

Cape Legends brings wine to China

Cape Legends is now represented by Guangzhou South Africa Valley, which has entered into a long-term agreement to sell wines into China. It expects sales volumes to increase "substantially", as a result, according to the business manager for the portfolio of specialty wines, Isobel Armstrong.



Shanghai skyline

The deal involves 14 products across five brands - Alto, Jacobsdal, Neethlingshof, Plaisir de Merle and Stellenzicht. With one exception, all the wines in the line-up are red, given the positive associations that the colour holds in China and the current demand for mostly red wine. The single white is an off-dry and very fragrant Gewürztraminer, universally recognised as being a compatible partner with Chinese foods. It is made by Stellenbosch estate, Neethlingshof.

The successful negotiation comes in the wake of the growing appetite among Chinese consumers for South African wines with the country increasing the volumes of bottled wine sold in the People's Republic by 60% for the 12 months to March this year, compared with the previous 12 months, according to SA Wine Industry & Information Systems (SAWIS).

China growing in wine demand

Producers worldwide are looking to China to grow sales volumes and market analysts International Wine & Spirit Research (IWSR) are projecting that China's wine market will continue to grow annually in value to reach \$6 billion by 2014. Wine Intelligence, a UK-based research organisation, expects that the number of Chinese wine drinkers will rise to about 34 million by 2015.

Rabobank has reported that China's market for table wine has been growing by around 20% per year for the last five years, with consumption now at about 1,48 billion litres, according to Euromonitor data.

Expos, trade shows increase visibility

Guangzhou South Africa Valley, which has been representing a select range of high-profile Cape wineries for several years, has been steadily building visibility for the category by participating in trade shows and exhibitions in cities with high levels of disposable income, such as Guangzhou (Canton), the capital of Guangdong Province; Chengdu, the capital of Sichuan Province, and Changsha, the capital of Hunan.

Guangzhou accounts for 16% of China's upper middle-class wine-drinkers, according to Meininger's Wine Business International and is already familiar to some extent with South African wines.

The Cape Legends wines are being offered through both the retail and on-consumption channels.

Armstrong says while all five brands are sold outside South Africa, the new deal is the first major export drive for Alto, which has to date concentrated its efforts on the domestic market, where it enjoys considerable success.

"In terms of their positioning, styling and labelling, all the wines chosen were considered an excellent fit with the Chinese market and we look forward to establishing a presence for these brands."

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