



WEBINAR

VINHOS  
EUA

08.10.2020 – 16h.



aicep Portugal Global



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(BARRA – INDICADOR VISUAL  
DO CAPÍTULO/TEMA DO PPT)

**WHAT WE KNOW**

**WHAT WE DON'T KNOW**

**WINE SECTOR**



## WHAT WE KNOW

**Cases: >7,5 million**

**Deaths: >212 thousand**

**Recovered: >4,7 million**

Worldometer, data as of October 2, 2020



## WHAT WE KNOW

**Global Economy will  
shrink by 4.5% this  
year**

Source: OECD, September 2020



## WHAT WE KNOW

**US GDP** decreased by  
**5%** in the **1<sup>st</sup>** quarter  
and **32,9%** in the **2<sup>nd</sup>**  
quarter 2020

Source: BEA – *Bureau of Economic Analysis* | *US Department of Commerce*



## WHAT WE KNOW

More than **55 million** people  
have applied for  
unemployment insurance in  
the US

Data Compiled from March 20<sup>th</sup> to September 15<sup>th</sup>

Source: *US Department of Labor*



## WHAT WE KNOW

**US unemployment rate  
hit a new record high of  
14.7% in April, now at  
7,9% (around 12 million people)**

Source: *US Department of Labor / September 2020*



## WHAT WE KNOW

**Worldwide trade will plummet between 13% to 32% this year**

Source: WTO – *World Trade Organization*





## WHAT WE KNOW

**US worldwide imports  
decreased 4.03% in the  
1<sup>st</sup> quarter and 14.8% in  
the 2nd quarter of 2020**

Source: *Census Bureau*



## WHAT WE KNOW

**Most Governments will  
be heavily indebted from  
expensive emergency  
relief measures**



## WHAT WE KNOW

Otherwise-viable  
businesses are facing  
bankruptcies





**WHAT WE KNOW**

**WHAT WE DON'T KNOW**

**WINE SECTOR**



## WHAT WE DON'T KNOW

Path that the **virus** will  
take





## WHAT WE DON'T KNOW

**Effectiveness of policies  
meant to contain the  
outbreak and minimize  
economic damage**



## WHAT WE DON'T KNOW

Continued self-isolation  
and depressed spending  
against a **potential**  
**resurgence of the virus**



WHAT WE DON'T KNOW

# Geopolitical environment of increased protectionism







## WHAT WE DON'T KNOW

**Greater protection of  
strategic supply chains  
and less reliance on  
imports**



## WHAT WE DON'T KNOW

**Policies to de-couple  
from “high risk”  
trading partners**



**WHAT WE KNOW**

**WHAT WE DON'T KNOW**

**WINE SECTOR**



## WINE SECTOR

- **The US global imports of wine totaled USD 6.135 billions in 2019, making it the biggest importer of wines in the world**
- **France 34,39%, Italy 31,62%, New Zealand 7,58%, Spain 5,75% and Australia 5,47%, are the main exporters to the US.**

Source: USITC – *United States International Trade Commission*



## WINE SECTOR

A vertical decorative image on the left side of the slide. It shows a close-up of a wine glass filled with red wine, with a bunch of blue and purple grapes resting on the rim. The background is dark and blurred.

**US Wine imports from Portugal  
totaled USD 111.4 millions in  
2019**

Source: USITC – *United States International Trade Commission*



## WINE SECTOR

- **Portugal represents 1.8% of the US total wine imports, the 8<sup>th</sup> supplier**
- **US represents for Portugal 10.9% of total Portuguese wine exports, the 2<sup>nd</sup> client**

Sources: USITC – *United States International Trade Commission*, INE – *Instituto Nacional de Estatística*



## WINE SECTOR

### The good news...

- **US wine imports from Portugal recorded a 5.3% increase during the 1<sup>st</sup> semester of 2020 (compared with same period in 2019)**
- **The most likely probable cause - the added tariffs imposed on French and Spanish wines (WTO - Boeing vs Airbus dispute)**



## WINE SECTOR - CHALLENGES

- **Tough competition. Besides domestic production, countries that compete with Portugal for a share of the market: France, Italy, New Zealand, Spain, Australia, Argentina & Chile**
- **In general, the US consumer does not know Portuguese wines. It is imperative to promote the Portuguese wines to the final consumers.**
- **Difficulty in introducing more brands**





## WINE SECTOR - CHALLENGES

- **Access to new distribution channels**
- **Expensive marketing costs / establish “Portugal” brand recognition**
- **Need to maintain regular visits to the market**



## WINE SECTOR - OPPORTUNITIES

- For those consumers that already know Portuguese wines, recognition of **quality and value**
- The image of Portugal is at an all time high
- Dimension and diversity of the **US market**
- **Consumer purchasing power**
- **E-commerce, E-commerce, E-commerce**



## WINES OF PORTUGAL – TRENDS

- **Concerns with sustainability, eco-friendly, organic, wine regions.**
- **Growth of Wine e-commerce, wine clubs**
- **Social Media - sell a wine telling a story but, quality must precede the story.**



## THE FUTURE IS CLEAR

**“Not innovating, not changing your product flow and adjusting what your product portfolio looks like ... **would be a fundamental mistake,**”**

*Mr. McKenzie (NIELSEN)*



# PORTUGAL GLOBAL

## Obrigado

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