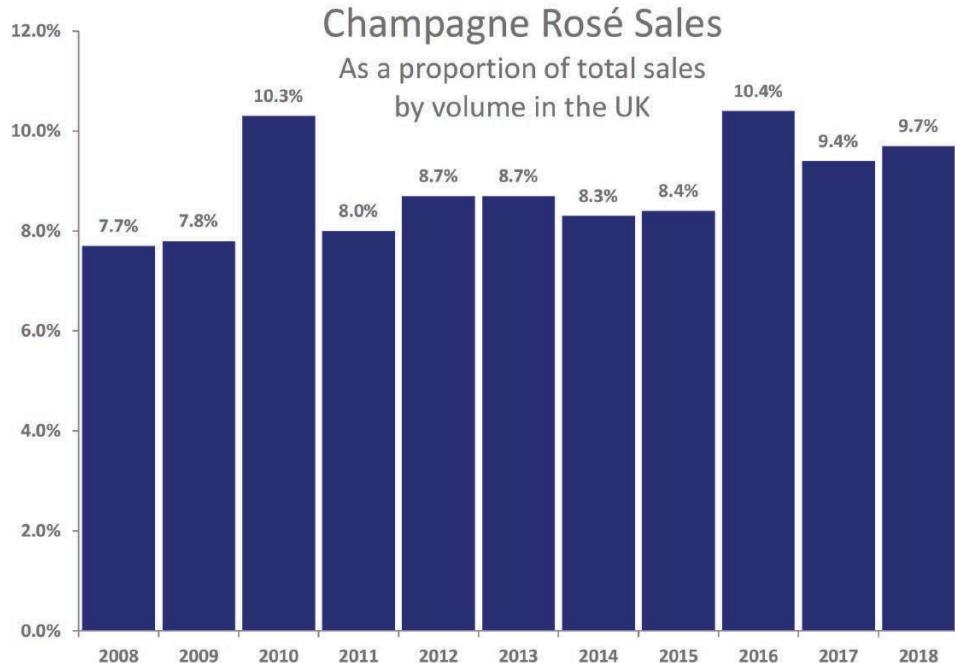


CHAMPAGNE NON VINTAGE SALES BY VOLUME IN 2018



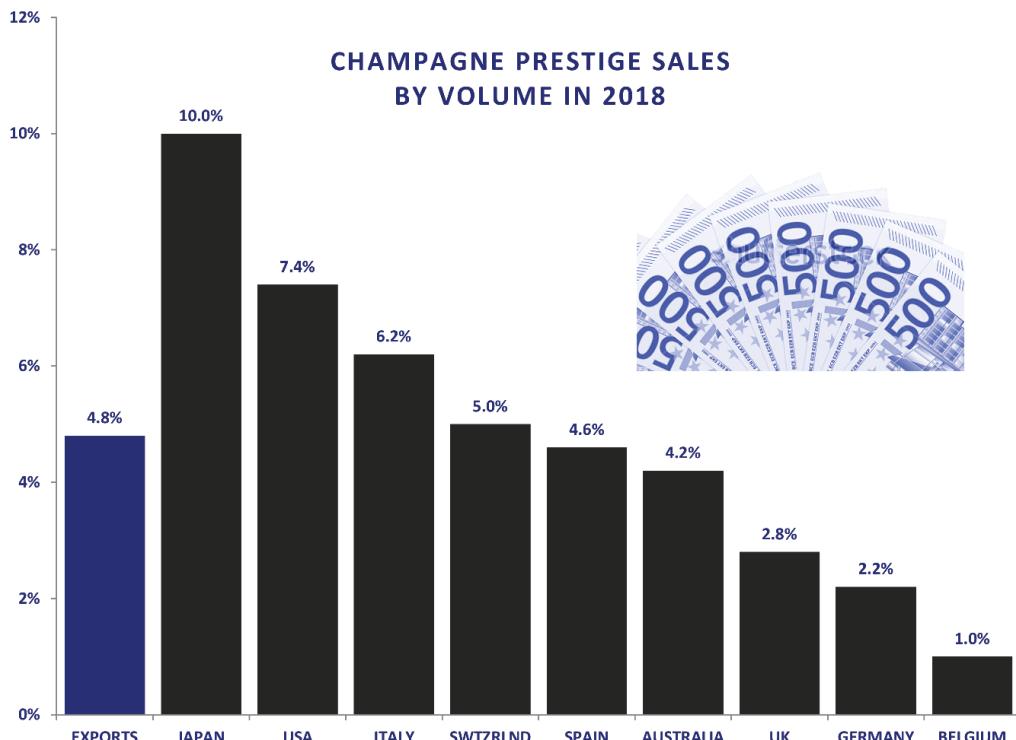
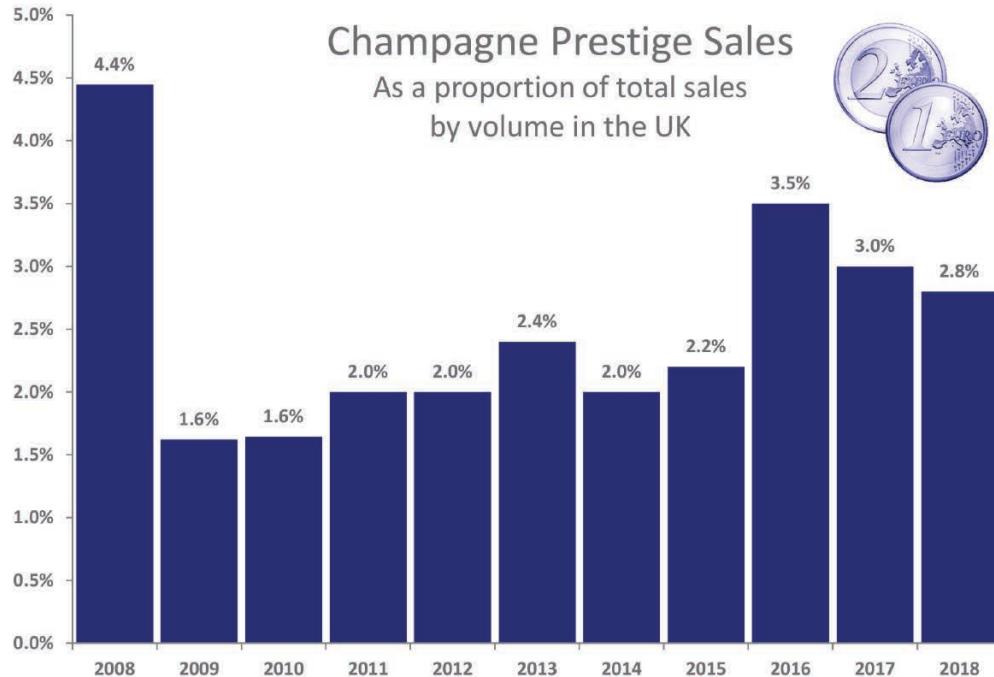
Rosé on form

Champagne's rosé exports continue a strong growth trajectory, hitting a record 9.9% by volume and 11.8% by value in 2018. A modest rise on 2017 saw the UK land very close to these averages. Across its markets, one in ten bottles of champagne is now rosé. And the USA set a new record last year of more than one in six. Taste Champagne this year is proud to showcase ## rosés.



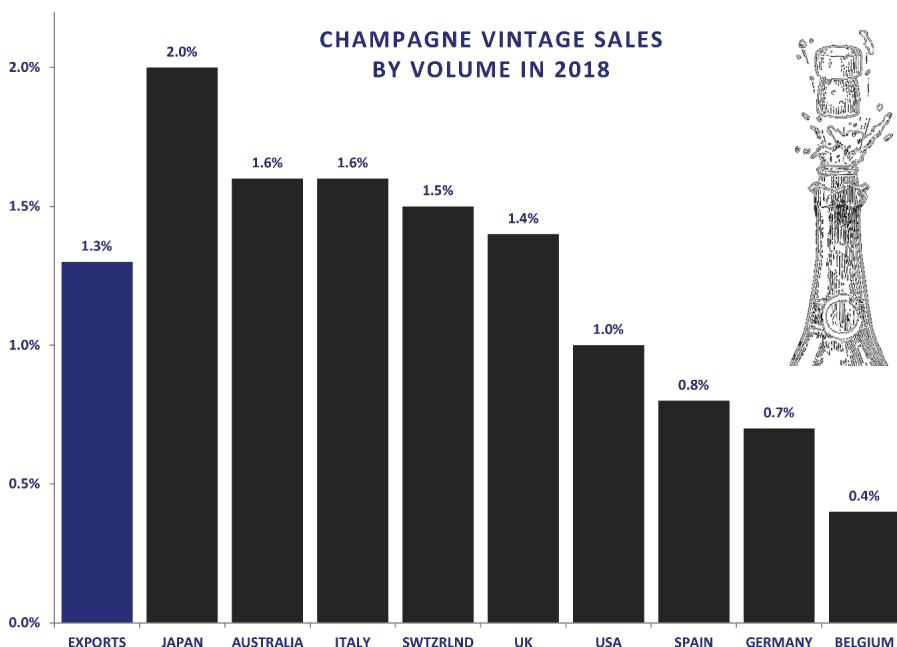
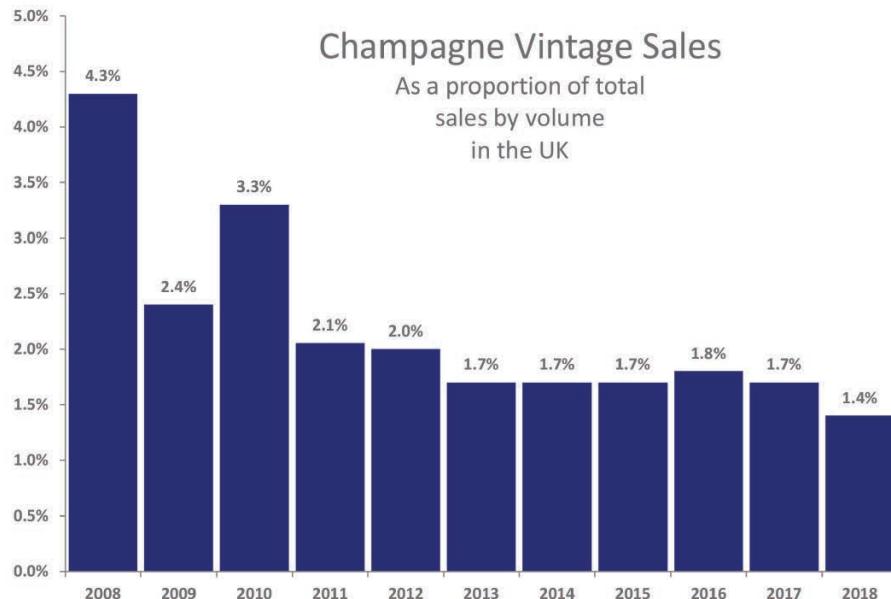
Prestige crash

Prestige champagne sales in the UK crashed in the aftermath of the GFC, and again in the wake of the announcement of Brexit. Today, prestige represents fewer than one in 35 bottles of champagne popped in the UK. Only Germany and Belgium are lower. Globally, a little under one in twenty champagnes are prestige. In Japan, one in ten. This year, Taste Champagne is proud to present ### prestige cuvées.



Vintage decline

The UK's affection for vintage champagne took a heavy blow in the aftermath of the GFC and slumped again following the announcement of Brexit, hitting its lowest level of the past decade in 2018. However, 1.4% still places it ahead of the global average, and right in the middle of Champagne's top ten markets. This is nonetheless hardly a champagne-popping achievement – the numbers are small everywhere. Vintage represents a tiny and declining category in champagne worldwide, making up fewer than one in every 70 bottles of champagne sold. And yet it is widely and rightly heralded as champagne's most underrated category of all. Production is minuscule and typically a strong step up from entry non-vintage blends, yet largely underappreciated by the mass market. This year, Taste Champagne is proud to showcase ## vintage cuvées. Look out for great buys again this year, particularly from the spectacular 2008 vintage.







INTERNATIONAL WINE
COMMUNICATOR OF THE YEAR

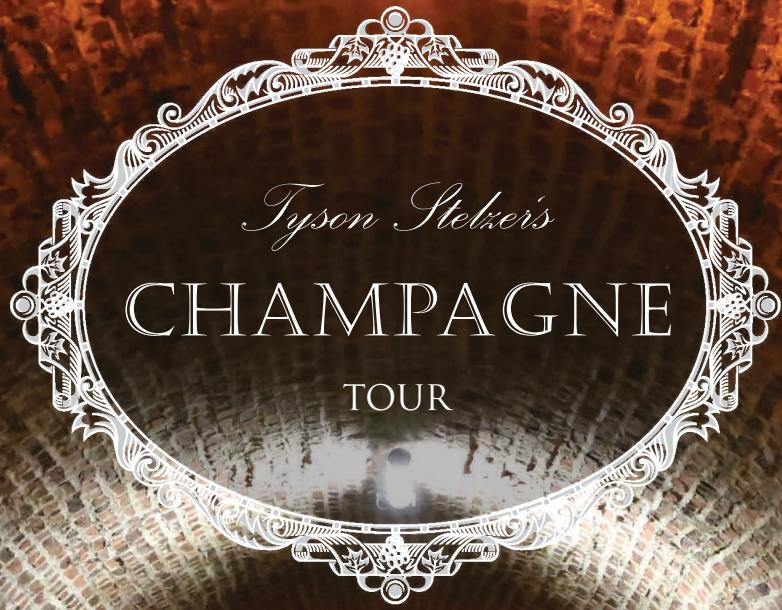
TYSON STELZER
PRESENTS

TASTE
CHAMPAGNE
LONDON
2019

THE BIGGEST
CHAMPAGNE SHOWCASE
IN THE NEW WORLD

INAUGURAL UK EVENT
12 JUNE 2019

WWW.TASTECHAMPAGNE.EVENTS



Tyson Stelzer's
CHAMPAGNE
TOUR



Register Your Interest

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