Press Release

**UIV-VINITALY OBSERVATORY: CRISIS FOR RED WINE?**

**NOT IN THE PREMIUM SEGMENT: + 200% SINCE 2010**

**A decade that reversed trends to see high-end reds overtake popular and basic wines for the first time**

**Danese (Managing Director, Veronafiere): now for a busy programme in China**

(Verona - 4 April 2023). Is red wine experiencing a structural decline? Analysis by the Uiv-Vinitaly Observatory suggests this is not quite the case. On the contrary, we are witnessing a rapid move towards the long hoped-for positioning of the most virtuous Italian red wine denominations in the high end range. In an export market driven by sparkling wines (+6% by volume in 2022), where still white (+1.3%) and rosé wines held their ground, it seemed that the most quintessential symbol of wine-making was losing out: red wine. Yet while it is true that in Italy red wine performed worse than all the others (-4.3% for export quantities) - with evident downturns particularly in the main outlet countries, starting with the top 3 (Germany -5%, USA - 6% and UK -8%) - the breakdown of sales data into price segments holds significant surprises in store.

Qualitative analysis of Italian red wine exports that emerges at Vinitaly in fact sees premium (6 to 9 euros/litre at the cellar) and super premium (over 9 euros) categories winning very significant market shares over the last 12 years. For example, given the general decline in red wine export volumes, in 2010 products under 6 euros took two-thirds of the market in terms of value; today the trend has reversed, with red wines costing more than 6 euros accounting for 60% of sales. In just over 10 years, the high-end segment – now worth 1.9 billion euros in exports – has grown by 200%.

Maurizio Danese, Managing Director of Veronafiere, said; “We are witnessing an important change in the positioning of Italian products; the world is asking us for wines capable of evoking the Italian spirit and we have the potential to satisfy this market demand in the best possible way. The future of Italian red wines will necessarily also pass through emerging Asian markets, which have returned in force to Vinitaly this year, starting with China. We are hosting 130 top buyers from China, plus operators from 17 other Asian countries. Furthermore," as Danese concluded, "we will get going again in April with an intense promotional programme in China, with masterclasses at Vinitaly Chengdu and then our Wine to Asia show in Shenzhen 11-13 May."

The President of the Italian Wine Union (Uiv), Lamberto Frescobaldi said: "Several outlet markets are showing signs of becoming bored with wines having undefined personalities and sensory features not in line with the new and developing preferences. On the one hand, we find ourselves with many wines which, although very affordable, are struggling to sell today; on the other, there is strong demand for quality products, in line with the image that everything "Made in Italy" is capable of evoking. This is a good sign," he concluded, " but we need to resolve this blur between the market and the many red wines made in Italy."

Some of the main markets are encouraging this trend towards valorising red wines, coming to the fore in particular in world catering at often tenfold prices. Starting with the USA, the outpost of a premium trend (480 million euros) that accounts for 72% of the total Italian red wines purchased (+222% since 2010). The growth of products intended especially for catering in Canada (72% and +141%), Switzerland (76% and +143%), France (70%) and South Korea (79%) is also impressive. On the other hand, basic products still hold on to significant market shares in the UK, Netherlands, Belgium and Russia.

As the Uiv-Vinitaly Observatory points out, data clearly indicate a market divergences: those prepared to open up a new stage driven by local area or brand value, and those still bound by a static vision of Italian wine, focusing more on quantity than intrinsic value. The challenge will be to expand the number of people who today are positioned in the middle ground, first of all Germany, where 50% of sales by volume are in the 3-5.99 euro range, as well as other important markets such as Denmark, Norway, Austria and in general countries in Eastern Europe, today achieving strong development, such as Poland and the Czech Republic.

The Vinitaly tour in China, with the support of ICE, will stop off first in Chengdu for initial masterclass with the only Chinese master sommelier, Yang LV, and - with our subsidiary Wine to Asia - to organise a business forum with Wine Sommelier, one of the most influential wine platforms in China. We then move on to Shenzhen on April 14 with the Italian Pavilion at the Hainan Government Fair, for a tasting and presentation of Italy during Wine to Asia (May 11-13), together with ICE Trade Agency and the Altagamma Foundation. Veronafiere's international event in Shenzhen is expected to attract more than 450 exhibitors from 20 countries.

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