



the dti

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5th Festival of **SOUTH AFRICAN WINES** in Moscow METROPOL Hotel, 16 May 2014

In 2013 Russia imported 37.3 mln litres of SA wine, which makes it the third largest market for our wine exports. Shipments of packaged wine grew by 26% to almost 2 mln litres. Currently the bulk volumes are falling, but export of packaged wine continues to grow at 12% a year (April 2014).

According to Russia Wine Market Landscape Report 2014 published recently by Wine Intelligence Ltd., Russian consumers are increasingly turning to imported wines, especially sparkling wines, as traditional beverages such as vodka and beer decline in popularity. Consumption frequency of imported wines has risen significantly over the past two years, with 40% of respondents saying they drink imported wines at least twice a week, compared with 29% in 2012.



At the same time the way in which Russians are shopping for wine appears to be changing, with brand increasingly important, and the emergence of promotional offer as a choice cue. The proportion of respondents agreeing with the phrase "Wine is an expensive drink" fell from 62% to 51% over the past two years.

The report details the behaviour and attitudes of imported wine drinkers resident in Moscow and St. Petersburg, representing a consumer market of approximately 6 million imported wine drinkers. Commenting on the report, Richard Halstead, COO of Wine Intelligence, said: "The Russian wine market presents many challenges for brand owners, but it's clear the market is becoming more attractive from a consumer point of view".

These trends were vividly confirmed trend was obvious at the V Festival of South African wines, which was held in Moscow on 16 May 2014. The guests were so enthusiastic about the wines from South Africa, that most exhibitors had to finish their work early as they ran out of wines.

The Festival took place at the luxury 5-star hotel Metropol in the very heart of Moscow, right at the entrance to the Kremlin and the Red





and wine tasting, but for seminars as well.

Square. WOSA had to move the event to the bigger venue because of the growing interest from participants (exhibitors) and visitors alike. The beautiful conference hall of the hotel reminded the huge wine cellar with vaulted ceilings and beautiful chandeliers, and provided ample space not only for the exhibition

The main idea of the Festival is to popularize the SA wine brands among the Russian consumers and to increase the presence of our wines in the HoReCa channel. Every year we are trying to present the growing palette of South African wines available in the country. Successes of the previous Festivals have engraved the event into the wine calendar of the Russian capital and it is much easier nowadays to attract importers to participation.

10 prominent Russian distributors participated the Festival this year: Marin Express, Eurowine, Fort, Simple, OKB, Arsenal, Wine Discovery, Starboar, Rusimport and Luding. Overall they represented over 30 brands and more than 150 different wines, ranging from tiny boutique cellars to huge mass market brands.

The expositions of the Russian importers were joined by several SA producers that did not have a distribution in that country as yet, but came to the Festival to meet the numerous importers that attended and participated in the event.

Rietvalley Estate, Waverley Hills Organic Wine Farm, DGB and Robinson & Sinclair were among them.



Over 1 300 people registered to attend the event and almost 800



actually came. Over 75% of visitors were directly involved in wine business. The majority was from wine wholesale and import businesses (23%), HoReCa sector (17%), wine retail (12%), wine education (6%), wine journalism (6%) and wine marketing (9%). The rest were the representatives of the government and the city administration, diplomats, business people and wine connoisseurs and collectors. There were also over 50 event organisers and exhibitors running the stands.

The Festival was organised in close cooperation between the Wines of South Africa (WOSA) and the Department of Trade and Industry (the DTI) and was actively supported by the Embassy of RSA in Russia. Mr. Mandisi Mpahlwa, the Ambassador, has opened the Festival with warm address to all participants and guests. WOSA presented a seminar on the changes that had place in the SA wine industry over the last two decades - "20 Years of Freedom". Mr. Vusi Mveli and his colleagues from the Economic Section of the SA Embassy played instrumental role in preparing and running the event. The prominent Russian wine Magazine "Imperia Vkusa" (Empire of Taste) was the media partner of the Festival and assisted in running the event as well.



Apart from tasting the numerous wines from South Africa, guests of the event had a chance to enjoy some other products from the exotic for Russians country, such as biltong, Rooibos Tea and spices. The friendly and joyful atmosphere of the event was uplifted by the ethnic African musical band "Kimbata". The visitors were shown videos of the beautiful Cape Winelands and listened to popular South African music, too.

Overall the Festival was another successful and effective event which has surely served

the purpose of increasing awareness of South African wines among important players and trend-setters on the Russian market. We are still expecting publications in printed media to come through, but initial response received from journalists was very positive. We also received numerous thanks and favourable feedback from the participants of the event. We are strongly hoping to see positive effect on sales of our wines in that market. And we are already looking forward to the next Festival in 2015!



To see media reports from the Festival click:
<http://winepages.ru/news/4267/>
<http://winepages.ru/degustations/4266/>
<http://www.vsyasol.ru/onegin-bolivar-vina-yuar/2014/05/>
http://bbqmag.ru/news_524.html#.U3nbdfl_sYP

To view the full photo report from the Festival click
<http://sd.icelord.net/photos/2014/wines/index.html>.

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