OIV
Organisation Internationale
de la Vigne et du Vin

STATE OF THE VITIVINICULTURE WORLD MARKET

April 2017

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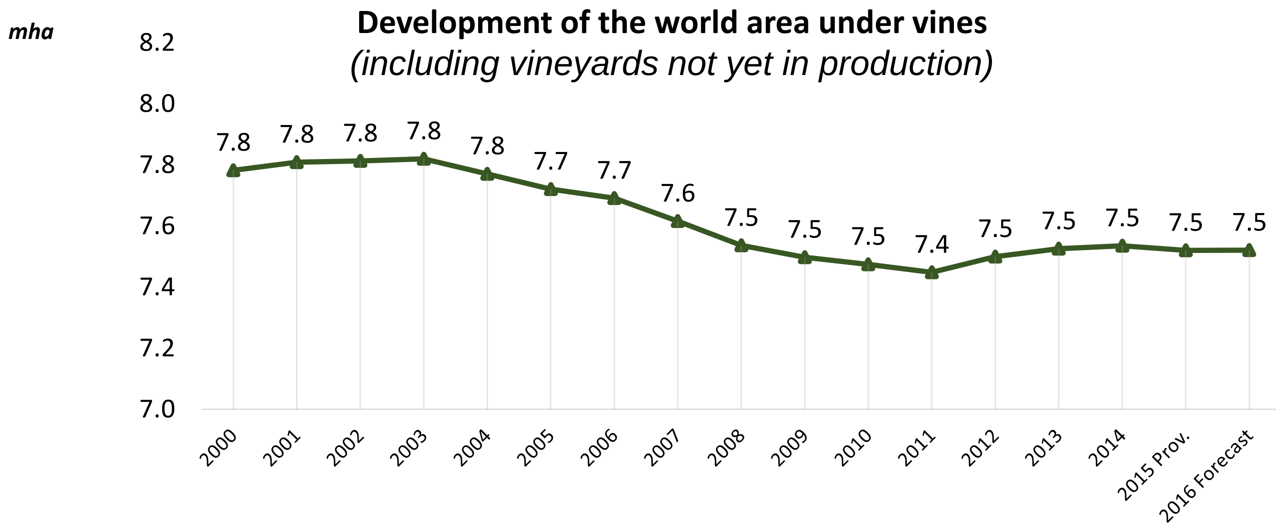
Abbreviations:
kha: thousands of hectares
mha: millions of hectares
khl: thousands of hectolitres
mhl: millions of hectolitres
bn: billion
m: millions
EUR: euros

1. Viticultural production potential

The 2016 total world area under vines (corresponding to the total surface area planted with vines, including that not yet in production or not yet harvested) should be almost equivalent to that of 2015 (+1000 ha) and reach **7.6 mha**.



1.1 The areas under vines in European vineyards

Since the end of the European Union programme (2011/2012 harvest) to regulate viticultural production potential in the EU,[1] the rate of decline of **EU vineyards** has significantly slowed. **EU vineyards[2] should stand at 3.3 mha**, a reduction of 26 kha between 2014 and 2015.

The implementation of the new system regarding the management of viticultural production potential[3], including the possibility of annual growth being limited to 1% of the planted vineyards per Member State, and the management methods for old rights held in portfolios have led – within this context of regulatory transition – to contrasting developments for the area under vines in different EU countries.

The latest available data shows a trend towards the stabilisation of the overall area under vines in Spain (975 kha), France (785 kha), Romania (191 kha) and Germany (102 kha). The **Portuguese (195 kha) and Greek (105 kha) vineyards decreased** again, while in Italy (690 kha) the total 2016 vineyard surface area should regain a size equivalent to that of 2014.

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[1] Council Regulation (EC) No. 479/2008 of 29 April 2008 on the common organisation of the market in wine.

[2] Area under vines destined for the production of wine grapes, table grapes or dried grapes, in production or awaiting production.

[3] Regulation (EU) No. 1308/2013 introduced, as of 1 January 2016, a new tool for the management of viticultural production potential at the European level, based on a system of planting authorisations that replaces the old planting-rights system.

Areas under vines [(a)] in European vineyards

kha	2013	2014	2015[b]	2016[c]	2016/2015 Variation
Spain	973	974	974	975	0,8
France	793	789	785	785	0,1
Italy	705	690	682	690	8,2
Portugal	227	221	204	195	-9,0
Romania	192	192	191	191	0,0
Greece	110	110	107	105	-2,0
Germany	102	102	103	102	-0,6
Hungary	56	62	68	68	-0,5
Bulgaria	68	66	67	67	0,5
Russian Federation	62	63	63	63	0,0
Austria	44	45	45	46	1,0
Switzerland	15	15	15	15	0,0
Other European countries	691	676	672	675	3,0
Continental total	**4 038**	**4 005**	**3 976**	**3 978**	**1,6**
Including the EU-28 total	3 362	3 343	3 318	3 319	1,0

a) Area under vines destined for the production of wine grapes, table grapes or dried grapes, in production or awaiting production

b) 2015: provisional data

c) 2016: forecasted data

Sources: OIV, OIV Experts, Trade Press

1.2 Outside Europe

The information in Table 2 shows that **vineyards outside Europe** appear to have stayed **stable between 2015 and 2016** and should reach **3.5 mha**. This apparent stability is the result of contrasting developments in Asia.

As noted in recent years, in **China** (847 kha) the total area under vines continued to increase (+17 kha between 2015 and 2016): this country continues to be the main growth pole of vineyards worldwide. Elsewhere in Asia, **Turkey** (480 kha) should, conversely, see a reduction in the size of its area under vines, with a decline of 17 kha between 2015 and 2016.

North and South America did not record any significant variations in the size of their vineyard surface area. Almost the same was true in Oceania, where the **Australian vineyards** (148 kha) should see their recent downturn slow, while the **New Zealand** vineyards remained more or less stable at 39 kha.

Finally, the **South African** vineyards (130 kha), which have been slowly declining since 2012, did not appear to show any significant reduction in 2016.

Total areas under vines in vineyards[a] outside Europe

kha	2013	2014	2015[b]	2016[c]	2016/2015 Variation
China	757	796	830	847	16.8
Turkey	504	502	497	480	-17.0
United States	449	448	443	443	0.0
Argentina	224	226	225	224	-1.0
Chile	208	213	214	214	0.0
Australia	157	154	149	148	-1.5
South Africa	133	132	130	130	0.0
Brazil	90	89	85	85	0.0
New Zealand	38	38	39	39	0.0
Other American countries	93	97	97	98	1.0
Other African countries	234	234	234	234	0.0
Other Asian countries	600	602	602	601	-1
Total outside Europe	**3,487**	**3,521**	**3,544**	**3,543**	**-1.0**

a) Area under vines destined for the production of wine grapes, table grapes or dried grapes, in production or awaiting production

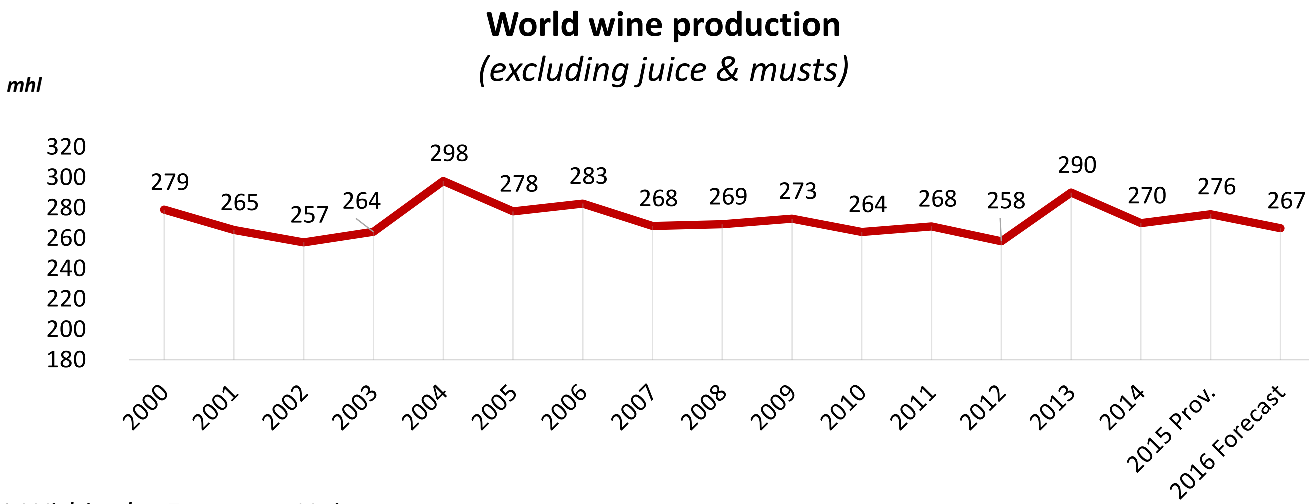
b) 2015: provisional data

c) 2016: forecasted data

Sources: OIV, OIV Experts, Trade Press

2. Wine production[4]

Global wine production[5] (excluding juice & musts) fell to **267 mhl in 2016,** a decline of 9.3 khl compared with 2015 production.



2.1 Within the European Union

2016 EU vinified production is likely to reach 162 mhl, a drop of 2.5% compared with 2015. This situation is the result of already contrasting developments.

Italian production stayed at a relatively high level, reaching nearly **51 mhl** vinified (+2%/2015), and **Spanish production**, which reached 39.4 mhl (+1.7 mhl/2015) may be described as high to average. However, at the same time, with **43.5** and **6 mhl** respectively, **France** and **Portugal** recorded non-negligible decreases (-3.5 and -1 mhl, or -7 and -15%/2015 respectively), while a very low production was seen in **Hungary** (**1.86 mhl**, or -38%/2015).

2.2 Outside the European Union

There were contrasting developments in these regions:

- With **23.9 mhl** (excluding juice and musts), the **United States** should record very high wine production in 2016 (almost as high as that of 2013, re-evaluated at 24.6 mhl).

- All over South America, under the influence of El Niño, wine production decreased: **Brazilian production was reduced by 55%** compared with 2015**, with 1.6 mhl**; in **Argentina wine production**

[4] This is the wine production resulting from grapes harvested in autumn 2016 in the northern hemisphere and in spring of the same year in the southern hemisphere.
[5] 2016 Wine production is valued at a mid-range estimate of between 263.5 and 269.8 mhl, or at a mid-range estimate of 266.6 mhl.

continued to **decline, by 29% with 9.4 mhl**; and **Chile** recorded a fall by 21% of the volume of wine produced (**10.1 mhl)**.

- In **South Africa**, under the influence of the drought, vinified production dropped in 2016 – yet following 2 years of high levels – to 10.5 mhl (-6%/2015).

- **Australia** recorded a harvest of almost **13 mhl vinified (+9.4%/2015)** within a context of near stability of its vineyard size – a sign of improved productivity compared with 2015 – while 2016 **New Zealand production** returned to a level close to the record in 2014 (**3.1 mhl**), thus recording a substantial rise (+34%) in comparison with the 2015 harvest (2.35 mhl).

Wine production (excluding juice and musts) [a]

mhl	2012	2013	2014	2015[b]	2016[c]	2016/2015 Variation in volume	2016/2015 Variation in %
Italy	45.6	54.0	44.2	50.0	50.9	0.9	2%
France	41.5	42.1	46.5	47.0	43.5	-3.5	-7%
Spain	31.1	45.3	39.5	37.7	39.3	1.7	4%
United States[d]	21.7	24.4	23.1	21.7	23.9	2.2	10%
Australia	12.3	12.3	11.9	11.9	13.0	1.1	9%
China	13.5	11.8	11.6	11.5	11.4	-0.1	-1%
South Africa	10.6	11.0	11.5	11.2	10.5	-0.7	-6%
Chile	12.6	12.8	10.0	12.9	10.1	-2.7	-21%
Argentina	11.8	15.0	15.2	13.4	9.4	-3.9	-29%
Germany	9.0	8.4	9.2	8.9	9.0	0.1	1%
Portugal	6.3	6.2	6.2	7.0	6.0	-1.0	-15%
Russia	6.2	5.3	4.9	5.6	5.6	0.0	0%
Romania	3.3	5.1	3.7	3.5	3.3	-0.3	-8%
New Zealand	1.9	2.5	3.2	2.3	3.1	0.8	34%
Greece	3.1	3.3	2.8	2.5	2.6	0.0	2%
Serbia	2.2	2.3	2.3	2.3	2.3	0.0	0%
Austria	2.1	2.4	2.0	2.3	2.0	-0.3	-14%
Hungary	1.8	2.6	2.6	3.0	1.9	-1.2	-38%
Moldova	1.5	2.6	1.6	1.7	1.7	0.0	0%
Brazil	3.0	2.7	2.7	3.5	1.6	-1.9	-55%
Bulgaria	1.3	1.7	0.7	1.3	1.2	-0.1	-8%
Georgia	0.8	1.0	1.1	1.3	1.1	-0.2	-16%
Switzerland	1.0	0.8	0.9	0.9	1.0	0.1	18%
World total	**258**	**290**	**270**	**276**	**267**	**-9.3**	**-3%**

Sources: OIV, OIV Experts, Trade Press

a) Countries for which information has been provided with wine production of more than 1 mhl

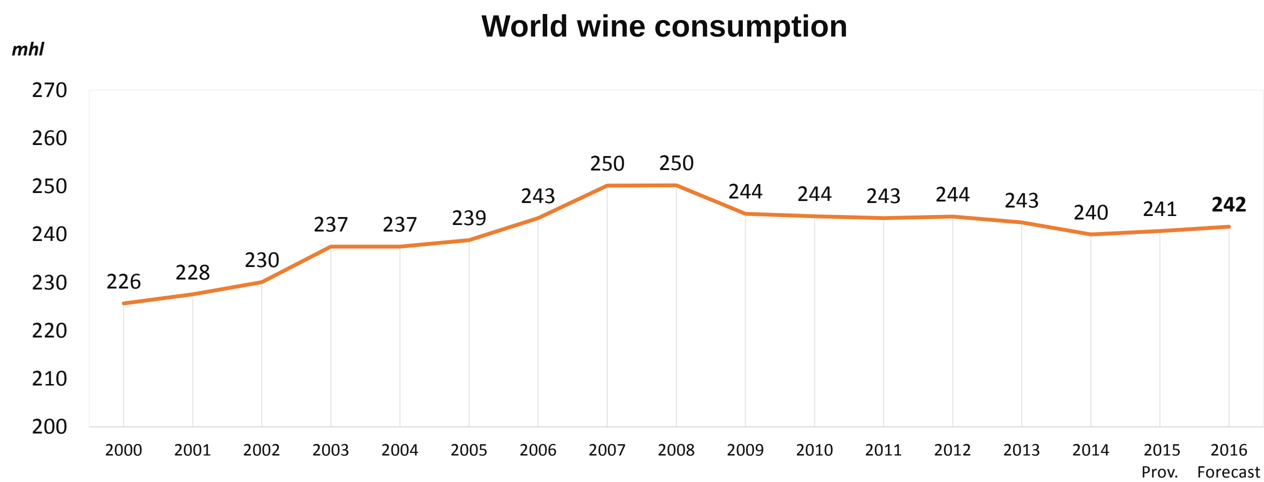
b) 2015: provisional data

c) 2016: forecasted data

d) OIV estimate (USDA basis)

3. Wine consumption

2016 World wine consumption is estimated at **242 mhl**[6] – a modest increase of 0.9 mhl compared with 2015 – which, given the margin of error in relation to the monitoring of global consumption, should be considered with caution.



The **United States**, with consumption estimated at **31.8 mhl**, confirmed its position as the top global consumer since 2011, and saw growing domestic demand compared with the previous year's consumption (+2.5%/2015).

The reduction in the consumption of traditional producer and consumer countries in Europe experienced a pause. There was a **slight fall in France** (**27 mhl**: -0.2 mhl/2015), and **stable** consumption in **Spain** (**9.9 mhl**) and in **Portugal** (**4.8 mhl**). **Italy** saw a **significant rise** for the second year running (+1.1 mhl: +5%/2015), reaching **22.5 mhl** in 2016.

The **United Kingdom** once again experienced an increase in its domestic market, of almost 200 khl, bringing it up to **13 mhl**. **Germany** (**20.2 mhl**) recorded a **decrease in consumption** of near to 0.4 mhl (-1.8%/2015).

In **China**, 2016 consumption – established using production, import and export data [7] – is likely to exceed 17 mhl (+6.9%/2015), yet the previous years were marked by a halt in the rapid growth in Chinese demand that started at the beginning of the 2000s.

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[6] Using the same analysis method as for wine production, the 2016 world wine consumption level is estimated at between 237.2 and 246.1 mhl, which corresponds to a mid-range estimate of 241.6 mhl.

[7] The development in consumption between year *n-1* and year *n* is considered here to be half determined by the apparent consumption for the current year (calculated by "Production + Imports - Exports") and half by the apparent consumption for the previous year.

In **Oceania**, consumption in the Australian and New Zealand markets was down slightly in 2015 as a result of the decline in Australian consumption in particular, yet 2016 marked a return to 2014 levels with **6.3 mhl**.

South African consumption should once again see a rise between 2015 and 2016 to reach **4.4 mhl** (+3%/2015).

In **South America**, 2016 domestic consumption **was lower** than in 2015, especially in **Argentina** (9.4 mhl: -8%/2015) and in **Brazil** (2.9 mhl: -12%/2015). Nevertheless, **Chile** should see 5% **growth** in its consumption with **2.2 mhl**, yet after having recorded a very sharp drop (850 khl) between 2014 and 2015.

In Hungary and Romania, domestic consumption decreased between 2015 and 2016, although it is difficult to monitor Romanian self-consumption by producers.

Main wine-consuming countries[a]

mhl	2012	2013	2014	2015[b]	2016[c]	2016/2015 Variation in volume	2016/2015 Variation in %
United States	30,0	30,2	30,4	31,0	31,8	0,8	2,5%
France	28,0	27,8	27,5	27,2	27,0	-0,2	-0,7%
Italy	21,6	20,8	19,5	21,4	22,5	1,1	5,3%
Germany	20,3	20,4	20,2	20,6	20,2	-0,4	-1,8%
China*	17,1	16,5	15,5	16,2	17,3	1,1	6,9%
United Kingdom	12,8	12,7	12,6	12,7	12,9	0,2	1,4%
Spain	9,9	9,8	9,9	10,0	9,9	0,0	-0,4%
Argentina	10,1	10,4	9,9	10,3	9,4	-0,9	-8,3%
Russia	11,3	10,4	9,6	9,3	9,3	0,0	0,3%
Australia	5,4	5,4	5,4	5,3	5,4	0,1	2,4%
Canada	4,9	4,9	4,7	4,9	5,0	0,1	3,1%
Portugal	5,0	4,8	4,7	4,8	4,8	0,0	0,1%
South Africa	3,6	3,7	4,0	4,2	4,4	0,1	3,1%
Romania	4,3	4,6	4,7	3,9	3,8	-0,2	-4,5%
Japan	3,1	3,4	3,5	3,5	3,5	0,0	-0,3%
Netherlands	3,5	3,5	3,4	3,5	3,4	-0,1	-2,3%
Belgium	2,9	2,9	2,7	3,0	3,0	0,0	1,1%
Brazil	3,2	3,5	3,5	3,3	2,9	-0,4	-12,0%
Switzerland	2,7	2,7	2,8	2,9	2,8	-0,1	-1,8%
Austria	2,7	2,8	3,0	2,4	2,4	0,0	2,0%
Serbia	2,3	2,3	2,4	2,4	2,4	0,0	-0,9%
Sweden	2,3	2,4	2,3	2,4	2,3	-0,1	-3,3%
Greece	3,1	3,0	2,6	2,4	2,3	-0,1	-4,4%
Chile	3,2	2,9	3,0	2,1	2,2	0,1	4,8%
Hungary	2,0	1,9	2,2	2,2	1,9	-0,3	-12,7%
Denmark	1,5	1,6	1,6	1,6	1,6	0,0	0,0%
Croatia	1,4	1,4	1,2	1,1	1,2	0,1	6,7%
Poland	0,9	0,9	1,0	1,1	1,1	0,1	4,9%
Bulgaria	1,0	0,8	0,9	1,0	1,0	0,0	3,4%
World total	**244**	**243**	**240**	**241**	**242**	**0,9**	**0,4%**

Sources: OIV, OIV Experts, Trade Press

a) Countries for which information has been provided with wine consumption of more than 1 mhl

b) 2015: provisional data

c) 2016: forecasted data

* Apparent consumption calculated by "Production + Imports - Exports" data for 2015 and 2016

4. International trade

In 2016, the global market (considered here as the total exports of all countries) should reach **104.1 mhl** in terms of volume – a decrease of 1.2% compared with 2015 – and **28.9 bn EUR[8] in terms of value** – a rise of 2% compared with 2015.

Exports in terms of volume:

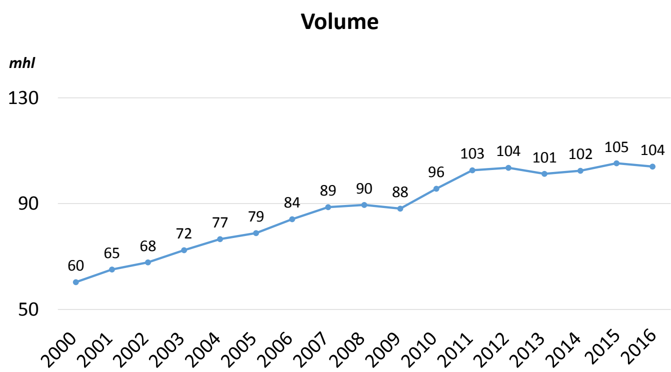
- Spain remained the biggest exporter with 22.9 mhl and a global market share of 22%,
- there were rises compared with 2015 in the exports from New Zealand, Chile, Italy and South Africa,
- a reduction in exports was seen in Spain (-7% in terms of volume, yet compared to a very high level in 2015), the United States (-9.5%) and to a lesser extent in Argentina and Germany.

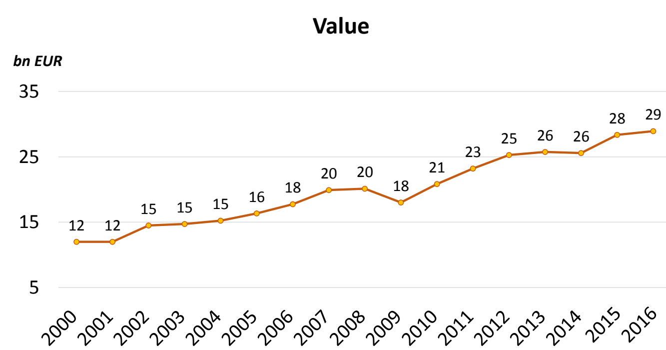
Exports in terms of value:

- world total: 28.9 bn EUR,
- a rise of +2%/2015 (28.4 bn EUR), with this rise being marked in Italy, Australia and New Zealand; the most significant decreases were in South Africa and Germany,
- France was the biggest world exporter in terms of value with 8.2 bn EUR exported in 2016, equating to 28.5% of the global value.

In the medium term, these developments correspond to relative stabilisation of the world market in terms of volume since 2011, while the market continued to grow in terms of value.

World trade development





[8] Based on the tracking of 83 countries via the GTA.

In terms of product type, the main trends in the world market were as follows:

- The world trade weight of **bottled wines (54.9 mhl)** continued in a slight downward trend in terms of volume between 2015 and 2016. This means that the bottled export share continually decreased in volume between 2000 and 2016. It went from 65% to 54% in 2016, yet the annual growth in unit value continued (-1.2% in terms of volume, +2.2% in terms of value between 2015 and 2016).

- **Bulk wines and wines in containers of 2 litres or more (38.3 mhl)** had experienced a fairly significant increase in their global exports in terms of volume in recent years, yet this trend came to a halt in 2016 (-3.6%/2015). However, the unit values of exported bulk wines have increased given that the overall value of this segment is decreasing at a much lesser rate than that of the volume (-1.1%)

- **Sparkling wines (7.9 mhl)** once again saw the biggest growth, both in terms of volume and total value (+7.1% and +2.9%/2015 respectively).

- The greatest increases in the volume of bulk exports between 2015 and 2016 were recorded in New Zealand, Italy and Portugal, and to a lesser extent in South Africa and Chile. It should be noted that, in 2016, the bulk market share in terms of volume was the biggest in South Africa, Spain, the United States and Chile.

- In terms of the value of exports, bottled wines still accounted for 72% of the total value of exported wines, with sparkling wines reaching 18% (despite only constituting 8% of the total volume). As for bulk wines or wines in containers of 2 litres or more, these comprised 10% of the total value, although they were responsible for 38% of the world market in terms of volume.

World wine market (excluding must)

Volume (mhl)		Value (bn EUR)		Type	2016 Vertical structure	
2015	2016	2015	2016		volume	value
105.3	104.1	28.4	28.9	bottled	54%	72%
				bulk and > 2L	38%	10%
-1.2% variation		2.0% variation		sparkling	8%	18%

Sources: OIV, GTA

4.1 Main exporters

An **analysis by country** shows that the wine trade was largely dominated by Spain, Italy and France, which together accounted for 55.3% (57.5 mhl) of the volume of the global market in 2016 and 56.9% of exports in terms of value (16.5 bn EUR).

- **In terms of volume**, the main developments were a rise in exports from Italy, a reduction in Spanish exports and slight growth of France's exports. Chile and New Zealand recorded relatively significant increases. Their global market shares reached 8.7% and 2% respectively.

  Among the main exporting countries, in 2016 Australia consolidated the rise experienced in the previous year. As already mentioned, the United States saw the most significant drop in relative terms (-9.5%/2015).

- **In terms of value**, Italy and France continued to dominate the market with shares of 28.5% and 19.3% respectively.

- Despite the high volume of Spanish exports, the significant market share of bulk wines (55% in 2016 in terms of volume but 19% in terms of overall value) resulted in a lower global weighted average price for its exports than that which was observed in Italy and France (whose bulk shares are 26% and 15% in terms of volume and 7% and 3% in terms of value respectively), meaning that Spain only laid claim to 9.2% of the world trade value (and 22% of the volume, as mentioned above).

Main wine exporters (excluding must)

	Volume (mhl)		Value (bn EUR)	
	2015	2016	2015	2016
Spain	24.7	22.9	2,644	2,649
Italy	20.1	20.6	5,354	5,582
France	13.9	14.1	8,255	8,232
Chile	8.8	9.1	1,650	1,668
Australia	7.4	7.5	1,459	1,543
South Africa	4.2	4.3	629	603
United States	4.2	3.8	1,391	1,415
Germany	3.7	3.6	960	930
Portugal	2.8	2.8	734	727
Argentina	2.7	2.6	737	738
New Zealand	2.1	2.1	959	1,017

Sources: OIV, GTA

4.2 The main importers

In 2016, wine imports rose to 103.6 mhl[9]: an increase of 0.9 mhl compared with 2015.

The **10 main importing countries**, which represented 69% of world imports in terms of volume, saw a slight growth of 0.5% in their overall import volume and a stable import value compared with 2015.

Main wine importers (excluding must)

	Volume (mhl)		Value (bn EUR)	
	2015	2016	2015	2016
Germany	15.3	14.5	2,511	2,450
United Kingdom	13.6	13.5	3,919	3,498
United States	11.0	11.2	4,856	5,016
France	7.6	7.9	674	736
China	5.6	6.4	1,840	2,143
Canada	4.1	4.2	1,618	1,604
Russia	4.0	4.0	626	660
Netherlands	3.8	3.8	977	940
Belgium	3.1	3.1	955	885
Japan	2.8	2.7	1,319	1,343

Sources: OIV, GTA

- The top importer in terms of volume is indeed still occupied by **Germany** in 2016, despite a fairly substantial decrease in the volumes imported (-5%/2015) yet almost no reduction in the value of the imports (-0.4%/2015).

- The **United States**, after having recorded a very significant increase in terms of the value of its imports in 2015, saw a pause in 2016 with more moderate growth in volume (+1%/2015) and in value (+3%/2015). Nevertheless, with over 5 bn EUR imported in 2016, the United States remained the biggest importer in terms of value, while still coming in third in terms of volume after Germany and the United Kingdom.

- The **United Kingdom**, the second biggest global importer in terms of volume (with 13.5 mhl) and in terms of value, saw near-stagnation of the volume of its imports and a fairly significant

[9] The difference between the total imports of all of the countries in the world and the world market is related in particular to the inward-processing arrangements.

decline in their value in euros (3.5 bn EUR: -11%/2015), in all likelihood partly related to the changes in currency parity in the wake of the Brexit vote.

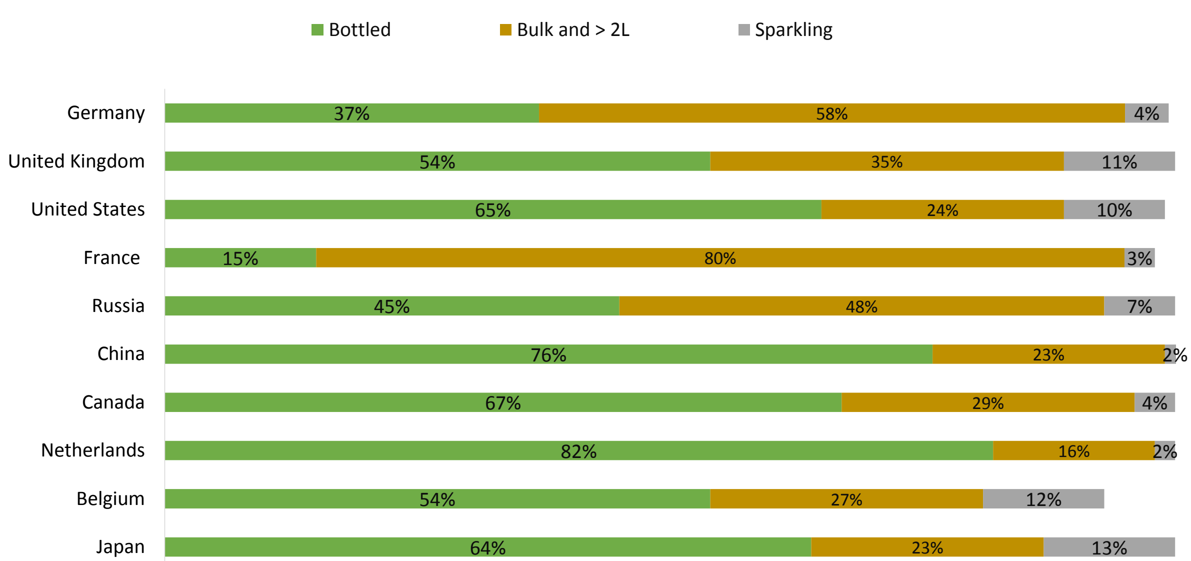
- **France** once again saw a high import volume with 7.9 mhl (+3.6%/2015). This is a sign of its structural deficit in relation to entry-level wines, which were unable to make up for a series of harvests that, in quantitative terms, were average at best. It was the search for bulk wines at modest prices that drew importers to Spain, yet contrary to the previous harvest the starting prices had grown so much that the value of French imports increased by 9%/2015.

- **China** saw another significant rise in its imports in terms of volume (+15%: 6.4 mhl in 2016). The country is certain to remain in fourth place in terms of the value of its imports, yet the considerable increase in imported bottled wines (+22%/2015) led it to nevertheless close in on Germany in terms of the overall value imported: 2.14 bn EUR in 2016, equivalent to +16.5%/2015 (compared with 2.45 bn EUR for Germany in 2016). The Chinese domestic demand was still the biggest contributory factor, in terms of volume, to trade growth in 2016.

- **Canada** saw a pause in the development of its imports in 2016 (+0.6% in terms of volume and -0.8% in terms of value compared with 2015) after the high rise recorded between 2014 and 2015.

- In **Russia**, the strong reduction in the volume and in the value of imports noted in the two previous years as a consequence of the embargo and the economic difficulties caused seems to have come to a halt: there was a slight increase in terms of volume (+1%/2015) and also growth in terms of value (5.5%/2015: 660 m EUR in 2016).

Import share of types of wine in terms of volume



Sources: OIV. GTA