



BMi
RESEARCH

2017 Category Quantification Wine in South Africa

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Research Objectives



80% GROSS

70% GROSS

Research Objectives

The objectives for the category were to:

1. Quantify the South African wine market, by volume and value
2. Break down the volume by:
 - Channel
 - Region
 - Product
 - Packaging
3. Identify producers who were actively supplying the market
4. Highlight current trends in volume and value for the category
5. Estimate and forecast likely volumes for 2017 and 2021

Research Methodology

Research Methodology

BMi Research applied the following standard methodology to produce the annual quantification report series:

- Major manufacturers, importers, governmental bodies and industries are contacted by using established contact lists
- Data collected from participants is checked with historical and corresponding information from packaging suppliers
- Data is captured into a central database and analysed to ascertain the total market trends
- Desk research is utilised to supplement and substantiate market data
- Reports are published and distributed to subscribers
- Market feedback is sent to all participants on publication, to encourage continued participation



Industry Background

Industry Background

The wine industry in South Africa is a large, consumer driven market, but also heavily influenced by crops. Most of the production of wine occurs in the Western Cape, which provides a good growing ground for the grapes required. The slopes of the mountains in areas such as Ceres, Worcester and Somerset West are well known for their cultivation abilities, producing many variants of white, red and rosé wines.

Wine is grouped into three main categories:

- Natural Wine
- Fortified Wine
- Sparkling Wine

Natural wine comprises three variants, namely white, red and rosé. White wine is made from the bodies of the green grapes, and red wine from squeezing all the juices from the skin and body of the red or black grape, depending on the variant. Rosé wine, a lighter wine than red and often used in champagne, is produced by squeezing the bodies of red grapes and discarding the skins, which contain most of the pigments. Rosé is also made by using a technique known as saignée, which is where, during the fermentation process of white wine, a small amount of red wine is added for flavouring and colouring.

A row of wine bottles with different colored caps and foil. From left to right, the caps are red, orange, gold, dark red, red, and purple. The bottles are partially filled with dark liquid. A grey semi-transparent box is overlaid on the left side of the image.

Definitions

Product Definitions

Product	Definition
Wine	<p>Natural Wine: A non-fortified and non-sparkling wine, including perlé wine which is wine carbonated to the extent that the pressure in the container in which it is sold is between 75 and 300kPa. It also includes any grape juice or must and grape juice or must concentrate used in the sweetening of such natural wine.</p> <p>Fortified Wine: Wine which has had alcohol added to it during its fermentation process to raise the overall alcohol level (usually 15% to 20%) of the final wine. This is done in the production of sherry and port.</p> <p>Sparkling Wine: Wine carbonated (either by fermentation or impregnation with carbon dioxide) to the extent the pressure in the container in which it is sold is more than 300 kPa. It includes any grape juice or must and grape juice or must concentrate used in the sweetening of such sparkling wine.</p>

Other Definitions

Channel	Definition
On-Consumption	<ul style="list-style-type: none"> Includes restaurants, hospitality and pubs. These could be at work or recreational. Examples are quick service restaurants, full service restaurants, accommodation establishments and sports clubs
Off-Consumption	<ul style="list-style-type: none"> Sale of beverage for consumption elsewhere, not at point of purchase Usually associated with alcoholic beverages

Economic Definitions

GDP (Gross Domestic Product)	The total value of all final goods and services produced within the boundaries of a country
PCE (Private Consumption Expenditure)	Consumption spending by households, which is the largest component of total spending in the economy

Definitions

e	Current year estimated data
f	Forecast data
Ret	Returnable bottles
NR	Non-returnable bottles
p.a.	Per annum
RSP	Retail Selling Price
ISP	Industry selling price (Refers to an average multi-channel price)
BIB	Bag in Box

Major Players

Major Players	Brands			
Alvis Drift	Alvis Drift	Albertus Viljoen	Naughty Girl	
Black Box	Black Box			
Bolland Cellar	Bolland Cellar	Flutterby	Lindenhof	
	Five Climates Single Varietal	Granny Smith	Montestell	
Bon Courage	Bon Courage	Like Father Like Son		
DeMorgenzon	Dmz	Garden Vineyards	Maestro	
Distell	4th Street	Delgado Supremo	Lomond	Ship Sherry
	5th Avenue	Drostdy-Hof	Mokador	Stellenzicht
	Alaska	Durbanville Hills	Monis	Tassenberg
	Allesverloren	Flat Roof Manor	Multana	Taverna Rouge
	Alto	Fleur Du Cap	Nederburg	Theuniskraal
	Autumn Harvest	Goldcup Supremo	Neethlingshof	Tukula
	Brandyale	Graća	Obikwa	Two Oceans
	Capenheimer	Grand Mousseux Vin Doux	Oom Tas	Uitkyk
	Castelo Gingerfizz	Grünberger	Original Paarl Perlé	Viking
	Castle Brand	Hill & Dale	Overmeer	Vincoco
	Cellar Cask	J C Le Roux	Pêche Royale	Virginia
	Chateau Libertas	Jacobsdal	Plaisir De Merle	Witzenberg
	Clubman	Kellerprinz	Pongracz	Zonnebloem
	Copperband	Le Bonheur	Royal King	Zorba
	CWB	Libertas	Sedgwick's Old Brown	

This list indicates only the major players and major brands

Major Players Cont.

Major Players	Brands			
Douglas Green Bellingham	Avergaauw	Ferreira	Mateus	Saints
	Bellingham	Franschhoek Cellars	Millstream	Tall Horse
	Boschendal	Graham Beck	Neil Ellis	The Beach House
	Brampton	Hamilton Russel	Oudekaap	The Delivery
	Culemborg	Kanonkop	St Augustine	
KWV	Douglas Green	Legacy	St Pettie	
	Café Culture	KWV	Perold	Roodeberg
	Cathedral Cellar	Laborie	Pearly Bay	
La Couronne Wine Estate	Golden Kaan	Malutis	Robert's Rock	
Laibach Vineyards	La Couronne			
Namaqua	The Ladybird	Laibach		
	B4 Play	Guinevere	Rain Dance	
Ormonde	Goiya	Namaqua	Spencer Bay	
	Alexanderfontein	Ondine	Ormonde	
Pernod Ricard	Gecko Ridge		Long Mountain	
Van Loveren Wines	Bakenskop	Christina Van Loveren	Four Cousins	Tangled Tree
	Cape Auction	ES La Vida	Papillon	Van Loveren
	Caprice	Five's Reserve	SunningHill	

This list indicates only the major players and major brands

Market Trends

Market Trends

The wine category saw only a limited **0.4% growth** in volume during 2016. It is believed that the overriding barrier to greater potential growth for the category was the drought with reduced crop yields as a result. Going forward, the wine volumes are expected to see 6.9% growth during 2017, but this is dependent upon reliable access to **water**. The water supply issue may further impede the category in future. Overall, there has been a reduction in the plantings over the past decade as farmers have struggled to maintain yields. Farmers may need to diversify to other crops should this continue, with the net result being wine shortages for the market in coming years.

Other than this, **South African wines appear to be in a good position**. There is growing demand internationally for these wines particularly given the premium quality of the variants available. The reduced value of the Rand further underpins this dynamic. There is a move to pave the way for preferential trade agreements with North America and China that would underpin the export trade long term. There was also recently an agreement finalised between the EU and South African Customs that extends the current annual duty-free allowance of 48 million litres to 110 million litres. This bodes well for our local wine producers in terms of international sales and greater profitability. The international markets can afford to absorb price increases on South African wines.

In addition, there is an active **shift from bulk to packaged wine sales**, which means that instead of South African wines been sold in generic format, they will increasingly be sold in branded packaging, thus offering them greater exposure and elevating the perceptions of these wines on the international market, as well as developing greater brand equity overall.

With this dynamic of greater sales and premium pricing in exports, it is likely that the local wine sales will see a **knock-on effect in terms of price inflation** in coming years as international pricing filters down to the local market. It is believed that this would apply more to upper end offerings than the reasonably priced supermarket wines, as the latter are more price sensitive. In terms of current pricing, the wine category saw a 5.8% increase in average pricing during 2016, and this translated into a 6.2% growth in value for the category during the same time frame.

Market Trends Cont.

The **channelling** of wine saw an increase in exports and off-consumption during the base year, with 2.3% growth seen for both these sectors for 2016. On-consumption, however, saw a 9.3% decline during the same period. BMi has noted declines in on-consumption for a number of different beverage categories recently, where it is believed that this stems primarily from reduced consumer disposable income. In addition, it is hypothesised that wine producers prioritised retail and online or e-commerce sales for the category and that this focus resulted in an erosion of on-consumption volumes.

Locally, the **Western Cape and Gauteng** have been traditional focus points for wine distribution, possibly given the higher population concentrations as well as elevated disposable income in these regions. The culture of wine drinking may also be more developed within these areas. These provinces both saw increases during 2016 (2.5% and 2.7% respectively) as they consolidated their positions. In contrast, there was a degree of erosion in consumption by KwaZulu-Natal, the Free State, and the Eastern and Northern Cape during 2016.

From a **packaging** perspective, the consumption of wine is dominated by glass packaging, with this pack format achieving a 37.2% share of demand for 2016. Bulk sales make up a further third, and bag in box represents the next tier of usage at 22.0%. It is expected that alternative packaging formats will enjoy greater growth in future, this being congruent with international trends. Evidence of this is visible in the 2017 packaging forecasts for the category. Glass is a particularly heavy pack type, and light weighting improves the transportation costs. Bag in box is favoured from a light weighting perspective and this may apply to both premium and budget wines, depending on the pack designs.

New packaging trends internationally that may gain a foothold in the local market are premium wines sold in single serving cans, stand up wine pouches, plastic bottles and cups. Environmental responsibility remains a key factor in the industry and the green footprint of various pack options is increasingly coming to the fore.

Market Trends Cont.

It is hypothesised that **packaging is a key influencer of purchase decision-making** in the wine aisle given the plethora of variants to choose from. There is much 'noise' and clutter on shelf, and packaging is a clear lever of sales if designed correctly. On-shelf appeal is crucial and marketers are becoming increasingly creative in the colours and label formats used. It is believed that embossing and foil labels are becoming less popular while natural and craft style labelling and wrap-around patterns may encourage sales, particularly if these instruments are congruent with the brand personality.

In terms of future prospects, there is a growing trend to **organic wine** particularly in European countries. It is believed that there are opportunities for South African wines to explore this niche. Another avenue that is currently being explored is the **conversion of local beer drinkers to wine**. While South Africa is traditionally a beer drinking nation, wine producers are actively looking for ways to gain a greater following, and resultant share of throat, within this segment of the market.

Overall, the wine category is expected to see a healthy **6.9% volume growth** for 2017 and a 3.5% increase per annum through to 2021. The future outlook remains positive, particularly given the renewed export focus for the category.



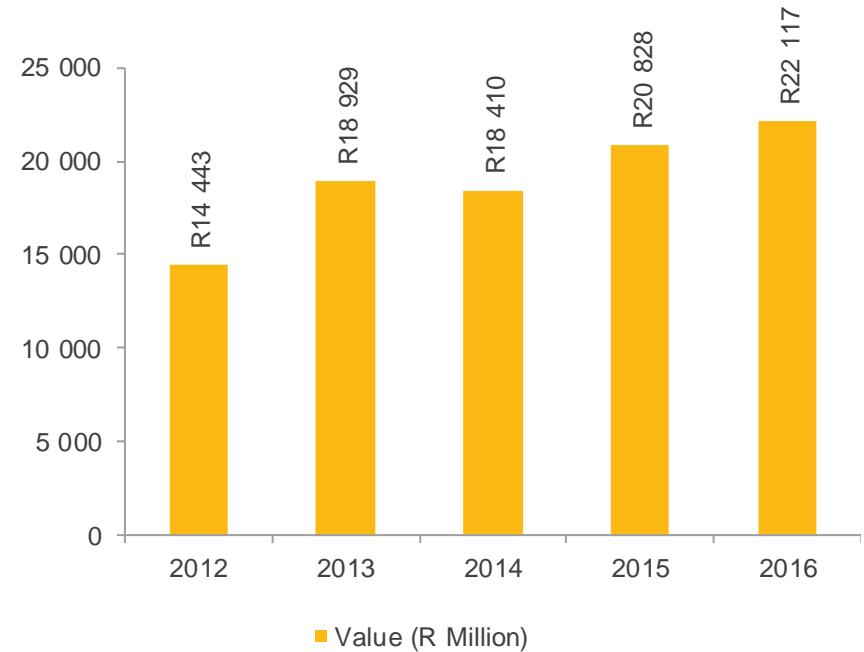
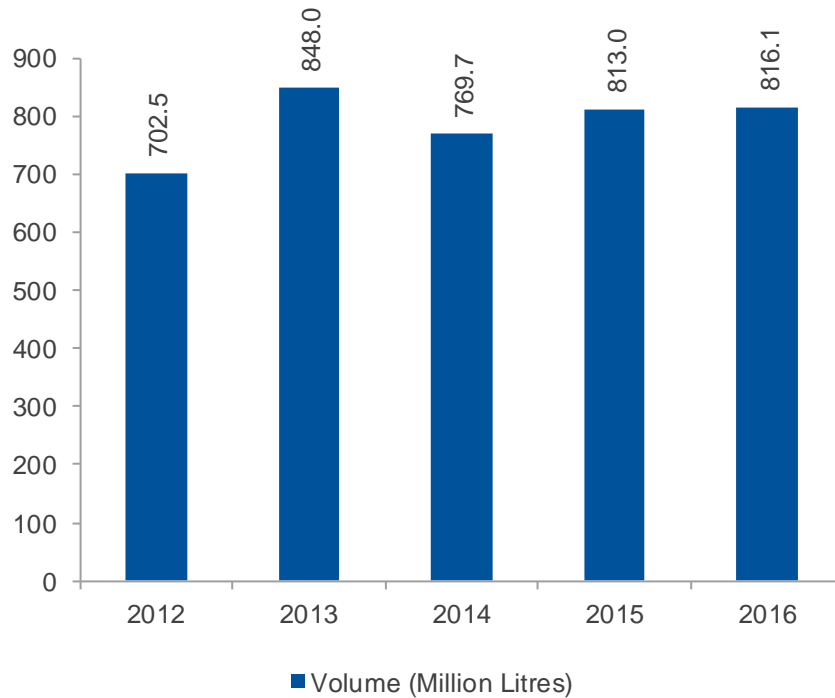
Executive Summary

Total Market Volume & Value

Year	Volume (Million Litres)	Volume % Change p.a	Value (R Million)	Value % Change p.a
2012	702.5	-1.1%	R 14 443	2.3%
2013	848.0	20.7%	R 18 929	31.1%
2014	769.7	-9.2%	R 18 410	-2.7%
2015	813.0	5.6%	R 20 828	13.1%
2016	816.1	0.4%	R 22 117	6.2%

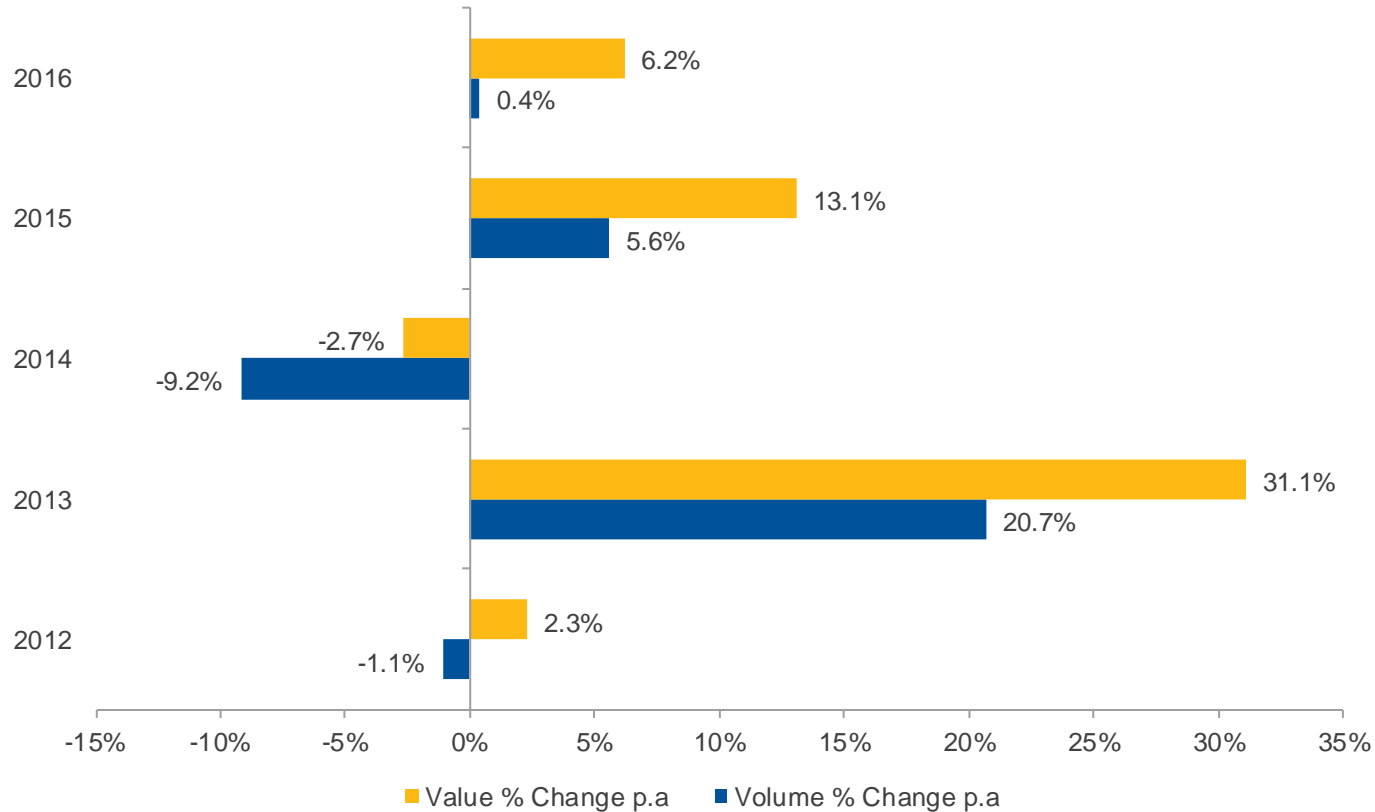
The 2016 year was a challenging one for the wine industry in terms of volume supply. Category volumes saw only limited growth (0.4%) during the base year, with the drought and consequent decline in yields hypothesised as the primary cause of this. The category value saw reasonable growth of 6.2%, driven primarily by price increases rather than volumes.

Total Market Volume & Value



As illustrated above, wine volumes showed limited growth during 2016, with the category value displaying a more positive performance. The value growth was driven mainly by price increases rather than volume. Incidentally, 2013 was somewhat of an anomaly in that wine volumes increased dramatically due to a temporary growth in export demand. The market saw a natural correction during 2014.

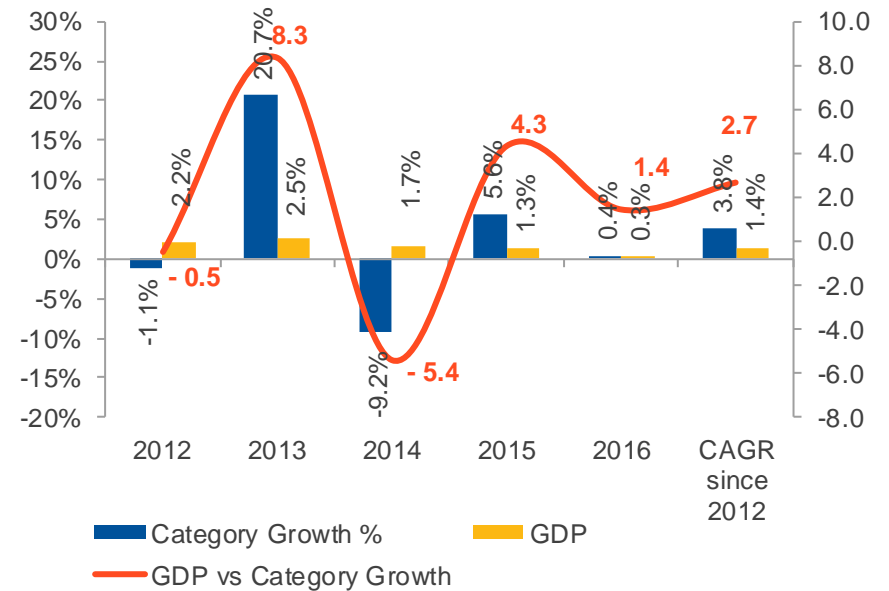
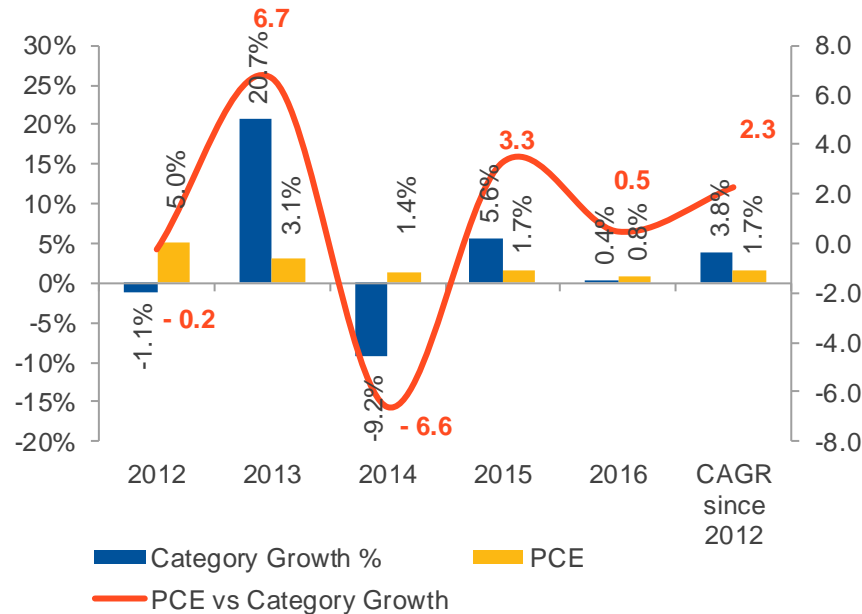
Volume & Value Trends



The wine category has shown a level of volatility in recent years. From a demand perspective, this was driven by intermittent export demand, and from the supply side, prevailing weather conditions impacted on yields. In terms of the 2016 dynamic, wine volumes saw only limited growth while the average per category selling price noted a 5.8% increase, thus driving the rise in category value for the year.

Market Performance vs. Economic Indicators

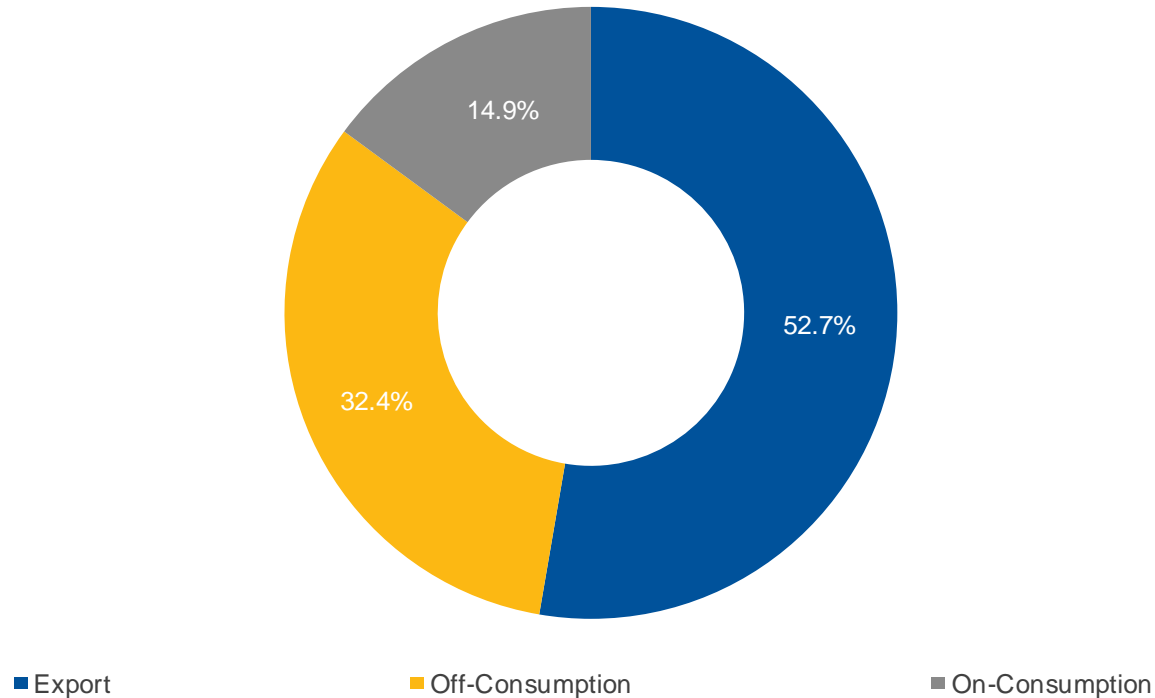
Wine		
Category Value - Rm	GDP Value - Rm	Contribution to GDP
R 22 117	R 4 336 992	0.5%



Wine makes a relatively significant contribution to the economy, as is evidenced by the 0.5% contribution to GDP for 2016. This is the effect of the sheer category volume combined with the premium pricing of wine. The category outperformed GDP but underperformed in terms of the PCE measure for the year.

Channel Distribution 2016

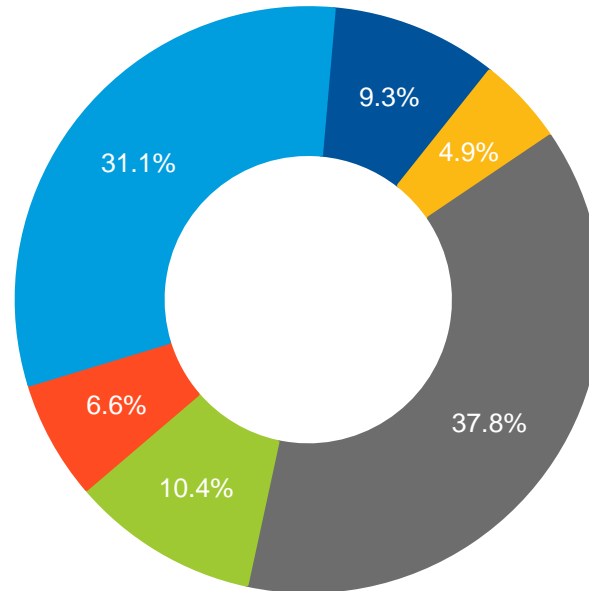
816.1 Million Litres



Exports comprise a significant portion of South Africa's wine sales (52.7% for 2016), and it is envisaged that this will continue to be the case in future. However, it is anticipated that exports will become less bulk focused and will entail more packaged wine sales, congruent with efforts to grow the awareness of South African wine brands on the international market.

Local Regional Distribution 2016

386.0 Million Litres



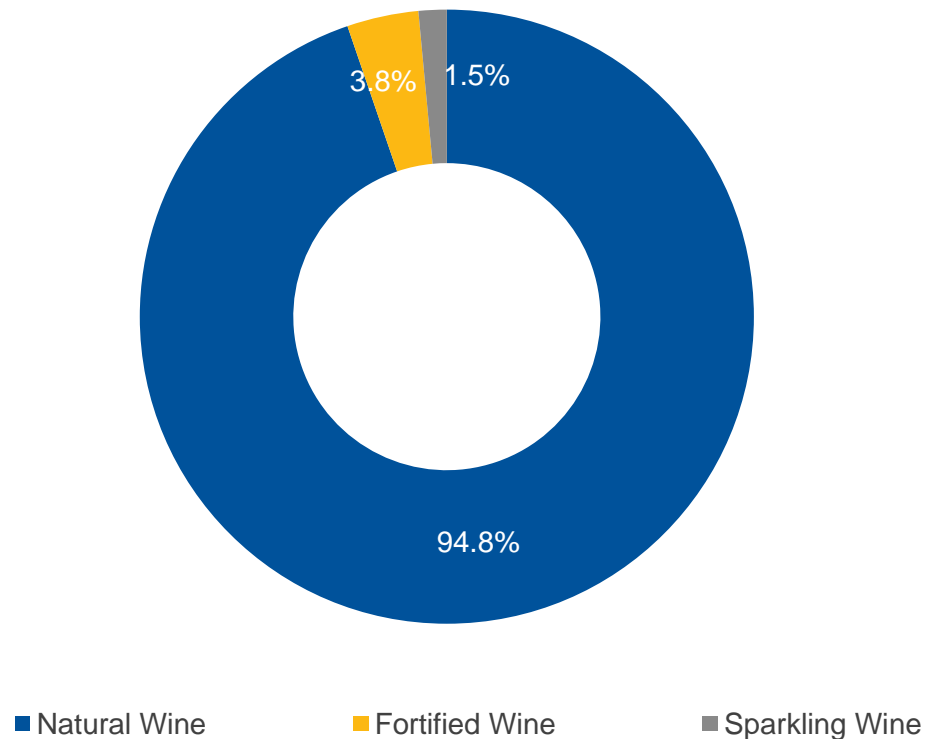
- Eastern Cape
- Free State/Northern Cape
- Gauteng
- KwaZulu-Natal
- Limpopo/North West/Mpumalanga
- Western Cape

Gauteng and the Western Cape held the greatest shares of the local wine category for 2016 at 37.8% and 31.1% respectively. These substantial shares may be representative of both the greater relative population concentrations in these provinces, as well as the higher average income for resident consumers. Both these regions increased their shares during 2016 as they remained a key focus for producers.

Excludes Exports

Product Breakdown 2016

816.1 Million Litres



Natural wine, the lion's share of the market, saw a growth in volume share during 2016 at the expense of both sparkling and fortified wines. Given the new, growing popularity of sparkling wine internationally, it is expected that the share of these wines will accelerate in future, possibly to the detriment of fortified wines.

Market Size

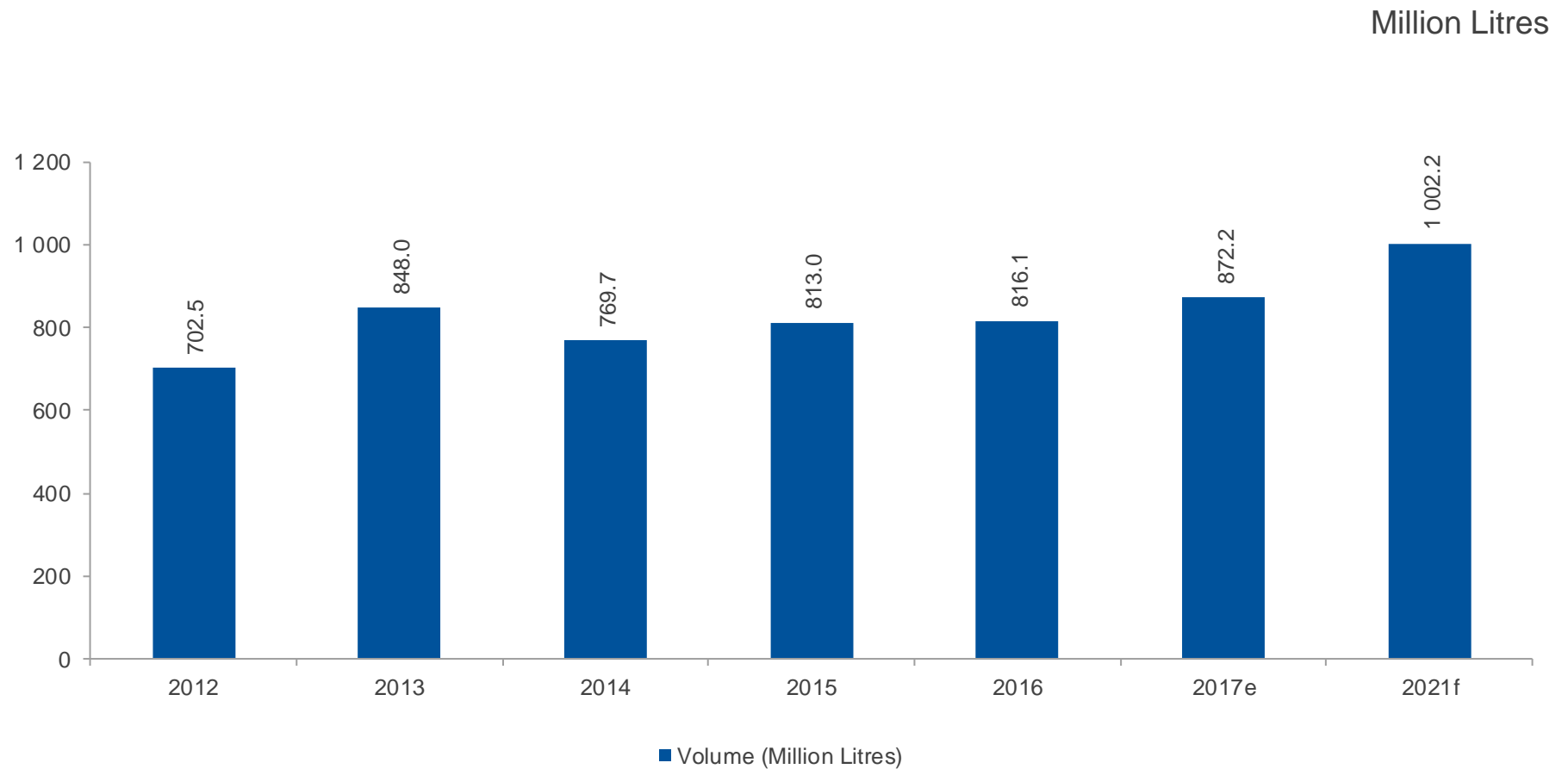


Total Market Size for Wine

Year	Volume (Million Litres)	Volume % Change p.a
2012	702.5	-1.1%
2013	848.0	20.7%
2014	769.7	-9.2%
2015	813.0	5.6%
2016	816.1	0.4%
2017e	872.2	6.9%
2021f	1 002.2	3.5%

While the South African wine category saw only limited growth in volumes during 2016, this is not representative of the growing demand for these wines both locally and internationally. The limited growth seen for the base year is said to be predominantly linked to the reduced yields for the year, based on the drought in the Western Cape. Providing there is reliable access to water for irrigation purposes, the category is expected to see a good recovery in volumes during 2017. The long term growth forecast through to 2021 is underpinned by an expected growth in export demand. In addition, there are strategies to convert the likes of the traditional South African beer drinker to wine.

Total Market Size for Wine



Per Capita Local Consumption

Year	Adult Population (Million)	Volume (Million Litres)	Per Capita Consumption (Litres)	Per Capita Consumption % Change p.a
2012	33.4	361.1	10.8	-
2013	34.1	360.4	10.6	-2.1%
2014	34.8	347.9	10.0	-5.4%
2015	35.5	392.7	11.1	10.7%
2016	36.2	386.0	10.7	-3.6%

The per capita consumption of wine has seen a degree of volatility in recent years. This may be attributed to two primary factors. Firstly, intermittent export demand was prioritised with local supply being the balancing factor, thus volumes available for local consumption varied year on year. Secondly, on the supply side, the prevailing drought hampered production levels.

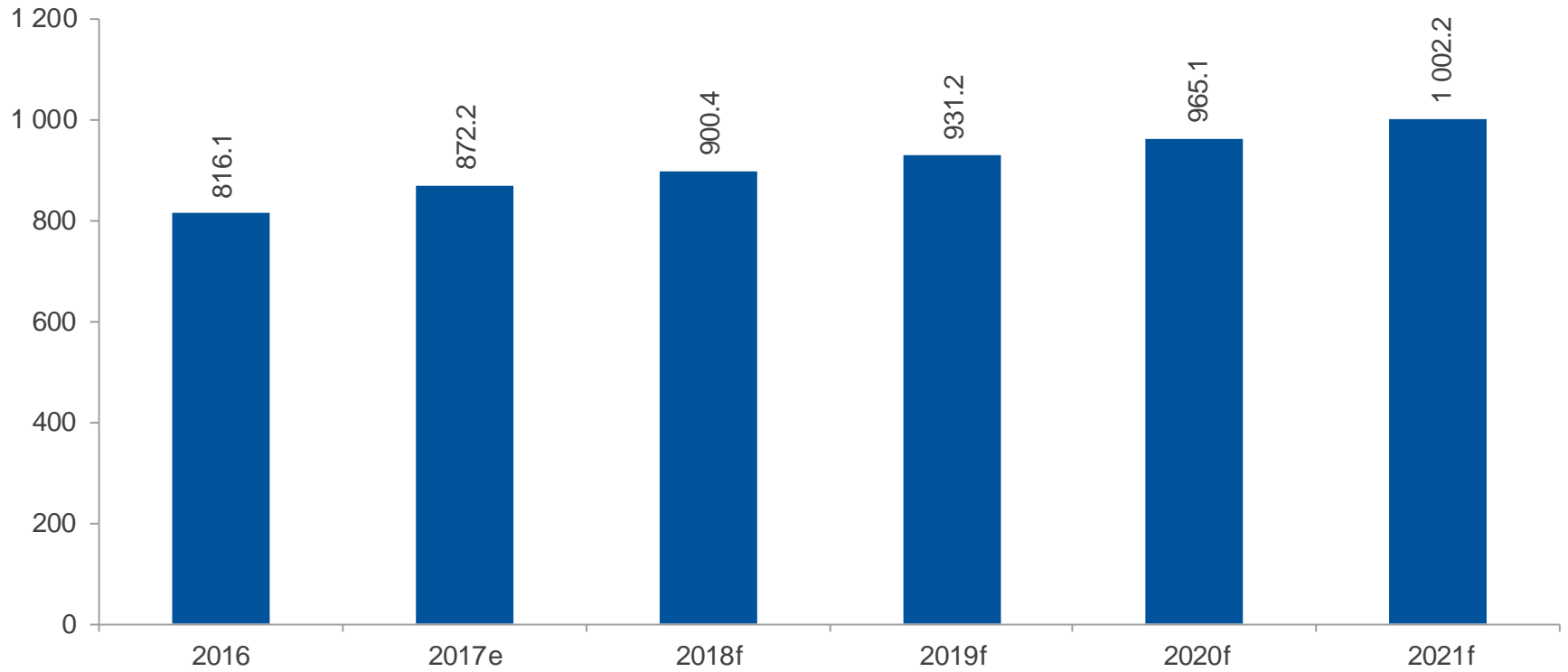
Excludes exports

Population age 16+ from Statssa, revised by Statssa

30 / 2017 Annual Quantification Report: Wine in South Africa

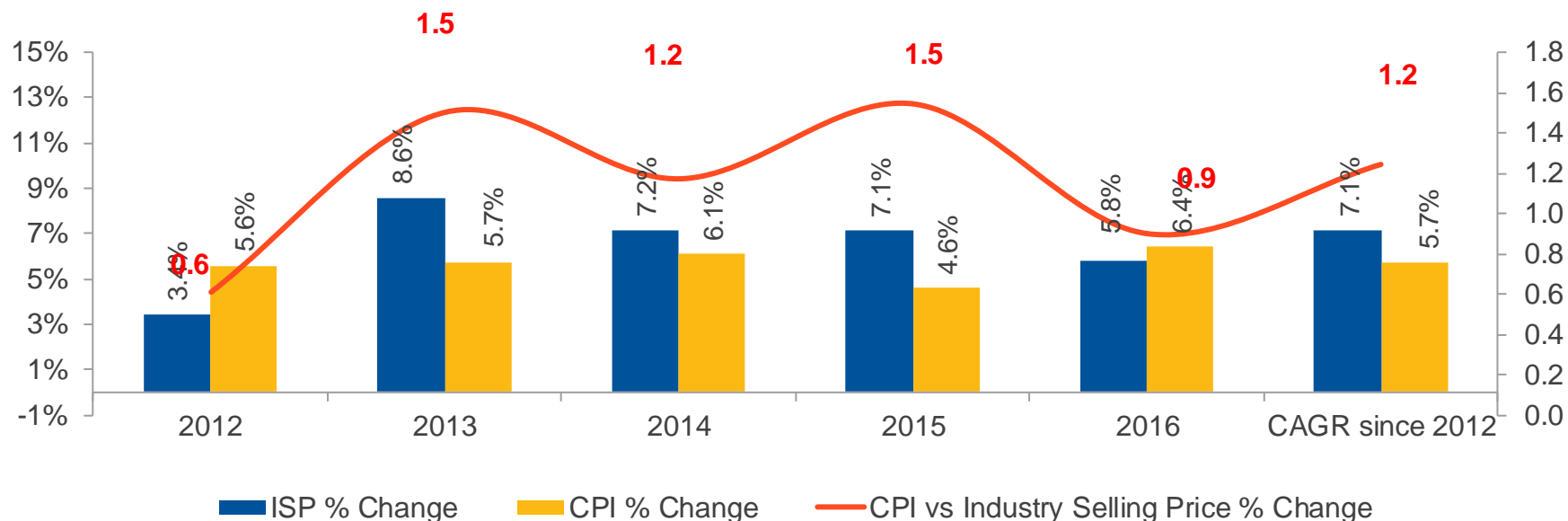
Production Forecast

Million Litres



Historical Average Industry Selling Price

Year	Industry Selling Price (ISP)/Litre	ISP % Change
2012	R 20.56	3.4%
2013	R 22.32	8.6%
2014	R 23.92	7.2%
2015	R 25.62	7.1%
2016	R 27.10	5.8%



The 5.8% increase in average selling price for wine during 2016 is well within general inflation figures for the year. As wine is increasingly sold in premium packaged formats rather than in bulk, it is expected that the category pricing and profitability will grow at higher rates in future.

A stack of newspapers is shown from a high-angle, slightly blurred perspective. The papers are stacked on top of each other, with some text visible on the edges. A semi-transparent grey box with rounded corners is overlaid on the top-left portion of the stack. Inside this box, the words "Media Releases" are written in a white, italicized serif font.

Media Releases

Media Releases

Why SA wine exports must move from bulk to brands

South Africa's wine industry must shift its emphasis from volume to value and from a production orientation to a market orientation. This is according to Anton Smuts, the newly elected chairperson of Vinpro. He shared his thoughts on some of the pressing issues that currently prevail in the industry with Jeandré du Preez.

What is your role as Vinpro chairperson? Which issues will you address this year?

My task as chairperson will be one of oversight, with an emphasis on promoting unity between industry role players. VinPro represents 3 300 producer members in the wine industry. In line with the industry's collaborative roadmap, the Wine Industry Strategic Exercise (Wise), we're striving to reach our goals by 2025. These include a robust and adaptable approach to drive profitability, global competitiveness and sustainability. It specifically includes shifting the industry from a production orientation to a market orientation.

The South African wine industry is currently in a slump, with only a third of grape producers farming at financially sustainable levels. What must be done to improve the situation?

The theme of this year's Nedbank VinPro Information Day was 'Unlocking Value'. This theme will remain an important focus of VinPro's actions for the year. Wine producers have managed to stay afloat in three ways: by improving efficiencies, increasing yields and cutting costs. The real change by improving efficiencies, increasing yields and cutting costs. The real change that needs to take place now is to increase value, as well as primary producer income. There is no silver bullet, but a significant shift of emphasis from volume to value and from a production orientation to a market orientation is key. The growth in the local market is very encouraging, and so is growth in exports to expanding markets such as China and North America. These have been identified as key export markets in the Wise export market work stream. In addition, business intelligence, strategic alliances and an innovative approach are all key focus areas.

What other challenges does the industry face?

The total area planted to vines in South Africa has decreased significantly over the past decade. New investment in vineyards will be critical to avoid eventually running into shortages. In 2015, there was a surplus in the wine market of more than 80 000t. Now, in 2017, there could possibly be shortages. Furthermore, the industry would benefit enormously from more support through preferential trade agreements with developing markets. Finally, policy stability is crucial in terms of ensuring an environment that is conducive to further growth. The same principle applies to reliable access to water.

Media Releases

Why SA wine exports must move from bulk to brands Cont.

Why do South African wines struggle to maintain an image of premium quality in the international marketplace? How can this be addressed?

Wines of South Africa is responsible for generic marketing in the international market and its CEO, Siobhan Thompson, is better positioned to answer this question. In my opinion, South African wineries should refrain from dumping wine at giveaway prices. This causes immense damage to the reputation of the wine industry at large. A shift from bulk wine exports to branded, packaged products is also a key goal of Wise.

Does the South African wine industry have any recent success stories?

I believe the country's wine industry should be commended for the notable increase in multi-stakeholder platforms, where the wine industry, labour and government are all represented in constructive engagement. The Laborie Forum, Wine Industry Value Chain Round Table, Wine Industry Ethical Trade Association (Wieta) and Cape Wine Auction are all outstanding examples. Wine tourism holds large potential for both growth and job creation. More than 290 000 people are employed in the wine industry value chain, and wine tourism accounts for many of these jobs. Opportunities for growth here are very encouraging. The new focus on authenticity and experience tourism bodes well for South Africa and the Western Cape in particular. The South African wine industry is a global leader in terms of traceability, sustainable production and homegrown ethical and environmental certifications. These positive stories should be told with pride and enthusiasm!

On the technical side, there has been significant progress in providing virus-free plant material. The world is also taking note of South Africa's top premium wines, which are increasingly proving to be top-notch.

Where is the greatest potential for market growth?

South Africa has the lowest per capita wine consumption of all the major wine-producing regions. The wine industry has historically focused on the export market, while there is significant potential for growth right here in our backyard. South Africa is largely a beer-drinking nation and the challenge is to responsibly take market share away from beer. The burgeoning wine tourism trade also offers a massive opportunity to ensure that tourists leave as ambassadors for South African wine. This has a ripple effect in the local market; the emotional connection cannot be substituted.

Media Releases

Why SA wine exports must move from bulk to brands Cont.

What do the next 10 years hold for South Africa's wine industry?

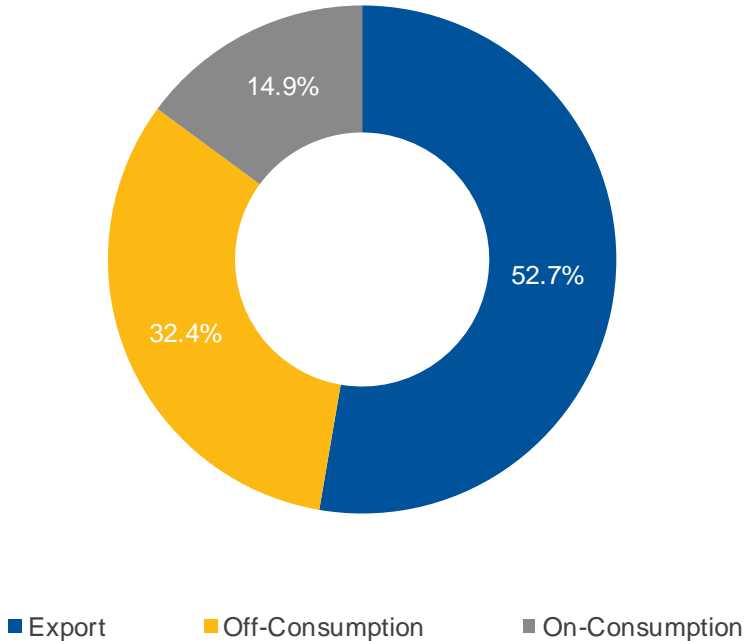
The industry will probably be smaller in terms of total hectares planted to vines, but more profitable and more sustainable. Strategic alliances and mergers are likely to play a very important role in the next decade, which should result in a less fragmented supply base.

In terms of transformation, there are currently 52 black economic empowerment projects, which represent more than 2 500ha. There are also 47 wine brands under black ownership. Sustainable transformation is pertinent, and initiatives such as the Treasure Chest, which showcases a selection of top black-owned products at events across South Africa, are an important means of facilitating opportunities for new businesses. Improved profitability for the wine grape producer would, however, ultimately also benefit transformation. If producers do not get an adequate return on investment, vineyard expansion and the many associated transformation and land reform opportunities will also be hampered.

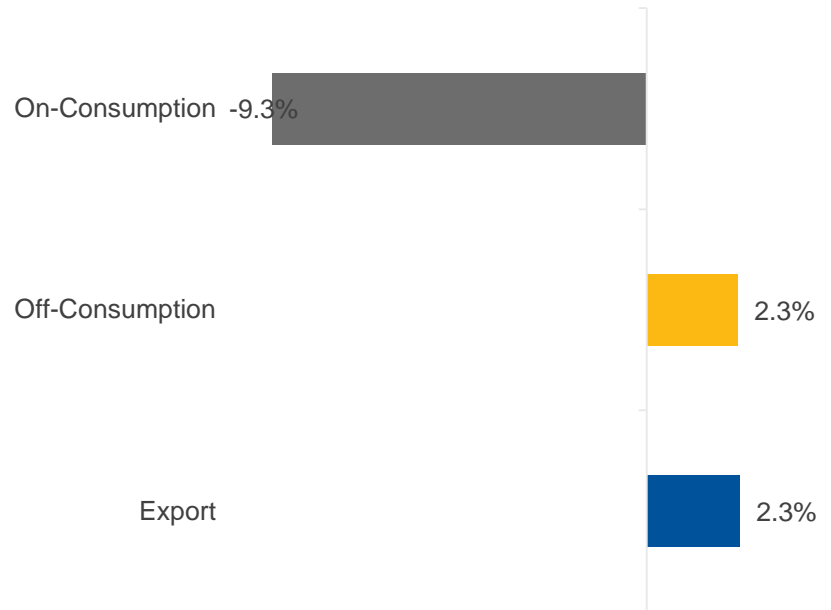
Distribution

Total Market Channel Distribution

2016 Total Channel Distribution
816.1 Million Litres



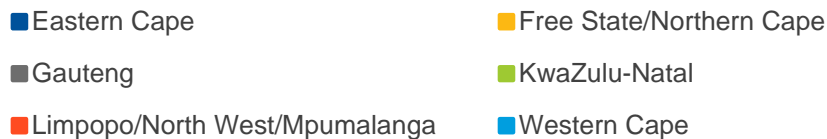
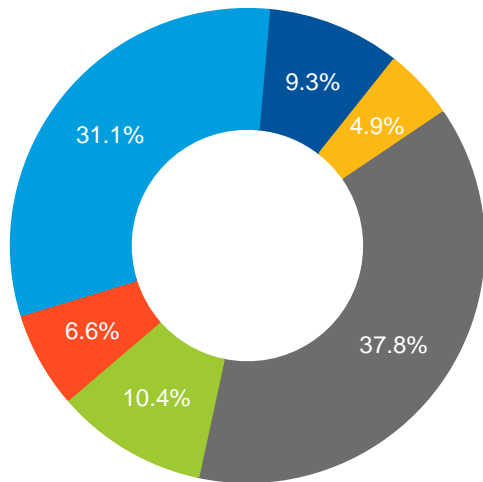
Total Channel Distribution
% Growth 2015 - 2016



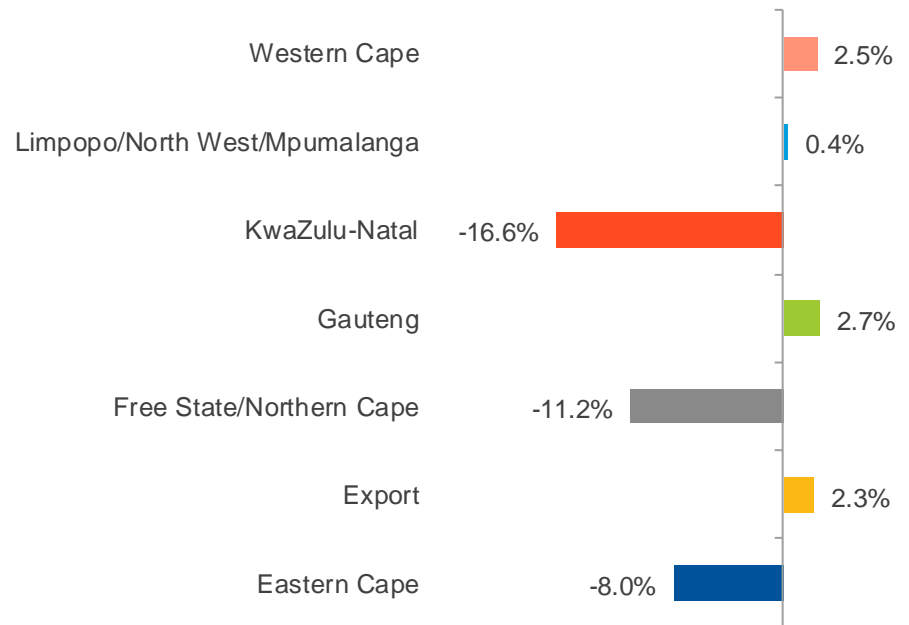
The reduced supply of wine during 2016 translated into a rationalisation of wines within the on-consumption sector, as is seen by the 9.3% decline. It should be borne in mind that this is the smallest sector of the market, thus the impact of this decline is mitigated. Increased focused was placed on exports and the off-consumption channel, with increased retail and on-line selling in particular.

Local Regional Distribution

2016 Total Regional Distribution
386.0 Million Litres



Total Regional Distribution
% Growth 2015 - 2016



With category volumes being placed under pressure in terms of supply, distribution to KwaZulu-Natal, the Eastern Cape and the Free State/Northern Cape was rationalised somewhat. Gauteng and the Western Cape, the official local wine hubs, continued to see growth, albeit at limited rates.

Excludes Exports.

Packaging Demand



Primary Packaging Demand 2016

Pack Types	Pack Size Groups	2016 Volume (Million Litres)	2016 Volume (Million Units)	% Share of Volume
Bag in Box	1 Litre - 3 Litres	64.7	22.2	7.9%
	5 Litres	114.7	22.9	14.1%
Bag in Box Total		179.4	45.2	22.0%
Bulk/As required	Various	259.3	-	31.8%
Bulk/As required		259.3	-	31.8%
Carton	All	11.9	12.2	1.5%
Carton Total		11.9	12.2	1.5%
Glass	375ml - 500ml	4.7	-	0.6%
	750ml	191.4	255.2	23.4%
	1 Litre - 1.5 Litres	103.5	78.9	12.7%
	4.5 Litres - 5 Litres	3.8	0.8	0.5%
Glass Total		303.3	334.9	37.2%

Glass remained the mainstay of the category, with more than a third of wine packed into this format during 2016. This pack type saw an overall growth of 16.5% from 2015. With the exception of bulk packaging, all other pack formats saw a level of erosion from 2015 to 2016 as glass harnessed a greater portion of demand.

Due to rounding, totals may not add up

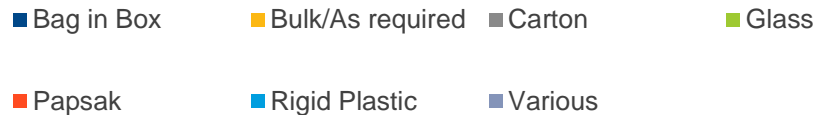
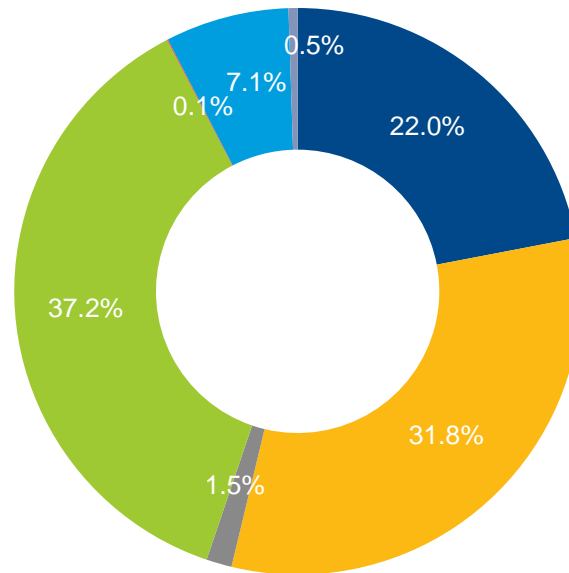
Primary Packaging Demand 2016 Cont.

Pack Types	Pack Size Groups	2016 Volume (Million Litres)	2016 Volume (Million Units)	% Share of Volume
Papsak	2 Litres - 5 Litres	0.5	0.1	0.1%
Papsak Total		0.5	0.1	0.1%
Rigid Plastic	750ml or less	0.9	0.4	0.1%
	1 Litre - 1.5 Litres	28.3	28.3	3.5%
	4.5 Litres - 5 Litres	28.5	5.7	3.5%
Rigid Plastic Total		57.6	34.4	7.1%
Various	Various	4.2	-	0.5%
Various Total		4.2	426.7	0.5%
Grand Total		816.1	426.7	100.0%

Due to rounding, totals may not add up

Primary Packaging Demand

2016 Packaging Demand
816.1 Million Litres



Bulk and glass packaging represent the first tier of packaging demand for this category . For 2016, their combined volume share was 69.0%. Bag in box accounted for the second tier of usage at 22.0%, with carton, the papsak and rigid plastic making up the balance.

Secondary Packaging Demand 2016

Packaging	Volume (Tons)	Value (R Million)
Shrink Wrap	73	R 4
Corrugated	17 476	R 270

Packaging Forecast



Primary Packaging Forecast

Pack Types	Pack Size Groups	2016 Volume (Million Litres)	2017e Volume (Million Litres)	2021f Volume (Million Litres)
Bag in Box	1 Litre - 3 Litres	64.7	74.7	113.5
	5 Litres	114.7	125.3	167.6
Bag in Box Total		179.4	200.0	281.1
Bulk/As required	Various	259.3	276.1	273.4
Bulk/As required		259.3	276.1	273.4
Carton	All	11.9	13.5	19.0
Carton Total		11.9	13.5	19.0
Glass	375ml - 500ml	4.7	5.5	6.1
	750ml	191.4	199.7	218.1
	1 Litre - 1.5 Litres	103.5	103.9	105.0
	4.5 Litres - 5 Litres	3.8	4.3	5.0
Glass Total		303.3	313.4	334.2

While glass and bulk represent the primary usage tier in terms of wine packaging demand, it is expected that other formats, such as carton, bag in box, rigid plastic and the papsak will see greater relative growth in popularity in 2017.

Primary Packaging Forecast Cont.

Pack Types	Pack Size Groups	2016 Volume (Million Litres)	2017e Volume (Million Litres)	2021f Volume (Million Litres)
Papsak	2 Litres - 5 Litres	0.5	0.5	0.1
Papsak Total		0.5	0.5	0.1
Rigid Plastic	750ml or less	0.9	0.9	1.3
	1 Litre - 1.5 Litres	28.3	31.9	54.7
	4.5 Litres - 5 Litres	28.5	31.3	36.2
Rigid Plastic Total		57.6	64.1	92.2
Various	Various	4.2	4.5	2.2
Various Total		4.2	4.5	2.2
Grand Total		816.1	872.2	1 002.2

There is a move to the usage of alternative pack types internationally, such as stand up pouches and cans, particularly for single serving offerings. It may be a while before the South African market is ready for this type of transition but the benefits in terms of shelf life, pack size suitability, cost and light weighting are major drawcards. While it is believed that glass will still maintain a major share of the pack demand, alternative packaging is expected to become increasingly attractive.

Due to rounding, totals may not add up

Secondary Packaging Forecast

Packaging	2016	%Change p.a	2017e	%Change p.a	2021f
Shrink Wrap	73	11.5%	82	8.8%	115
Corrugated	17476	4.9%	18 339	3.1%	20 750

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