



Pasqua and fine red wine. From the Far East to the United States. Grands Crus and denominations in comparison. The case of Texas.

**Presented in Milan, the research commissioned by Pasqua to Wine Monitor – Nomisma.
The red wines are seeing growth in China and the USA for quantity and value. Texas, the
second richest state after California, has large potential for the Amarone della Valpolicella.**

Milan, 14 March 2018 - China, United States France, Italy, and Germany are the top five markets in the world for consumption of red wine. In the five-year period from 2012-2017 exports of red wines has grown in value by more than 15%. Among major regional PDO red wines, those from the Veneto (19% of total PDO reds) grew in sales by 13%. **Strengthened in parallel is the phenomenon of premiumization: over the past five years, the average value of red wines consumed has seen an increase of +20% in Japan, +10% in the USA and +7% in Canada.** But the real surprise comes from the United States, particularly from **Texas, which alone accounts for 7% of wine consumed in the United States**, an increasing trend especially for imported wines: **in the last 10 years imported wines in Texas grew 74% earning the top position for imports. Nearly a third of Texans is familiar with Amarone**, whose typical consumer is a Millennial, «wine lover» (frequent user, online buyer online, high-spending, who prefers a wine bar as channel for consumption) with income and high level of education.

This summarizes what emerges from the research "**Pasqua and fine red wines: Grands Crus and denominations in comparison. The case of Texas**" commissioned by **Pasqua Cantine to Wine Monitor - Nomisma.**

In the competition between grands crus and denominations, in a comparison with France (whose reds account for 74% in total exports of still bottled wines), the main denomination (Bordeaux) has an export to values nearly twice that of PDO Tuscan, Veneto and Piedmontese reds considered together (€1.88 bn vs €1.07 bn). **However, while during 2012-2017 the Italian PDO exports have grown, Bordeaux exports have decreased by about 12% (in UK -57%).** With a share of over 20%, the United States represent the largest market for Italian red wines. **In particular, for those wines with an alcohol content greater than 14%, Italy leads with a market share of 27% (\$110 million, + 57% over the past five years).** La France, by contrast, has a market share of 15% (-3% in the five-year period).

The United States represent for the company a strategic area in which it has decided to invest massively with the opening of **Pasqua USA**, American headquarters for the Veronese home company. A rewarding choice that in three years has seen the turnover for the Veneto wine maker increase from 35 to 50 million euros thanks to the contribution of the American subsidiary that in 2017 reached €17 million in turnover.

"After California – highlights **Riccardo Pasqua, AD for the company** - Texas is the US state with the highest number of households with an annual income exceeding \$100,000 and Italy is the top vendor with a value close to 127 million dollars, corresponding to a market share of 38%, calculated on the total wine imports. The study also showed that in the last 12 months, 55 percent of Texans had at least one opportunity to consume wine and 47% chose red wine".

In the ranking of countries that produce higher quality red wines, Italy is on the top step of the podium: 21% of Texas consumers and 25% of *premium consumers* (i.e. consumers willing to spend over \$20 per bottle in wine cellars and more than 55 dollars a bottle in a restaurant) indicate Italy as the best country for producing *red fine wines*.

"Data in hand," said **President Umberto Pasqua**, "it is clear that fine Italian red wine, for 41% of average consumers and for 43% of premium consumers, is synonymous with 'history and tradition'. To this it is worth adding that as many as 28% of premium consumers consider quality Italian red wine as a symbol of 'exclusivity' and 'luxury', two categories that have always belonged to French wines".

New consumption trends in Texas show an interest in wines from native grapes and confirm the growth of rosé wines. Among premium consumers the interest for high-end wines continues (19% indicates this category to grow over the next few years in Texas).

Research therefore shows a high potential interest - not yet fully exploited - for Amarone della Valpolicella, confirmed also by current consumption habits of Texans: 60% love to experiment and try wines from other territories, 46% considers quality first rather than price.

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