OIV
Organisation Internationale
de la Vigne et du Vin

STATE OF THE VITIVINICULTURE WORLD MARKET

State of the sector in 2018

April 2019

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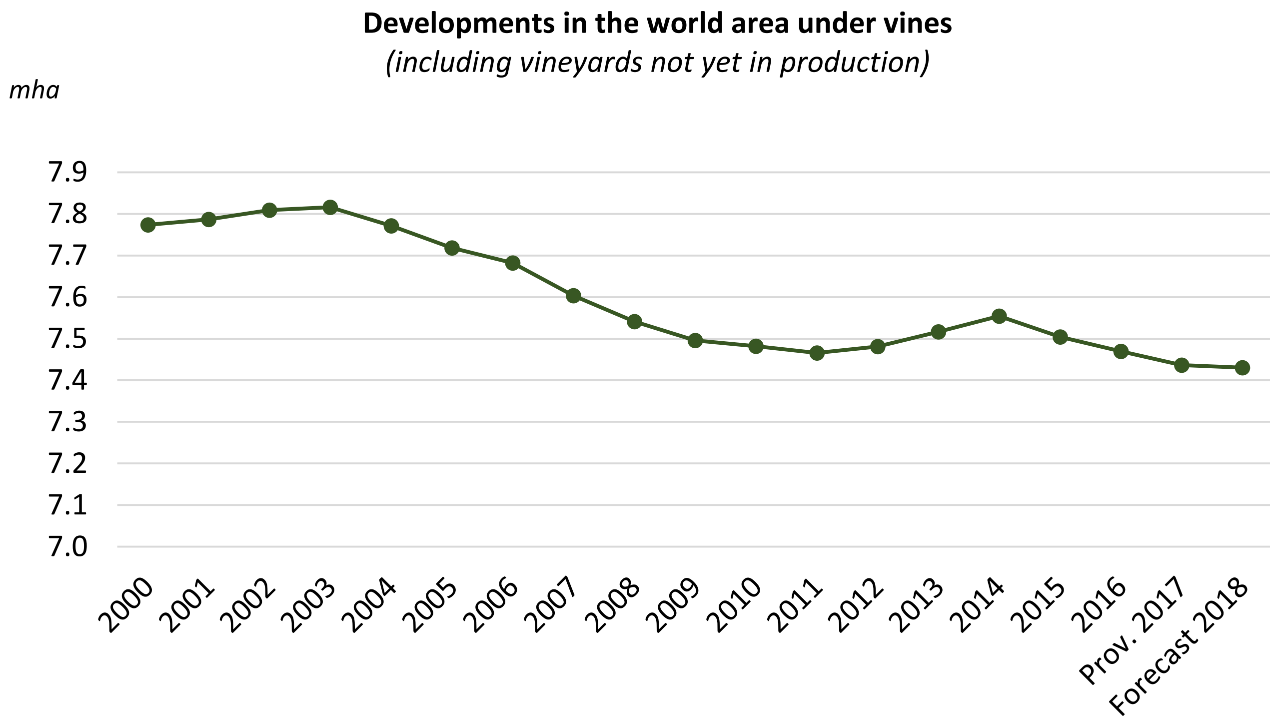
Abbreviations
kha: thousands of hectares
mha: millions of hectares
khl: thousands of hectolitres
mhl: millions of hectolitres
bn: billion
m: million
EUR: euros

1. Viticultural production potential

The 2018 world area under vines, corresponding to the total surface area planted with vines, including that not yet in production and for all purposes (wine, table and drying), is estimated to be almost equivalent to that of 2017, reaching **7.4 mha**.



A fall can be observed in the world area under vines since 2014, caused in particular by the reduction in vineyard surface area in Turkey, Iran, the United States and Portugal.

Trends in the main wine-producing countries

In **Europe**, the latest available data indicates a stabilisation in vineyard surface area in **Spain** (**969 kha**), **France** (**789 kha**), **Romania** (**191 kha**), **Greece** (**106 kha**), **Germany** (**103 kha**) and **Switzerland** (**15 kha**). The area under vines in **Italy**, on the other hand, is estimated to have grown by around 5 kha between 2017 and 2018 to reach **702 kha**.

Only two European countries seem to have recorded a slight decline in their vineyard surface areas between 2017 and 2018. **Moldova**, with **147 kha**, demonstrates a reduction of 4.3 kha in its surface area, explained in particular by the transformation of its vineyards, which were historically composed of small plots that are currently being restructured. **Portugal** recorded a decrease of 1.3 kha, reaching **192 kha**, explained especially by the grubbing-up of plots.

Overall stability can be observed in **EU vineyards**, which stand at **3.3 mha**. This can be attributed on the one hand to the end of the European Union programme (2010/2011 harvest) to regulate viticultural production potential in the EU[1], and on the other hand to the implementation of the new regime for the management of viticultural production potential[2], which since 2016 has enabled Member States to authorise planting of up to an annual growth of 1% of the vineyard already planted.

In **Asia**, after over 10 years of significant expansion, the growth of **Chinese** vineyards (**875 kha**) slowed, while **Turkey** (**448 kha**) saw the size of its vineyard area stabilise in 2018 after a sustained decrease since 2003. Thus, after having been the main centre of vineyard growth in the world, Asia appears to be experiencing stabilisation in its vineyard surface area.

As regards **North and South America**, developments in vineyard surface area between 2017 and 2018 exhibit a downward trend. In the **United States**, the figure has been slowly decreasing since 2014, and the OIV estimates its surface area at **430 kha** in 2018. **Argentina**'s vineyards pursued their decline to reach **219 kha** (-2.8 kha compared with 2017). **Chile** also saw its vineyard area fall by 1.3 kha, arriving at **212 kha**. Likewise, **Brazil** continued its downturn, and now stands at **82 kha** (-2.2 kha compared with 2017). The only country in North and South America to have increased its vineyard surface area was **Mexico**, reaching **34 kha**.

South African vineyards continued their decline begun in 2012, to stand at **125 kha** in 2018.

In **Oceania**, the recent downturn in **Australian** area under vines (**145 kha**) seems to have slowed, while the **New Zealand** surface area remained almost stable, with around **39 kha**.

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[1] Regulation (EC) No. 479/2008 of 29 April 2008 on the common organisation of the market in wine, which accompanied the grubbing-up of vines.

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

Area under vines in main wine-producing countries[a]

kha	2017[b]	2018[c]	2018/2017 Variation in %
Spain	968	969	0.1%
China (mainland)	*865*	*875*	1.2%
France	788	789	0.2%
Italy	696	702	0.8%
Turkey	448	448	0.0%
United States	435	*430*	-1.2%
Argentina	222	219	-1.3%
Chile	213	212	-0.6%
Portugal	194	192	-0.7%
Romania	*191*	*191*	0.0%
Iran*	153	153	0.0%
Moldova	*151*	*147*	-2.8%
India*	147	147	0.0%
Australia	*145*	*145*	0.0%
South Africa	128	125	-2.0%
Uzbekistan*	*111*	*111*	0.0%
Greece	106	106	0.0%
Germany	*103*	*103*	0.3%
Russia*	88	88	0.0%
Brazil	*84*	*82*	-2.7%
Hungary	68	69	0.5%
Bulgaria	*64*	*64*	0.7%
Austria	48	48	-0.3%
New Zealand	*39*	*39*	0.6%
Mexico	34	34	1.7%
Switzerland	*15*	*15*	-0.3%
Other countries	925	927	0.2%
World	**7,428**	**7,429**	**0.0%**

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

b) 2017: provisional data

c) 2018: forecasted data

Figure in italics: OIV estimate

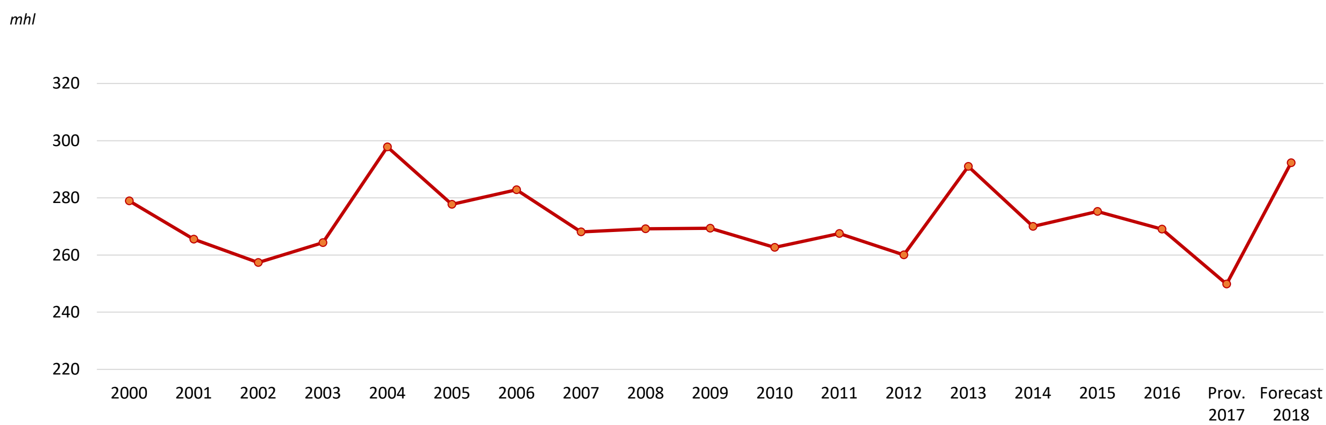
** Carried over from latest available data*

Sources: OIV, OIV Experts, Trade Press, FAO

2. Wine production[3]

World wine production (excluding juice and musts)[4] is estimated at **292.3 mhl for 2018,** a marked rise of 42.5 mhl compared with 2017 production, which was historically low.

Developments in world wine production
(excluding juice and musts)



Trends in the main producer countries

For the majority of countries in **Europe**, production has seen a significant increase compared with 2017.

Wine production in **Italy (54.8 mhl)**, **France (49.1 mhl)** and **Spain (44.4 mhl)** grew notably in relation to 2017. The harvests in these three countries recorded respective rises of 12.3 mhl, 12.7 mhl and 11.9 mhl compared with 2017, which was a year marked by a historically low harvest due in particular to the unfavourable weather conditions. When measured against the five-year averages (2013–2017), the 2018 harvests of these three countries are greater, by 13.3%, 13.0% and 14.1% respectively.

Lesser increases were recorded for **Germany (9.8 mhl)**, **Romania (5.1 mhl)**, **Hungary (3.6 mhl)**, **Austria (2.8 mhl)** and **Switzerland (1.1 mhl)**, which even so demonstrated respective variations of +2.3 mhl, +0.8 mhl, +1.1 mhl, +0.3 mhl and +0.3 mhl compared with 2017. These increases are more contrasted if viewed in parallel with these countries' five-year production averages, demonstrating respective rises of 13.7%, 26.7%, 31.6%, 24.0% and 23.7%. Finally, and to a lesser extent, **Moldova (1.9 mhl)** recorded poor growth in the volume of wines produced (+0.1 mhl), 4.9% above its five-year average, which can be attributed in particular to the lesser cultivation of smaller viticultural plots.

However, the weather conditions were less favourable for some European countries. This was the case

[3] This is the production resulting from grapes harvested at the start of 2018 in the southern hemisphere and at the end of 2018 in the northern hemisphere.
[4] Wine production in 2018 is evaluated at the mid-range estimate, between 290.9 and 293.6 mhl, equating to 292.3 mhl.

for **Portugal (6.1 mhl)** – where the weather conditions favourable to bouts of downy and powdery mildew impacted production –, **Russia (6.5 mhl)**, **Greece (2.2 mhl)** and **Bulgaria (1.0 mhl)**, which respectively went down by 1.5 mhl, 2.4 mhl, 0.4 mhl and 0.1 mhl in 2018, equating to significant drops compared with their five-year averages (-18.2%, -28.4%, -21.2% and -17.1% respectively).

Vinified production in the **European Union** in 2018 is estimated to have reached **181.9 mhl**, a clear rise of 28.3% compared with 2017 (+40.1 mhl). This situation is the result of highly favourable weather conditions in the main European producer countries, contrary to 2017, which saw cumulative unfavourable conditions during the production season.

With respect to **Asia**, the data available for **China** indicates an estimated vinified production of **9.3 mhl** in 2018, marking a decrease of 2.3 mhl since 2017.

In **North and South America**, developments are more contrasted. Estimated at **23.9 mhl** excluding juice and musts, 2018 wine production in the **United States** was 0.5 mhl higher than 2017 and 2.7% greater than its 2013–2017 five-year average. **Argentine** production, with **14.5 mhl** vinified, increased by 2.7 mhl compared with the relatively low 2017 production, surpassing its 2013–2017 five-year average by 12%. In **Chile**, 2018 production grew significantly compared with 2017 (+3.4 mhl), with **12.9 mhl**, corresponding to the high production levels already encountered in 2012, 2013 and 2015, and exceeding its five-year average by 16.8%. As for **Brazilian** production, there was a reduction after the record-high harvest documented in 2017; even so, the country's 2018 production levels of **3.1 mhl** were still 20.2% above the five-year average.

In **South Africa**, 2018 production excluding juice and musts reached **9.5 mhl**, corresponding to a decrease of 1.4 mhl compared with 2017 and a drop of 14.1% below its five-year average, which may be explained particularly by the impact of the drought.

With regard to **Oceania**, **Australian** production was marked by an end to the growth recorded since 2014; yet with **12.9 mhl** vinified, it was still 2.2% above its five-year average while its vineyard surface area remained stable. **New Zealand** production was **3.0 mhl**, up 0.2 mhl on 2017, and slightly above its 2013–2017 five-year average of 2.8 mhl.

Wine production (excluding juice and musts)[a]

mhl	2013-2017 Average	2017[b]	2018[c]	2018/2017 Variation in %
Italy	48.3	42.5	54.8	28.9%
France	43.5	36.4	49.1	34.8%
Spain	38.9	32.5	44.4	36.7%
United States[d]	23.2	23.3	23.9	2.3%
Argentina	13.0	11.8	14.5	22.8%
Chile	11.0	9.5	12.9	35.9%
Australia	12.6	13.7	12.9	-6.1%
Germany	8.6	7.5	9.8	30.7%
South Africa	11.0	10.8	9.5	-12.5%
China (mainland)	13.1	11.6	9.3	-20.0%
Russia	5.4	6.3	6.5	3.0%
Portugal	6.4	6.7	6.1	-10.0%
Romania	4.0	4.3	5.1	17.9%
Hungary	2.8	3.2	3.6	14.6%
Brazil	2.6	3.6	3.1	-13.2%
New Zealand	2.8	2.9	3.0	5.8%
Austria	2.2	2.5	2.8	10.8%
Greece	2.7	2.6	2.2	-15.4%
Moldova	1.8	1.8	1.9	5.5%
Switzerland	0.9	0.8	1.1	40.4%
Bulgaria	1.3	1.1	1.0	-3.6%
Other countries	14.8	14.5	15.0	3.4%
World total	**270.9**	**249.8**	**292.3**	**17.0%**

a) Countries for which information has been provided with 2018 wine production of more than 1 mhl

b) 2017: provisional data

c) 2018: forecasted data

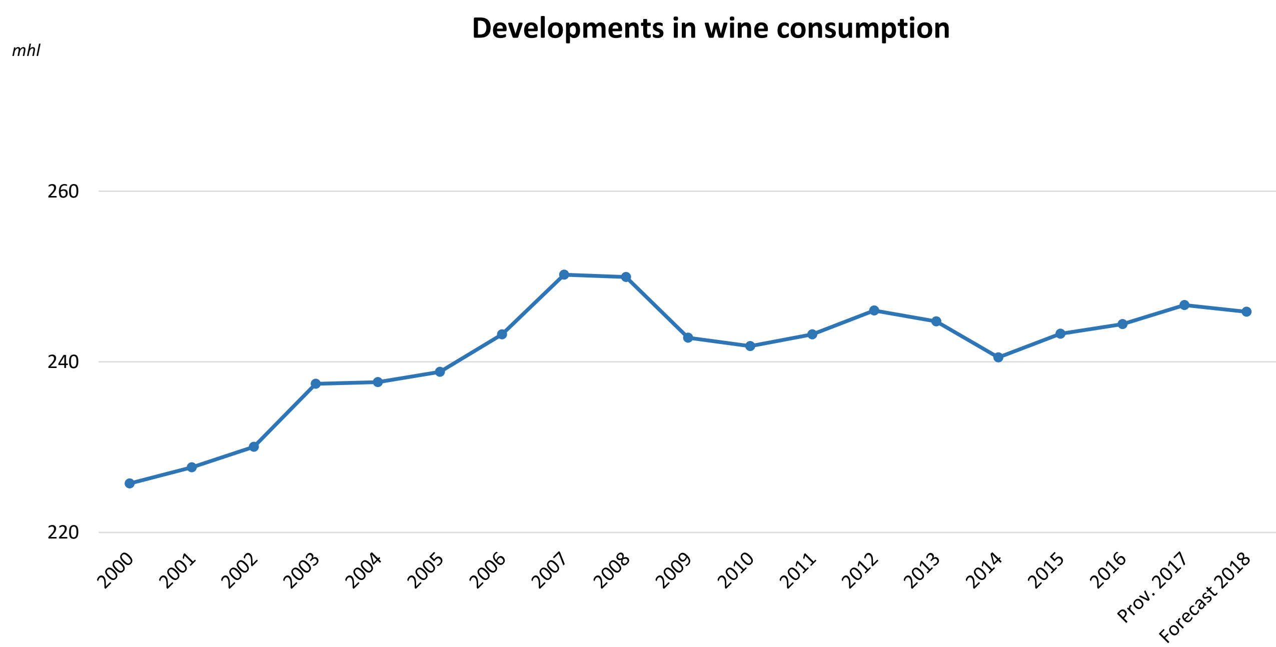
d) OIV estimate (USDA basis)

Figure in italics: OIV estimate

Sources: OIV, OIV Experts, Trade Press

3. Wine consumption

After having observed an almost constant upward trend in world wine consumption since 2014 – due in particular to increased consumption in the United States and China, as well as a stabilisation of consumption in the main European wine-producing countries that are traditionally consumer countries – **2018 appears to mark an end to the growth in world wine consumption**, influenced primarily by a slight decrease in consumption in China and in the United Kingdom.



World wine consumption in 2018 is estimated at **246[5] mhl**, a slight decline on 2017; given the margin of error in tracking global consumption, this figure should be considered with caution.

For this estimation of consumption, it is necessary to also take into consideration the very low 2017 level of wine production which, in a balance sheet-based method of analysis[6], constrained the level of consumption in the majority of producer countries.

Trends in the main consumer countries

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[5] Using the same analysis method as for wine production, 2018 world wine consumption is estimated to be between 243 and 249 mhl, which corresponds to a mid-range estimate of 246 mhl.

[6] A balance sheet-based methodology is used to estimate the level of consumption, in particular for the countries for which the OIV does not have official data. 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 consumption for the previous year.

Developments in consumption levels should be interpreted with caution, since the balance sheet-based methodology remains statistically risky, especially for the numerous countries where data on stocks or industrial uses of wine is not fully known.

The **United States**, the largest world consumer since 2011, continued to record an increase in domestic demand. In 2018 the country reached **33.0 mhl**, a slight rise compared with the preceding year (+1.1%). There has been an almost constant growth in consumption since 2010 of around 1 mhl/year.

In **South America**, consumption declined between 2017 and 2018, particularly in **Argentina** (**8.4 mhl**: -6.3% / 2017) and in **Chile** (**2.3 mhl**: -1.5% / 2017). Nevertheless, 2018 consumption in **Brazil**, estimated at **3.6 mhl**, remained almost stable compared with 2017.

In traditional producer and consumer countries in Europe, consumption stayed virtually stable compared with the previous year in **France (26.8 mhl)** and **Italy (22.4 mhl)**. In **Germany**, the information shows a stabilisation in consumption at a level of **20.0 mhl**. **Spain**, for the third year running, slightly increased its consumption in 2018 and reached **10.7 mhl**. **Portugal** also recorded an increase in its wine consumption, reaching **5.5 mhl** in 2018. In **Romania (4.5 mhl)** and **Hungary (2.4 mhl)**, domestic consumption grew between 2017 and 2018, although it is difficult to monitor consumption of their own production. Wine consumption in the **United Kingdom** is estimated to have decreased in 2018 to **12.4 mhl** (-2.6% / 2017).

With regard to **China**, 2018 consumption is estimated at **18.0 mhl**, which would represent a 6.6% drop compared with 2017. The rapid increase in consumption since the beginning of the 2000s appears to have come to a sudden end. As mentioned above, the balance sheet-based method of analysis of consumption should be treated with caution, because more often than not the situation of stocks and processing is not taken into account and a low production level, like that recorded in 2017, can impact on the estimation of the 2018 consumption level.

South African consumption also saw a slight decrease between 2017 and 2018, to reach **4.3 mhl**.

In Oceania, **Australian domestic demand** continued to rise, and reached **6.3 mhl** (+6.1% / 2017), while **New Zealand consumption** remained almost stable at **0.9 mhl**.

Wine consumption[a]

mhl	2017[b]	2018[c]	2018/2017 Variation in %
United States	32.6	33.0	1.1%
France	27.0	26.8	-0.7%
Italy	22.6	22.4	-0.9%
Germany	19.7	*20.0*	1.3%
China (mainland)	19.3	*18.0*	-6.6%
United Kingdom	12.7	12.4	-2.6%
Russia	11.1	11.9	6.9%
Spain	10.5	10.7	1.8%
Argentina	8.9	8.4	-6.3%
Australia	5.9	6.3	6.1%
Portugal	5.2	5.5	5.4%
Romania	4.1	*4.5*	8.7%
Canada	5.0	4.9	-2.0%
South Africa	4.5	4.3	-4.1%
Brazil	3.6	3.6	0.7%
Netherlands	3.5	3.5	0.7%
Japan	3.5	3.5	1.4%
Belgium	3.0	3.0	0.0%
Switzerland	2.7	2.8	2.9%
Hungary	2.3	2.4	3.9%
Austria	2.4	2.4	-2.6%
Sweden	2.3	2.3	0.0%
Chile	2.3	2.3	-1.5%
Greece	2.3	2.1	-8.7%
Other countries	29.5	29.0	-1.7%
World total	**246.7**	***246.0***	**-0.3%**

a) Countries for which information has been provided with 2018 wine consumption of more than 2 mhl

b) 2017: provisional data

c) 2018: forecasted data

Figure in italics: OIV estimate

Sources: OIV, OIV Experts, Trade Press

4. International wine trade

In 2018 the world wine market – considered here as the sum of the exports of all countries – seems to have shown modest growth compared with the 2017 level in terms of volume (+0.4%), with **108.0 mhl**, and an increase in terms of **value by 1.2%**, to reach **31.3bn EUR**[7].

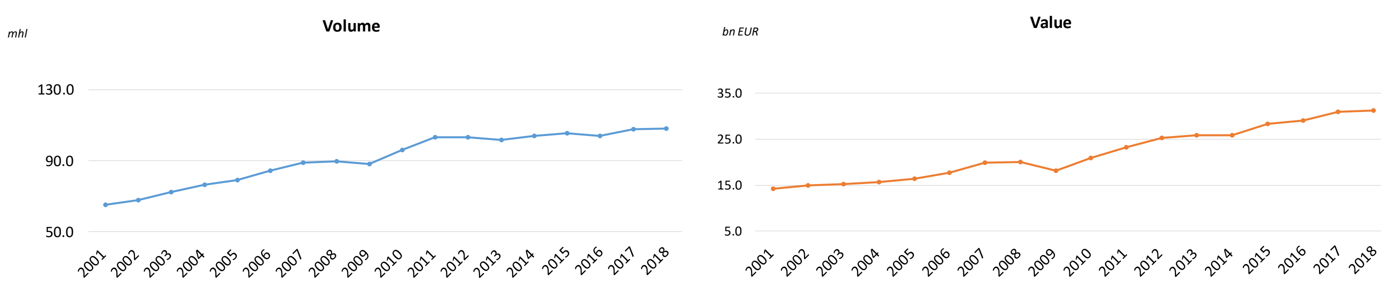
Exports in terms of volume:

- Spain was still the biggest exporter in terms of volume with 20.9 mhl, representing 19.4% of the global market.
- Developments in export volumes are contrasting, depending on the country. Increases can be observed in the exports from Australia, the United States and Argentina compared with 2017. However, reductions in exports are recorded for Spain, Italy, France, Chile and South Africa between 2017 and 2018.

Exports in terms of value:

- France was still the biggest world exporter in terms of value, with 9.3bn EUR exported in 2018.
- There were rises in exports in the main European exporting countries in particular: France (+2.8%), Italy (+3.3%), Spain (+1.9%), Germany (+2.6%) and Portugal (+3.1%). The only country outside Europe to increase the value of its exports was Australia (+3.2%). The most significant decreases concerned the United States (-6.2%), Argentina (-5.5%), Chile (-5.2%) and New Zealand (-4.6%).

Developments in world trade



By product type

- **Bottled wines represented 53% of trade volumes** globally, exhibiting a drop of 8.0% compared with 2017. The bottled export share (<2L) was very high in terms of volume in 2018 in France (73%), Germany (72%), Portugal (76%) and Argentina (70%). Bottled wines constituted **70% of the total value** of wines exported in 2018.

[7] Based on the tracking of 95 countries via the GTA (Global Trade Atlas).

- **Sparkling wine once again** saw the biggest **growth, both in terms of volume and total value**. The world sparkling wine trade accounted for **9% of the volumes traded**, and continued to increase in both volume and in value (+3.7% and +6.3% respectively compared with 2017). A significant share of Italy and France's exports in terms of volume consisted of sparkling wines (20% and 13% respectively). In terms of **value**, sparkling wines conquered **20% of the world market** (despite representing only 9% of the total volume exported).

- Since 2017, the new subheading 2204.22 has been introduced into the Harmonised System (HS). This subheading identifies wines in containers holding more than 2 litres but not more than 10 litres (more commonly referred to as BiB). In 2018, the effects of this introduction were evident: a 5% reduction in bulk wine (in containers of more than 10 litres) was recorded, along with a 5% increase in BiB. Wine marketed in bulk represented 34% of traded volumes in 2018, while BiB was at 4%.
  Between 2017 and 2018, **bulk exports (>10L) declined in volume yet increased in value (+3.8%)**. The countries for which the bulk share of export volumes was significant are Spain, Chile, South Africa, Australia and the United States. Bulk export volumes decreased in Italy, Germany, Chile and France, yet increased in Australia, the United States and Argentina. Bulk wines comprised 8% of the total value of wine exports, despite representing 34% of the volume of the world market in 2018.
  With respect to **BiB, Germany, South Africa and Portugal** were the **biggest exporters**. BiB exports comprised 2% of the total volume of wine exports.

World wine market

Volume (mhl)		Value (bn EUR)		Type	2018 Vertical structure		2018/2017 Variation	
2017	2018	2017	2018		volume	value	volume	value
				Bottled	53%	70%	-8.0%	-0.9%
107.6	108.0	31.0	31.3	Sparkling	9%	20%	3.7%	6.3%
				BiB	4%	2%	5.0%	15.7%
Variation of	0.4%	Variation of	1.0%	Bulk (>10L)	34%	8%	-5.0%	3.8%

Sources: OIV, GTA

The main exporters

- An **analysis by country** shows that the wine trade was **still largely dominated by Spain, Italy and France**, which together represented 50.7% of the world market in terms of volume in 2018, equating to 54.8 mhl. This market share appears to have fallen slightly compared with 2017, when these three countries represented 55.1% of the world market[8].

- **In terms of volume**, the main developments since 2017 have been a **notable rise in exports** from **Argentina** (+23.5%) and **Australia** (+10.2%), and a less significant rise from the **United States** (+1.4%). A **decrease** was observed in the **export volumes of the three main European exporting**

[8] Based on the tracking of 95 countries via the GTA (Global Trade Atlas).

countries: Spain (-8.8%), Italy (-8.2%) and France (-5.2%). Outside Europe, Chile and South Africa recorded a decline in their exports, of -5.0% and -6.3% respectively.

- **In terms of value**, France and Italy continued to dominate the market with shares of 19.6% and 9.3% respectively. The low 2017 wine production had an impact on the average export prices in European countries in particular. A **rise in value** can be observed for **France** (+2.8%), **Italy** (+3.3%), **Spain** (+1.9%), **Germany** (+2.6%) and **Portugal** (+3.1%). Outside Europe, significant growth was recorded in Australia (+3.2%) and South Africa (+4.9%), while export values declined in Chile, the United States, Argentina and New Zealand.

Main wine exporters[a] (excluding juice and musts)

	Volume (mhl)		Value (m EUR)	
	2017	2018	2017	2018
Spain	23.0	21.0	2,861	2,916
Italy	21.5	19.7	5,952	6,148
France	14.9	14.1	9,083	9,336
Chile	9.8	9.3	1,773	1,680
Australia	7.8	8.6	1,773	1,829
South Africa	4.5	4.2	632	663
Germany	3.8	3.8	1,006	1,032
United States	3.5	3.5	1,307	1,226
Portugal	3.0	3.0	780	804
Argentina	2.2	2.8	713	674
New Zealand	2.6	2.6	1,060	1,011

Sources: OIV, GTA

a) Countries with 2018 wine exports of more than 2 mhl

The main importers

The five biggest importing countries – Germany, the United Kingdom, the United States, France and China – continued to **represent more than half of the total imports**.
In 2018, the majority of markets remained stable in terms of volume, with slight increases in value for most of the main importer countries, except for China and Russia.

Main wine importers[a]

	Volume (mhl)		Value (m EUR)	
	2017	**2018**	**2017**	**2018**
Germany	15.2	14.5	2,570	2,619
United Kingdom	13.3	13.2	3,468	3,510
United States	12.1	11.5	5,232	5,245
China	7.5	6.9	2,465	2,415
France	7.3	6.2	753	861
Canada	4.2	4.2	1,668	1,693
Netherlands	4.4	4.2	1,147	1,162
Russia	4.5	4.1	1,307	1,226
Belgium	3.1	3.0	950	975
Japan	2.8	2.6	1,410	1,419

Sources: OIV, GTA

a) Countries with 2018 wine imports of more than 2 mhl

- In 2018, the **top importer in terms of volume** was still **Germany**, which recorded a **decrease** in imports (**-4.9% / 2017**), yet a **1.9% increase in terms of value**. BiB was the only type of packaging that did not decline in volume (+1% / 2017). In terms of value, bulk wines (57% of the imported volume) showed an increase compared with 2017.

- The **United Kingdom** remained the **second biggest importer** in the world **in terms of volume**, with **13.2 mhl**, and in terms of value, with 3.5bn EUR (+1.2% / 2017). Bulk wine imports were on the increase, both in volume (+6%) and in value (+11%), compared with 2017.

- In the **United States**, after very notable increases in value and volume in 2017, **imports declined in volume in 2018 by 4.7% (11.5 mhl)** yet remained **almost stable in value (5.2bn EUR)**. The United States thus consolidated its place as the **biggest importer in terms of value**, while still coming in third in terms of volume after Germany and the United Kingdom. A rise was observed in sparkling wine imports, both in volume (+8%) and value (+8%). However, bulk wine imports experienced a 17% decline in volume and value.

- **France (6.2 mhl)** saw a **reduction of 14.6% in import volumes** between 2017 and 2018. The context of strained availability, with an increase in starting prices, resulted in **growth in the total value of French imports (+14.1% / 2017)**. This trend was observed for all types of packaging: bottled wines decreased by 8% in volume yet increased by 10% in value; sparkling wines recorded -5% for volume and +13% for value; bulk wines experienced variations of -13% in volume and +19% in value.

- **China** saw a **significant decline in its imports by volume** (-8.5% / 2017, equating to 6.9 mhl in 2018) and a **slight reduction in value** (-2%). This decline in the volume of imports was observed for all types of packaging, while the value increased for sparkling wine (+5%) and bulk wine (13%) imports.

- A fall in import volumes compared with 2017 was seen in **Russia** (-8.9%), the **Netherlands** (-4.4%), **Belgium** (-2.6%) and **Japan** (-5.5%). These four countries increased the value of their imports by 1.7%, 1.3%, 2.6% and 0.6% respectively.