



Evolution of International Wine Markets

The US Market

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Spanish Observatory of Wine Markets (OeMv)

Eu Wine Market Observatory – October 24th 2024

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- 2) Trends by categories
- 3) Trends by colour confirmed
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- 5) Trends by key markets
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The case of US (and UK, Russia and China)
- 8) Conclusions

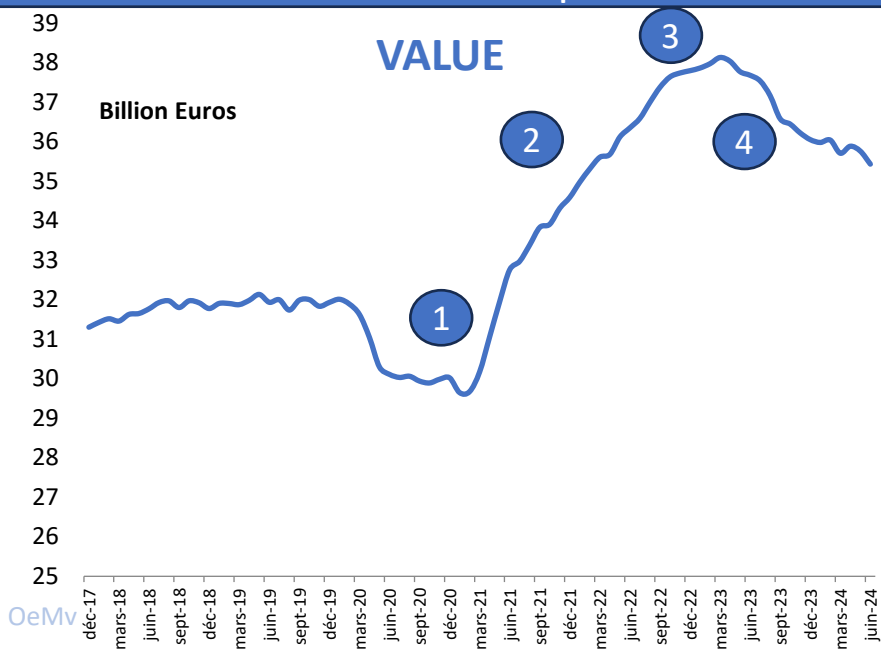
Recent evolution of international wine markets

World Exports of Wine & Must

Source; Data HIS; elaboration OeMv

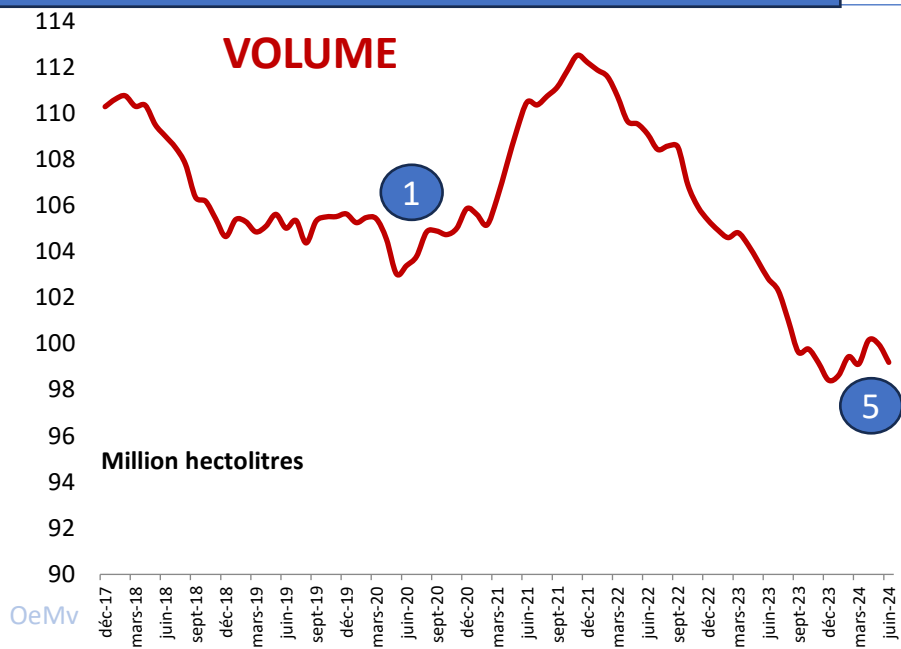
VALUE

Billion Euros



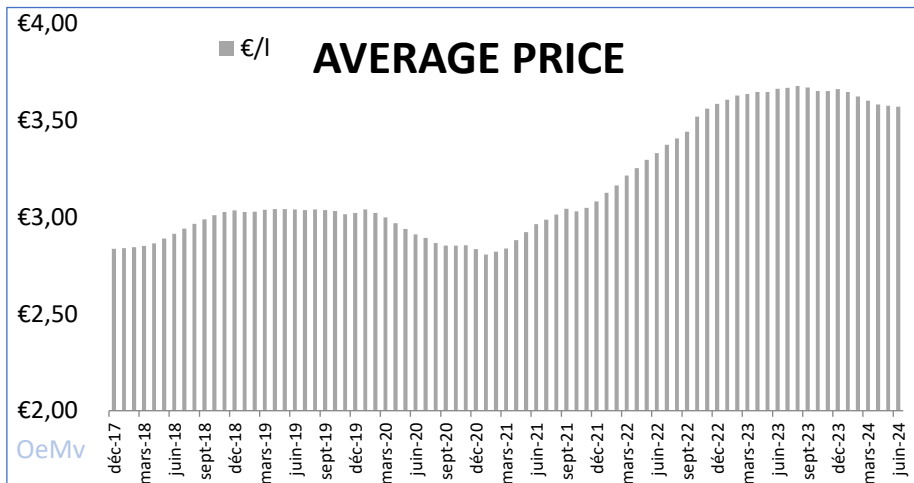
VOLUME

Million hectolitres



AVERAGE PRICE

■ €/l

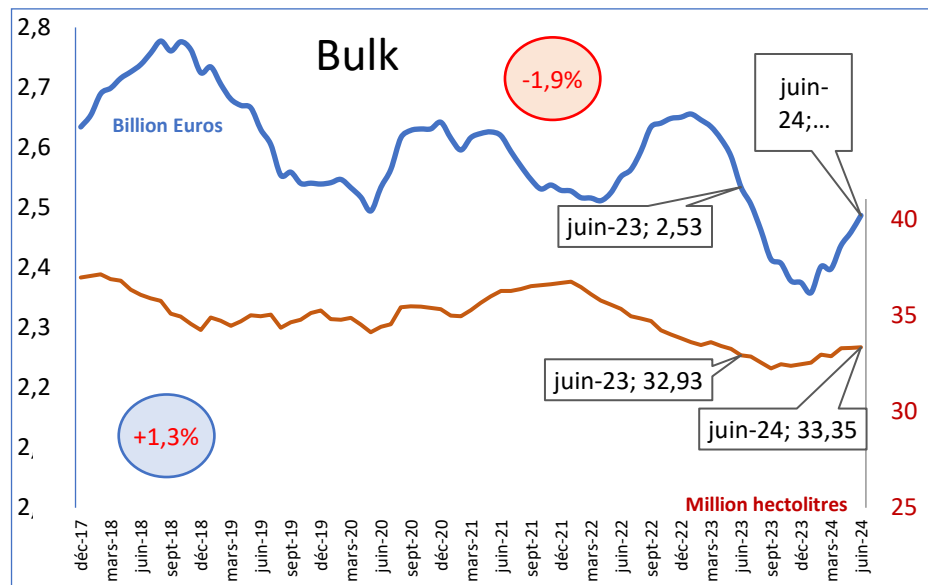
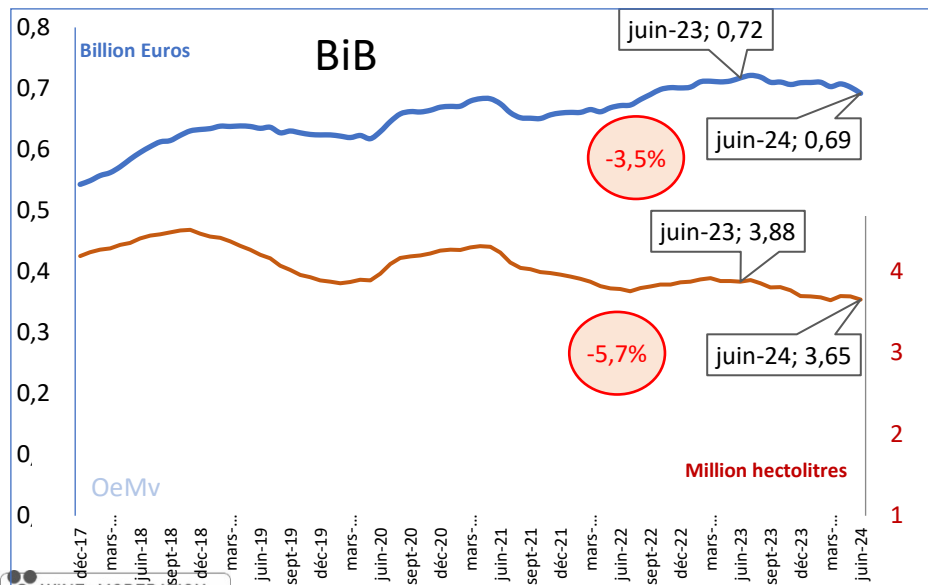
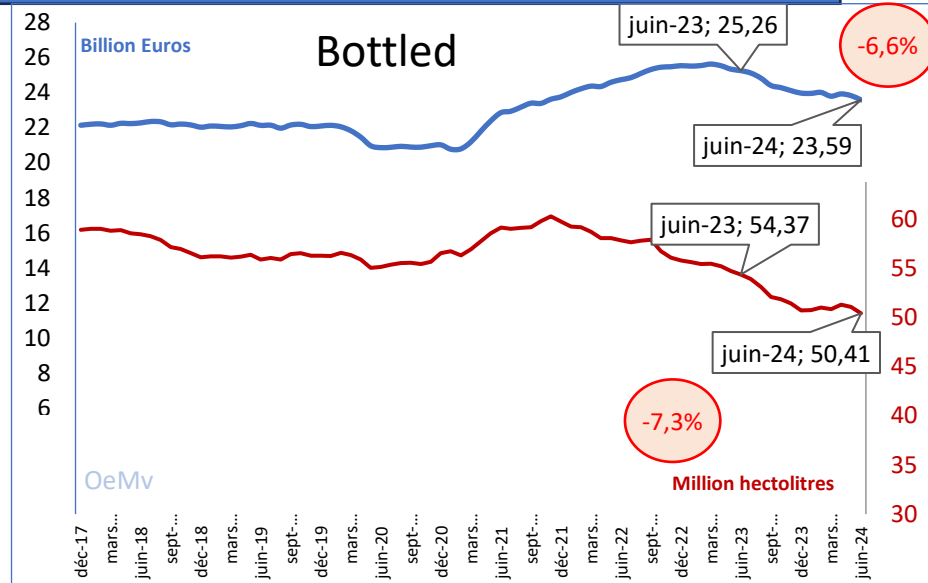
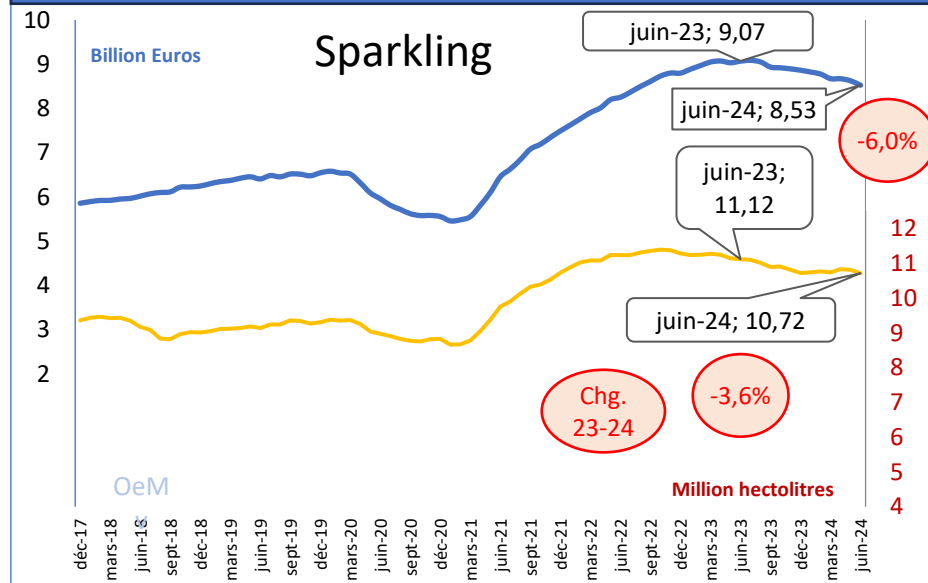


1. COVID19 did not hit as hard as expected
2. And recovery was extraordinary, particularly in value
3. ... probably too extraordinary → excessive inventories
4. When inflation, tougher monetary policies, slow growth and geopolitical challenges were added, decline took place (2023)
5. But such decline seems to be softer in 2024 → recovery?

Trends by wine categories

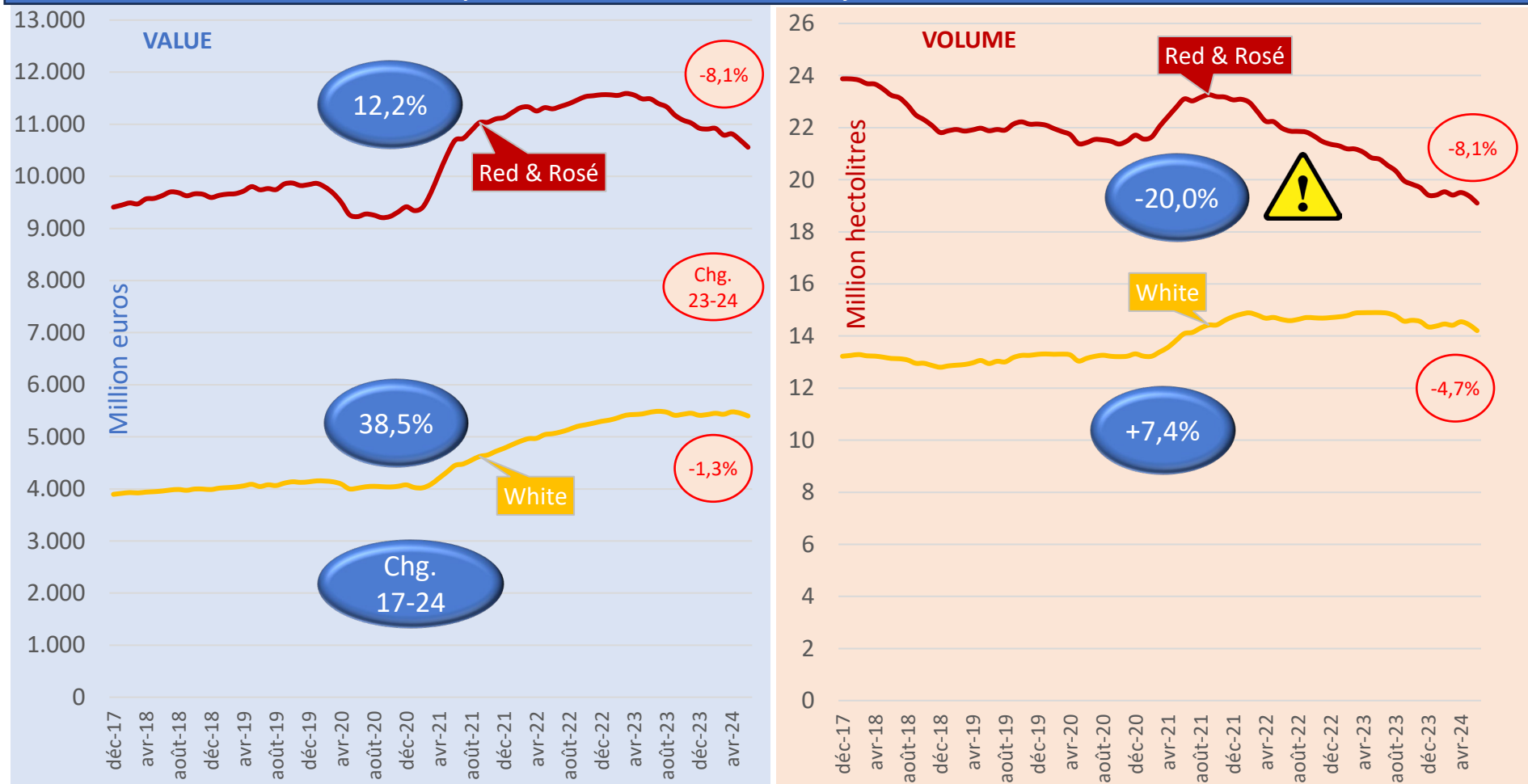
World Exports of Wine by Category

Source; Data HIS; elaboration OeMv



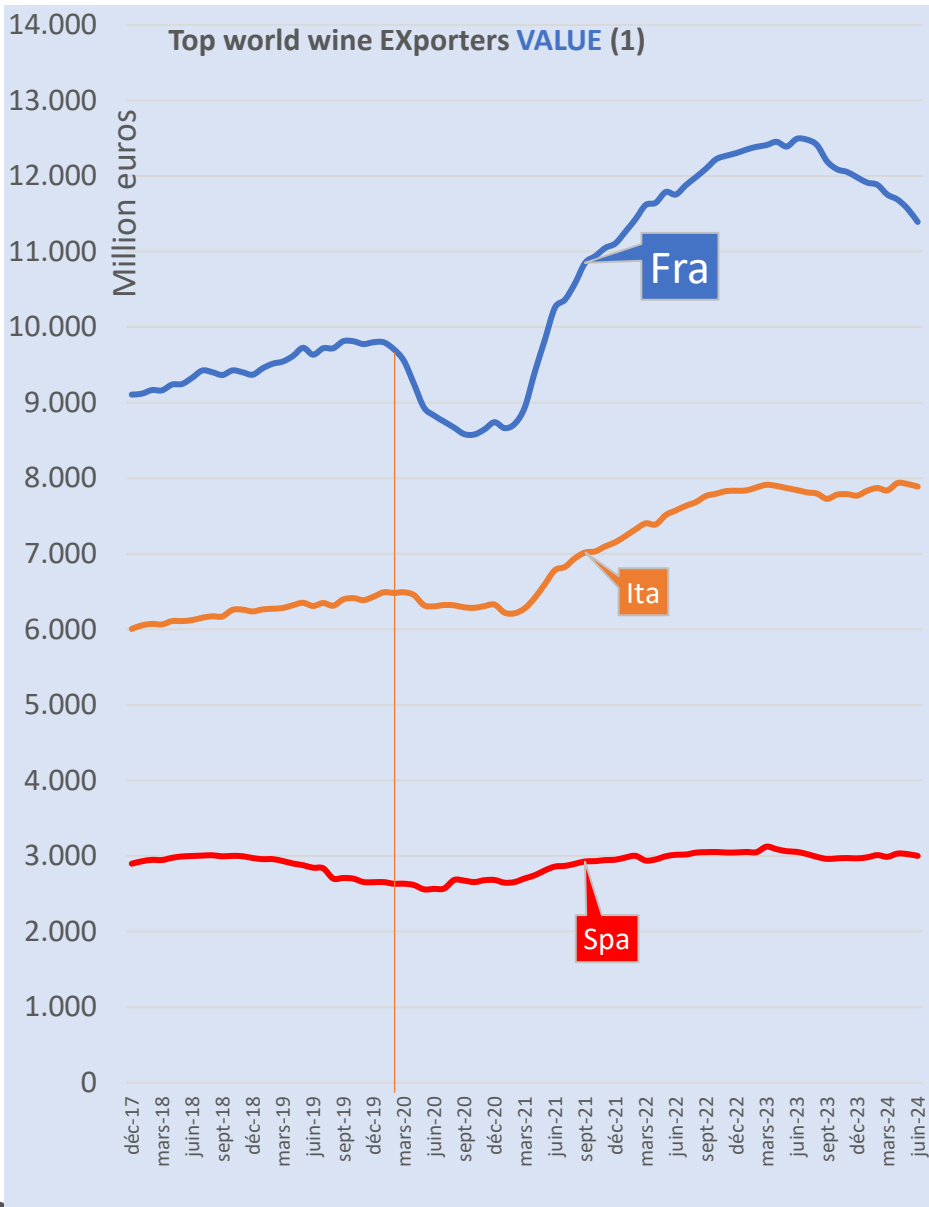
Trends by colours confirmed

EU world exports of bottled wines by colour Source; Data HIS; elaboration OeMv

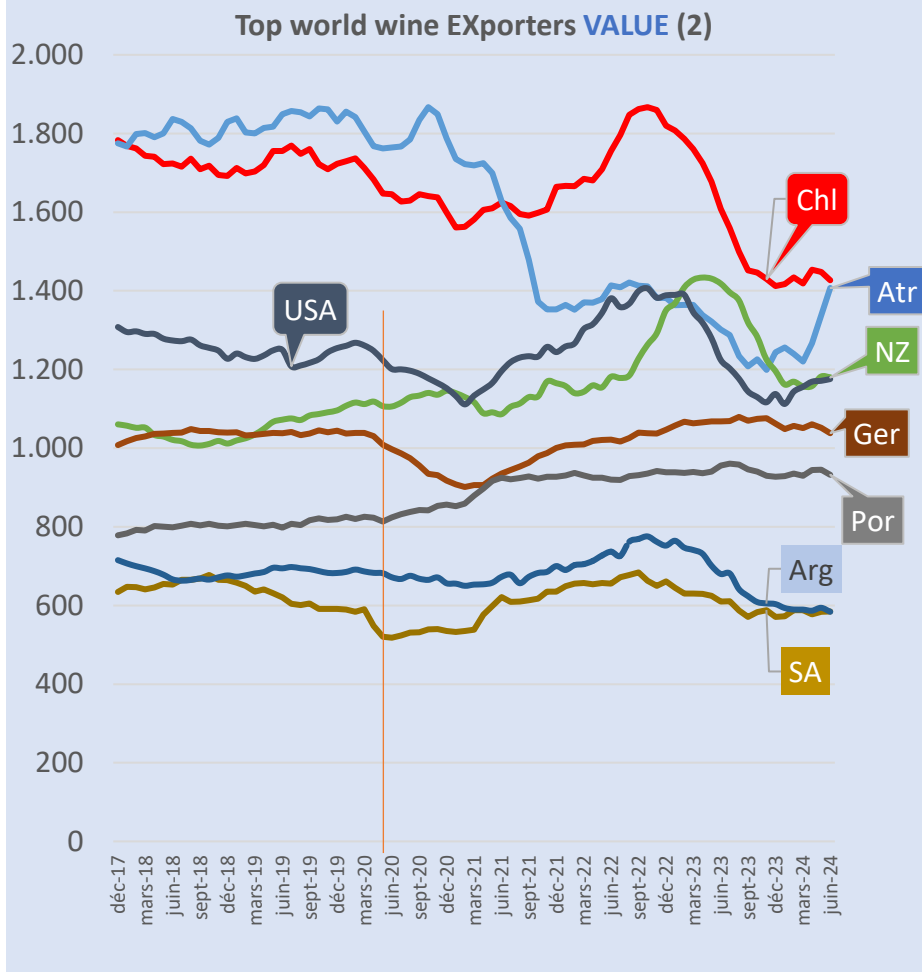


By colour, total EU exports of bottled wines (intra and extra EU) keep on sawing great differences. In 2024 (YoY Jun) all wine exports decline but R&R do it by -8.1% in both value and volume, while whites only by -1.3% and -4.7% respectively. In a longer term (7 years since 2017), white wines tripled growth rate of R&R in euros and increased by 7.4% as compare to decline of R&R by 20% in the period.

Top wine exporters

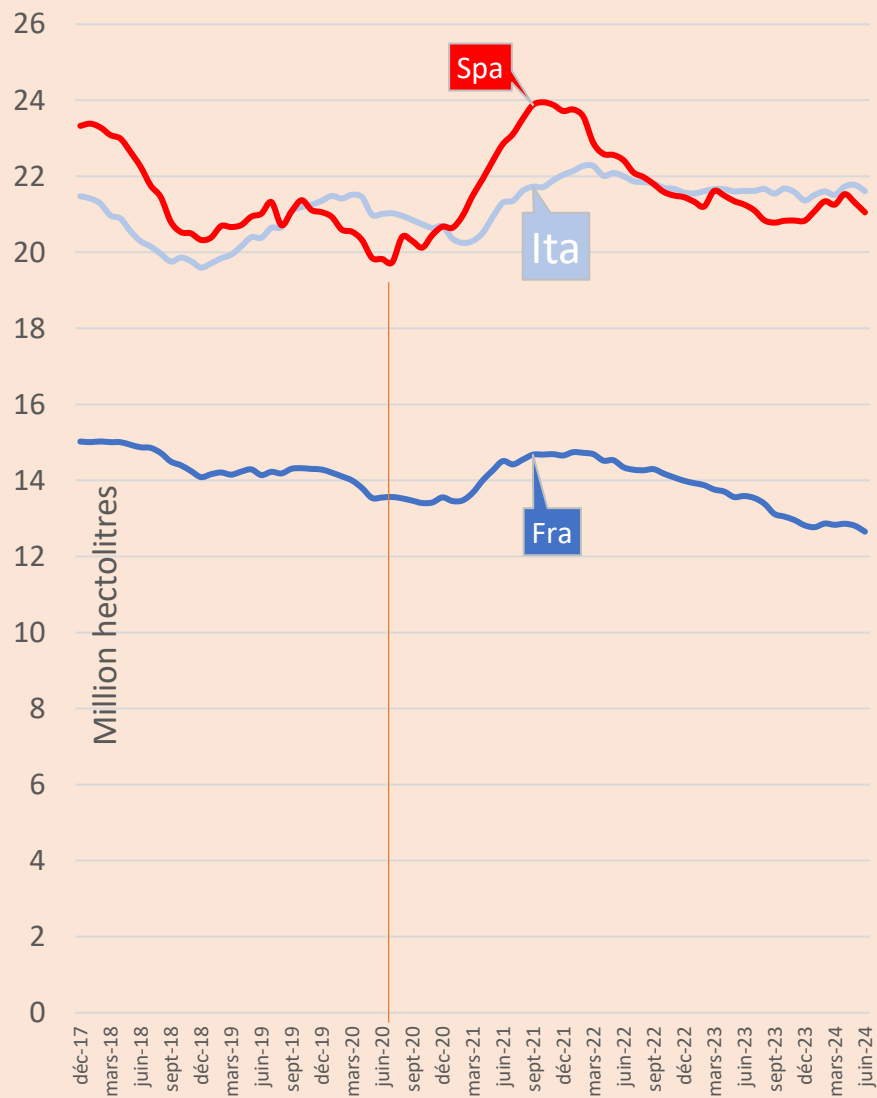


Among top exporters, some are suffering more than others: France more than Italy and Spain, Chile, Argentina and New Zealand more than Germany or Portugal, while Australia starts recovering from Chinese high tariffs.



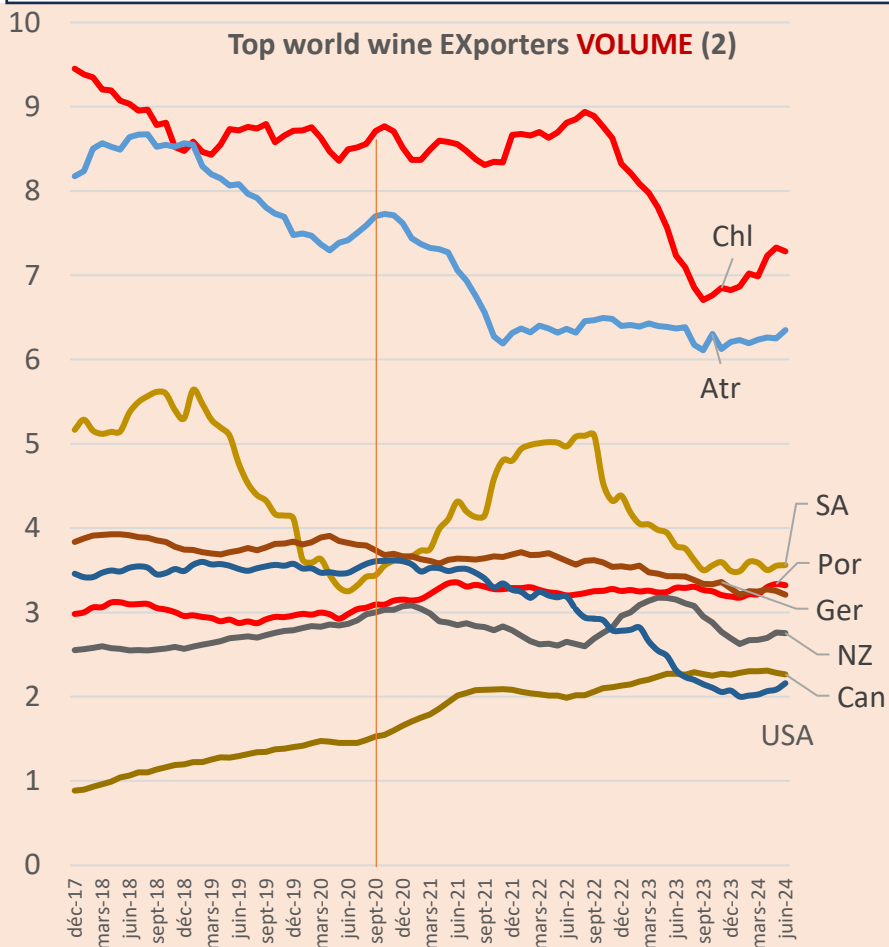
Top wine exporters

Top world wine EXporters **VOLUME** (1)

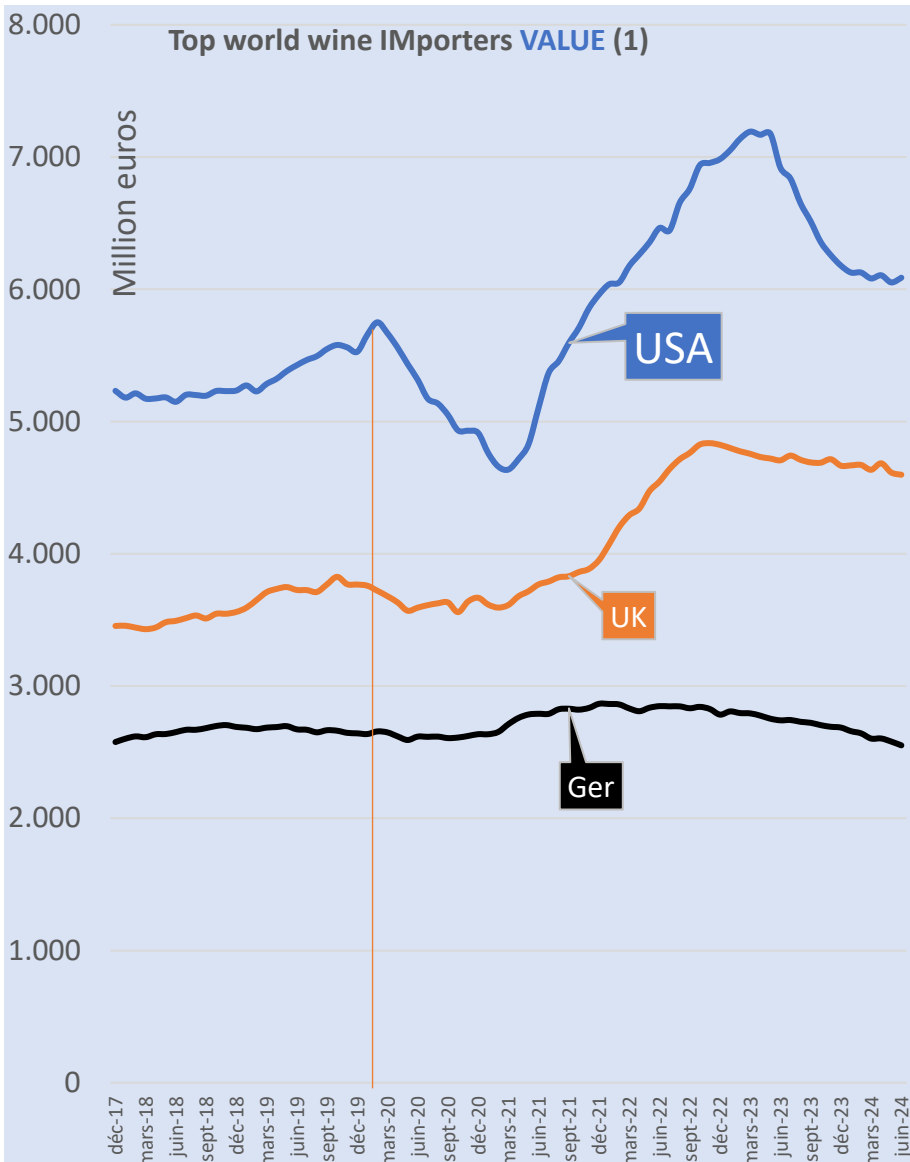


In volume, Italy surpasses Spain again, while France keeps on declining, Chile and South Africa seem to recover from last years deep recession, Australia is more stable and Canada keeps on growing.

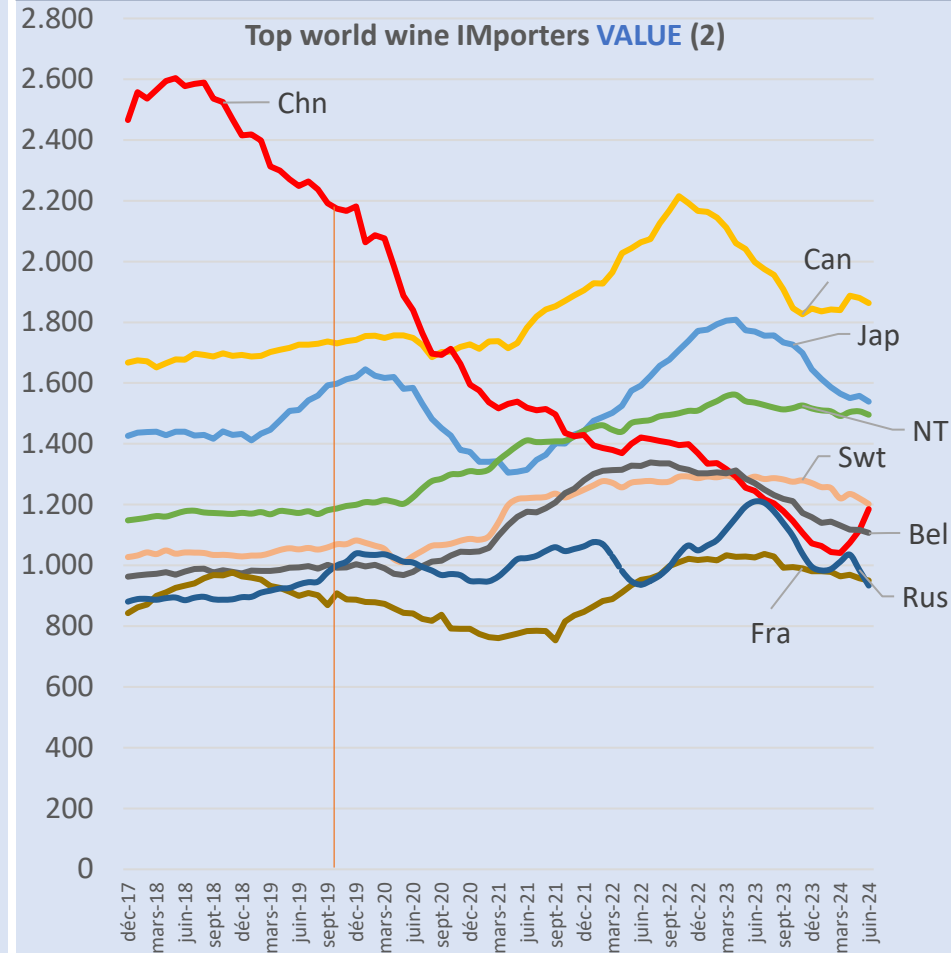
Top world wine EXporters **VOLUME** (2)



Trends by key markets

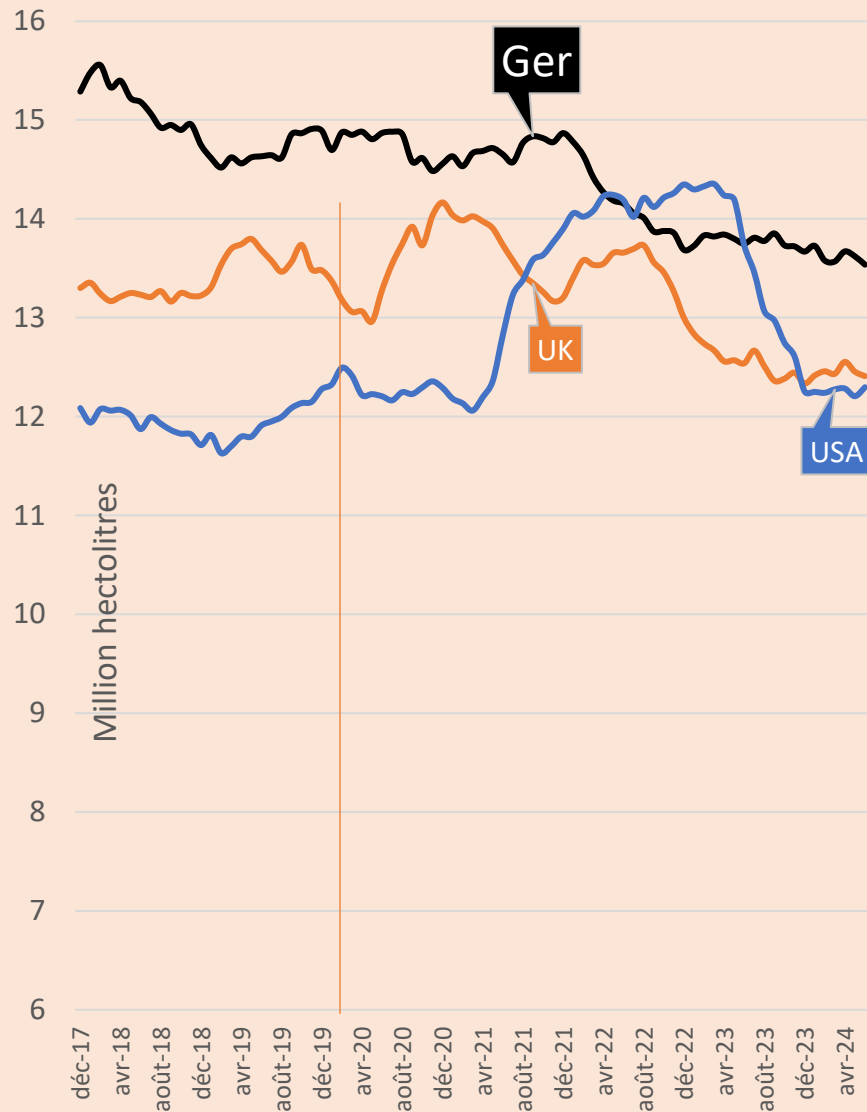


All top 11 markets for wine in international trade reduced their purchases in Euros during the last 12-month period. Declining rates go from smooth -2.3% for UK or -2.6% for Netherlands to tougher -12% in the USA or -22% in Russia. But decrease in the USA slows down in most recent months, while China shows good signs in '24.



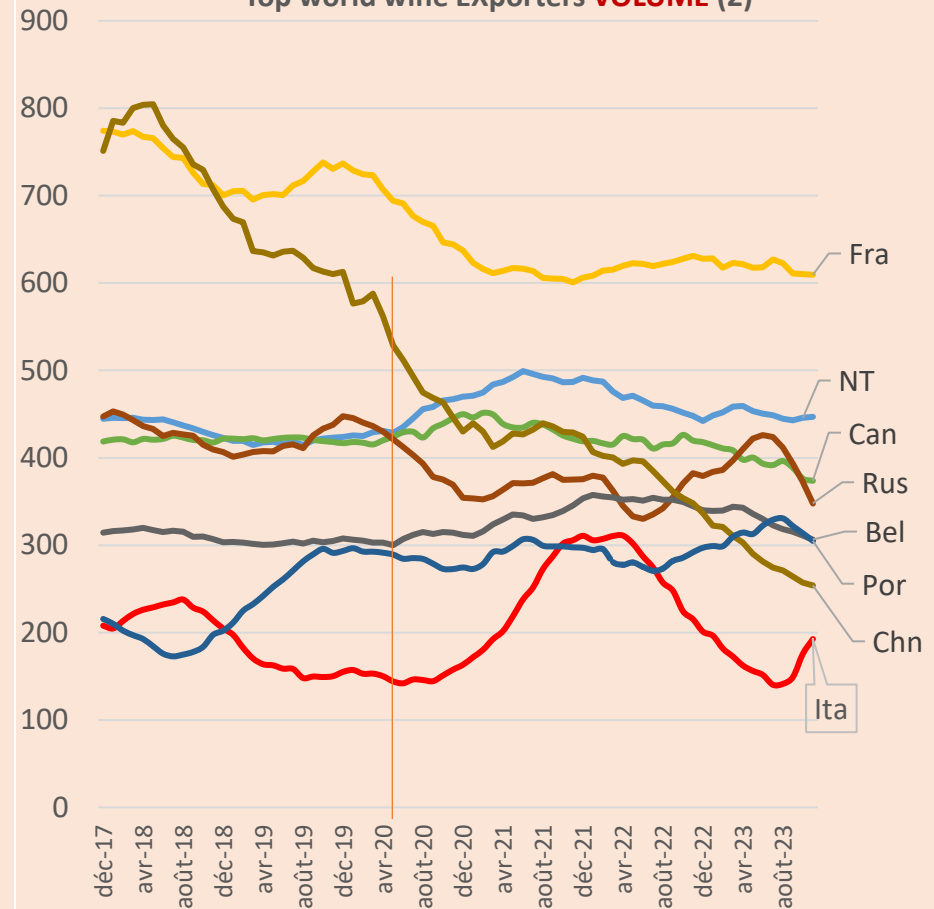
Trends by key markets

Top world wine EXporters **VOLUME** (1)

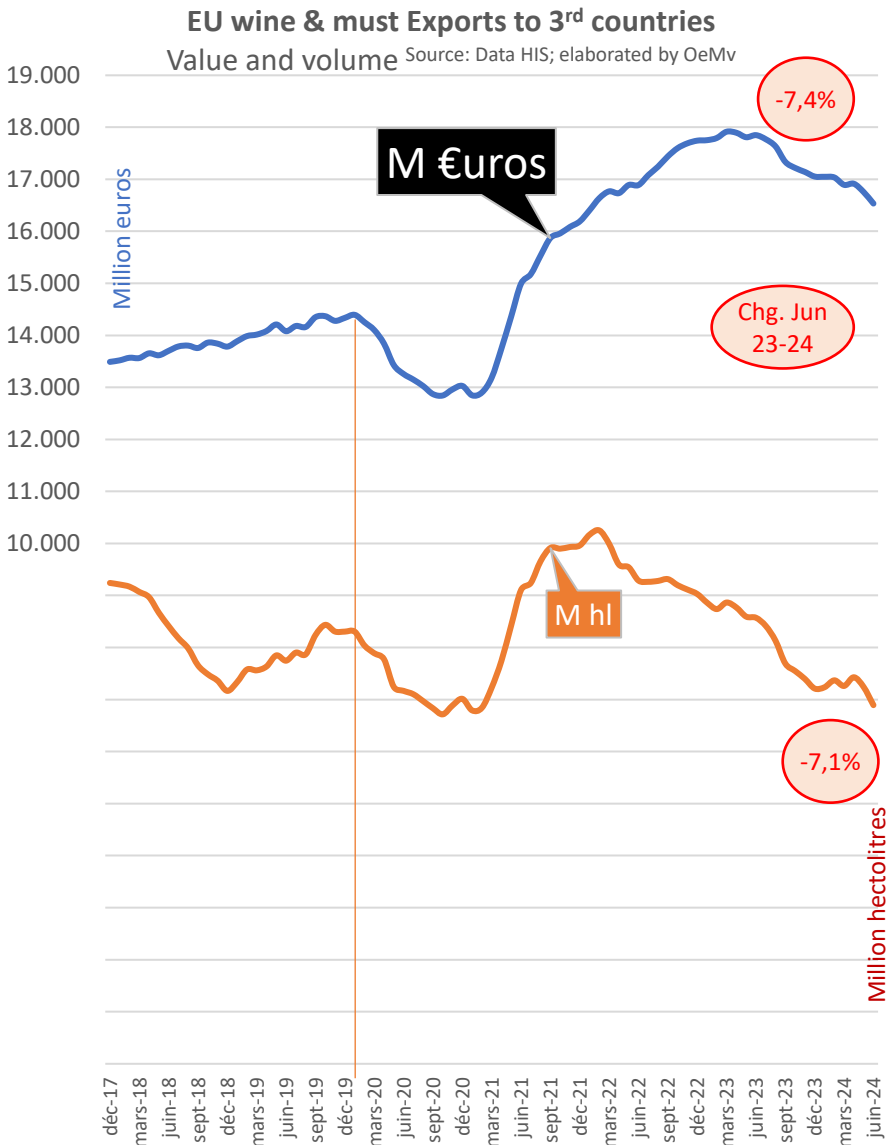


In volume, only Italy increases – doubles – its purchase of wine (particularly bulk wine and must from Spain), while the rest drop 11 markets show strong decrease, tending to stabilize in 2024 after a very negative 2023.

Top world wine EXporters **VOLUME** (2)

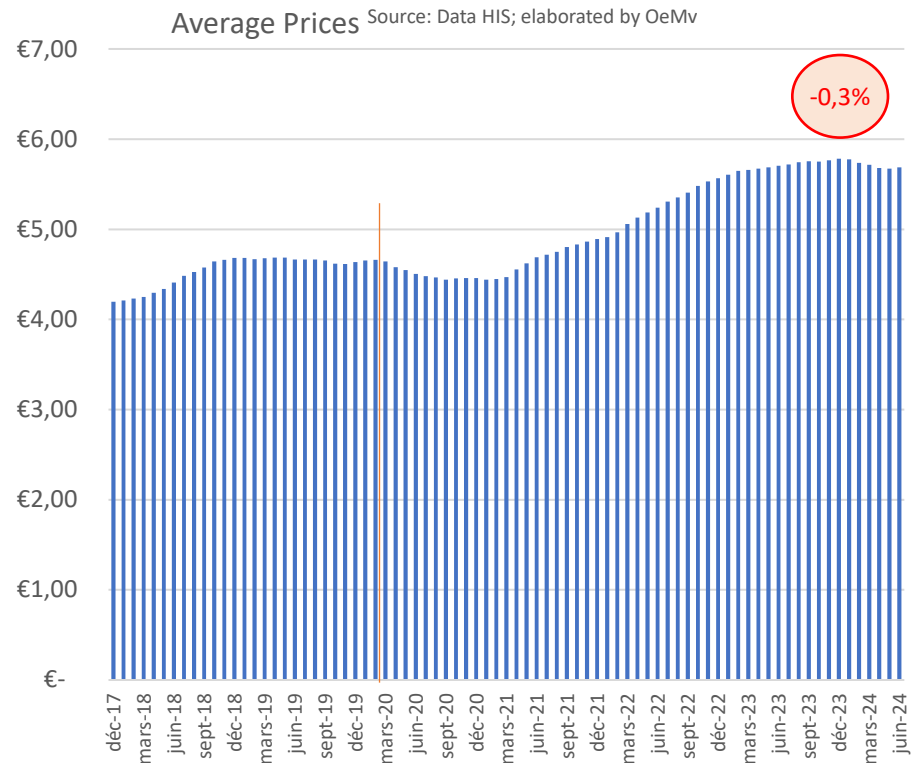


EU wine & must exports

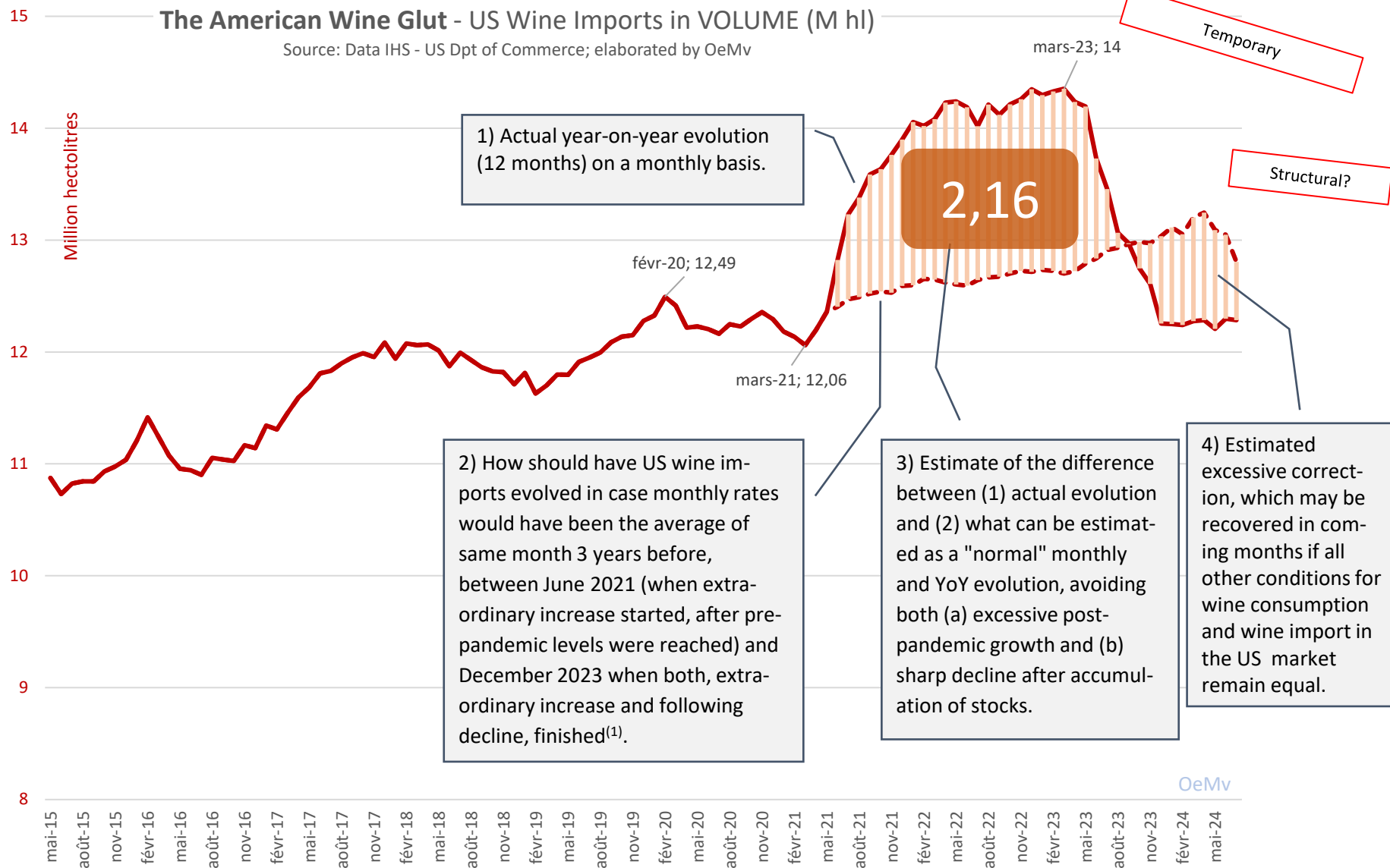


The recent evolution of top international markets, particularly outside the EU, is affecting EU wine exports this year, with relevant losses in both value and volume terms, at stable prices.

In comparison, intra-trade only decreased YoY Jun by -1.5% in euros and remained stable in volume (+0.5%).

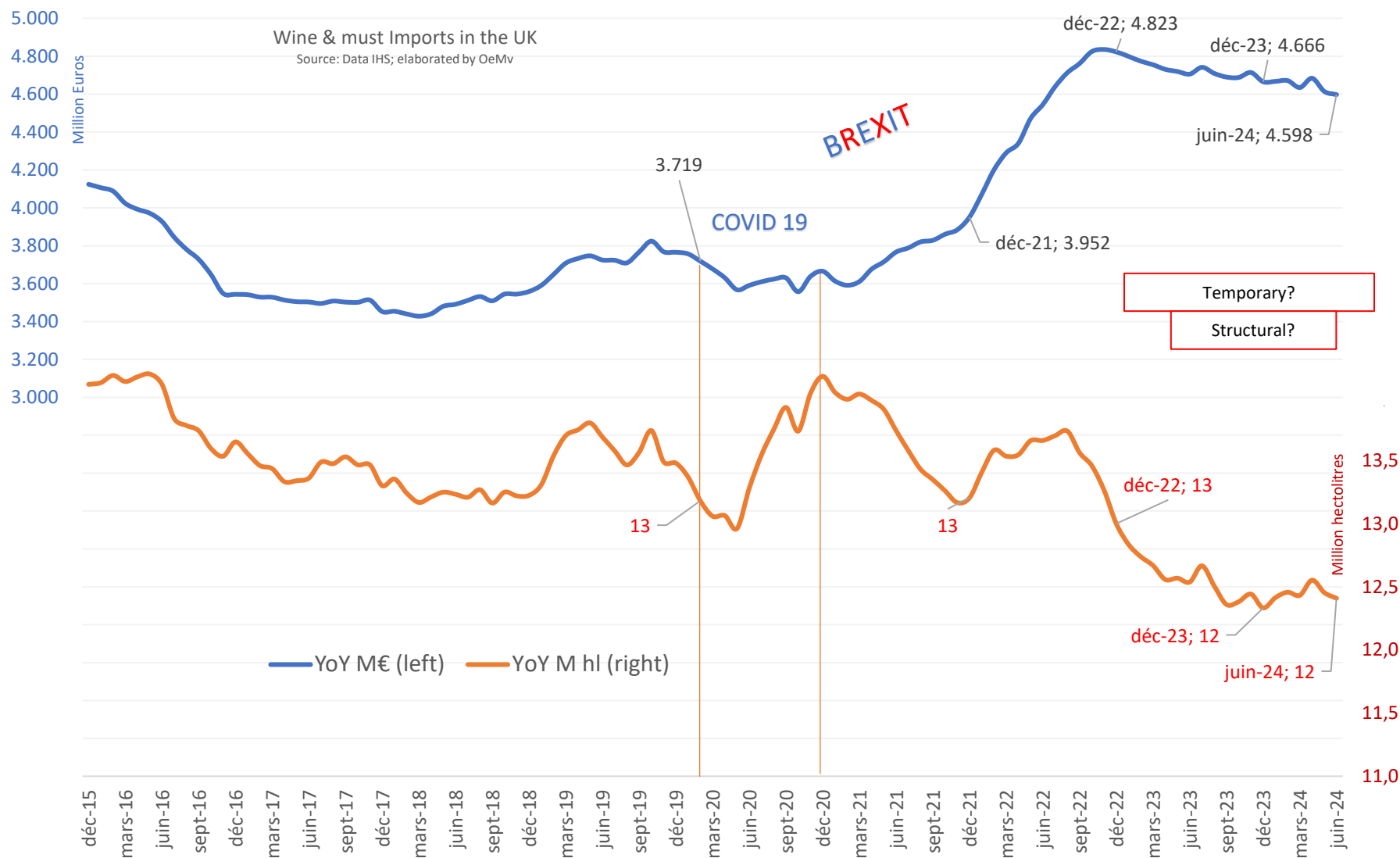


Structural or temporary changes? USA



¹⁾ From January 2024 onwards, monthly rates are equal to actual rates, but YoY figures last 12 months to be equal

Structural or temporary changes? UK



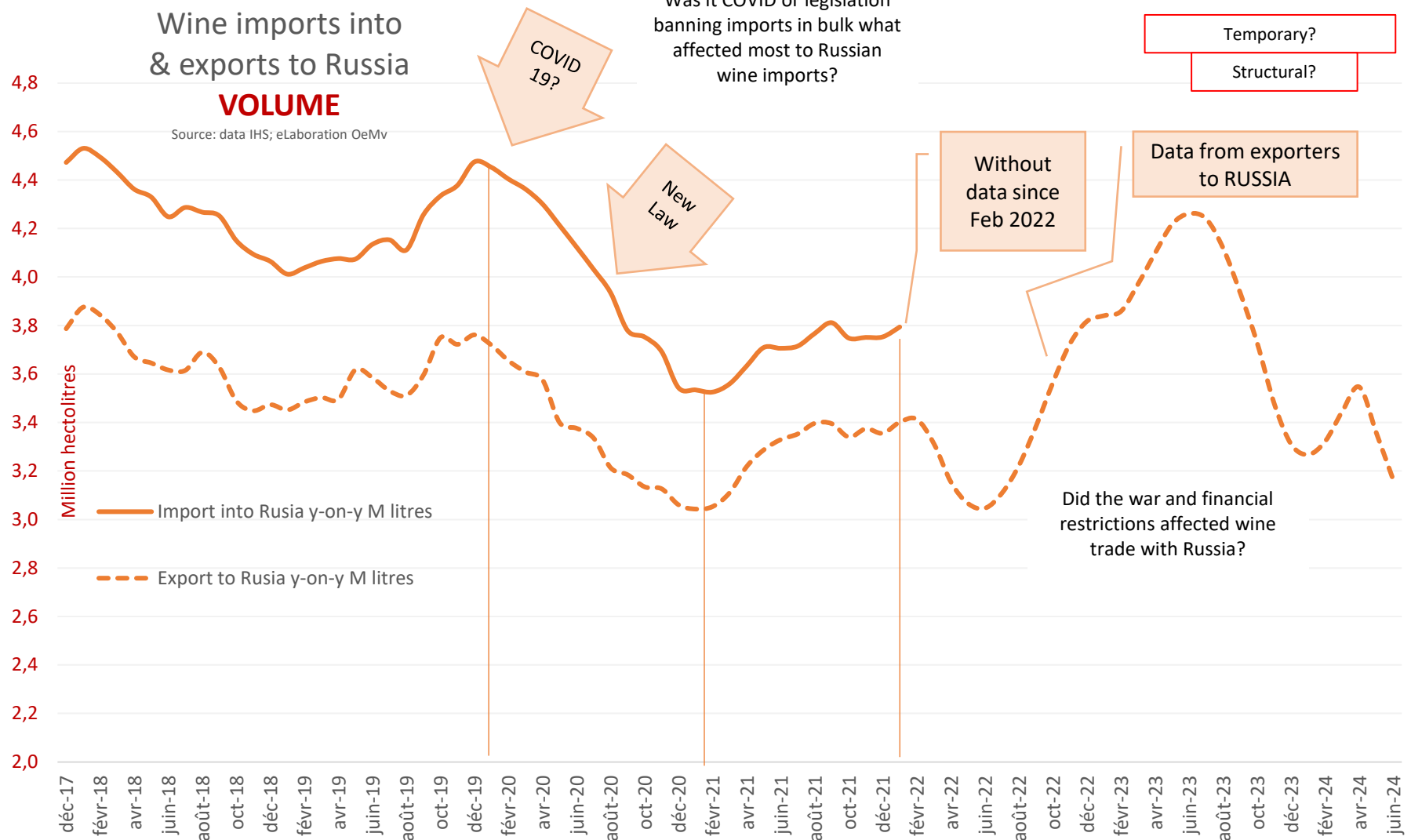
Structural or temporary changes? RUSSIA



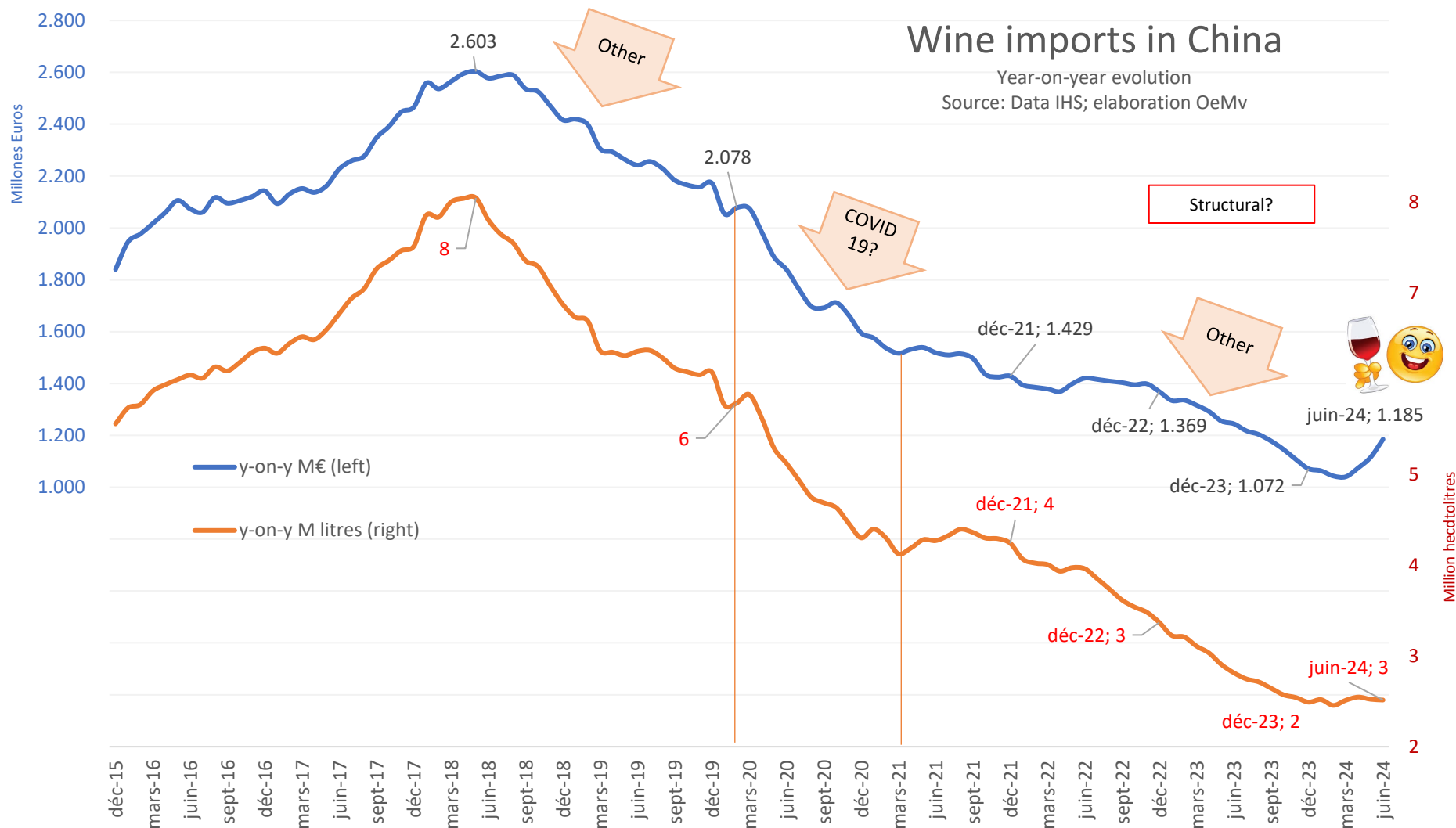
Wine imports into & exports to Russia

VOLUME

Source: data IHS; eLaboration OeMv



Structural or temporary changes? CHINA



Conclusions

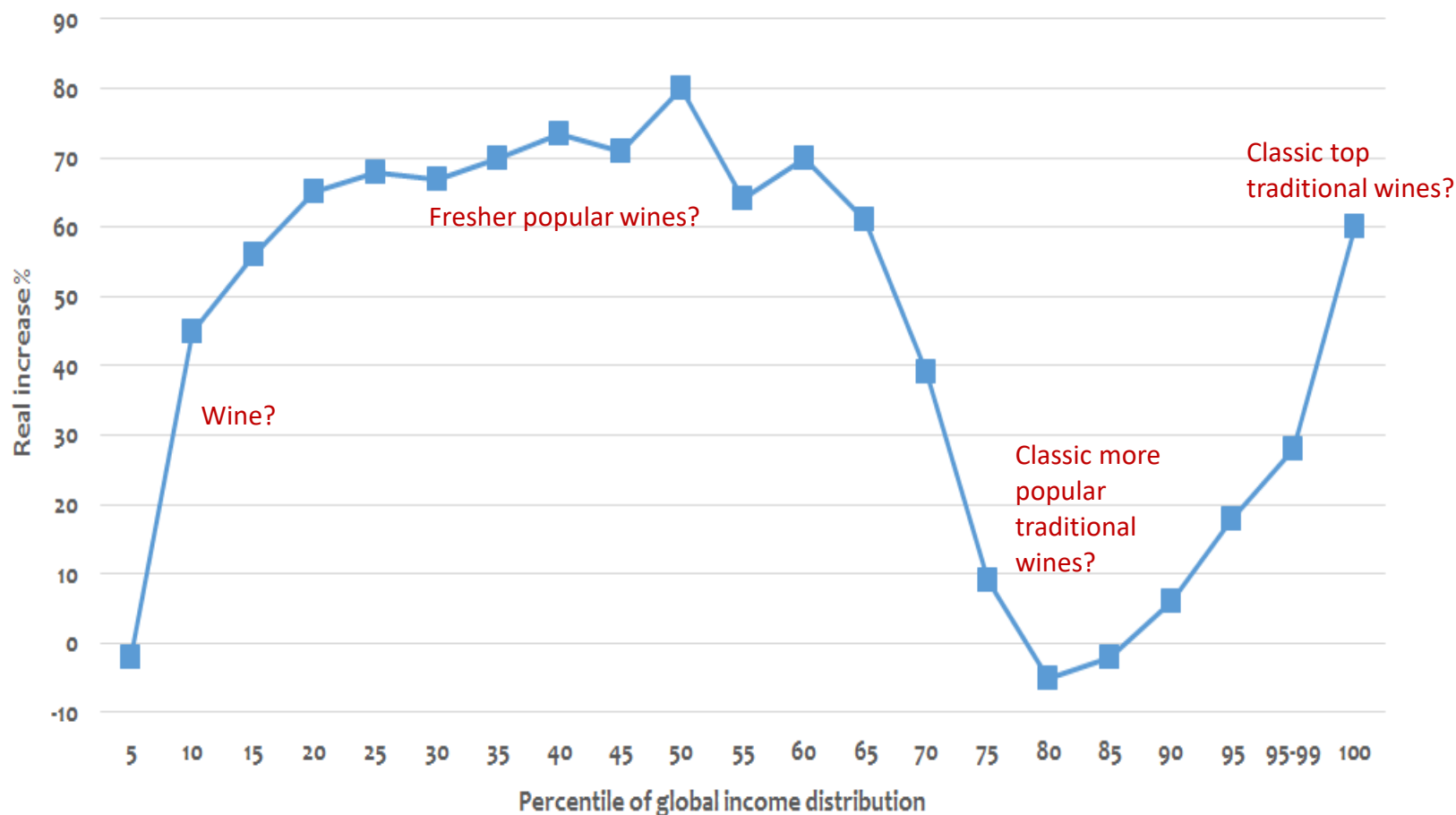
- The 2023 crisis of wine trade is not over, but shows signs of slow recovery
- World wine consumption is stagnant or decreasing particularly outside the EU, which also reduces trade
- Premiumization is not as clear as it was
 - Inflation in 2021 and 2022 added to previous trends of increasing prices
 - High-price wines keep on growing, although at slower rates
- Within the overall decline, there are singularities by markets and categories:
 - sparkling goes better than non-sparkling
 - Whites better than reds
 - BiB better than bottled
 - In some countries, varietals better than PDO
- Popular, fresh, sweeter wines and those with lower alcohol evolve better than average
- Both, temporary and structural changes are in place and both have to be faced
 - Great part of the 2023 decline was due to over stocking in the US (and others)
 - Nonetheless, health concerns, inflation and tighter monetary policies, geopolitics, declining globalization and changing preferences among consumers are also long-term trends that producers – and institutions – have to confront.

Food for thought

The world is changing – in economics, population, power and also consumers' habits.

Wine – as all other products – will be (is) affected and, therefore, has to adapt.

Change in Real Income from 1988 to 2008



Branko Milanovic, "Global Income Inequality by the Numbers", Policy Research Working Paper 6259, 2012.



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Thank you

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