

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Chile

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Premium Liquor Consumption in Chile

Report Categories:

Agricultural Situation

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Report Highlights:

Chileans are developing a preference for premium liquors: Rum, Whisky, and Vodka consumption gain ground in Chile. This new trend is evident in the drinking habits of both men and women.

General Information:

Chilean consumers are looking for sweeter premium liquors. That is how the industry explains the nationwide rise in the sales of products such as rum, whisky, and vodka. In fact, rum is growing at rates that have surpassed 20% in the last five years, the same as whisky, even though the latter fell in previous exercises due to the effects of the global economic crisis. Additionally, looking at current consumption figures, vodka could become the new “rum” of industry.

One of the keys of high rum consumption is its transversal penetration: it appeals to young people, adults, women, men, and it reaches all socioeconomic segments. According to Nielsen Company rum has not yet reached its ceiling. It is still growing at 20% year on year. Main Chilean importers of alcoholic beverages agree that rum has already surpassed the locally produced pisco as the preferred liquor for mixing with soft drinks.

Importers plan to build on the preference for rum to a preference for premium rums and other liquors. Chilean importers predict a consumption increase in the premium brands as well as in the ones of intermediate quality. These trends show that Chilean consumers are looking for high quality products and that they can afford them.

According to Nielsen Retail Index for 2010, 74.6% of all whisky sales (in bulk) are in supermarkets and 52.6% of whisky commercialization is of a standard type.

The revival of scotch.

In 2008 we saw a decline in whisky consumption of about 10%, which stayed fairly steady through 2009, today’s projection leans towards its growth. Whisky consumers in Chile are generally adults over 35 that belong to wealthy socioeconomic groups; however, younger people are starting to try it too. In addition, the last few years have seen an increment in women’s consumption.

There’s a worldwide tendency towards whisky, a revival of the Scotch culture, and in Chile there is an increase of premium whisky consumption as well, according to Chilean importers. They project a growing sales rate of 8%.

Vodka rising inside and out the country.

One of the products with the strongest growth rates in Chile is vodka. In Chile, it is estimated that nearly 50 thousand crates of vodka are sold each year, with a 30% rate of growth every 12 months. This category shows the highest growth amongst all the liquors and spirits. Importers report that vodka could be the “new rum” and seek to reach over 40% of the local market in the next two years.

The new favorites: bourbon, tequila, and champagne.

Chileans are also trying different types of liquor. For example, American whisky (strictly speaking, bourbon) has been growing at 50% in the last year. Bourbon is preferred by the intermediate consumer, between rum and Scotch whisky, one who has a certain image they want to portray.

Tequila, on the other hand, sells a little over 40 thousand crates per year in the country and is another category that has grown due to the search for higher quality, exotic liquors. We are seeing the same trend with champagne. Distributors are bringing in more brands.

Alcohol distributors are anticipating an increase from consolidated gross revenue of US\$18.9 million in 2009 to US\$25.3 million this year with most of the gains coming from beer, champagne, vodka, and bourbon.