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February 2011

**INSIDE
THIS MONTH**



BEST BARS

SPOTLIGHT ON
CENTRAL EUROPE



TEQUILA

QUALITY IS THE
WATCHWORD



LIQUEURS

FLAVOUR OF
THE MONTH

PROFILE

ROBERT
BEYNAT



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Big is not beautiful



Big is not beautiful by any stretch when you look at wine globally.” That is the considered comment of someone who has been in the drinks industry for many years. He was commenting on Constellation

Brands’ announcement on the eve of Christmas that it was dumping its Australian, South African and UK wine interests (see News Analysis, page 12).

We at *Drinks International* have been mulling over global international wine brands for some time. Unlike the spirits sector where, generally speaking, big global is good, the wine industry shies away from being seen as high-volume, produced on a commercial scale.

We all know that the likes of Gallo, Pernod’s Wyndham Estate (Jacob’s Creek), Groupe Castel, Concha y Toro (Casillero del Diablo) et al make wines in huge volume that are available in most major wine markets around the world.

But the wine-drinking consumer equates wine with provenance – small scale, know the producer, taste the wine, sense the soil. The romance, the journey.

The big corporates have found to their cost that there is no significant profit in them there hills lined with terraces of wine; wineries that are dormant for about 48 weeks of the year; vines that take three years to start producing commercial quantities; machines, labour for pruning, picking, making and cellaring.

As for all those expensive barrels that then have to be stored. It is enough to drive a CEO to a vodka still.

The writing has been on the wall for ages. The supermarkets invented the mass market for wine and they are now destroying it as a premium product. It appears that it has just dawned on the likes of Constellation, Brown-Forman, Foster’s and possibly Fortune Brands that there is no profit in making cheap wine to be all but given away in three-for-two and BOGOFs (buy one get one free). Another sacrifice on the altar of driving footfall and sales per square metre. Commodity, like cheap toasters.

Well for once this may be good news for the wine trade and for discerning wine drinkers. It means returning wines – brands – to people who care and who have the passion. It also means a proliferation of producers – brand owners – who appreciate that making wine is a long-term business.

Eschewing volume for quality and a decent return has to be the way ahead for the wine category as a whole.

Christian Davis *Editor*

This page and cover: Shutterstock



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UK and the Japanese make wine



Gavin Hewitt, chief executive, SWA; Alan Winchester, distilling manager Chivas Brothers; Nick Clegg, deputy PM; Christian Porta, chairman, Chivas Brothers

Scotch exports record

The UK deputy prime minister Nick Clegg raised a glass at the Chivas Regal Strathisla distillery in Keith to scotch whisky exports – up 12% in the first 10 months of 2010.

According to a statement from the Scotch Whisky Association, shipments totalled £2.8m between January and October. Clegg said: “I would like to raise a toast to the scotch whisky industry, as 2010 shapes up to have been a record year for exports.

“The dynamic scotch whisky companies are making great strides to exploit new markets and new opportunities and the UK government

will continue to do whatever we can to assist them. We signed an agreement with China late last year to ensure there is greater legal protection for whisky in that country.

“I know from my talks in Scotland today that fair market access and tariff liberalisation in relation to India is a major priority in 2011.”

The full 2010 export data will be available later this year, but it was confirmed that in the first 10 months of the year there were significant increases in exports to the important emerging markets in Brazil, Russia, India and China.

Glenfiddich raises charity cash

William Grant & Sons has made a limited-edition 18-year-old Glenfiddich – 500 individually numbered bottles – in aid of a charity.

The Glenfiddich Foundation Reserve is a single malt scotch whisky that has been drawn from a single cask laid down in 1993. Bottled at a cask strength of 47% and non-chill filtered, it is being sold at £50 a bottle, which includes all the duties, taxes and delivery.

Thanks to William Grant and its UK subsidiary and distributor, First Drinks Brands, all net proceeds go to the Wine & Spirit Trades’ Benevolent Society for people who have worked in the UK off-trade and fallen on hard times’

There are a few bottles left. Email: eleanorperry@thebenelovent.org.uk

US predicted to top wine consumption

The US will overtake Italy as the world’s largest consumer of still wine by 2012.

According to five-year forecasts from International Wine & Spirit Research, commissioned by Vinexpo, still wine consumption in the US is expected to increase by 9% between 2010 and 2014, amounting to 315 million nine-litre cases.

The report says nearly three quarters of the period’s predicted 3% growth will be driven by the US, China (up 19.7% to 126 million cases) and Russia (up 9.1% to 66 million cases).

Robert Beynat, CEO of Vinexpo, said: “China is a new market of 100 million people, that’s why everyone is watching it.”

Forecasts show the current number-one wine drinking country, Italy, will decrease its consumption by 0.8% to 295 million cases, while number three consumer France will reduce by 4.1% to 262 million cases.

Japan did not register in the top 10 of consuming nations but Beynat cautioned against ignoring its significance, describing Japan as a “sleeping market”. He added: “The potential is there and many things will happen in the next few years.”

Broken down by colour, rosé – 9.5% of world consumption in 2009 – will show the biggest growth during the next four years, with a predicted 7.8% rise.



Vinexpo’s bendy bridge. US sales snaking up

The IWSR added that red wine – 53.4% of market share in 2009 – will grow by 3.9%, while white wine – 37% in 2009 – will increase by 2.4%.

The largest import market, the UK, is the anomaly in the global trend, with white wine predicted to extend its popularity with an increase of 2.7%, red to decline by 1% and rosé to record double-digit growth of 11.5%.

Sparkling wine – currently 7.4% of the global market – is growing faster than still, with growth expected to be 5.6% between 2010 and 2014.

Value is expected to grow at twice the rate of volume, with a 6.7% increase across still and sparkling during the five-year period.

News In Brief

Industry stories from around the globe

Berry Bros & Rudd, the UK wine and spirits merchant, has announced the sale of its Greek distribution company, WS Karoulis SA. The decision follows the sale of Cutty Sark, a top-three whisky brand in Greece, to Edrington.

The UK’s Campaign for Real Ale (Camra) has labelled government plans to tackle cheap supermarket alcohol a “failure”. According to Camra, the government is instead banning the sale of alcohol at below excise duty and VAT, which amounts to 47p a pint of beer.

A Syrah from the Limari Valley was named Best in Show at the 8th Annual Wines of Chile Awards. The northern Chilean Tabalí Reserva Especial Syrah 2008 was one of 620 wines, from 110 wineries, tasted at the Santiago three-day event.

Vodka is set to maintain its status as the world’s number one spirit over the next four years, while rum will show double-digit growth, according to five-year forecasts (2010-2014) from International Wine & Spirit Research (IWSR), commissioned by Vinexpo.

New Zealand pledges to organic vineyard mission

An organic wine group has set a goal for 20% of New Zealand vineyards to be organic by 2020.

Organic Winegrowers New Zealand is a 140-member national association.

Chairman James Milton said: "By 2020, even if we only achieve 20% of the vinelands in our country as being certified organic and biodynamic, it

will be a giant step towards enforcing our very precious environmental image to wine connoisseurs all over the world.

"Organic winegrowing encompasses the goals of social, environmental and financial sustainability for our nation."

New Zealand Winegrowers' CEO Philip Gegan added: "We see the

expansion of organics over the next decade as an important component of the industry's commitment to sustainability and are confident it will strongly support our brand positioning in global markets."

The amount of NZ vineyard land under organic certification has tripled in the past three years.

Nationwide, nearly 1,500ha of



A sustainable vineyard in Martinborough

vines on 115 vineyards are now managed organically – representing 4.5% of all vineyard land.

Diageo takes on partner in Vietnam

Diageo has entered into a strategic partnership agreement with Hanoi Liquor Joint Stock Company (Halico) in Vietnam. In addition, Diageo has agreed to acquire a 23.6% stake in Halico from VinaCapital Vietnam Opportunity Fund, for approximately £33 million.

Halico is the largest domestic branded spirits producer in Vietnam and, as the company's strategic partner, Diageo will assist with innovation, branding, supply, distribution and corporate relations. In return, Diageo will become a long-term equity investor in Halico and its main brand, Vodka Hanoi.

Diageo has also said it will "continue to develop its international premium spirits portfolio, led by Johnnie Walker, Smirnoff and Baileys, through its wholly-owned subsidiary, Diageo Vietnam". Ho Van Hai, director of Halico said: "Halico has seen double-digit growth in the past four years, but we are very keen to accelerate our development as Vietnam continues to offer attractive growth potential.

"Diageo is a great partner for us – it has experience working with large local industry players and has a reputation for building iconic brands. Its understanding of consumers and cultures in Asia and its commitment to this region gives us the confidence that, as a result of this partnership, we will take Halico and our brands to greater heights."

Gilbert Ghostine, president of Diageo Asia Pacific said: "Halico is Vietnam's number one local spirits company with the number one vodka brand, Vodka Hanoi. Its strong distribution and recent investment in its state-of-the-art production facility speaks of its ambitions in this market."

He added: "Diageo has many successful partnerships in Asia Pacific and partnerships are integral to the way we want to grow our business in this region."

Diageo expects to complete the investment in Halico in its 2011 fiscal year, subject to customary conditions to completion. In Diageo's financial statements, the 23.6% stake in Halico will be accounted for as an associate.



Cognac exports up

Cognac has reported record-breaking shipment figures for 2010 of €1.86 billion. The region currently exports 97% of its stock.

An announcement from the Bureau National Interprofessionnel du Cognac said 2010 "saw a massive increase across all markets and categories of just under 30%, representing 12.8 million cases or 153 million bottles, and an increase of 17.9 % in volume".

Last year confirmed the shift in demand for high-end cognacs (VSOP, XO and exclusive blends), which now represent the lion's share of the total market at 54.5%. The XO category grew by 36.6 % and VSOP by 27%, with VS showing 6% growth over the year.

The BNIC said the 2010 figures show the global market for cognac is spread between three major geographical zones – Asia, US, Canada and Mexico and Europe. The Far East, which accounts for 33.2 % of the world market in volume, saw sustained growth at +34.3% over the year. This now makes Asia cognac's biggest market in volume.

Foster's Group has committed \$500,000 to help Queensland flood victims. A statement from the company said: "The Queensland floods have devastated homes, livelihoods and taken lives across the state, with the current threat far from over."

Heineken has announced the acquisition of two holding companies from the Sona Group in Africa. The two acquired businesses have controlling interests in each of the Sona, IBBI, Benue, Life and Champion breweries in Nigeria.

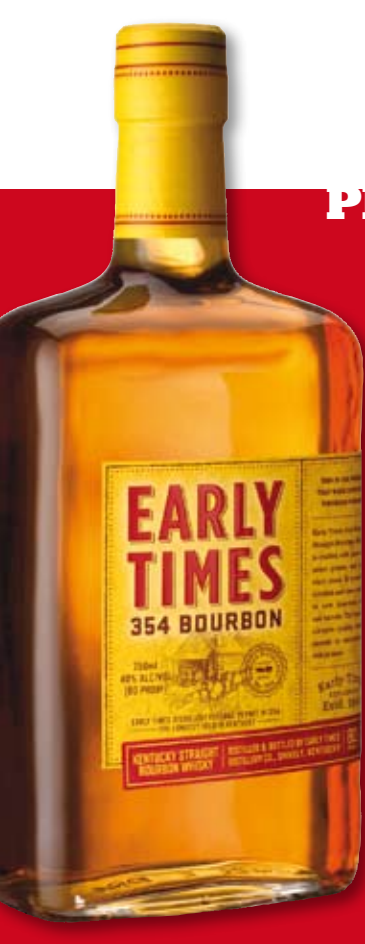
French wine barrel manufacturer Groupe Charlois has expanded into the US with the purchase of Winemakers Cooperage (WC) from Treasury Wine Estates. Under the new owners, the Cloverdale-based cooerage will become a Treasury Wine Estates supplier.

The UK National Measurements Office (NMO) has confirmed that 10cl servings of fortified wine will be allowed under new legislation.

TOP 5 STORIES ON DRINKSINT.COM

1. UK: Bacardi new products
2. US: Brown-Forman launches bourbon
3. UK deputy PM toasts scotch
4. 100-year-old Antarctic whisky tested
5. Diageo North America appoints presidents





PRIDE OF KENTUCKY

EARLY TIMES 354 BOURBON

BRAND OWNER Brown-Forman

PRICE US\$15.99,

MARKETS 17 US states

CONTACT svend_jansen@b-f.com

Brown-Forman says Early Times 354 Bourbon is the newest and, in a way, the oldest member of the Early Times family of American whiskies.

After an absence as a bourbon in the US market since 1983, Early Times 354 joins Early Times Kentucky Whisky in an expansion of the brand's presence.

The story goes that, at 15, Jack Beam began working at his family's distillery and in 1860 built his own distillery at a place called Early Times Station, Kentucky. Beam named his "whisky" Early Times, both as a tribute to its place of origin and as a nod to the craftsmanship that goes into making it.

This "premium line extension" is said to have been made with pure water, select grains and proprietary yeast, then distilled and matured in select oak barrels. It is described as: "A lively entry with spice, caramel and vanilla that melt into a mixture of fresh and dried fruit notes."



DOMAINE TERRA VECCHIA

BRAND OWNER Skalli

PRICE £9.95

MARKETS UK-only

CONTACT thierrys.co.uk

Southern French winemaker Skalli has launched a Corsican wine brand, targeted initially at the UK off-trade. Domaine Terra Vecchia includes white, red and rosé wine from grapes grown in its Corsican estate on the eastern coast.

Skalli says Corsica offers wine connoisseurs the opportunity to explore new regions and varietal wines and its single-estate Domaine Terra Vecchia wines, with surprising savoury aromas brought by the indigenous grapes, offer consumers the reassurance of modern wine styles while maintaining an authentic sense of place. The wines will be available from Thierry's.

The new varieties include Vermentino and Nielluccio. Skalli also produces some fine wines from these varieties under the Clos Poggiale label.

REPOSITIONED

ARNISTON BAY

BRAND OWNER The Company of Wine People

MARKETS Global

CONTACT Barney Davis, brand & business development manager, barneyd@thecompanyofwinepeople.co.za, + 441625418709

Arniston Bay has a new look as the Company of Wine People seeks to reposition the major South African wine brand.

The wines are described as "approachable, fruit-driven styles with good varietal character, length and elegance" and are meant to range from being "easy-drinking entry-level wines to more sophisticated wines for discerning palates".

The packaging has been designed to recruit new consumers, ensure consumer loyalty and increase brand awareness for sustainable growth.



JOURNEY'S END MERLOT 2007

BRAND OWNER Journey's End

PRICE £14.99, €9.50 - €10.50

MARKETS Asia, Europe

CONTACT rollo.gabb@pegasus-group.org

The former creator and owner of major South African wine brand Kumala kept his Stellenbosch estate after the company was sold to Constellation. Journey's End is a boutique winery and the Gabb family produces a small quantity of hand-crafted, premium wines made from Chardonnay, Shiraz, Cabernet Sauvignon, Cabernet Franc and Merlot.

The Merlot 2007 is produced from grapes taken from a 5ha single vineyard, surrounded by eucalyptus trees. The fruit undergoes gentle handling and fermentation for 10 days before malolactic fermentation in barrel. The wine was aged for 18 months in 20% new French oak, 10% new American oak and 70% second and third-fill barrels.

The 2007 was awarded a trophy for the best Merlot and named Best South African Red at the Cathy Pacific Hong Kong International Wine Awards.



HAND-CRAFTED

LIMITED RELEASE



CHÂTEAU DE FONTPINOT MILLESIME 1989

BRAND OWNER Cognac Frapin

PRICE €70, £72

MARKETS: Asia/Europe – limited production

CONTACT cognac-frapin.com

Domaines Frapin has announced the launch of Cognac Frapin Château de Fontpinot Millésime 1989, a 20-year-old cognac of which there are only 2,500 35cl bottles.

The house says the product was exclusively harvested, distilled, aged for 20 years in oak barrels, blended and bottled at Château de Fontpinot, which lies in the heart of the Frapin family's 300-plus hectares of Grande Champagne vines.

At 41.3% abv, Château de Fontpinot Millésime 1989 is packed in outers of six in a 35cl Charentais-style bottle and presented in a round, leather-covered carry pack, available in a limited, numbered edition.

LEEWIN ESTATE 2005 ART SERIES CABERNET SAUVIGNON

BRAND OWNER Leeuwin Estate

PRICE US\$45, £28, €32

MARKETS Global

CONTACT Simone Furlong,
simone@leeuwinestate.com.au,
leeuwinestate.com.au

Western Australia – and specifically Margaret Estate – is arguably Australia's premier wine-producing region. Leeuwin Estate was originally a cattle farm but legendary Californian winemaker Robert Mondavi apparently saw the potential and acted as consultant and mentor to owners Denis and Tricia Horgan.

The tasting note for this wine says: "The wine has a deep garnet colour. Intense varietal Cabernet Sauvignon aromas of blackberry, blackcurrant, plum and liquorice. The elegance of this bouquet is underpinned by the beautifully integrated French oak aromas. The palate is intense, linear and elegant. Blackcurrant and liquorice flavours linger in the mouth to produce an incredibly long finish."



SMALL VICTORY

BENROMACH PEDRO XIMENEZ WOOD FINISH

BRAND OWNER Gordon & MacPhail

PRICE: £29.50, €47.50

MARKETS Europe and Asia

CONTACT Ian Chapman on: ian@gordonandmacphail.com,

Benromach, which is claimed to be Speyside's smallest distillery, has introduced a Spanish Pedro Ximenez wood-finish flavour to its range of single malt scotch whiskies.

It is described as being a soft, fresh, single malt with a pronounced malty character and a rounded sweetness. It was finished for 30 months in Spanish oak casks from the Pedro Ximenez soleras of Williams & Humbert.

Gordon & MacPhail says Benromach Pedro Ximenez Wood Finish is a limited release in 70cl, bottled at 45%, available from whisky specialists and fine wine and spirits retail.



SOFT & RIPE

PAUL MAS ESTATE MALBEC

BRAND OWNER Domaine Paul Mas

PRICE £8.99 (£6.49 in the UK until end of May), €7.95, Canada \$17

MARKETS Netherlands, UK, Canada, South Korea, Hong Kong, Poland

CONTACT Erin Robson,
Stratford's Wine Agencies, +44 (0)
1628 643518, stratfordwine.com

Paul Mas Estate Single Vineyard Collection wines come from Jean-Claude Mas' vineyards in the Languedoc region in the south of France.

The Mas Malbec is described as having a dark colour, good acidity combined with softness, ripe berry flavours and liquorice notes. It is 90% Malbec and 10% Cabernet Franc with an abv of 13.4%

There is also a 100% Pinot Blanc which is only available in the UK off-trade at £9.99 (£7.99 until the end of May). This is said to be the first time Jean-Claude Mas is displaying a new grape variety, Pinot Blanc, that he harvested for the first time in 2009. The grapes come from his contracted vineyard in Marseillette, at the foothills of the Montagne Noire.



INTENSITY



DOUBLE ESPRESSO PREMIUM CAFFE BIRRA

BRAND OWNER VC2 Brands

PRICE £1.99, AUD\$3.20, SGD \$4

MARKETS UK, Singapore and Australia

CONTACT Graham Coull, +44 1786 817000

Double Espresso is a coffee-flavoured beer, made by VC2 Brands in Scotland. The company says it was a success at a UK pub chain's beer festival as a cask beer. As a result its brewing arm, TSA Brewing, developed a bottled version.

TSA Brewing Co co-owner Graham Coull said: "Given coffee's global appeal, we knew Double Espresso would be a success."



ROYAL PARIS

BRAND OWNER Bulles de Paris

PRICE €25, £22, US\$35

MARKETS Global

CONTACT contact@royal-paris.com

Royal Paris is said to be a blend of fine champagne cognac, artisan natural orange liqueur distilled from orange peel, and French sparkling wine made from the Ugni Blanc grape using "cuve close" fermentation.

Bulles de Paris (Bubbles from Paris) describes Royal Paris, which is 14% abv, as a "light gold, luscious sparkling blend, rich in fresh orange taste underlined by the elegant and subtle strength of exclusive cognac and fine champagne".



WEMYSS SPICE KING, PEAT CHIMNEY AND SMOOTH GENTLEMAN 12 YEAR OLD BLENDED MALT WHISKIES

BRAND OWNER Wemyss Malts

PRICE US\$51

MARKETS Travel Retail

CONTACT World of Patria, wemyssmalts.com

Boutique whisky company Wemyss Malts has released a range of 12-year-old blended malt scotch whiskies. These whiskies have been developed as an exclusive for the travel retail market. The company says listings to date include India, Malaysia and Thailand. There are three whiskies in the range - Spice King, Peat Chimney and Smooth Gentleman - their names derived from their natural flavours and aromas. Director William Wemyss says, as with the rest of the Wemyss Malts range, the whiskies have been selected by scotch expert and writer Charlie Maclean and bottled at 40% abv.

TOMATIN SINGLE HIGHLAND MALT 1973 SINGLE CASK BOTTLING

BRAND OWNER The Tomatin Distillery Co

PRICE £48, €52

MARKETS Europe

CONTACT stephen.bremner@tomatin.co.uk



Tomatin distillery has released a 1973 single-cask bottling to meet the interest and demand for limited edition bottlings from single malt whisky enthusiasts and connoisseurs.

With an abv of 44%, it will be available in all specialist outlets throughout western Europe. Distribution through on-trade will be limited, says the company.

EVAN WILLIAMS SINGLE BARREL 2001 VINTAGE BOURBON

BRAND OWNER Heaven Hill Distilleries

PRICE US\$24.99

MARKETS US

CONTACT Larry Kass, director of corporate communications, lkass@heavenhill.com; 502-413-0220

Heaven Hill Distilleries has released the 2001 edition of its Evan Williams Single Barrel Vintage Kentucky Straight Bourbon Whiskey, the 16th annual release of the series.

The 86.6 proof bourbon (43.3% abv) is matured in natural open-rick warehouses under the supervision of Heaven Hill's father and son master distillers Parker and Craig Beam, who monitor the progress of each year's vintage to ensure it maintains its intended flavour profile. This new edition features the traditional corn, malted barley and rye mashbill, and selection from 900,000 barrels on the top three floors of the rickhouse that are the hallmarks of all Parker and Craig Beam's Evan Williams Single Barrel Vintage Bourbons.

Each bottle of the 2001 edition is marked with the date that it was placed in oak and bottled, in addition to the serial number of the single barrel from which it was drawn.



HEAVENLY

INFORMATION

Products launched within the past two months are eligible for inclusion within this section. Please submit your products for consideration to: christian.davis@drinksint.com

Rare The Dalmore launched at Viking floating whisky fair

Whyte and Mackay released a rare bottle of The Dalmore single malt Scotch whisky to be sold onboard Viking Line’s annual Whisky Fair last month.

The Dalmore Eos is named after the Titan goddess of the Dawn, and priced at SEK166,250 (£15,566) – the most expensive whisky ever listed by Viking Line.

The 59-year-old single malt was matured in two sherry casks and is presented in a Portuguese crystal decanter, which is decorated with silver highlights. The eventual buyer of the whisky will be given a VIP trip to The Dalmore distillery.

Whyte & Mackay has released only 20 bottles of Dalmore Eos worldwide. The bottle presented at last month’s Whisky Fair onboard

Viking Line’s Cinderella cruise ship is the only bottle available in Scandinavia.

Whyte & Mackay European commercial director (Nordics) James Steiner said: “The Whisky Fair is one of the key highlights of both the Cinderella’s and whisky lover’s calendar. It is great for the Dalmore range to be part of the fair and it’s really special to have one

bottle of the collectible Dalmore Eos available at the show.”

Other rare The Dalmore bottlings presented at the fair include The Dalmore Astrum and The Dalmore Aurora.

Viking Line holds the three-day Whisky Fair onboard the Cinderella each January, attracting whisky enthusiasts and collectors from all over Europe.

Midleton launches pure pot still exclusive for Dublin airport

Irish Distillers Pernod Ricard has created a limited-edition 19-year-old pure pot still Midleton Irish whiskey exclusively for Dublin Airport Authority’s (DAA) new Irish Whiskey Collection shop at the recently opened Terminal 2.

Matured in a first-fill American bourbon barrel and bottled at cask strength (53.7% abv) in November 1991, Midleton Single Pot Still is priced at €260 (£217) per bottle. Quantities of the whiskey are limited to 200 bottles.

“We wanted to mark the opening of Terminal 2, which is great news for both tourism and business in the city,” said Irish Distillers Pernod Ricard chief executive Alex Ricard. “This new single cask expression seemed like the perfect opportunity.”

Pure pot still Irish whiskies produced from a mixture of malted and unmalted barley such as Redbreast (also produced by Irish Distillers) are a rarity nowadays. Distillers generally add cheaper grain whiskies to create what are effectively blends.

The 80sq m Irish Whiskey Collection is located in DAA’s main travel retail departures shop within the new terminal. It stocks around 125 lines, including hard-to-find brands such as Kellan’s, JL Sullivan, Inishturkbeg and Slane Castle.

DAA hired Irish whiskey expert Heidi Donelon to assist with the development of the store concept and staff product knowledge training.

Irish whiskey is DAA’s largest liquor category at Dublin airport, which in turn generates around 17% of overall retail turnover.

Passenger figures look good for 2011



Global air passenger traffic continues to recover strongly from the international financial crisis, according to figures released by Airports Council International for the first 11 months of 2010.

November 2010 proved a record month for the airport industry with passenger traffic increasing nearly 7%.

Traffic for the first 11 months of the year rose 6.5%, but it remains to be seen whether particularly extreme winter weather in Europe and the US during December will take the gloss off an otherwise strong year.

Asia/Pacific, the Middle East and Latin America

continue to grow at pre-crisis levels, but Europe and especially North America continue to lag behind.

Shanghai Hongqiao (+24.5%), Barcelona (+15%), Boston Logan (+13%), Amsterdam Schiphol (+11%), Manila (+16.5%) and Istanbul Ataturk (+12.5%) were some of the fastest growing airports during this period, while Mexico City (-22%) and Tokyo Narita (-7.5%) suffered steep declines in international traffic.

The fortunes of the airport sector are crucial for the global travel-retail liquor business, generating nearly 60% of total sales in 2009.



In Brief

Copenhagen-based Belvedere Duty Free has announced changes to its senior management team. Managing director Wotjek Wydro has left the company and Torben Vedel Andersen has been named director of global duty free. He will report to Belvedere Scandinavia managing director Henriette Holmgreen, who has returned from maternity leave. Christina Nordam Andersen has joined the company as marketing coordinator.

The Tax Free World Association, the organiser of the annual Cannes travel retail trade show, has re-elected Erik Juul-Mortensen as its president.

Delhi Duty Free has become the only Indian retailer to stock the ultra-premium F Vodka Luxury Collection at its shops at Delhi international airport’s Terminal 3. Branded to 24-hour international fashion broadcaster fashiontv, F Vodka is priced at about \$48 per bottle.

Pernod Ricard Asia Duty Free has opened a second Martell Experience Boutique within Asia/Pacific at Kuala Lumpur international airport.

Italian spirits and wine group Distilleria Bottega has reported that its travel-retail sales rose 30% last year.

Courvoiser partners with Virgin Atlantic

Maxxium Travel Retail (MTR) has signed a multi-element deal with Virgin Atlantic for Courvoiser cognac, which it hopes will serve as the ideal model for future in-flight listings.

The agreement not only sees Courvoiser VSOP listed for sale with the carrier in-flight retail programme, but also served to passengers as a pouring cognac.

A 3-D film about the heritage of Courvoiser is being shown onboard Virgin’s in-flight entertainment system.

At Virgin Atlantic’s Clubhouse lounge at London Heathrow the Courvoiser XO and Exclusif lines will be served both neat and in cocktails.

MTR has given the airline’s bartenders training on Courvoiser and a special dessert has been created to

complement the cognac for those passengers dining at the Clubhouse.

Commenting on the deal, MTR managing director Glen Williams said: “It is unique for us to be able to reach the customer at so many touch points in their journey.

“We have got food pairing; we are serving cocktails, as well as offering the brand to customers neat. We are also training Virgin’s bar staff. All these elements have developed from a genuine partnership between MTR and Virgin.”

Within Europe Courvoiser is also listed on several other carriers, including SAS and Finnair. MTR’s goal is to make Courvoiser the best-selling cognac brand in European travel-retail by 2013.



Diageo and Moët Hennessy join forces to create new Dubai store

Diageo Global Travel & Middle East (GTME) has opened a new luxury spirits and champagne store at Dubai international airport’s Terminal 3 in collaboration with Moët Hennessy and Dubai Duty Free (DDF).

The 150sq m Emporium outlet showcases Diageo’s Reserve Spirits portfolio, which includes brands such as Johnnie Walker Blue Label, Ketel One and Tanqueray No. 10, as well as Moët Hennessy’s champagne brands (Dom Pérignon, Moët & Chandon and Veuve Clicquot), and Hennessy cognacs.

The central feature of Emporium is a gold faceted cocktail bar staffed by professional bartenders recruited, trained and managed by luxury hospitality chain Le Méridien Group.

On either side of the bar are retail galleries operated by DDF, which showcase

the various brands stocked with tabletop displays featuring detailed information about brand history, flavour profile and production process. Sidewall displays feature ultra-premium lines such as the \$3,000 The John Walker.

At the front of the store space has been allocated for promotional displays, while at the back an Experiential Zone provides customers with the opportunity for in-depth mentoring and sampling with Diageo brand ambassadors.

The aim of Emporium is to attract high net worth Asian and European passengers using Terminal 3, who would otherwise tend to ignore the more mainstream liquor offer at DDF.

Diageo GTME is DDF’s leading liquor supplier and the company’s sales at the UAE airport operator last year totalled some \$43m.

Elit by Stolichnaya is a hit in Beirut

SPI Group has reported huge sales increases for its ultra-premium vodka, Elit by Stolichnaya, during a recent promotion at Beirut International airport.

The month-long promotion, which ran until early December last year, led to a sales increase of 1,106%.

The promotion featured a branded bar in the airport’s main departures shop and a stand in the arrivals area.

Stolichnaya bartenders and hostesses served passengers Stolichnaya cocktails and a

branded keychain was offered to customers as a gift with purchase.

“We are particularly delighted that our promotional activity was also the most successful Beirut Duty Free has ever seen from a high-end vodka,” said SPI Group global duty free and travel retail director Jean-Philippe Aucher.

The promotion’s strong results underline the potential of the Lebanese travel retail liquor market, unfettered by many of the restrictions relating to other Middle Eastern markets with regards to sampling and advertising.



Big boys think a little smaller

Global domination is suddenly off the agenda for wine giants such as Constellation and Foster's.

Graham Holter considers the scaled-down ambitions of international brand owners

Constellation Brands could barely conceal its delight when it sold its Australian and UK wine business in December to Champ Private Equity. For a company which once seemed bent on global domination, Constellation is retreating to its core US market with remarkable zeal, while licking its wounds following a global adventure which has cost it millions of dollars. At least those losses can't get any worse.

Fellow superpowers in the wine market are also engaging reverse gear. Pernod Ricard has cashed in on Lindauer and its other New Zealand wine assets and partially confirmed what many commentators have been saying for years: it's really more comfortable as a spirits company than as a global wine business.

Brown-Forman appears to be reaching a similar conclusion with Fetzer, a Californian wine brand that does not sit altogether happily in a portfolio containing Jack Daniel's, Southern Comfort and Finlandia. In Australia, Foster's has decided that beer and wine don't mix, and is eagerly preparing to demerge its wine division, which has given it headaches since the somewhat reckless A\$3.5bn purchase of Southcorp in 2005.

Consolidation was once the watchword in the international wine industry: the big would get bigger, and take advantage of such vast economies of scale that eventually just a handful of corporations would control the global branded wine market. Now the downsizing can't happen quickly enough.

In the case of Constellation, critics maintain

that some of its problems were of its own making; others were just down to bad timing. Consultant Ian Tottman, a former vice-president of Southcorp, is among those who believe Constellation was bogged down by too many brands. But oversupply issues in Australia, and unfavourable currency movements, were beyond the company's control.

Exchange rate issues have been particularly acute as far as the UK – the world's biggest wine importer and Australia's principal export customer – is concerned. "It was 2.4 dollars to the pound about six years ago and now it's 1.6," says Tottman.

"There's no way they have been allowed to pass on those currency moves on all those products. That in itself hampers profits dramatically. Then you've got the amount of wine available compared with overall demand, and then you've got competition generally and, fourthly, retailers wanting to keep prices down and be heavy on promotions. One of these things alone would be a storm. Four together is probably a tempest."

Fundamental issues

Another industry consultant believes the Australian and UK business suffered as a result of its remoteness from the corporate HQ. "Fundamentally, Constellation did not understand the UK market," he says.

"It had an acquisitive stance, buying everything that moved, but there was a lack of coordination, some indifferent management, and a blooming cost base against the backdrop of a tough marketplace.

"Add to that the wall of wine coming each vintage from its many wineries, and the promotional stance



taken by the senior team at Constellation over many years, and you have a recipe for pouring money down the drain and removing shareholder value from the business. Big is not beautiful by any stretch when you look at wine globally."

All large wine corporations have a balancing act to perform with volume. Too little, and they risk being outflanked by their myriad competitors and disappointing their customers; too much, and they end up flooding the market with cut-price wines that contribute to a longer-term deflationary cycle. Constellation has been vocal in its opposition to duty increases in the UK, which it has blamed for the job losses of the past few years. But many believe the company contributed to general falling profitability in the market by becoming too volume-obsessed.

Another UK trade insider says: "To this day I have never come across [another] senior management team that is bonused on volume, rather than profit. The net result was simple: management ordered too much inventory from Australia to hit increasingly high bonus volumetric criteria, and stock needed to be cleared at whatever price – hence the development of the BOGOF."



Gallo vineyards



Michael Mondavi: “Family-owned businesses have a big advantage over the large companies”



There is debate about where exactly BOGOFs – buy one, get one free – deals began in the UK. Hardys Crest was certainly an early example, along with Rosemount, a brand whose fortunes in the UK have declined since the mid-’90s heyday.

Tottman says: “When you start a price structure that relies on the scale as opposed to the profitability per unit, and you get changes in the mix – cost of goods, currency, taxation – it just makes it very difficult to match profit expectations. When volume goes down, profit collapses, and in my view that’s what happened with Constellation.”

Economies of scale

Tottman does not think recent events prove that economies of scale can’t work across continents in the wine business, citing Gallo as an example of an international corporation which has thrived.

As a family-owned business, perhaps Gallo has been immune from many of the short-term shareholder distractions that have plagued some of its rivals. Indeed the point was made recently by Michael Mondavi, who has been running Folio Wine Partners in California since 2004, after his father’s

business was bought by Constellation.

“I think the family-owned businesses today and in the future have a big advantage over the large companies,” he says. “When I was running Robert Mondavi and we were a public company, the financial analysts would be all over me every quarter. There was a struggle between long-term strategic value for the business and short-term gains for the investors.

“One of the problems of being a publicly-owned wine company is you get no credit from the financial world for the appreciation in the value of the assets. If you want great wines you have to start with the soil and terroir. You need the assets tied up in wonderful vineyards. Their value may triple in price, but you get no credit for that in the public market.”

Kym Anderson is the George Gollin Professor of Economics and executive director of the Wine Economics Research Centre at the University of Adelaide. “History shows large corporations tend to buy into the wine industry on the upswing of cycles, and exit with their tail between their legs in the slumps when their quarterly reporting looks poor,” he says.

“Private equity firms then may come in at fire-sale prices and use their massive cashflow reserves to hang in until the asset values return to trend, when they sell them to realise the capital gain.

“The main economies of size come from accumulating market and marketing knowledge, which can be a public good within a multinational firm. That can be exploited to fill market niches from anywhere on the planet, and can be done by accessing grapes from private growers without necessarily having to plant their own vines.

“Mechanical harvesting advantages apply to smaller as well as larger growers, and viticultural knowledge can be passed on through grower liaison officers, so firms don’t have to own large vineyards necessarily.”

Like Tottman, Anderson believes family businesses could be the long-term survivors among the wine suppliers operating on an international scale.

He says: “The larger private, often family-owned wineries may be the ones to persist from one cycle to the next, and the most cashed-up of them can play the same role in downturns as the private equity firms.”

DI

Beyond Beynat

Hamish Smith talks to **Robert Beynat**, architect of Vinexpo, about his life, his globally admired creation – and bullfighting

Behind a smile that can both warm and disconcert is Robert Beynat – Vinexpo’s creator and leader of 30 years. He is known for having an uncompromising reputation in business, but for today’s interview he has disarmed. His striking red tie is absent, his pinstripe shirt unfastened at the collar and the gold-buttoned wings of his blazer drape by his side.

Now well settled into his sixties, Beynat retains an undiminished ebullience for the wine and spirits business. Naturally, three decades at the apex of his particular field have left him packing an opinion or two. So, on the eve of Vinexpo 2011 (June 19-23) – the 16th of the series – Beynat looks back.

“At the end of the ’70s Bordeaux wine was in crisis. The wine companies were sick and their reputations amateur. The chairman of Bordeaux Wine came to the Chamber of Commerce and asked: ‘What can you do for us?’” says Beynat, cueing his impeccably-timed involvement.

“I took my bag and visited the Bordeaux companies. I continued to Burgundy, Côtes du Rhône, Champagne and I went to the US to visit Robert Mondavi. I could see there was no place of market where buyers met sellers. A lot of wine festivals for the consumer existed, but not a place where they [the trade] met bi-yearly.”

Beynat’s plan was an international remedy for a regional ailment. But, against a backdrop of burgeoning global competition, it is perhaps not surprising his vision was met with scepticism in Bordeaux. “When I said we have to invite other countries – our competitors – they said: ‘Are you crazy?’”

In time Beynat persuaded those who needed persuading and in 1981 a private company was born, courtesy of the Bordeaux Chamber of Commerce. According to Beynat, this was the first international trade wine fair in existence and in its inaugural year it attracted 524 exhibitors from 21 countries and 11,000 trade visitors from 50 countries. Fast-forward to the latest Vinexpo and the evolution is evident. In 2009 2,400 exhibitors from 48 countries attended and nearly 47,000 visitors of 135 nationalities were present.

In 30 years the landscape of the industry has changed immeasurably. “The markets have grown, the value and the quality of the product has increased. Wine is penetrating everywhere,” says Beynat. Production is also spreading. In recent forecasts released by Vinexpo (courtesy of IWSR 2010), China is predicted to rise above Australia in

STANDING IN FRONT OF A BULL OF 500-600KG, WITH ITS HORNS, IS IMPRESSIVE. OF COURSE THERE IS BLOOD, BUT SOMETIMES THE BULL WINS



production volume by 2014. To Beynat, this is a positive trend as it creates consumer markets for the future. “Especially the countries that don’t [traditionally] drink wine: India, China, tomorrow Brazil. Vinexpo’s role is to help the trade to develop consumption in wine and spirits.”

The man

Beynat was born to French parents in the then-colonised Casablanca, Morocco. He left as an eight-year-old when independence came in ’56, moving to Angoulême, 70 miles north of Bordeaux.

“When it was time to go to university, I went to Bordeaux. I married a Bordelaise and now I live in downtown Bordeaux and work in one of the most beautiful offices – the Chamber of Commerce – by the fountain, along the river.”

Beynat has been busy. Since Vinexpo was created in 1981, its attendance has grown by 400%. He has created Vinexpo Overseas, worked at the Chamber of Commerce for 30 years and even managed a five-year stint as chief of Bordeaux airport. And there was also the military.

“I was 27 and military service was obligatory. So I left work and spent one year doing nothing. Fortunately the air

force base was in Bordeaux airport. Twenty years after, they invited me to be CEO of the airport,” Beynat says, laughing throughout.

Despite holding down three concurrent, highly demanding jobs in the same city, according to Beynat there wasn’t a conflict of interests. But that doesn’t mean there weren’t conflicts. “I fought a lot with the low-cost airlines,” he says, talking of his time at the airport. “Michael O’Leary [CEO of Ryanair] is not my friend. We spoke many times, but I didn’t trust low-cost airlines. I kept Ryanair out of Bordeaux airport.” When Beynat departed in 2004 – thanks to the increasing workload of Vinexpo Overseas – low-cost airlines arrived, and eventually so did a dedicated terminal.

Vinexpo’s Asian sister event also runs biennially, and in all but two cases it has been held in Hong Kong. “Twice it has been held in Tokyo, but the problem is that the Japanese will not give visas to the Chinese,” says Beynat. “The Koreans don’t like to go to Tokyo, but in Hong Kong everyone can enter – everybody loves Hong Kong – so that’s where it will stay.”

On the back of Asia Pacific success ensued the

less than fortunate Vinexpo Americas in 2002. “I decided it would be in Manhattan, New York, the most difficult place in the world to organise something,” says Beynat. Organising a wine and spirits event in the post-September 11 climate threw up a different sort of challenge. “The ambience in New York and in America was not good,” recalls Beynat, “but the mayor, Michael Bloomberg, said: ‘Please come, you will show the people of New York that you are confident in their future.’”

Despite a difficult time in New York, in 2004 Beynat tried once more to break into the US. This time the setting changed, with Chicago as host. But a disadvantageous political climate remained – in ’04 it was anti-French sentiment engendered by the French government’s opposition to the Iraq war. So for Beynat, Vinexpo Americas represents unfinished business: “Perhaps one day we will go back to New York,” he says. “It remains in our minds.”

Beynat talks with great respect for the American wine industry. He says that, in the absence of a good bottle of Bordeaux, he likes nothing more than a Pinot Noir from the Napa Valley or Sonoma County.

Profile

Beynat on...

Coffee Frankly speaking I do not like coffee. You’d be shocked, the only coffee I drink is American coffee... You are shocked!

Tea I have drunk Earl Grey every morning and afternoon for years.

Wine innovation You can change the label, you can change the bottle, but this is not innovation. The only ones innovating are the [people of the] spirit business.

Low alcohol wine In the end it’s not wine, the taste is not there.

Australian wine They have lost a lot of money in the UK market. If you want to buy a [wine] company in Australia, it’s easy.

His son Sydney People say we are like twins, I don’t feel it.

Drinking I have two glasses – no more – at lunch. But also two glasses at dinner; plus a scotch.

English wine I’ve only tasted some white wine – well done.

New Zealand wine They make very good wine. Sometimes they come [to Vinexpo] sometimes they don’t come, but they produce very little and they don’t have problems selling it.

His Vinexpo shares I’m a small shareholder.

Yet white wines hold little favour: “I drink few white wines,” he says. “I’m sorry to say that it is not difficult to make white wine. I’m not talking about Château d’Yquem from Sauterne – which are special wines – but dry white wine.”

A glance at Beynat’s CV reveals another of his favourite pastimes. “I have a house near Biarritz – where bullfighting is a tradition,” he says. “It’s a pleasure, a feast – seeing all the people, the colours, the sun and the beautiful costumes. It’s a fight between man and a wild animal. Standing in front of a bull of 500-600kg, with its horns, is impressive. Of course there is blood, but sometimes the bull wins.”

Beynat clearly enjoys his leisure but thoughts of a more full-time arrangement are still distant. “For me it was possible to retire at 57, six years ago. My idea is to continue for as long as I am strong enough. I am in London this week, Tokyo next.”

With Vinexpo 2011 expected to attract 50,000 visitors – the venue’s capacity – and Beynat’s apparent desire to keep the Vinexpo train chugging, that winning smile may be with us for a while yet. Next stop New York? **DI**



Shutterstock: tovoan

Head for the bright lights

It's that time of year when Moscow becomes the focus for the drinks trade as the curtain rises on the lively and eclectic Prodexpo show.

Lucy Britner offers a snapshot of what's on offer

Last year's Prodexpo was as colourful as ever



MOSCOW IS GETTING READY TO SHOW the world its wares at the 18th annual Prodexpo. Organisers have said they expect more than 60,000 visitors to attend the event.

For most working in the booze trade, vodka is going to be the main attraction. The show dedicates lots of space to its nation's favourite tippie and you can expect to see stands that look like small houses, lots of dancers, people in costume and perhaps some blindfolded cocktail making. Vodkas on offer will range from flavours including horseradish to ultra-premium products with bespoke bottle designs.

If vodka's not your thing, the main alcohol hall also plays host to brandies and cognacs and you can expect to see glass cases with ornate bottles, sophisticated stoppers and a touch of Russian glamour.

But the show's not all about hard liquor. The Austrian Wine Marketing Board and Wines of South Africa have taken stands for 2011. You can find Austrian wine in pavilion 2.1, stand 21E46 and WOSA in pavilion 8.1, stand 81A90.

WOSA's man on the ground, Vladimir Gorodkov, says 2011 marks the sixth time WOSA has exhibited at the event.

He adds: "We consider this show as the most important on the Russian wine market. Every year we introduce new

What? Prodexpo Food, Beverage & Food Raw Materials

Where? Expocentre, Fairgrounds, Moscow, Russia

When? February 7-11 2011

producers and many of them have found reliable partners in Russia over these years. This year again we'll bring six new SA wine companies to Russia: Aruba, Maison Joubert, Slent Farms, Swartland Winery, Vondeling and Waterstone Wines.

"One of the companies – Vinimark – is present on the Russian market already and is using this fair to get additional exposure to one of its brands, Robertson Winery."

When it comes to varietal wines, Gorodkov says Cabernet Sauvignon, Merlot, Chardonnay and Reisling are among the most recognised, along with Pinot Noir and Pinot Gris. Pinotage and Sauvignon Blanc are the most requested South African wines.

Notable events for the drinks trade include the Congress of Regional Alcohol Distributors. To find out more about this event, visit krda.ru or email kit@kitmedia.ru.

The show also plays host to the 13th International Alcohol Sampling Contest, organised by Stolichny Stil Company. For more information, visit stst.ru.

Central Europe

In recent years I've noticed a distinct rise in the number of central European bartenders coming into London. In particular the Czech Republic and Slovakian representation has risen and the individuals in question are staking claims on competitions and generally flexing their mixing skills next to the best in the bartending world.

The Polish are here too and, increasingly, some of the lesser-known cocktail nations – and they're not only holding their own, they're starting to set the pace in some establishments.

Erik Lorincz is a good example, formerly of the Connaught and now at the American Bar at the Savoy. This is a bartender who took his schooling in the internationally celebrated Paparazzi bar in Bratislava and came to London in a bid to hone his skills, doing so without understanding English and learning as he swept the floors of bars.

Alex Kratena, meanwhile, has won countless cocktail competitions and enjoyed a lengthy spell at the fantastic Artesian Bar at the Langham, not only making

some of the best drinks in town when he's there, but travelling the world to learn more about drinks.

Then there's Zdenek Kastanek, a bartender who can be found behind the stick at the award-winning Quo Vadis in London, but who trained in the Czech Republic before working in bars across Central Europe. Kastanek also travelled to Australia, working on the opening team at the Lincoln Bar & Restaurant then the Bayswater Brasserie.

Ales Olasz over at Montgomery Place helped me write an absinthe feature two years ago and certainly knows his cocktail onions.

And the list goes on: Marian Beke who recently worked on opening teams at Purl and Nightjar; Ladislav Piljar who enjoyed a spell at the multi award-winning Merchant Hotel bar in Belfast before a stint at Mark's Bar at Hix, and now at the Savoy.

Ask around and other names emerge: George Nemec, Ondrej Pospichal, Petr Dvoracek – and there are plenty more out there in the world of bars, all from this region.

I'm undoubtedly missing a few and I apologise in advance, but the point is, they've already made an indelible mark on the global bar scene. More importantly, their stature makes essential a focus on central Europe and the countries that bestowed upon them a cocktail enthusiasm and training.

Do a Google search on central Europe and you'll get a few variations but we looked at a region coming down from Estonia, through Latvia, Lithuania, Poland, Czech Republic, Slovakia, Slovenia and Hungary.

This is a vast region so we called time there, but the survey that provides the Top 50 Bars of the World is ongoing and we'd urge bar professionals to tell us more about the bars in their country. If you think you're great, then let us know.

Naturally this write up includes some views from bar professionals in this region, both those working there and those who have travelled. Turn the page for a list of the bars these and other bar professionals voted as the region's best.

Tom Sandham, *World's Best Bars* editor

Shutterstock: Kalano

FOCUS ON POLAND

The experts' view

Robert Zajackowski, from Wrocław in Poland, now at Baltic in London

There are a lot of interesting, arty little bars in the big cities of Poland right now and things are changing. There's no doubt some customers in Poland still drink their vodka neat, but we are finding this is rare in the best bars in the country, where cocktails are becoming more important.

Paparazzi is one of the best bars in the country and the standards can seem as high as London. This is likely to continue because bartenders earn a reasonable wage there and many are travelling to cities such as London and coming back with all this experience. Polish bartenders are also getting support from brands – they are helping to deliver bartender strategies and turning it into a career.

The cities setting trends include Poznań, Gdańsk and Kraków. Where I lived in Wrocław you also have some interesting venues. I love Kalambur – not a cocktail bar but a really cool place and a lot of the bars are like this. The best have that sense of history and aren't necessarily trendsetting cocktail bars.

Alex Kratena, from Brno in the Czech Republic, now works at the Artesian bar in the Langham Hotel in London

I must admit when I go home I usually head to beer pubs and beer remains a very important drink for my countrymen. Beer is in Czech genes I believe, and that will never change. However, wine is having something of a boom in the Czech Republic right now.

And cocktail bars are up and coming. I don't necessarily think about hotel bars making it big right now. In central Europe the most important cities are Pilsen, Prague and Bratislava and the Slovaks have been most progressive. I think people behind bars in Bratislava are forward-thinking, travelling, communicating with the rest of the world as well as organising interesting events, seminars and tastings. There is a great magazine of very high standards called *Bar Magazine* and Slovaks, I believe, also were the first ones to organise their own bar awards. I admire our fellow colleagues in central Europe, because I realise they have to put much more energy and effort into the whole thing, rather than us in London having everything served on a plate.

My favourite bars are Hemingway Bar, Paparazzi, Black Angels, Sky Bar & Lemon Tree and Bugsy's. Simply great bars, wonderful environment, top drinks and delightful service; great times. It is always bartenders and barmaids who make the place special.

There is certainly a future for cocktails, however lots of work needs to be done by both on and off-trade as mixed drinks have never been part of Czech drinking culture and mentality. It's up to the young people and spirit companies to push this forward. But the one thing that must improve in the region is service.



PAPARAZZI

Mazowiecka 12
Warsaw

paparazzi.com.pl

#1

A runaway winner for the Polish region, this bar came up with a number of the bar professionals interviewed.

Warsaw is currently regarded as the leading city in Poland and possibly in the region beyond. Part of a Polish chain (there are five in the portfolio), this is a need-to-be-seen-at sort of venue with a commitment to mixed drinks and partying hard.

The menu is massive – a mix of old and new with a strong commitment to the Martini (predominantly vodka of course), with Absolut also enjoying plenty of love and even a Grasshopper on the list.



BAROCK

Sw. Jana 16, Kraków

Cocktails are the order of the day here, with nibbles and a secret garden to accompany them. It's an intimate space, made seemingly larger by all the mirrors.

#2

KALISKA

Piotrkowska 102, Łódź
klub.lodzkaliska.pl/

Warsaw might be leading the way, but smack bang in the middle of the country is Łódź, with a number of options. This is regarded as the best and is set over a few floors with a commitment to great art on the walls and party drinks on the menu.

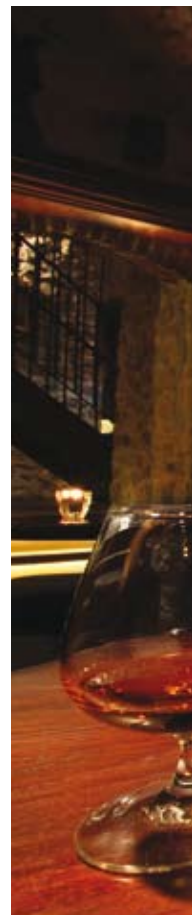
#3

KEBAB HOUSE CLUB

Piotrkowska 91 (2nd floor), Łódź

As its name might suggest, this second floor venue offers food and, by all accounts, it's tasty and good value. But it's a club as well and the bar staff and drinks selection also earned respect from voters.

#4





Piotr Mocek, Paparazzi general manager, has this to say:

"Paparazzi is class and style in its purest form, a place with an unprecedented climate and a perfect meeting place for friends and for informal business meetings.

"Paparazzi has been designed in an elegant and refined style. Late afternoon at Paparazzi is a time of oblivion and relaxation. On weekends the place becomes a paparazzi magnet with seductive, modern rhythms played by the excellent DJs and sophisticated cocktails created by the best bartenders.

"Paparazzi is famous for the best cocktails on the world level and takes part in all international fairs, such as bartending in Berlin and London and regularly participation in international training in the preparation of cocktails. For example, our bartenders will learn the preparation of the Mojito cocktail in a place of its creation, Cuba.

"The most popular drinks served are Mojitos and Margaritas."



Black Angels, Prague
(see page 29)

FOCUS ON LITHUANIA/LATVIA/ESTONIA

The experts' view

Kamila Ohlopkova, manager, B-Bar, Riga, Latvia

We're noticing in Riga right now that customers are becoming better educated. Everyone knows what they want – wine, beer or cocktails. The idea that the people here might only drink vodka is certainly wrong. The most popular cocktails in our bar include the Mojito, Cuba Libre, Balsam Freshness (cocktail with Riga black balsam) Hot Balsam (a hot cocktail with Riga black balsam) and Long Island Iced Tea.

We have a mix of styles when it comes to bars – yes we have wine bars and beer taverns and I'd say wine culture is growing, but many of us are looking to London, Barcelona, Hamburg and Berlin for trends, so this is always changing.

For us at B-Bar, our speciality is cocktails and educating the customers in high-quality alcohol drinking. We see ourselves as trendsetters who created a new cocktail concept that focuses on feelings. We need more investment to improve, but our future here is definitely in cocktails.

Kristo Tomingas, of the Butterfly Lounge, Tallinn, Estonia

The Butterfly Lounge is a modern bar and shows how things are changing here. We serve drinks according to the recipes of the owners – myself and Heinar Õispuu. We always have customers in who enjoy cocktails, they know us in Tallinn so they are requesting the cocktails we have invented.

Elsewhere in the central Europe region we see Warsaw as the most important city for drinks.

But drinking cocktails is a growing trend in the bar business of Estonia today. I'd say that Estonia has very strong bartenders.

In terms of drinking trends here, fresh cocktails are definitely getting more and more popular, also we're using a lot of herbs. In Estonia there are many competitions for bartenders and they also tend to go to educate themselves abroad, so I am sure the future for cocktail culture here is bright.

And in terms of bars, well, hotel bars are not popular in Estonia at all. More people go to beer taverns but in the night life of Tallinn it's the lounges with live music that seem most popular. Good food and good drinks help.

I think that bars here are improving already, so we mainly need just time and bars to keep developing.



B-BAR

Dome Square 2, Riga, Latvia bbars.lv/en/B-bar-restaurant

Listed as a restaurant, this is deemed one of the trendsetters in the Riga when it comes to the cocktails. It's also worth trying the Balsam, apparently, which is the local liquor. The menu offers up fresh and fruity as well as after-dinner cocktails and even erotic drinks. Which we'd be keen to try. Some of them appear to be quite disco in appearance but the venue is evidence of changing trends in this part of the world as the bar staff look to improve themselves through regional and international cocktail competitions.

3 THANK GOD IT'S FRIDAY

Kalku 6, Riga, Latvia

fridays.lv

With its focus on burgers over cocktails it's surprising this place took the plaudits, particularly in the face of the more contemporary Cream, or even Skyline for the views. Even so, the TGI brand remains popular, even here.

4 COZY

Dominikonu 10, Vilnius

cozy.lt

Cozy by name and cozy by nature, this is a little bar framed by exposed brickwork, filled with DJs and late-night revelers drinking from a modest list of classic cocktails.

5 CUBA BAR

Jauniela 15, Dome Square, Riga

cubacafe.lv

Mojito shots and Latvian DJs playing everything from funk to reggae. It's like walking into a Havana bar in Riga. Which is what this is.

BUTTERFLY LOUNGE

Vana-Viru 1, Aia 4, Tallinn, Estonia

kokteilibaar.ee



Opened in October 2010, this place has been home to some of the country's leading bartending lights, including Heinar Õispuu and Kristo Tomingas.

Staff work from a cocktail menu offering 40 drinks that are based on internationally known alcohol brands. They also serve up decent dishes for the hungry.

FOCUS ON CZECH REPUBLIC/SLOVAKIA

The experts' view



Zdenek Kastanek, from the Czech Republic, now in London as head bartender at the award-winning Quo Vadis

There have been big changes in recent years, because bartenders are travelling a lot and big spirits companies are finally starting to realise there are bartenders here who are of a world standard. Perhaps by volume there are still a lot who are working in clubs serving the likes of Cuba Libre and vodka & Red Bull etc, but there is a strong interest from others in real cocktail culture and more common these days are Manhattans, Cobblers, Smashes and things such as Gimlets or Margaritas. In terms of styles of bars I don't believe there are many hotel bars that offer something special. Taverns are always popular and beer is massive, particularly in the Czech Republic. But we still have proper drinks joints – American style cocktail bars, classic Prohibition style. These are becoming more popular. We've had a few bars making lists of the best bars in Europe, northern hemisphere or the world. A bar called Buggy's open 15 years ago in Prague and since then it has been on the main stage for bartending in this area. Bratislava has the globally renowned Paparazzi bar and UFO Restaurant. The Hemingway bar in Prague opened a year ago and has already made it to a list of the top 100 in the world. One to watch out for is Black Angels [Prague]. This place uses freezers instead of ice wells, with seven different styles of ice, and has as many as six big names of international bartending behind it. By having a few well-known bartenders living and working in every major bar city in the world, the future for bartending in this region is even brighter than ever. These guys keep coming back home and work closely with those who stayed. The likes of Ales Puta, Vaclav Vojir, Pavel Sima, Lubos Racz and those involved in the Czech Bartender Association are all worth keeping an eye on there. They're doing great things.

World bars: quest for the best

In the seventh of *Drinks International's* in-depth surveys, owners and managers of 50 elite bars throughout Central Europe were contacted directly by Leslie Henry Research to learn their choice of top bars and spirits. This month's report covers the best bars within this area, as selected by this group of industry insiders.



PAPARAZZI

Laurinská 1811 01 Bratislava, Slovakia paparazzi.sk

Widely regarded as one of the best in the region, this bar has given birth to bar professionals who have proved to be world beaters. The cocktail is king here to the point that they publish a bi-monthly magazine for bartenders in the region. Sitting in a fine 19th-century building, the smart and sexy design makes it a very pleasant space, and it's also recommended for a bite to eat. But it's the contemporary take on mixed drinks that helps it shine. Owned by the Red Monkey Group, also under its umbrella is the UFO bar, also earning plenty of plaudits from the global bar community.



BLACK ANGELS

Staromestské
náměstí 29, Prague

This 1930s basement-style bar has exposed brickwork so impressive it actually feels like a catacomb downstairs and there's a serious commitment to mixed drinks and detail – glassware alone is worth a look.

3 BUGSY'S BAR

Parizska 10, Prague 110 00
bugsysbar.com

The backbar spells it out for you with more than 100 whiskies and nearly as many rums. This is a relaxed environment to take a seat and enjoy a cocktail and one of the best bars in the region in which to do it.

4 HEMINGWAY BAR

Karolíny Svetlé 279/26. 110 00
Prague 5
hemingwaybar.cz

Famed for its absinthe collection, the bar (right) sets its stall out as a place for serious drinking but serious fun as well. It pays homage to Hemingway so expect a decent Daiquiri too.



Perceptions of tequila have been polarised, but **Lucy** finds a new level of quality helping to consolidate it

Breaking bar

Picture the scene: A style bar on a Friday night almost anywhere in the world. Sophisticated crowds are sipping tequila cocktails at £10/\$15 a pop. The author of the menu uses five or six words just to describe the tequila and the bartender has met the master distiller. Next door in the neighbourhood boozier, rows of students are pouring salt on their hands and cheap tequila shots down their necks. All that separates them is a brick wall.

For Mexico's tequila ambassador to Europe, Tomas Estes, this brick wall has become a metaphorical one he finds it hard to break through.

He says: "Tequila's image change has been going on for about 10 years and it's gaining momentum, but there's still a way to go. It's very well respected among bartenders but what I lament is that we haven't gotten beyond them [bartenders] as much I'd hoped. We've got the choir but we want to get the message over the wall."

International vice-president for Olmeca and Pernod Ricard's tequila business Olivier Fages agrees. He adds: "While tequila is among the favourite spirits in the bartending community, there is still vast opportunity for growth among consumers who are just beginning to explore the spirit in cocktails and mixed drinks."

Industry consultants Cognosis goes as far as saying that tequila's image change is 'niche'.

Cognosis director Justin Bater says: "Currently it's a very niche trend. Patrón has shaken up the

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category among consumers and trade ‘in the know’, and changed some of the rules by adding different packaging and a stronger quality dimension to tequila.

“In the US, Patrón is rapidly achieving ‘icon’ brand status and it’s securing good shelf presence in the premium London on-trade. But overall, outside the US, tequila is still massively underdeveloped. It’s not understood by the vast majority of consumers.”

So how can tequila producers and ambassadors serve the no-man’s-land between the style bar and the student bar?

Perhaps one way would be not to deny the tequila drinking population a shot.

Call the shots

Estes puts it like this: “Personally, I want to change the image of tequila without denying the shot. What I preach is that it can be a fun part of tequila – authentic Mexican shot glasses, a sense of adventure and ritual.”

In the UK, Monte Alban Mezcal distributor Hi-Spirits’ chairman Jeremy Hill says tequila and mezcal brands have long been seen as party spirits and brands shouldn’t deny consumers that pleasure.

“The reality is that most consumers see it as a party spirit and we’d be limiting its potential if we put the focus on Monte Alban as a connoisseurs’ drink,” says Hill. “We mustn’t lose sight of the fact that people are out to enjoy themselves.”

That’s not to say Hill doesn’t see premium

potential in the category and he adds: “There is undoubtedly a growing number of consumers out there who appreciate the quality and heritage of authentic mezcal and tequila and we’re happy to work on bespoke support for the brand for bars which serve it as a sipping drink.”

Estes does also try to get bartenders to think about serving tequila in different glasses. “Usually a tasting glass,” he says. “It flatters the drink, adds value and tells the consumer a different message.”

Diageo’s Don Julio global brand ambassador, Brian Van Flandern, has been working to change the serve of tequila with the Luxury Drop campaign (*Drinks International*, September 2010) and, according to Diageo’s president of tequilas, Maggie Lapcewich, the company is planning to take the Luxury Drop concept to the off-premise through “customised retail events”.

As well as not forgetting the party aspect of tequila, if producers want to take on other spirits and change tequila’s reputation, then quality is key. For many consumers, their lasting memory of tequila is likely to be a cheap shot at the end of a drinking session. The phrase “I’m never going to drink this stuff again” often follows.

Quality efforts

But when you look at the figures, the message of quality does seem to be getting through. In 2010, sales of 100% agave tequila were 30.5 million litres up on sales of other tequila (Camara Nacional de la



Industria Tequilera).

Patrón COO John McDonnell says people across the world are starting to understand the difference between low and high-quality tequila.

He adds: “People have begun to realise how big the differences are between a low quality ‘mixto’ tequila and a high quality 100% agave tequila such as Patrón.

“That awareness has definitely taken hold in the US, but as an industry it’s a message we need to continue to educate consumers on, and certainly in some other parts of the world where the tequila category is less understood, it’s very important that we educate on those differences.”

In response to demand for 100% agave tequila, Pernod Ricard launched Olmeca Altos. The drink was a collaboration between Olmeca

► p33



Sauza

master distiller Jesus Hernandez and two famous bartenders - Henry Besant and Andrés Masso.

The company has also introduced Olmeca Tezon, which it claims is one of the few 100% agave/100% tahona (the traditional stone wheel that gently mashes agave to extract the sugar) tequilas on the export market.

Latest moves

Besant is full of praise for some industry innovations, especially when it comes to upping the quality ante.

Among his favourite innovations is barrel ageing and finishing – in particular, Euro Wine Gate's (EWG) Excellia tequila. The company, which also owns the G'Vine gin brand, launched the tequila in November 2010, a culmination of a partnership between Jean-Sébastien Robicquet, brand creator and G'Vine distiller, and Carlos Camarena, tequila master distiller whose brands include Tapatío and El Tesoro tequilas – as well as the Estes-founded Ocho (Often). Camarena is also credited with creating the extra-anejo category.

The Excellia brand is made from 100% agave Tequilana Blue Weber and aged in ex-cognac and ex-sauternes barrels. The portfolio includes Excellia Blanco – aged a few weeks (legislation allows an ageing of a maximum of two months for blancos); Excellia Resposado – aged nine months (it must be aged for a minimum of two); and Excellia Anejo, aged 18 months (anejos have to be aged for a minimum of 12 months).

But Besant warned that some companies are rushing production of 100% agave tequila to keep up with market demand. A fan of the tahona method, he says: "Some brands are switching to aggressive production



methods to extract sugar from agave."

Also at the ultra-premium end, Diageo has launched Jose Cuervo 250 Aniversario to mark 250 years since Antonio de Cuervo received a land grant with which to cultivate agave for tequila distillation. The product is a 100% blue agave extra añejo tequila, aged in toasted new American oak barrels for a minimum of three years and finished for 10 months in sherry casks.

Estes, who founded the Café Pacifico and La Perla Mexican bar/restaurants in London, Paris, Amsterdam and Sydney, stocks the anniversary tequila at his bars and it sells for £250 a serving. He says: "These tequilas are important in terms of changing the image of tequila from 'never going to drink this stuff again' to the likes of single malts and cognacs."

So important does he consider this evolution in quality that he has launched a new expression of his Ocho brand – Ocho Curado. Estes has taken cooked agave and added it to blanco tequila, allowing it to infuse and create a sweeter, amplified tequila flavour. "This has never been done before," he says.

Connoisseur

The mention of single malts and cognacs brings us neatly to tequila's third avenue for development.

Diageo's Lapcewich describes the drink as a "connoisseur's

Tomas Estes hopes to change the face of tequila without losing its fun associations

(Above) Hand-labelling Patrón bottles

(Below) Jose Cuervo's 250th ultra-premium expression is a fine example of a 'connoisseur' expression



dream" – the type of assertion that often leads super-premium expressions of tequila to be compared to malt whisky and cognac.

She describes tequila as being "made using various processes, aged for varying lengths of time, resulting in significantly distinctive tastes that can be appreciated by the finest palates".

If this comparison really holds water it's worth asking if the big brands are heading off to China to cash in on connoisseur culture. Lapcewich says China, with "its propensity for fine, ultra-premium spirits, is seen as a great growth opportunity for our high-end tequilas", while Pernod Ricard's Fages describes China as a tequila market "to watch".

He adds: "The idea that tequila is 'increasingly enjoyed as cognac' is being referred to regularly and there is an element of truth in it. In China, Olmeca is still in its 'baby shoes', but we see continuous and strong growth."

Relatively new kid on the tequila block is Tequila Distinguido, whose brand manager Alonzo Pierce says: "China would surely play a huge role in the near future as tequila competes with the sniffers of the world."

The aficionados with the extra money to spend are trading up to reposados and añejos. These are especially great for the winter months, just as nice as a bourbon or scotch."

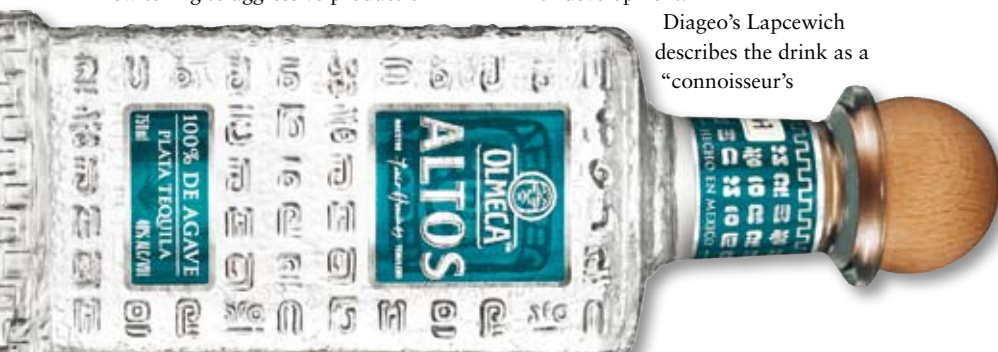
In the mix

Perhaps another way to meet the needs of the no-man's-land would be to further highlight the versatility of the spirit.

Estes says: "There's something in there for everyone and that's a real asset for the trade. Perhaps that will help enrich the image of tequila for the no-man's-land between cheap shots and super-premium tequilas."

Patrón's McDonnell is singing from the same hymn sheet. He adds: "We continue to reinforce to people how versatile and mixable this spirit is. Pretty much any cocktail that can be made with vodka or other white spirits can be created with Patrón tequila instead. The natural agave flavour really comes through in cocktails. As more people come to understand this spirit, the ultra-premium tequila category will only continue to grow."

Brick by brick, the wall is coming down. **DI**



**Bartenders
have rediscovered
liqueurs along with classic
cocktails, but are producers
doing enough to secure
category growth?**

By Jaq Bayles

Flavour of the month

There appears no end to the variety of flavours that can be appended to liqueurs. Indeed, if celebrity chef Heston Blumenthal was to venture into this arena, it would come as no surprise to see him creating a tomato ketchup-flavoured variety to accompany his famous bacon and egg ice cream.

But does the plethora of flavours add value to the business of liqueurs? Or does it merely mask the fact that there is a stagnation of innovation in a saturated category that is currently at a standstill at best?

The latest Euromonitor International figures continue to paint a rather unexciting picture of liqueurs, pretty much repeating last year's performance with global volume for 2010 down 0.5% on the previous year at 874 million litres, although value is up 0.9%. In a breakdown of the category, cream-based liqueurs have shed 0.5% volume but gained 0.4% in value, while other

**SLOWLY BUT
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HUUB VAN
DOORNE

LUCAS BOLS

**Bols NatuRaL Yoghurt Liqueur
is being hailed by its makers
as a true innovation**

liqueurs are down 0.8% by volume and up 0.5% value. The only sector making it into single-figure growth is bitters, with flat volume but an increase of 1.7% in value.

Such figures come as no surprise in a climate of near-global economic gloom, yet producers are remarkably upbeat about the immediate future for liqueurs, with some even suggesting the downturn has done the category a favour. Rob Preston, managing director of herbal liqueur Josef Meier's, is among them, saying: "If anything the economic crisis has been good for Josef Meier's. It's forced bar owners to review their offering and look for alternative products to protect their margin while still offering the consumer a quality product at an attractive price."

Lucas Bols chief executive Huub Van Doorne is in agreement, saying he is seeing a revival in the fortunes of high-end hotel bars as a direct result of this consolidation, notably on a recent visit



Shutterstock: Geanina Bechea

to London and in Amsterdam where his company is based. He makes the point that hotels are institutions of longevity – they see trends come and go and when they begin to struggle they are forced to review their ways of pulling in punters.

“Hotels are investing in bars again. People are looking for a new experiences again, a new environment. These bars use quality ingredients and products so that’s a good thing, and top bartenders are moving into these bars. That’s a good sign as well.”

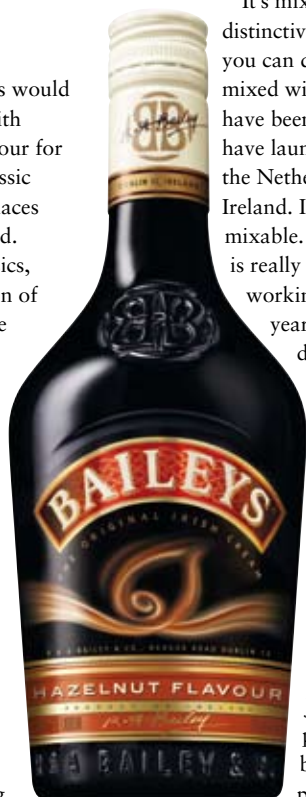
Given this barometer of confidence, in Van Doorne’s view all the portents are there that consumer confidence is building and the market is starting to pick up in western Europe and the US. “Slowly but surely on-premise is making a comeback and people are more positive. Everybody had been influenced by the crisis, whether on the stock exchange or through their pension etc and western European and US people are now saying ‘I still have my job, the stock market’s a bit better so why not enjoy ourselves a bit more?’ And we are in the business of pleasure.”

Classic revival

The movement in hotel bars would seem to go hand in hand with bartenders’ new-found fervour for liqueurs in the return to classic cocktails, reinventing the places where they were first created. But if it’s all about the classics, then it’s back to the question of ‘new’ flavours and their role in cocktail culture and the future of the liqueurs industry.

Van Doorne – whose company recently released a green tea variant on to the Japanese market – isn’t shy about the subject: “Some brands are really developing flavours for the sake of developing flavours. It’s not a question of are you able to do it, it’s a question of is it really adding something to the business? You are not fixing a brand just by adding flavours. Especially in the US it seems to be about as many flavours as you can get.”

Philip Almond, brand director for Diageo’s Baileys Cream Liqueur, which launched a Hazelnut variant late last year, counters that “markets need the



What comes naturally

While flavour may appear to account for much of the profile of liqueurs when it comes to the bigger players, there are those for whom provenance and aesthetics remain key.

Vedrenne, which last year revamped its look and introduced eight modern flavours to complement its more traditional range, is focusing on the demand for ‘natural’ products.

Marketing director Elie Arnaud Denoix says it important to create new flavours to satisfy the demands of bartenders and mixologists, and a team from Vedrenne has been working in different countries with these architects of change.

While different inspirations are drawn from different countries, Denoix says there is one constant: “People are interested by natural ingredients. Everywhere in the world they are asking for natural products. We really consider that being a small company and producing high quality products is important to bartenders.”



refreshment of new flavours”, but Van Doorne does not think that is enough, claiming his company’s most recent initiative, Bols Natural Yoghurt liqueur, represents true innovation.

“It’s mixable, very low fat, has a distinctive flavour, 15% abv, and you can drink it neat on ice or mixed with fruit. So far reactions have been extremely positive. We have launched it in Japan, China, the Netherlands, Switzerland and Ireland. It’s like a cream liqueur but mixable. Natural Yoghurt liqueur is really innovative and we’ve been working on it for one and a half years. You have to make a distinction between real flavour and just another flavour.”

The low-fat option of a cream-like liqueur might give the rest of the biggest liqueurs sub-sector something to think about, particularly as, according to Euromonitor International senior alcoholic drinks analyst Jeremy Cunningham, “the prospects for cream-based liqueurs... are not propitious”.

Cream of the crop?

Euromonitor figures forecast relatively slow growth for the sub-sector from now to 2015 (+4.5 million litres) and Baileys, as the dominant brand, is seen as crucial to the category.

Cunningham says: “In 2010, Baileys led



Philip Almond: “Markets need the refreshment of new flavours”

the 126 million litre global category with a 46% volume share. Global volumes have been stuck at around the 60 million litre mark since 2005. The rest of the category is made up of a number of small global brands, notably Diageo’s Amarula and Campari’s Carolans, which command shares of 6% and 5%, respectively. The remaining share is accounted for by small regional/local players.

“Global category growth will be driven by Baileys’ core markets such as the US and the UK, with predicted compound annual growth rates of 0.4% and 1% (400,000 and 800,000 litres), respectively, although markets where the brand leads and/or dominates, such as Mexico, Australia and France, will also contribute. However, the Baileys brand will struggle to capitalise on this growth due to its already high market penetration, but also because a number of its core markets are stagnant or are expected to see a long-term decline, such as Spain, Germany and Canada.”

Cunnington suggests Diageo should focus on the two fastest growing markets in which Baileys has a small presence and where it could look to take share from the dominant players – South Africa (Amarula) and Venezuela (Ponche Crema). Brazil is another possibility as Diageo has a strong presence there already and “the Baileys brand could take share and, with enough work, even drive further category growth”.

In the long term, says Cunningham, it is up to Diageo to look to develop new markets and it should “particularly focus on markets with a taste for dairy products, such as China,



Huub Van Doorne: “Some brands are developing flavours for the sake of developing flavours”

Liqueurs

Bols is concentrating on another push for its iconic Galliano brand this year, particularly in the States. At the end of 2010 it launched Galliano Ristretto, an artisan liqueur made with 100% espresso sourced from Robusta and Arabica beans. It is said to be 100% natural



Poland and other eastern European countries”.

He points out that: “Baileys’ failings, however, offer opportunities for smaller brands such as Distell’s Amarula and Campari’s Carolans, which together account for 11% of global volumes in 2010. Indeed, Distell has recognised this, with the Amarula brand expected to see 14% growth worldwide in 2010 in a static global market.”

But he adds: “Some of these opportunities for the smaller brands, particularly Amarula, will be negated by the brands coming under pressure from Baileys if Diageo starts to develop its presence in South Africa and Latin American markets. So for both Baileys and other cream-based liqueur brands to truly prosper, Diageo needs to work on long-term growth through creating new markets in countries not familiar with the drink.”

Clearly these points have not been lost on Diageo. Almond predicts that 2011 will see the emergence of “the two-paced world the economists are talking about”, with slow growth in Europe as consumers begin to feel they’re coming out of recession and more growth in areas where times are happier, such as Latin America. “Much more growth will start coming outside traditional markets. The European focus for the brand will be on Baileys as a small treat when times are tough.”

Almond says consumers are starting to pick up on the category again, after Baileys sales “declined quite significantly” a couple of years ago. “It does tend to be an additional purchase – something people buy on occasion and you see this in liqueurs generally. It’s fair to say we are still bullish about prospects. It’s a relative

newcomer at about 35 years old. We could almost double it in size if we could take six or seven markets up to the consumption of GB. Latin America and Asia Pacific have huge potential for the brand.”

Almond adds: “The task for us is not bringing new people in – it’s about how we encourage people to drink liqueurs more regularly.” Seasonality is an issue for cream liqueurs generally and the Baileys Let’s Do This Again global TV ad campaign is aimed at moving people away from the idea of the brand as a “solitary treat product” to put the emphasis on people sharing Baileys.

Meanwhile, cream liqueur rival Amarula is reporting year-on-year double-digit volume growth globally. Senior international brand spokesperson Siobhan Thompson says: “We are showing consistently good growth worldwide, both in developed and developing economies.

“This holds true even in major markets where the brand is already well-entrenched. Some of the most spectacular volume increases have come from Latin America, historically a strong supporter of Amarula, and Europe, most notably Germany, which remains the single biggest off-shore market for the brand. Asia Pacific, North America, the duty-free channel and parts of the African continent have also delivered impressive increases.”

She adds that Amarula’s long-term investment in key markets worldwide has seen brand loyalty climb, with its popularity as an at-home drink clearly impacting on on-trade sales.

Clear success

And there’s another string to cream liqueurs’ bow with the newcomer clear offering Triibe, which is focusing on



Baileys’ Let’s Do It Again campaign is aimed at increasing the occasions on which cream liqueurs are drunk

the UK, Holland and Germany. It has gained a listing in the UK’s Wine Rack franchise and chief executive of brand owner Reformed Spirits Jacob Ehrenkrona says: “A lot of young people are coming in to buy the product who wouldn’t touch a cream liqueur. A lot of people in the on-trade prefer not to be seen drinking Baileys – it’s being consumed at home. 9.9 out of 10 people in the UK and US say they don’t drink Baileys but they sell millions of cases. It’s a bit like McDonalds.”

So, whether you fancy your liqueurs McDonalds-flavoured or of the low-fat probiotic variety, there’s no shortage of choice on the back bar or in the off-trade. But whether those flavours are strong enough to entice a post-recession boom remains to be seen. **DI**

Herbal high

Launched in August last year, Cinammon is the new addition to the Josef Meier’s brand.

To capitalise on uptake, says managing director Rob Preston: “We’re launching branded activity in key UK cities for spring 2011 with a series of targeted events, competitions and giveaways which should see brand awareness multiply.”

He added that Scotland was proving a particularly buoyant market for the brand at present. “Scotland is a real success story for us just now with supply to trade topping 12,000 bottle in just two months. 2011 will see us on course to set foot outside of the UK and we’re currently seeking distributors in key European markets.”



It may have been around for more than three decades, but craft beer is finally coming into its own on a global basis.

Hamish Smith reports

Perfecting their craft

There was a time when premium bottled beer equalled big-brand lager. But the popularity of craft beer – which gained momentum in the UK in the '70s and then in the US – is starting to grow in markets east of the Atlantic. At 4.3% of the US market in 2009 (US Brewers Association), craft's share doesn't sound a lot, but the US is the world's second-largest beer consumer (behind China), with a near 24 billion litres consumed in 2010 (Euromonitor International 2011). Industry observers say the craft movement is drifting overseas and, with younger drinkers targeted as the trend's drivers, craft beer may just have legs.

The BA estimates US beer was down 2.7% in the first half of 2010, though, notably during the same period, craft beer – supported by 1,600 breweries in the US – bucked the trend, growing by 9%. Leading the charge on the US front are companies such as the Boston Brewery and New York's Brooklyn Brewery. Garrett Oliver, brewmaster at Brooklyn,



sees the burgeoning popularity of craft beers as a worldwide phenomenon: "From Brazil, to Finland to Australia," he says. "We're growing rapidly, both physically and sales wise."

For Oliver, whose top-selling brews include Brooklyn Lager and IPA, craft is defined as independent breweries using traditional techniques and clearly recognisable ingredients, and the production of beers with bold and

Scottish company Brewdog has an irreverent approach to advertising

interesting flavours. Macrobrewing, on the other hand, he says, is "like making summer 'blockbuster' movies. Everything looks perfect and it sounds perfect, millions of people will go to see it, but there's no content".

UK-based beer writer Melissa Cole has also observed the move away from international beers: "World-over, people are reconnecting with local, regional and national specialities after so many years of looking outside their borders for the exotic, only to find the best beers are often right under their noses."

For Joe Laventure, sales director of Budvar UK, craft, specialist and imported beers are the new premiums, as they are about provenance, heritage and style. "They have assumed the old premium mantle as a counter to the bland Euro-fizz produced by the internationals," he says. Laventure also identifies an age of 'millennial generation' – educated drinkers who drive markets, rather than marketing professionals.

Budvar, an independent Czech brewery, certainly sees itself as a front

► p42

Premium Bottled Beers

runner of the craft movement. With its exports rising by 4% in 2010 – against an overall export decline of 12% among Czech brewers – there is no reason to suggest otherwise. At 1.25 million hectolitres of annual output a year, though, Budvar is no microbrewery. So how is craft beer defined, and does size matter?

“I don’t think it’s necessarily size-related,” says Brooklyn’s Oliver. “It’s a matter of technique, attitude, flavour and the personal involvement of the brewers. But the bigger you get, the harder it can be to stay in touch with what made you want to make beer in the first place. That’s the great challenge for the biggest craft brewers today.”

The issue of size has prompted a great deal of head-scratching in the US. Just months ago, BA re-examined the ‘small’ in its definition of craft. For years it had been specified at two million barrels and under, but new rules have extended the limit to six million.

“Thirty-four years have passed since the original small brewers’ tax differential defined small brewers as producing fewer than two million barrels,” says Nick Matt, chair of BA’s board of directors. “A lot has changed since 1976. The largest brewer in the US (AB-InBev) has grown from 45 million barrels to 300 million barrels of global beer production.” For craft brewer Boston Beers, which is around double the size of its two closest US competitors, this clarification was crucial.

Realising potential

The world’s second biggest beer group, SAB Miller – owner of Grolsch, Peroni, Miller and Pilsner Urquell – has twigged the potential of craft. Last month the group reported mixed results across its beer portfolio for the third quarter of 2010. Compared with the previous year sales were flat for Europe and the figures showed a 2.5% drop for MillerCoors in US domestic sales to retailers. The newly installed Tenth & Blake craft and imported beer division, however, grew by double digits, with Blue Moon beer’s 25% increase helping drive sales.

Away from America, local craft and non-mainstream imports are showing signs of strength in the UK. While traditionally a beer-brewing heartland (2,000 brands are available in the UK, says the British Beer & Pub Association), UK-based small brewers have often struggled in the shadow of international lager brands. Cue a band of marketing-savvy entrepreneurs, bent on demisting perceptions and breaking into the fruitful, but stubborn, 18-30s market.

Scottish brewer Brewdog, in its three short years, has made a sizeable impact. In 2011 it trades in 27 export markets, selling six million bottles per year

and growing at an annual rate of 200%. “When we set up we didn’t like the UK beer market at all, it was dominated by the generic beer companies,” says co-founder James Watt. “There are some beer companies in the UK, but what they do is stuffy, traditional and old-fashioned – they put sheep and steam engines on their packing. We wanted to make beer styles that we’re passionate about; give them more edge and bite.”

Brewdog’s irreverent branding is part of a ploy to awaken a sleeping generation of craft beer drinkers. “We use the packaging and branding to shift it towards a younger audience and try to make other people as passionate about good beer as we are. Craft beer has been doing phenomenally well in the US, we’ve seen it in Sweden and Denmark and it’s definitely something that’s going to be coming to the UK.”

Heart of craft

The oak-aged craft beer Innis & Gunn is another British beer making moves both at home and abroad. For this company it was the discovery of oak ageing in 2002 – quite by accident – that led to the brand’s creation. “William Grant & Sons approached us [Caledonian Brewery, Edinburgh] to produce a beer that would season the inside of whisky barrels,” says Dougal Sharp. “The beer was used [for the finishing of the whisky] then thrown away – or at least that’s what we thought. Actually the distillery’s staff had tasted the beer and discovered that the 30 days spent in oak transformed its flavour.”

Since then Innis & Gunn beer has far outgrown its original purpose. In 2010 the brand sold more than half a million 12-bottle cases to markets including Scandinavia, North America, Ireland, Australia and Italy, recording somewhere between 15% and 20% growth on the previous year.

The Morgenrot Group, distributor of non-mainstream French, German, Spanish and Argentinian beers, has also seen growth in the UK, with Spanish brand Cruzcampo up 20% in 2010. Graham Archibald, senior national account manager for the group, says consumers are becoming more adventurous in their beer selections and now have a greater knowledge of world beer styles and taste profiles.

“We have found our world beer brands have almost been recession-proof. With retailers and on-trade venues desperately needing a point of difference to drive footfall and sales, many have been looking away from mainstream beer brands and are instead stocking unique world beers.”

Innovation is at the heart of craft beers. According to BA, it is “the hallmark” of the category. “Craft brewers interpret

historic styles with unique twists and develop new styles that have no precedent,” says the BA. One such innovation is Infinium, a beer which uses champagne yeast during the fermentation process. Produced by US-based Samuel Adams and German brewer Weihestephan, Infinium has launched to global markets. “We may be the world’s oldest brewery,” says Prof Dr Josef Schrädler, managing director of Weihestephan, “but our science centre at the Technical University of Weihestephan employs state-of-the-art techniques to research new ways of brewing beer.” At 10% abv and around £15-£20 a bottle, Infinium will compete with wine and champagne, rather than beer. According to Schrädler, despite its strength Infinium maintains “a light and delicate flavour and texture”.

The rise of non-mainstream premiums such as craft has to be taken in the context of big-brand lagers’ considerable and sustained domination. The top four beer companies – AB InBev, SAB Miller, Heineken and Carlsberg – accounted for nearly half the world market in 2009 and the top 10 breweries produced 61% of global beer (Rabobank 2010). Through acquisitions and expansion into undeveloped markets, flat growth in mature markets can be healthily sustained – SAB Miller’s 2010 third-quarter figures showed exactly that. With lager up 12% in its Asian and African markets, negative and flat sales growth in the US and European regions were offset.

According to Budvar’s Laventure, the future of premium beer in the developed markets belongs “very much to regional and local craft brewers”. Perhaps it’s not as dramatic as that, but if you look carefully there is a noticeable tip-toeing of educated beer consumers towards full-flavoured, provenance-rich beers. And for Brooklyn’s Oliver, craft’s creep into premium lager territory is far from a fad. “In fact, it’s exactly the opposite,” he says. “Craft brewing is a return to normality”. **DI**



THAT OLD BLACK MAGIC

Woodford Reserve and *Esquire* magazine have found the ultimate Manhattan cocktail and crowned Marcelo Nascimento, from Austin, Texas, the Master of the Manhattan 2011 for his Voodoo Manhattan.

Nascimento's cocktail – and 10 others – was reviewed by a “distinguished panel of experts”.

The judges included Woodford Reserve master distiller Chris Morris, spirits journalist Paul Pacult, Whiskycast creator Mark Gillespie and Douglass Miller from the Culinary Institute of America. The judging took place at The Manhattan Experience at Top of the Standard in New York City.

“There was some stiff competition

from the other bartenders and I didn't expect to win, but the judges told me they thought my drink really stood out,” said Nascimento. “The whole time in New York was exceptional and I want to thank Woodford Reserve and *Esquire* for an amazing experience.”

VOODOO MANHATTAN

crafted by Marcelo Nascimento

→ 2½ oz Woodford Reserve

→ ½ oz Amaro Averna

→ ½ oz Clément Créole Shrub

→ ½ barspoon pink peppercorns

Garnish with skewered blood orange supremes and inflamed orange peel



A SENSE OF ADVENTURE

Hendrick's gin and The Adventurists have teamed up to bring a “quintessentially British occasion to the world” – Afternoon Tea with a Legend of Adventure.

If you're wondering who or what The Adventurists is, according to the website: “The Adventurists is... an award-winning company based in the UK with gangly tentacles

that stretch around the world. A force for global mischief and global good one might say. We're into saving the world, so every adventure raises buckets of money for awesome charities.” OK.

Here's the idea: the quirky gin brand and some explorer types team up to host equally quirky events.

The first is Afternoon Tea with yachtsman Sir Chay Blyth as headline speaker. It takes place on February 5 at The Round Chapel in Hackney, London, with “a host of unusual exhibits”, including an aerial acrobatic performance from No Fit State Circus.

Events are scheduled to take place in London, Edinburgh, New York and Madrid and each tea party will be hosted by a different Legend of Adventure.

Hendrick's global brand manager Deirdre Clarke said: “It's great to create an event for like-minded individuals to come and mingle. Through our partnership with The Adventurists we will be bringing people together across the world for an unusual experience, offering a refreshing change from the frightfully dull.”



BRITNER'S BLOG

DI's Lucy Britner embarks on a voyage of discovery

I'm not very good at geography. When I finished the WSET Advanced course in Wines & Spirits I vowed I wasn't going to do the Diploma. The G word is such a large part of the course and you have to remember where a particular region is, what grows there, what the climate's like and what the soil type is.

Somehow, in the year between taking the advanced course and now, I have managed to forget the angst, the maps scribbled on notepaper and stuck to the wall, the waking up next to a dribble-stained textbook...

That is until I was climbing the stairs to day one of the diploma. I. AM. MAD.

Luckily, day one of the two-year part-time course was all about my favourite bit – tasting. We had three white wines and were told they were all the same grape, one was a high-volume brand, one was cool-climate and they may or may not be the same wine.

So we went to work and, with a combination of luck and judgement, I got them all right. We did the same with five reds in the afternoon and I felt quite happy about the general progress of the day. Then came the bombshell that the minimum required extra reading

for the course is more than 600 hours. That's 25 whole days. Sh*t.

A week before D Day, I was lucky enough to attend the WSET graduation ceremony at London's Guildhall. A bit of a window into what's possible, I thought.

Hugh Johnson presented a “record number” of diploma students with their certificates and new honorary president Jancis Robinson was welcomed to the fore for the next two years.



THE MINIMUM REQUIRED
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The course leader chirpily said that if we passed all of our units, Jancis would be presenting us with our diplomas in 2013.

Frankly, that seems so far away that I have an image of arriving in flying cars and being greeted by a hologram of WSET chief executive Ian Harris so he can be at all 400 education centres across the world at the same time. Time will tell.



STRAINERS READY... FOR A NICE CUPPA

It seems since Beefeater's master distiller put tea in his gin brew, the industry has gone a bit mad for the ingredient.

The end of January saw the US launch of Absolut Wild Tea and members of the cocktail community are already getting their shake on.

The vodka features Oolong tea and Nordic white elderflower. According to Oolongtea.org, Oolong tea is semi-fermented. To put this into context, green tea is unfermented and black tea is fully fermented.

Absolut Wild Tea is made with all natural ingredients. It is now available nationwide in 1-litre (\$24.99) and 75cl (\$19.99) bottles.

Launch parties have been held in Chicago and Miami and are scheduled in New York (February 8) and Los Angeles (February 15).

ABSOLUT WILD GIMLET

- 2 parts Absolut Wild Tea
- ¾ part fresh lime juice
- ½ part simple syrup

Build over ice in a rocks glass and stir. Garnish with a lime wheel

ABSOLUT WILD COSMO

- 2 parts Absolut Wild Tea
- 1½ parts cranberry juice
- ½ part orange liqueur

Shake over ice, strain into a martini glass

ABSOLUT WILD TEA MOJITO

- 1½ parts Absolut Wild Tea
- ¾ parts fresh lime juice
- ½ part simple syrup
- 4 mint leaves
- soda water

Muddle mint leaves with simple syrup and lime juice in a shaker. Add Absolut Wild Tea. Shake and pour into a highball glass. Top with soda

COCKTAILS – AS READY AS THEY'LL EVER BE

Bacardi Brown-Forman Brands (BBFB) has launched two ready-made cocktails for the UK on-trade. Bacardi Mojito and Bacardi Cuba Libre come under the umbrella name of Bacardi Originals.

The drinks will officially hit fridges at the beginning of February.

The Mojito (5.4% abv) is made with Bacardi Superior rum with mint, lime and soda, while the Cuba Libre (5% abv) comprises Bacardi Gold rum with lime and cola.

"Industry legend" Alex Turner, head of product training and mixology at BBFB, helped create the liquids.

The 275ml bottles are aimed at 18 to 24-year-old males as "a refreshing alternative to beer" and will retail at around £3.75.

The drinks can either be served in a branded glass with ice and a wedge of lime or with a wedge of lime in the bottle.

Nik Kryz, Bacardi marketing manager said: "We are confident these drinks and the premium packaging will appeal to guys in their early twenties. They will help publicans and bartenders drive sales and profits with a wider choice of serves".

The products are being supported by a £3 million consumer launch over the next nine months, which will have a "digital focus".

BBFB said it wouldn't rule out launching other classic cocktail variants or going into the off-trade, though future plans will depend on the success of the first two products. Italy and Spain could be next to receive the bottled cocktails.

Chat among the drinks trade at the launch was around what to call this category. Bottled cocktails, maybe but certainly not Bortails.



LOVE IS THE PUB – HAPPENINGS TO MAKE VALENTINES SWOON

A trio of London venues have got Valentine's stitched up – whether you're love-struck or lovelorn. Special menus, film screenings, a "meddler" party and a Prom are on the cards at The Betsy Smith (Kilburn), The Winchester (Islington) and The Lodge Tavern (Ealing) on Saturday 12, Sunday 13 and Monday 14 February.

Barzone's favourite event is the Valentines Prom Party at the Lodge Tavern, which includes live music, prom photos, corsages and £5 selected

cocktails. Also up for grabs will be the title of Prom King and Queen, winning the prize of a bottle of champagne each.

If you lose, you could drown your sorrows in a teapot with The Betsy Smith Tea Tails offer. We like the sound of the William Pot (£12): Evan Williams bourbon, rhubarb liqueur, lemon juice and chamomile tea stirred with cubed ice. All regular teapots serve two to four people using teacups. Quaint.



The Betsy Smith



Royal nuptials quicken UK pubs' pulse

The UK drinks trade is going positively gooey over the impending nuptials of Prince William and fiancée Kate Middleton.

The royal wedding, scheduled for April 29, has won the support of the hospitality industry as bar owners expect to hear corks popping and tills ringing. First up, the government announced plans to allow pubs to open for longer on the big day.

Brigid Simmonds, chief executive of the British Beer & Pub Association, said: "With state-of-the-art TV, great food and hospitality, pubs will be right at the heart of the royal wedding celebrations and are the perfect place to enjoy the day.

"Looking forward to 2012, let's hope we can do the same for the Queen's Diamond Jubilee."

And if consumers are wondering which brand of

champers to quaff, UK drinks distributor Halewood International is to launch a limited edition commemorative label Prince William champagne.

The company has owned the Prince William champagne brand for more than 20 years and has historically made it available to selected retail customers.

News of the forthcoming royal wedding means the company is releasing a limited-edition commemorative label using the exclusive rights it has to both the Prince William and Royal Wedding trademarks.

The champagne is expected to retail for around £25.

Due to the limited supply of this celebratory label, stock is being sold on a pre-order basis, with mid February being the cut-off for trade orders.

To place orders or for further details telephone Halewood International customer services on 0870 850 4405.



WILL YOUR GIRLFRIEND BE A HOTTY OR A NOTTY?

Foster's is introducing a iPhone app that allows people to see what their girlfriends will look like when they are older.

To temporarily "age" the love of your life, you simply have to upload her photo on to the Vordometer app and, a few minutes later, you will see whether she will be a "hot" older woman like British TV personality Carol Vorderman or - every man's proverbial nightmare - the stereotypical mother-in-law.

Carol Vorderman said: "I'm going to enter an old picture of myself and see what happens!"

The app was inspired by Foster's lighthearted TV ad which features Ben from Southend who calls Antipodean agony uncles Brad and Dan to ask whether his girlfriend is "likely to end up looking like her mum". Brad and Dan advise Ben to "stop thinking about the future and start enjoying the now".



New meaning to 'on the rocks'

One-hundred-year-old whiskies that belonged to Antarctic explorer Ernest Shackleton have been sent to a Whyte & Mackay distillery for testing.

The whiskies were among five boxes marked Mackinlay and Co - a Whyte & Mackay distillery - found last year

entombed in ice in a hut on Antarctica.

Three bottles have been flown by private jet to Whyte & Mackay's Invergordon distillery to be analysed by master blender Richard Paterson before reporting back to the Antarctic Heritage Trust.

Koshu comes to London

The Japanese winemakers of Koshu were in London this week for the second annual tasting of these unusual wines from a region just outside Tokyo.

KOJ, the association of 15 producers from this table wine-producing region, took over Yashin, one of the top sushi bars in London to showcase their wines with a food matching.

Arranged by master of wine Lynne Sherriff, the turnout of top UK wine writers and journalists was impressive. Jancis Robinson MW was there with her husband, Nick Lander, who writes the restaurant review for the *Financial Times*. Also present was Hugh Johnson, author of some of the best known books on wine in the world.

THE LAST
WORD

TO THIS DAY I HAVE NEVER COME ACROSS (ANOTHER) SENIOR MANAGEMENT TEAM THAT IS BONUSED ON VOLUME RATHER THAN PROFIT

ANONYMOUS UK WINE TRADE INSIDER

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