

# International Market Situation and a Focus on IG Wines

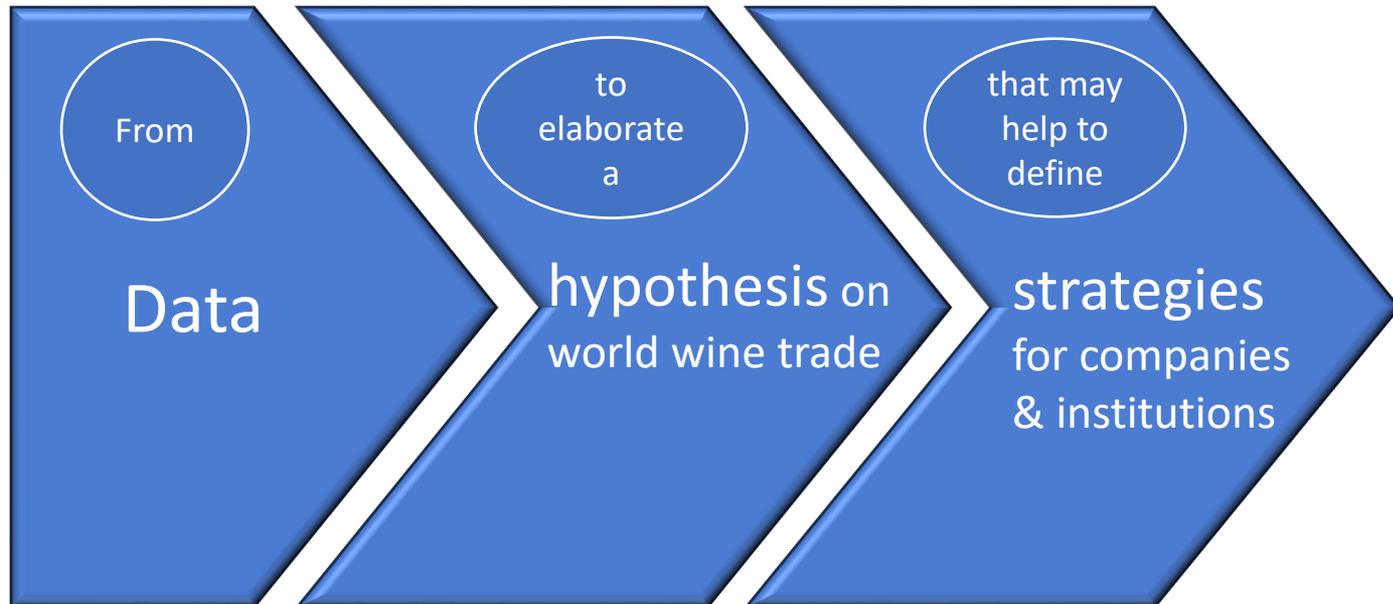
Recent trends in wine markets and their  
consequences for companies & institutions

Spanish Observatory of Wine Markets (OeMv)

Wine Market Observatory – Expert Group

Brussels, November 21<sup>st</sup> 2023

# Introduction



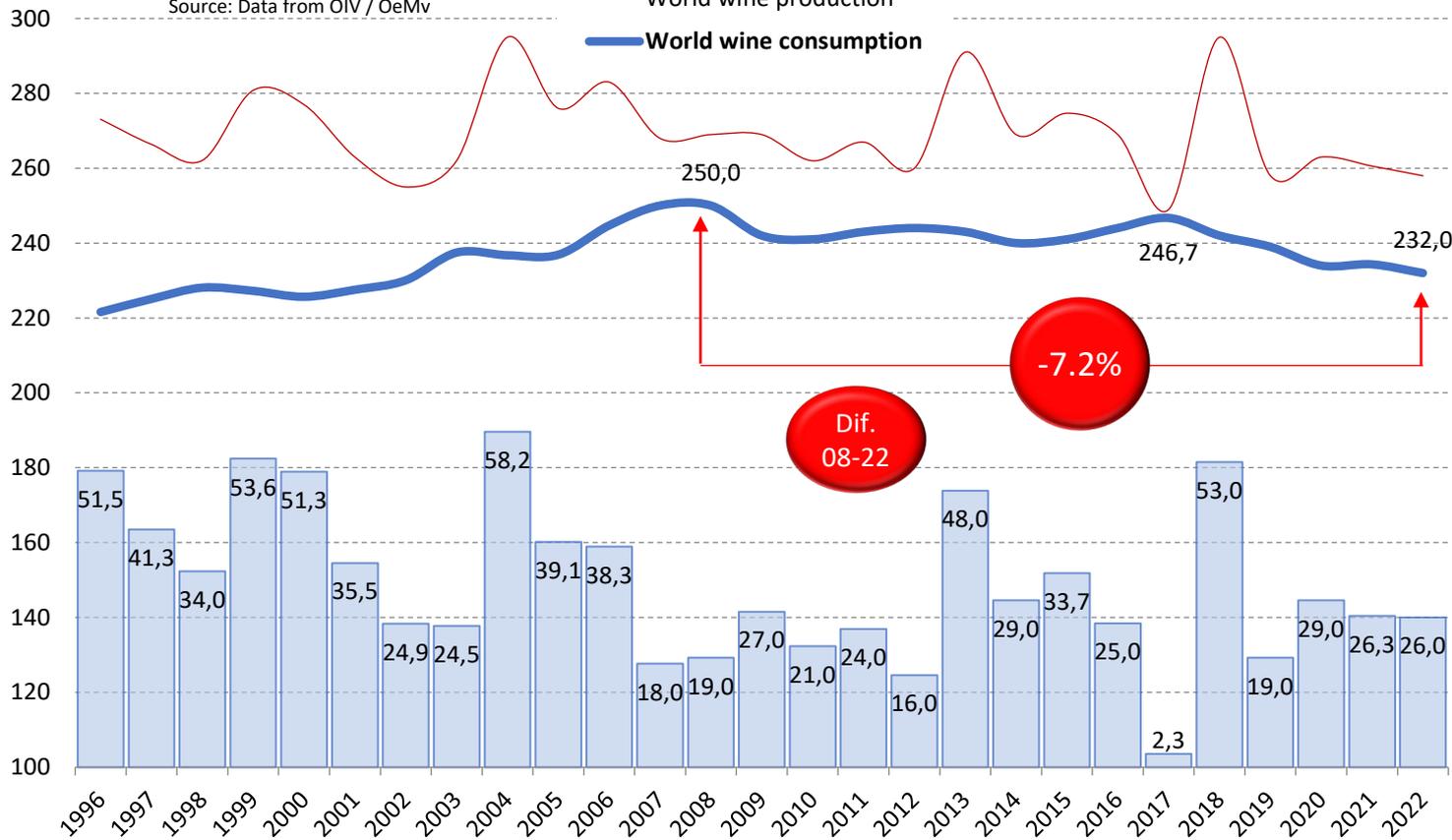
## 1

### Global wine consumption is decreasing

#### World wine consumption

Source: Data from OIV / OeMv

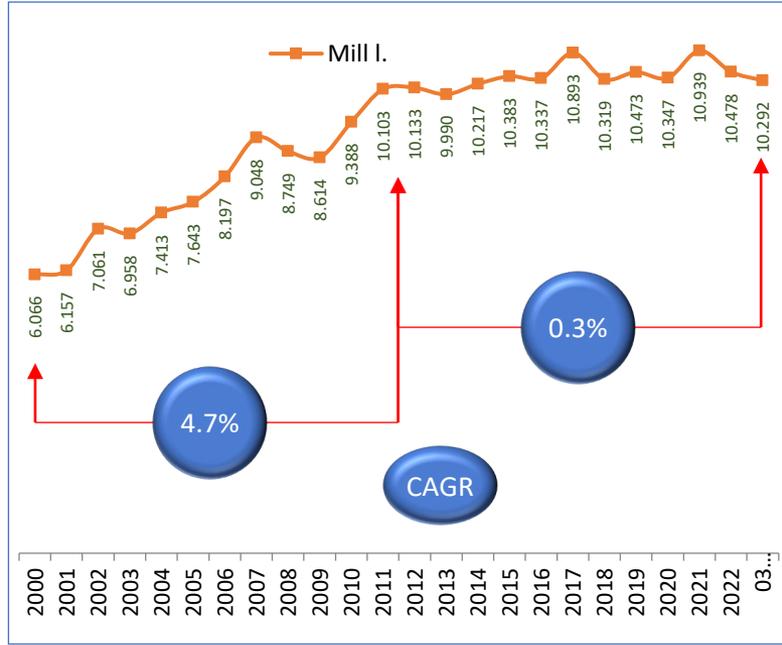
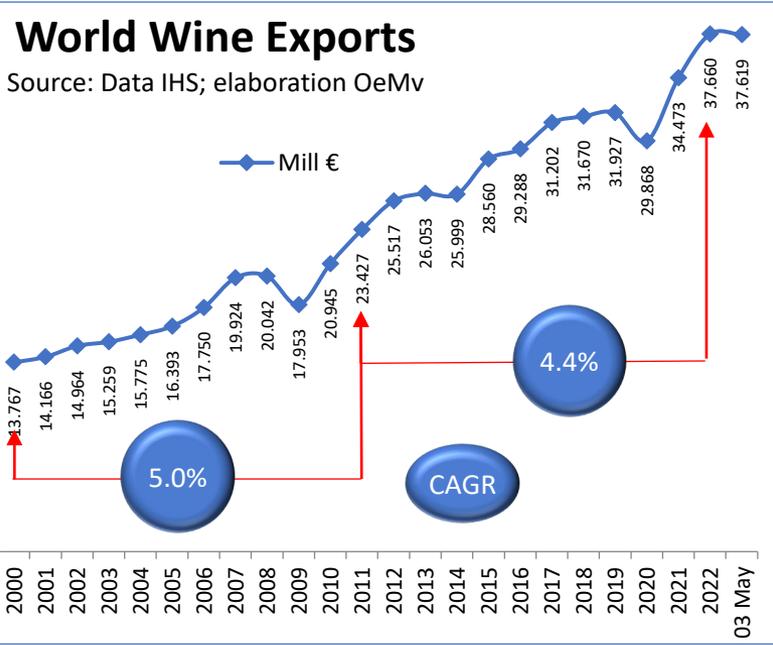
■ Difference  
— World wine production  
— World wine consumption



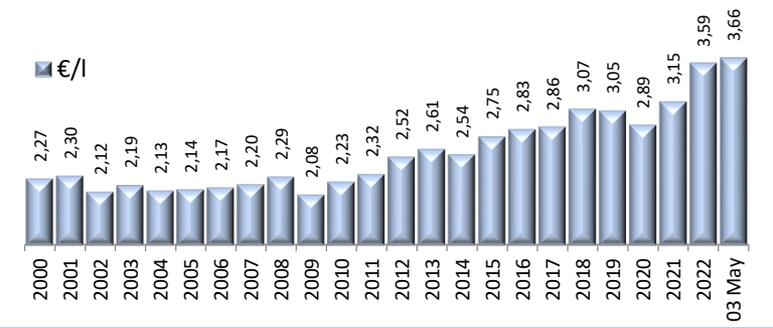
After strong growth since the mid-1990s, world wine consumption reached its peak in 2008, to later become almost flat for 10 years to 2017, and to decrease in more recent years down to an OIV's estimate of 232 million hectolitres.

## 2

World wine trade shows premiumisation trend: no more bottles or litres but more expensive



Accordingly, world wine trade is no longer growing in volume terms since 2011, moving between 100 and 110 million hectolitres, after sharp growth in the first decade of the century.



On the contrary, international wine trade keeps on growing in value terms, despite showing clear impact of the 2009 and 2020 crises. Great recovery thereafter, reached almost 38 billion euros in 2022, from close to a third in 2000. Value is where growth has been clearly based since 2009, leading to higher average prices; pushed in 2022 by inflation but growing much before inflation appeared (← long term trend).

3

Wine imports growing in new world regions: changing from traditional wine consumers

World Imports  
Data 2022

### North America

9.241 mill €  
24.2% of total  
CAGR 11-22:  
6.1%

### EU

11.882 mill €  
31,1% of total  
CAGR 11-22:  
3.9%

### Other Europe

8.122 mill €  
21,2% of total  
CAGR 11-22:  
3.7%

### Asia

6,556 mill €  
17,1% of  
total  
CAGR 11-22:  
5.0%

### Africa

289 mill €  
0.8% of total  
CAGR 11-22:  
12.5%

### Latin America

1,334 mill €  
3,5% of total  
CAGR 11-22:  
8.9%

### Pacific

839 mill €  
2.2% of total  
CAGR 11-22:  
5,6%

What type of  
wine may they  
drink?



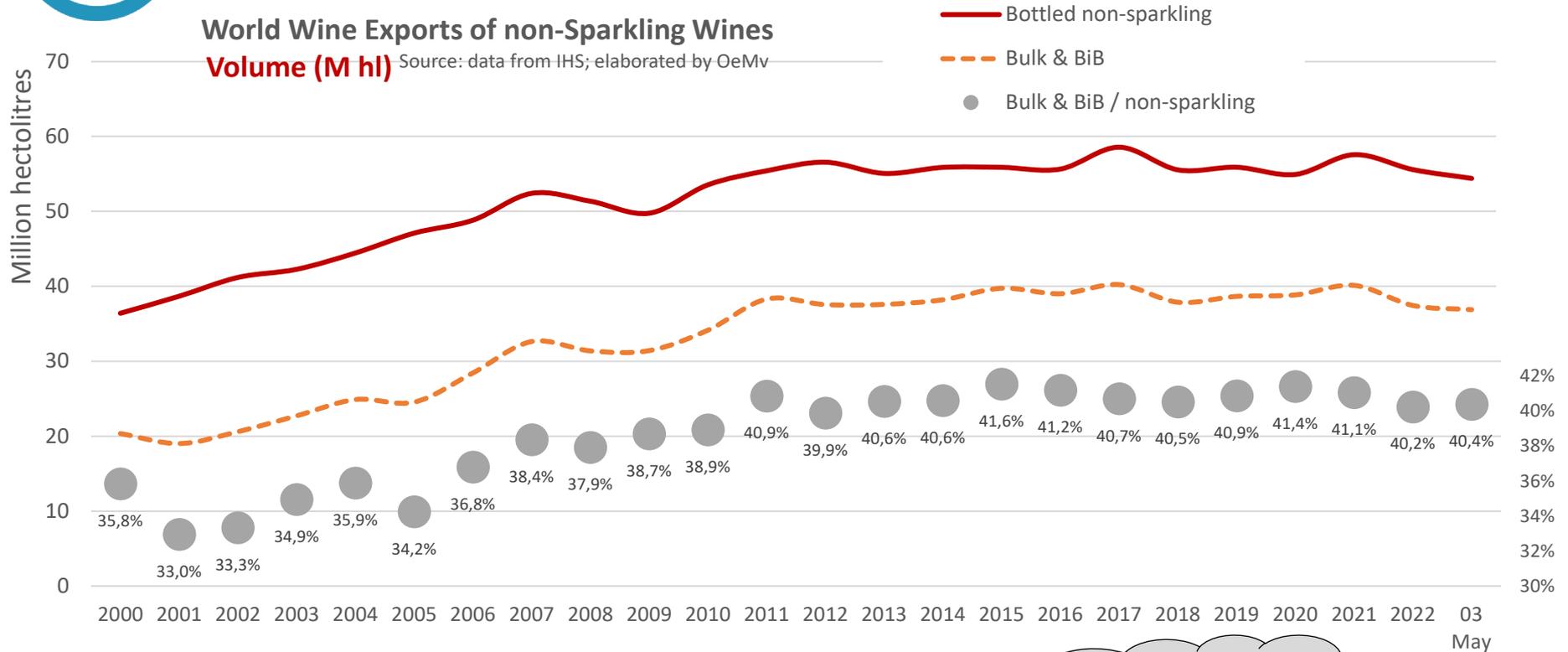
Within such flat volumes for consumption and trade, Africa and Latin America show the strongest increase in the last 6 years, despite being areas of still very little wine consumption.

## 4

### Shipments in bulk also growing: why? For which segment of wine consumption?

#### World Wine Exports of non-Sparkling Wines

Volume (M hl) Source: data from IHS; elaborated by OeMv



Signs of increasing sales of popular wines also may be inferred from growing shipments in bulk, from shares of 33/35% of total non-sparkling wines at the beginning of the century to more than 40% in recent years.

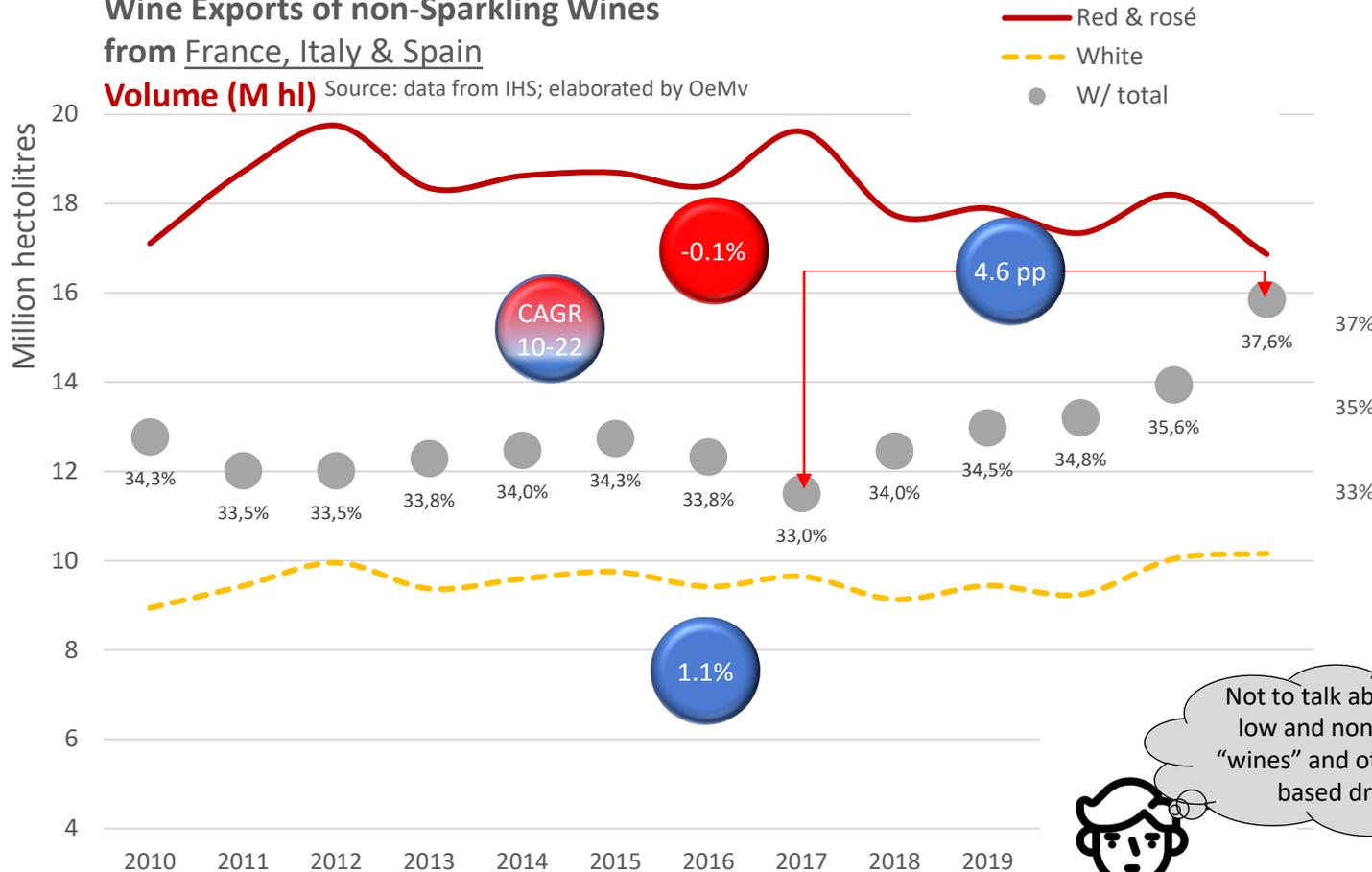


## 5

Fresher wines also developing better: (1) white over red & rosé

### Wine Exports of non-Sparkling Wines from France, Italy & Spain

Volume (M hl) Source: data from IHS; elaborated by OeMv



As regards to the kind of wines in world trade, whites show better performance than reds & roses (not possible to disaggregate in world statistics), particularly for the last 5 years. Figures on exports from the three largest world exporters (outside the EU differences by colour are not standardised), show an increase of almost 5 percentual points in the share of white wines among total still wines, due to very different annual growth rates.

Not to talk about cans, low and non-alcohol "wines" and other wine-based drinks.

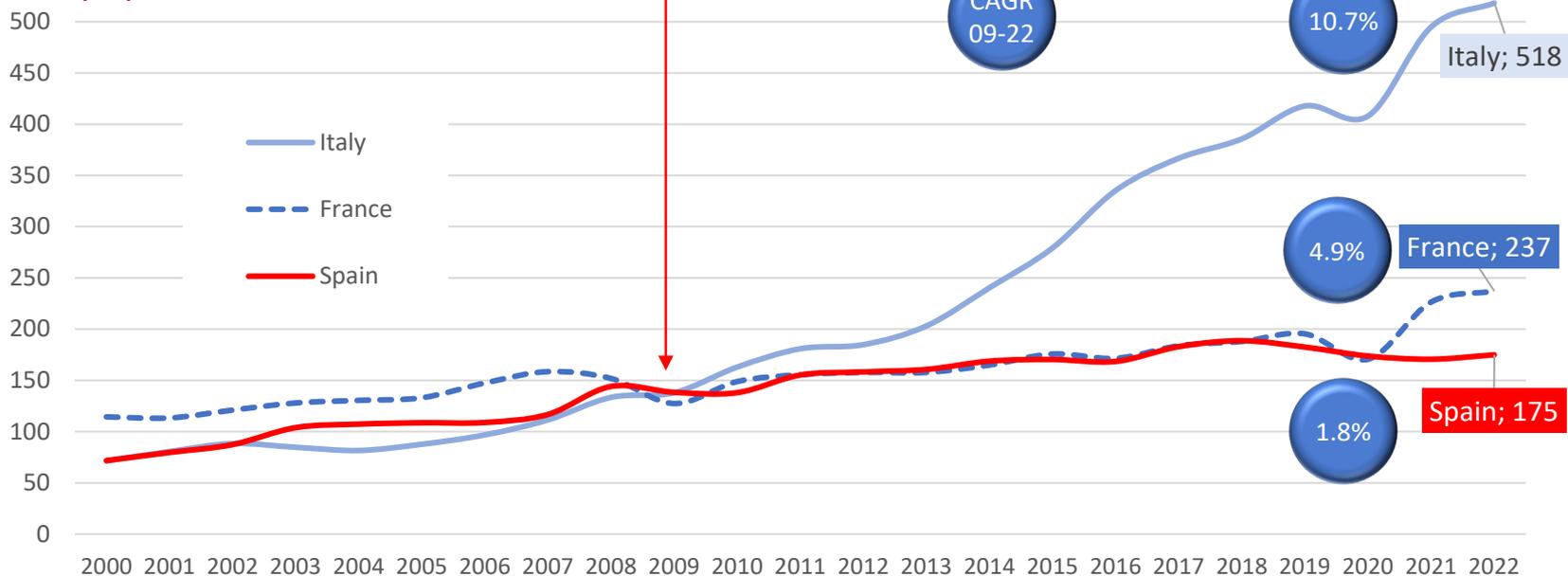


5

## Fresher wines also developing better: (2) Prosecco over Champagne & Cava

### Wine Exports of Sparkling Wines from France, Italy & Spain

Volume (M l) Source: data from IHS; elaborated by OeMv



Avg Price per  
litre 2022

4.18 €/l

19.62 €/l

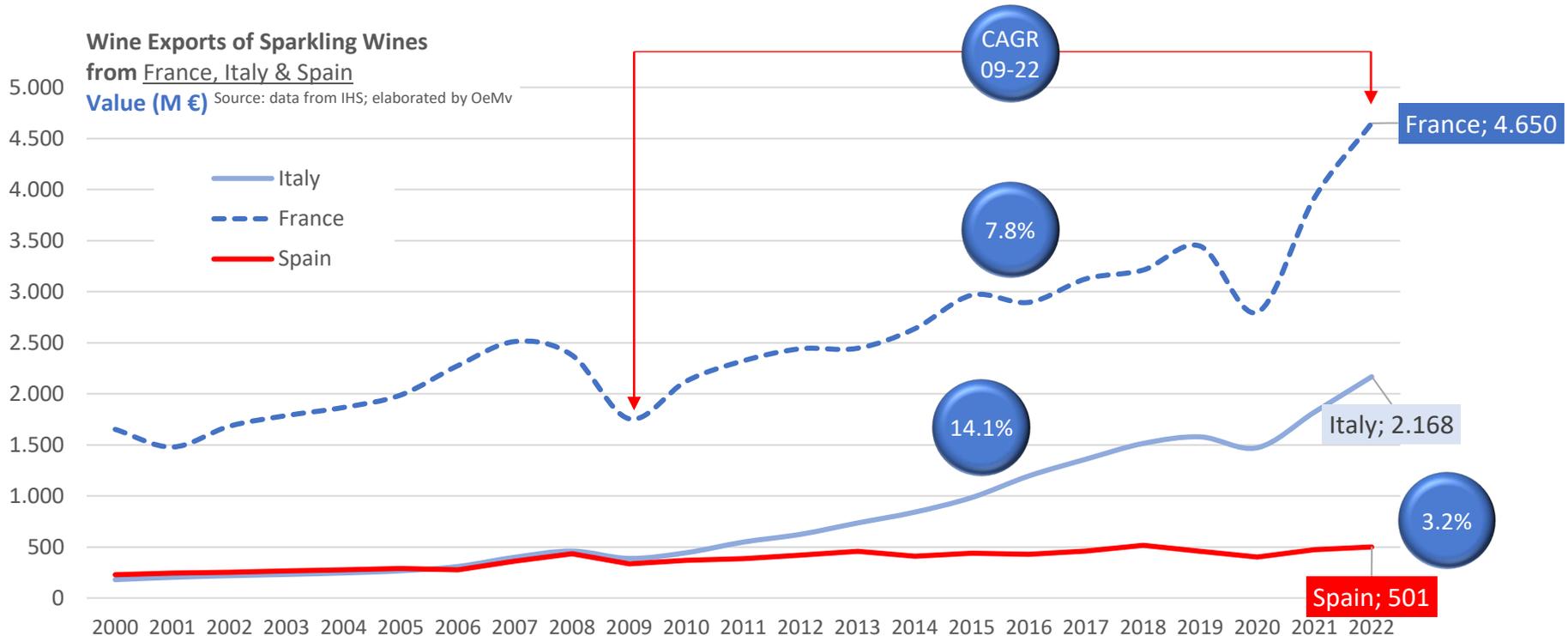
2.87 €/l

Although without specific data on Prosecco and Cava before 2017, the long run view shows quite clearly that Italian sparkling wine, at much popular prices than Champagne, has evolved much better than sparkling wines from both France and Spain.

Sparkling is fresher than still wine, particularly red, and Prosecco is cheaper than Champagne, but...

6

Also premium and super-premium wines are growing... in value: (1) Champagne

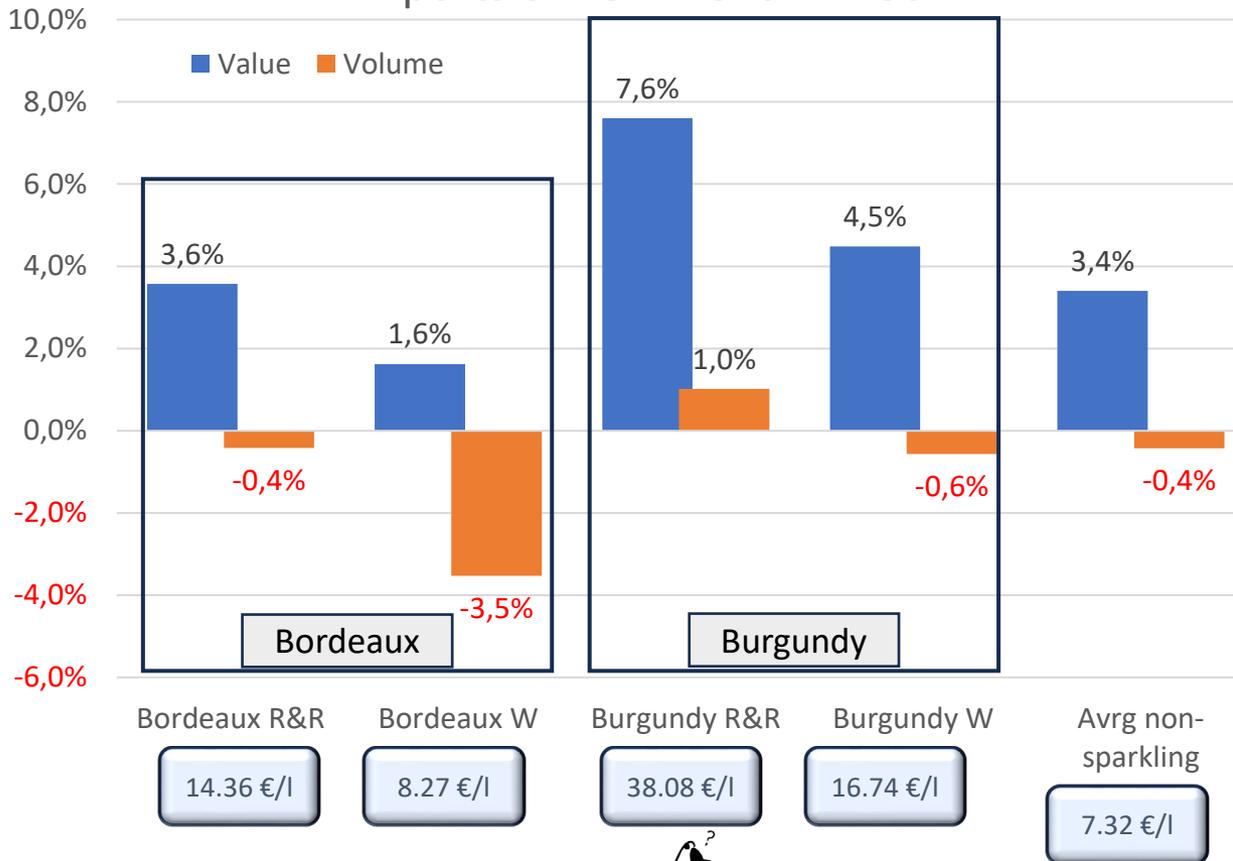


... in Euros, Champagne (91% of all total French sparkling) not only keeps on leading by far world sales of sparkling wines, but shows very strong recovery after the pandemic, implying a very healthy market for premium wines in the sparkling category.

## 6

Also premium and super-premium wines are growing... in value: (2) PDOs

### Exports of TOP French PDOs



As an example of how markets are also evolving quite well for premium and super-premium wines, the case of Burgundy may be mentioned, growing in the last years faster than the average French non-sparkling wines and faster than Bordeaux, ...  
... at average prices more than double those of the latter.

Avg Price per litre 2022



Therefore, markets seem to go well for both popular wines and also premium and super-premium wines. The problem, thus, might be for those caught in the middle.



## Asking for crisis distillation in top EU PDOs

### Le Monde

FRANCE • WINE, ALCOHOL AND OTHER LIQUORS

#### Overproduction crisis forces Bordeaux region to uproot vines

According to a local agriculture body, 1,371 farmers were experiencing difficulties at the end of last year. The crisis does not affect prestigious vineyards.

By Laurence Girard

Published on June 20, 2023, at 8:23 pm (Paris) • 4 min. • [Lire en français](#)

### FINANCIAL TIMES

#### France to pay farmers €200mn for destroying wine surplus

Winemakers told they must 'adapt' as demand falls among French drinkers and sales drop in China

## The Existential Crisis of Bordeaux's Small Grapegrowers

Wine Spectator

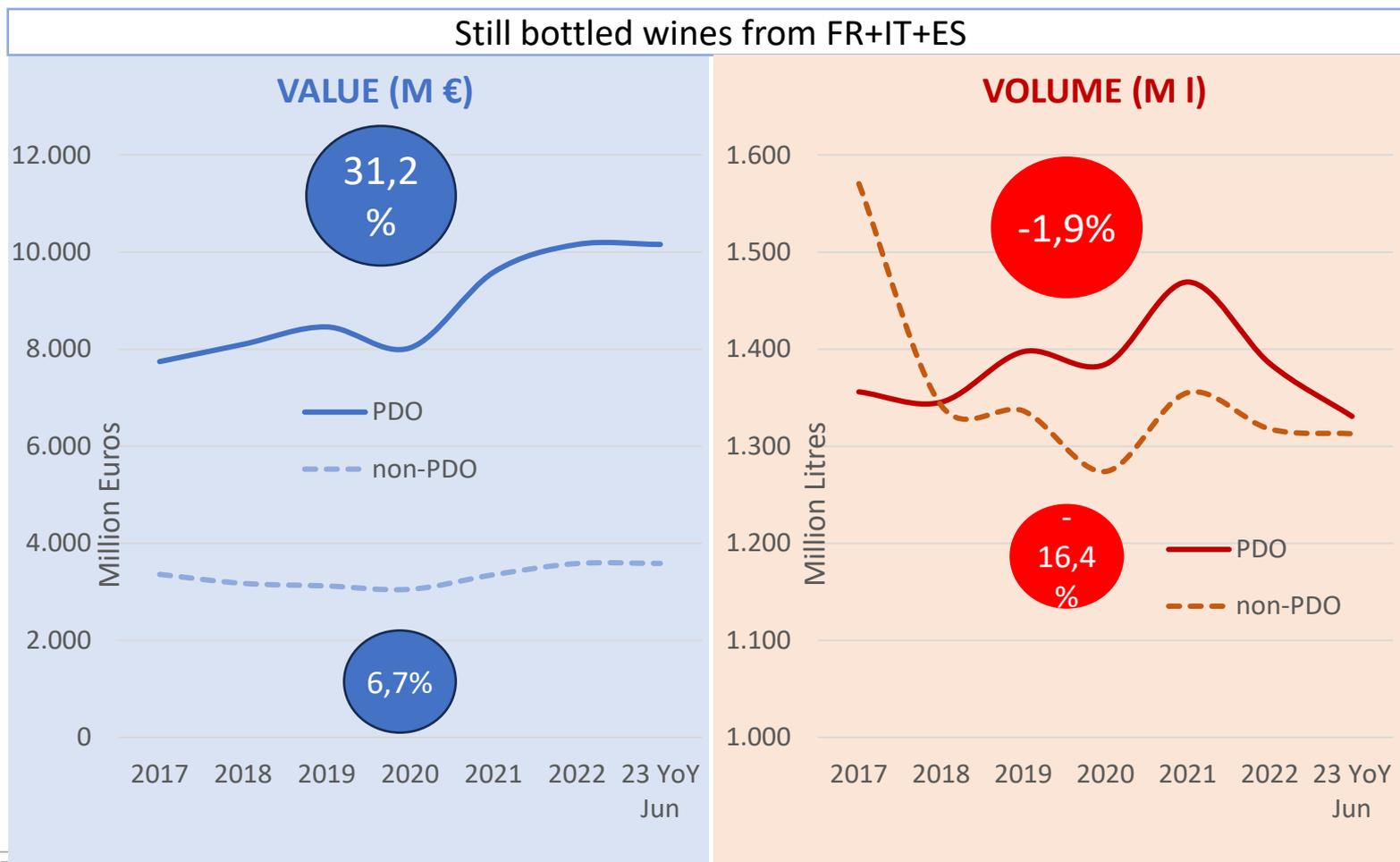
Protesters carried dead vines through the streets of Bordeaux, pleading for help as shrinking wine consumption in France and changes in China have left them facing ruin



# ANNEX – Focus on IG Wines

Along the last 6 years and for the 3 top EU wine exporters, PDO wines have evolved better than non-PDO wines both in value and volume terms. With great differences by country:

- Italian PDO wines have grown considerably in volume (+30%) while other wines decreased
- French PDO decreased less than non-PDO in volume
- Spanish PDO wines are responsible for most of the fall, not compensated by growth in varietals & PGI



# The Hypothesis



Wine Economics  
and Policy

State of the International Wine Market in  
2022: New market trends for wines require new  
strategies

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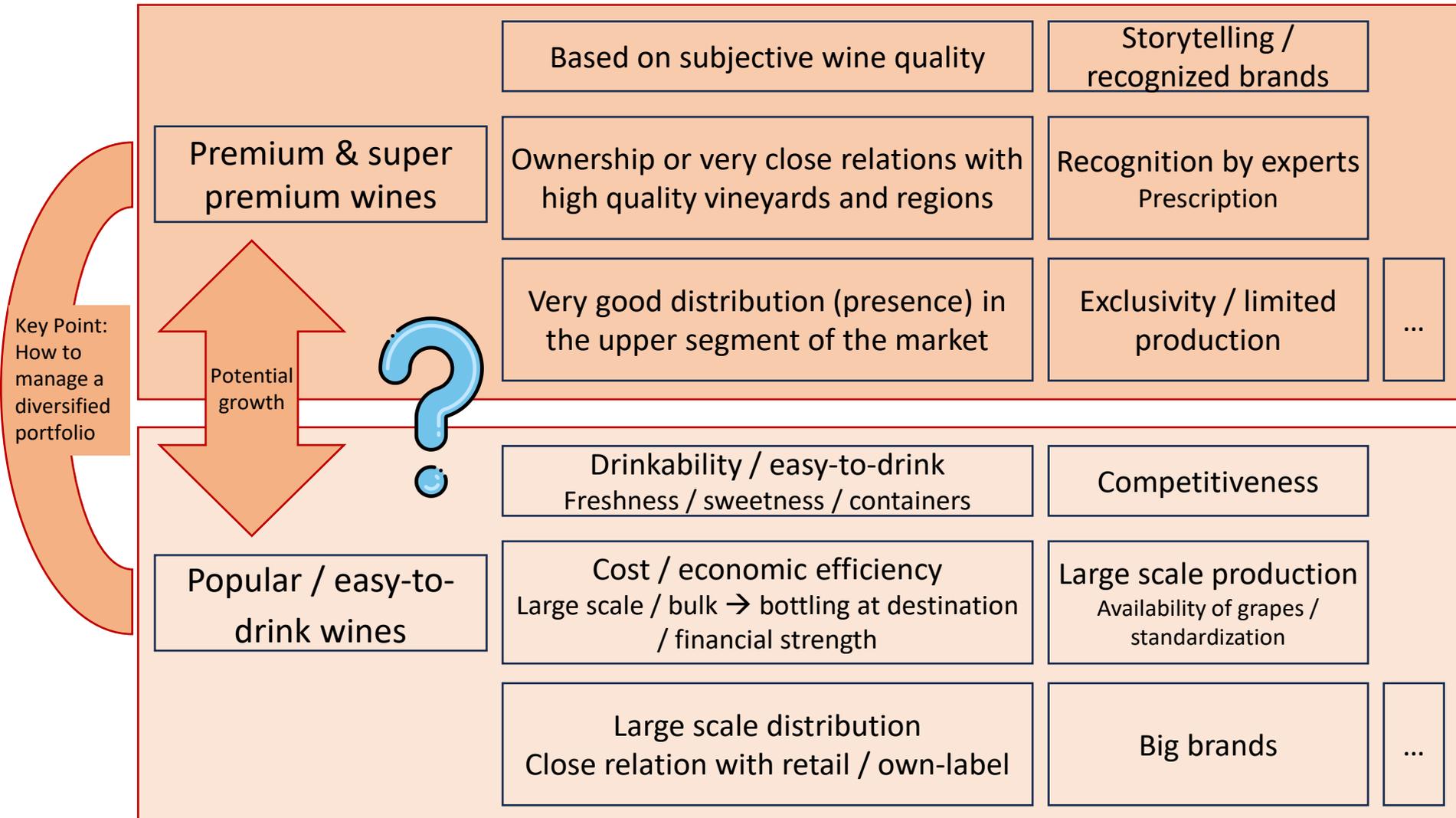
“... a stronger polarization might be expected in the future”:

“The small niche of **premium and super premium wines**... have so far been minimally affected by the crisis..., were able to increase their prices because of a price-inelastic demand by their consumers...” and “... for some wines, even a positive price elasticity was observed”: the more they rise their prices, the more there are demanded.

On the other hand, “... there is a large segment of highly price-sensitive consumers who favour more **popular and easy-to-drink wines** (lighter, fresher, sweeter, white, rosé, sparkling, etc.) at very competitive prices.”

# Strategies

Different segments of consumers require different strategies



# Strategies

Different segments of consumers require different strategies

**New Strategies also  
for institutions?**

# Thank you

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European  
Commission