

Voluntary Report – Voluntary - Public Distribution

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Report Name: Overview of Wine and Beer Sales by Vinmonopolet in 2020

Country: Norway

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Report Highlights:

This report contains a brief analysis of the Norwegian wine monopoly's (Vinmonopolet's) sales of wine and beer in calendar year 2020. From January until November 2020, U.S. exports of wine and beer to Norway totaled \$13.7 million, 25.2 percent higher than during the same period in 2019.

Overview:

Norway's wine monopoly (known as Vinmonopolet) has exclusive rights to sell beer (with an alcohol content of 4.7 percent or higher), wine, and spirits to the Norwegian consumer, and is a wholly-owned state corporation subject to the oversight of the Norwegian Ministry of Health and Social Affairs. Vinmonopolet has 335 stores across the country, and estimates its market share at roughly 90 percent in 2020 (30 percent higher than in 2019).

Figure 1. Vinmonopolet Stores in Norway



Source: Vinmonopolet

There is no direct trade between Vinmonopolet and producers of wine, beer, and spirits in Norway. All of its 27,000 products are purchased from (and sourced by) roughly 500 approved Norwegian importers.¹

Vinmonopolet's stores are divided into six categories based on their anticipated sales volume. Annual sales range from one million liters in its largest stores to less than 35,000 liters in its smaller stores. The number of products sold in a shop also vary – from nearly 200 in a small (i.e., category one) store up to over 1,700 different products in a large (i.e., category six) store.

¹ A complete list of Norwegian wine importers, is available online at:
vmp.sharepoint.com/:x/s/Vinmonopoletslanseringslister/EdmDaqfc8sVPv9iJVO1nq_ABsw8zQ-TB5vIGIs3FYTLFBg?e=XIUeGd

Table 1. Number of Vinmonopolet Stores (as of January 1, 2020)

	CATEGORY 1	CATEGORY 2	CATEGORY 3	CATEGORY 4	CATEGORY 5	CATEGORY 6
Products	182	410	665	938	1265	1717
Yearly sales in liters	<35 000	35-100 000	100-200 000	200-350 000	350-500 000	500 000 +
Number of shops	19	75	60	67	52	62
Accum. no. of shops	335	316	241	181	114	62

Source: Vinmonopolet

The Norwegian beer, wine and spirits market is dependent on imports as domestic production is limited (only 20 percent of shelving is dedicated to Norwegian beer and spirits). The largest wine supplying countries to Norway are Italy and France who, together, account for roughly half of Norway's wine imports.

Information on Vinmonopolet's product assortments, as well as its procurement process, can be found online in [NO2020-004: Overview of Wine and Beer Sales by Vinmonopolet in 2019](#).

Alcohol Sales in 2020²

Vinmonopolet sold a total of 115.5 million liters of alcohol in 2020, nearly 40 percent more than in 2019. The increase resulted, in large part, from a complete cessation of cross-border trade and tax-free sales (at duty free shops) as a result of the coronavirus (COVID-19) pandemic. Significant reductions in the sale of alcohol at bars, restaurants and cafés due to social distancing mandates also contributed to Vinmonopolet's sales growth. The growth was highest in the counties and municipalities closest to the border with Sweden.

Red wine was, by far, the largest sales category (accounting for 56.8 percent of all Norwegian wine consumption), followed by white wine (28.8 percent) and sparkling wine (8.4 percent). However, the exceptionally good weather during recent summers continues to lead to an increase in demand for lighter wines. Overall wine sales grew by 42 percent in the past year (compared to 2019). The largest increase in sales was observed for rosé wines, which saw an increase of 72 percent. Additionally, over the past decade, the monopoly has seen an increasing number of consumers (particularly in the population-heavy southern part of the country and Oslo) purchasing lower alcohol products, such as cider and beer.

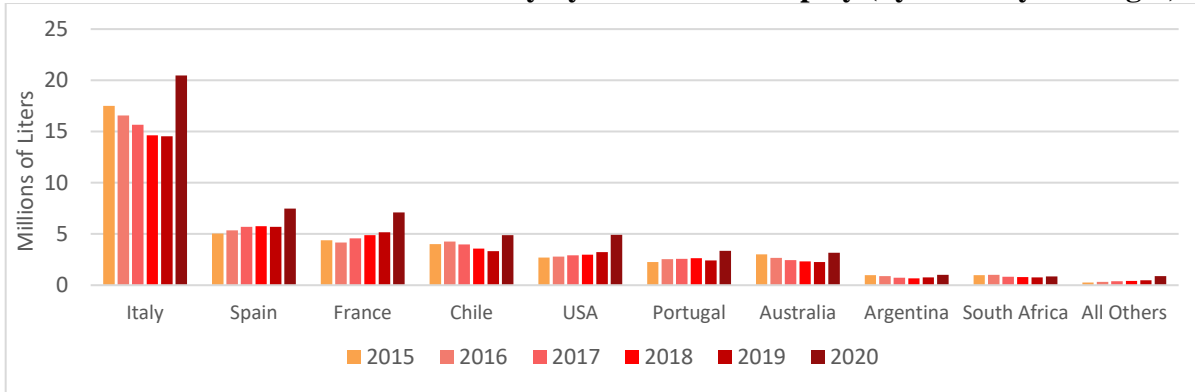
Approximately 52 percent of the wine sold by Vinmonopolet (by volume) is bag-in-box wine, with red wines accounting for nearly half (48 percent) of these sales.

Italy is the leading red wine supplier to Norway, responsible for 38 percent of sales. The United States accounted for 9.1 percent (4.9 million liters) of Vinmonopolet's red wine sales, roughly 53 percent more

² Vinmonopolet's 2020 profit is derived using the following formula: NOK 9.54 x volume in liters + 22 percent of the purchase price.

than in 2019. In fact, yet again, one of the monopoly’s top selling wines is a lighter red from California (bag-in-box), which sold more than 2 million liters in 2020.³

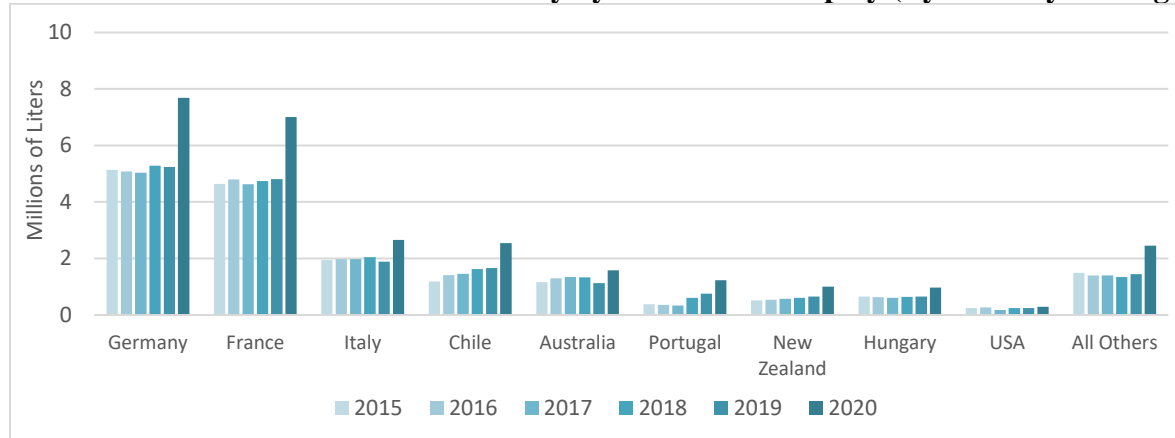
Figure 2. Liters of Red Wine Sold in Norway by the State Monopoly (by Country of Origin)



Source: www.vinmonopolet.no

In 2020, Vinmonopolet sold 27.4 million liters of white wine. Germany and France, the leading suppliers, accounted for more than half of sales (55 percent). The United States was the thirteenth largest supplier to Vinmonopolet, and accounted for 53,186 liters of white wine sold.

Figure 3. Liters of White Wine Sold in Norway by the State Monopoly (By Country of Origin)

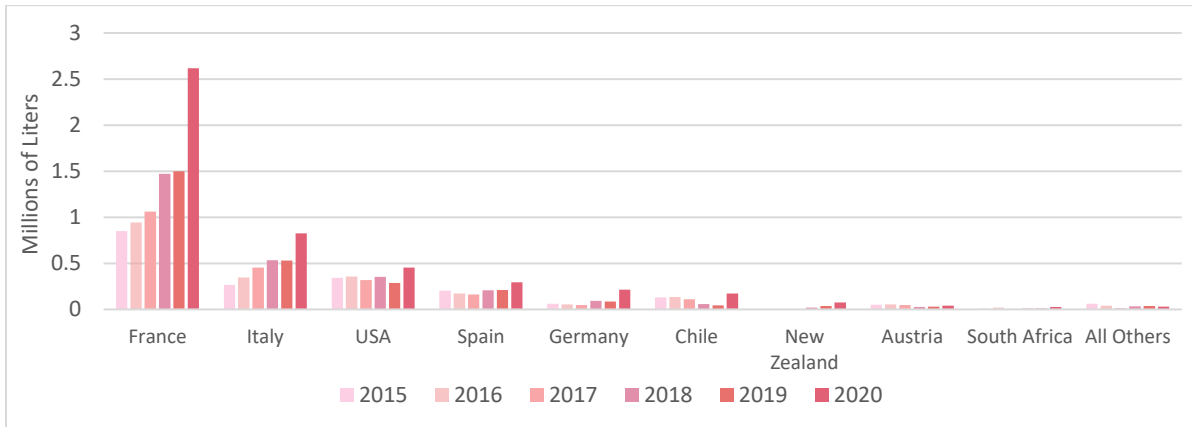


Source: www.vinmonopolet.no

After France and Italy, the United States was the third largest rosé wine supplier for Vinmonopolet. However, sales of rosé wines from France and Italy have seen rapid growth in recent years.

³ For an overview of specific beer and wine sales by brand, please see: <https://vmp.sharepoint.com/:x/s/Vinmonopoletslanseringslister/ETNpuPIAWuFFnPZdz3haf7sBhGhW65nz1edv4bPwC1FD1g?e=meKt2h>

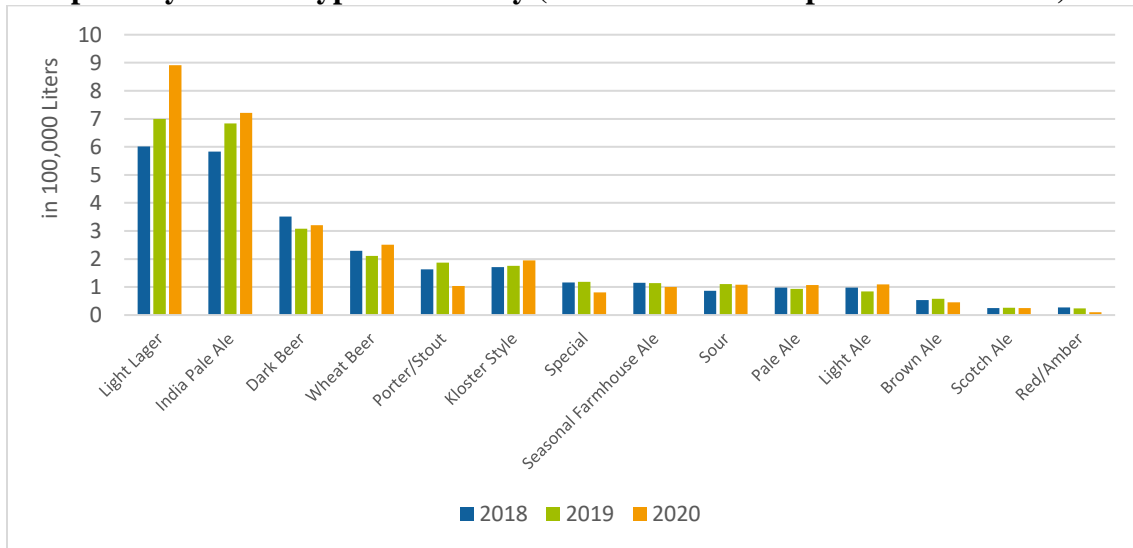
Figure 4. Liters of Rosé Wine Sold in Norway by the State Monopoly (By Country of Origin)



Source: www.vinmonopolet.no

In 2020, Vinmonopolet sold nearly 4 million liters of beer -- the most popular types being light lagers and India pale ales. These two beers accounted for almost half of Vinmonopolet’s beer sales, and accounted for an increasing share of beer sales in both 2019 and 2020. Overall beer sales grew by 31 percent in 2020.

Figure 5. Popularity of Beer Types in Norway (Based on Vinmonopolet Sales in 2020)



Source: www.vinmonopolet.no

In 2020, Norway saw a 16 percent increase in alcohol-free sales. This growth came on top of a 10 percent increase in alcohol-free sales in 2019, as younger Norwegians (under the age of 30) increasingly drink less alcohol than older generations. Vinmonopolet’s alcohol-free sales reached 688,574 liters in 2020, the monopoly’s highest sales volume ever for alcohol-free drinks. The largest growth segment was alcohol-free soft drinks for which sales increased by 44 percent. Alcohol-free beer, however, saw a 3 percent decline in sales.

Most categories of liquor consumption in Norway are growing, with the exception of grape spirits (Cognac), which has been falling since 2011. Liquors tend to see an increase in consumption towards the end of the year, but are not weather sensitive (like wine).

Taxes on Alcohol and Packaging in 2021

Taxes are levied on all alcoholic beverages containing more than 0.7 percent alcohol, by volume, that are imported into or produced in Norway. Taxes are also levied on beverage packaging. The following import taxes (rates for 2021) should be considered when exporting alcoholic beverages to Norway:⁴

Alcohol Tax

Alcohol Percentage	Tax Level
Spirit-based beverages containing more than 0.7 percent of alcohol	NOK 8.11 per volume percent and liter ⁵
Alcoholic beverages over 0.7 up to 2.7 percent	NOK 3.27 per liter
Alcoholic beverages over 2.7 up to 3.7 percent	NOK 12.28 per liter
Alcoholic beverages over 3.7 up to 4.7 percent	NOK 21.27 per liter
Alcoholic beverages over 4.7 up to 22 percent	NOK 4.76 per volume percent and liter

NOTE: A reduced tax rate is applied to microbreweries

Two different taxes apply to beverage packaging: an environmental tax and a basic tax. The environmental tax is determined by the type of packaging material used, while the basic tax is applied to packaging that cannot be used again in its original form (i.e., single use packaging). Rates for 2021 are:

Environmental Tax

Packaging Material	Tax level
Glass and metal	NOK 6.20 per unit
Plastic	NOK 3.75 per unit
Cardboard	NOK 1.53 per unit

Basic Tax

Basic tax on single-use packaging	NOK 1.27 per unit
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⁴ More information about the alcohol tax and packaging taxes in Norway is available online at: www.skatteetaten.no/en/business-and-organisation/vat-and-duties/excise-duties/about-the-excise-duties/alcoholic-beverage-tax/

⁵ At the time of this report's submission, 8.57 Norwegian Kroner (NOK) were equivalent to \$1.00.

Attachments:

No Attachments.