INTERNATIONAL ORGANISATION OF VINE AND WINE

STATE OF THE VITIVINICULTURAL SECTOR IN 2019

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Director General of the OIV
OIV Press Conference
23 April 2020

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Topics

- State of the world vitivinicultural sector in 2019
  - Vineyard Surface Area
  - Wine Production
  - Wine Consumption
  - International Trade of Wine

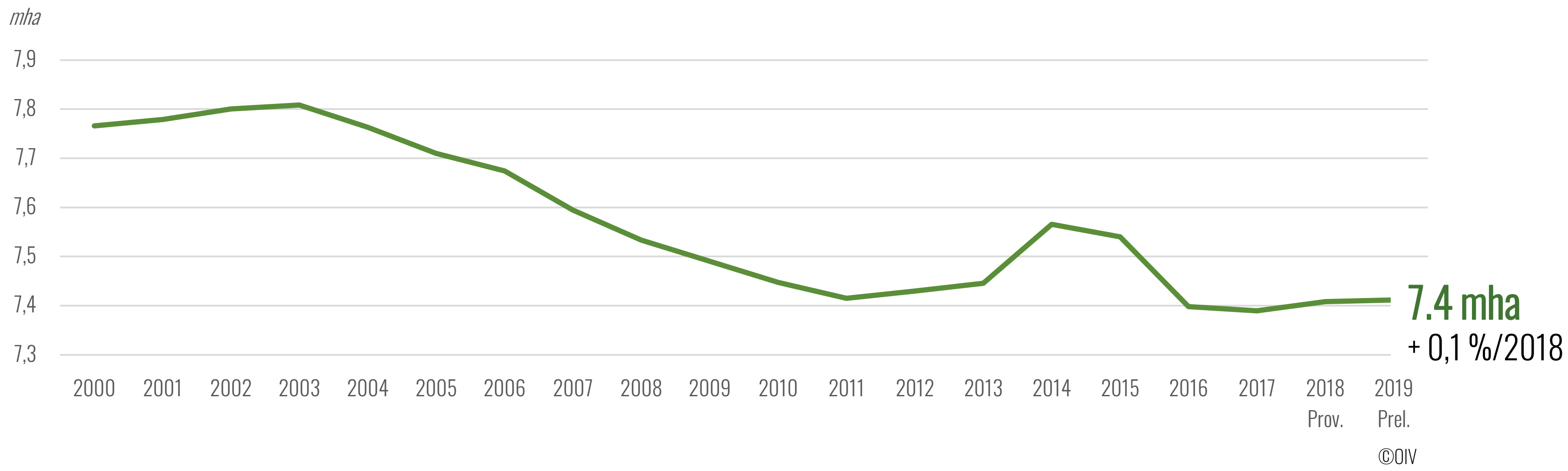
- OIV Focus: The Global Sparkling Wine Market

- Southern Hemisphere Wine Production: First Estimates 2020

Vineyard Surface Area

Vineyard Surface Area

Evolution of world vineyard surface area

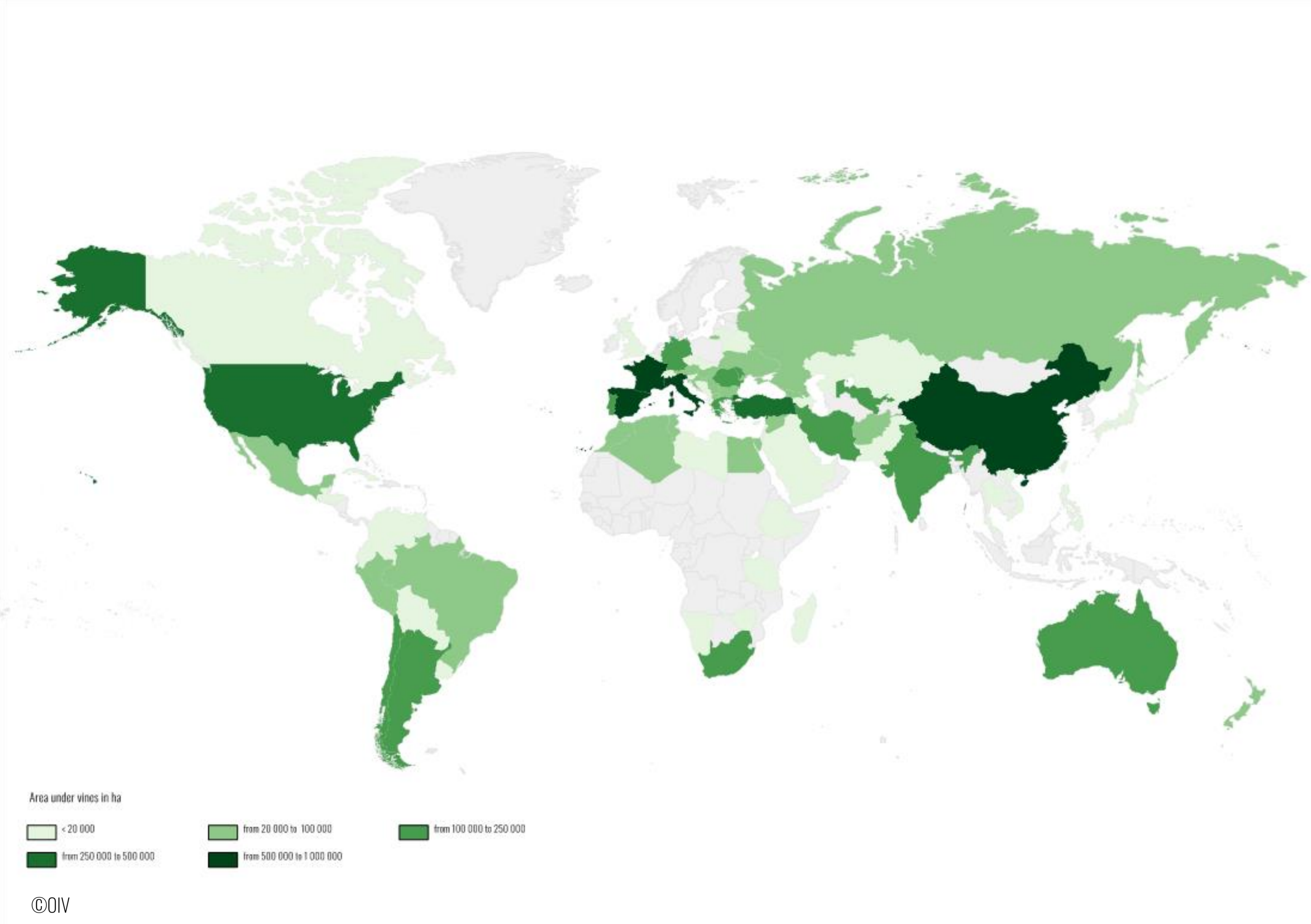


The world area under vines, corresponding to the total surface area planted with vines for all purposes (wine, table grapes and raisins), including young vines not yet in production, **is estimated at 7.4 mha in 2019**.

The world vineyard has **stabilized since 2016,** mainly thanks to programs of restructuring and grubbing up of vineyards implemented in the EU, which stand for the fifth consecutive year at 3.2 mha. The current stabilization, however, hides **heterogeneous evolutions in different regions of the world**.

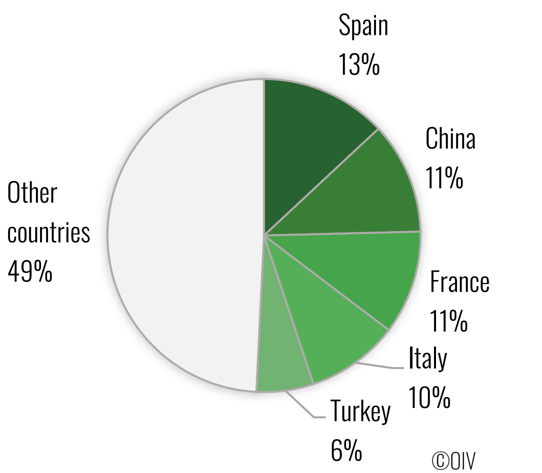
Vineyard Surface Area

World vineyard distribution in 2019

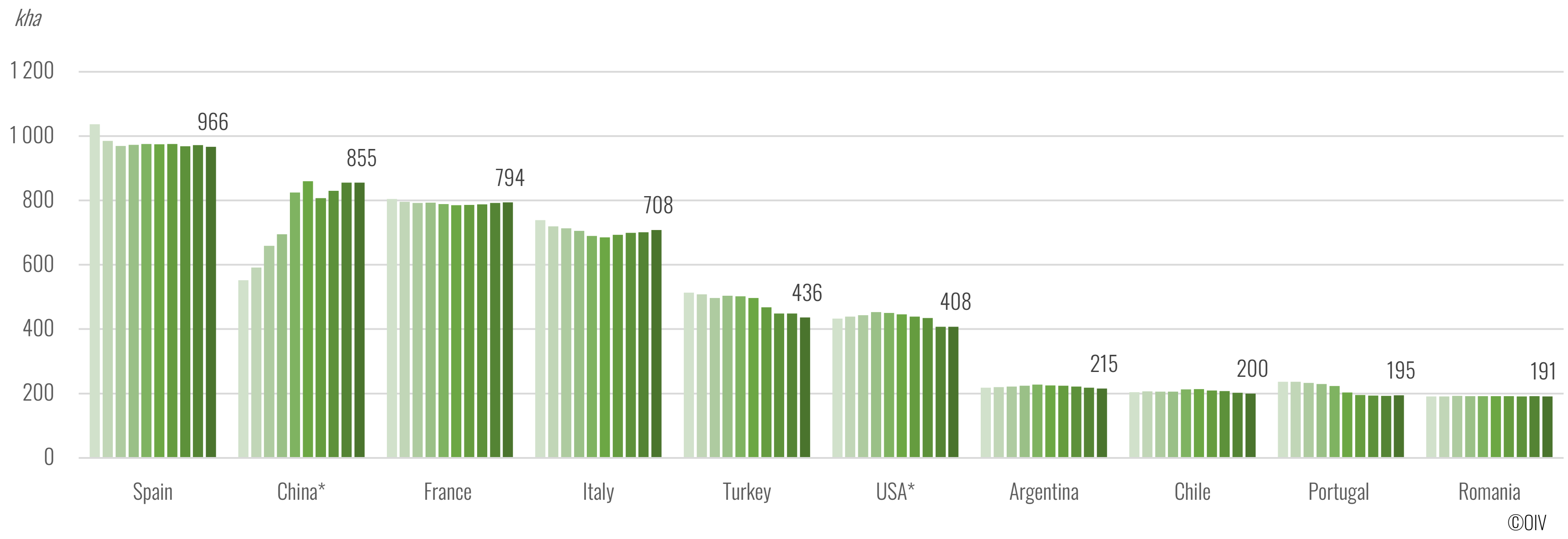


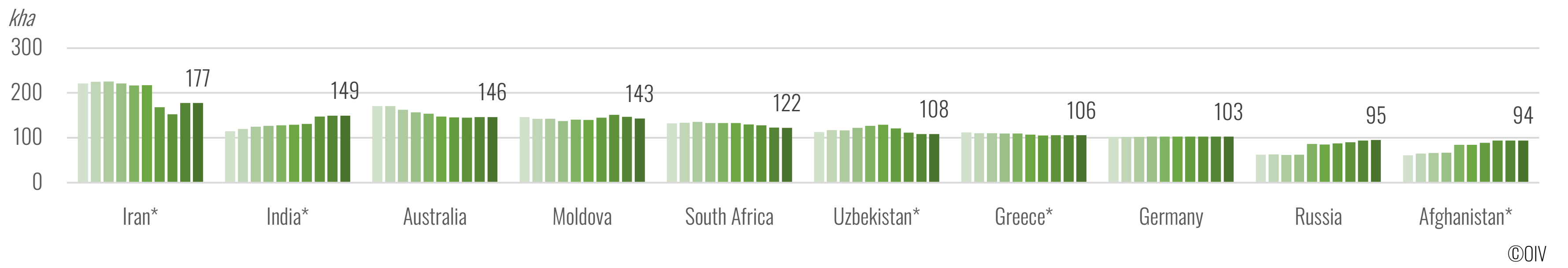
Top 5 vine-growing countries represent more than 50 % of the world vineyard surface area in 2019

Breakdown of vineyard surface area in 2019



Major vine-growing countries by surface area, 2010-2019

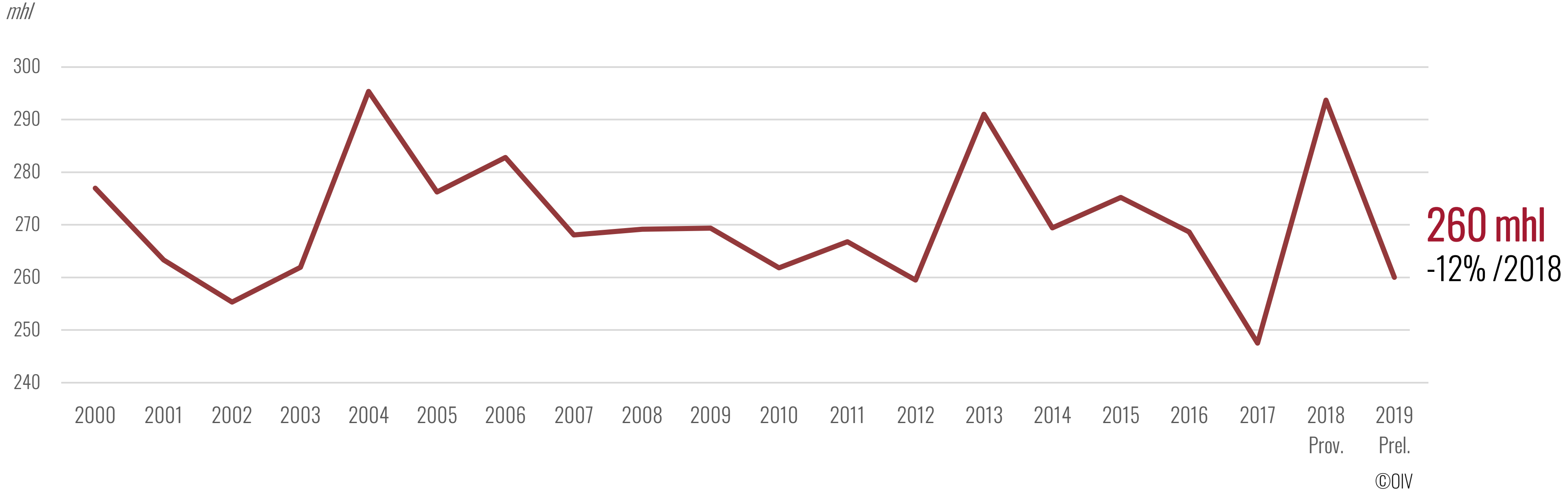




*Carried over from latest available data

Wine production

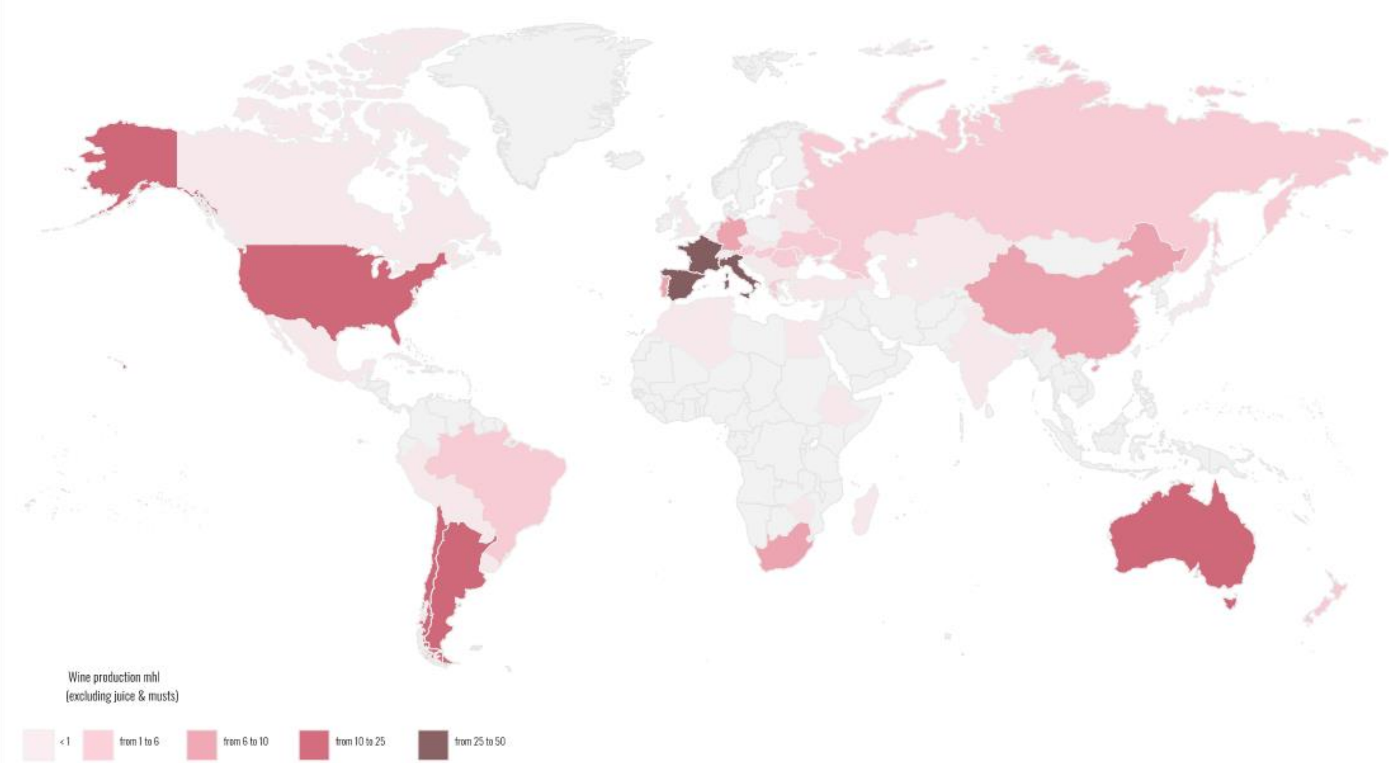
Evolution of world wine production



In 2019 world wine production, excluding juices and musts, is estimated at **260 mhl**, a marked decrease of 34 mhl compared to the historically high 2018 production.

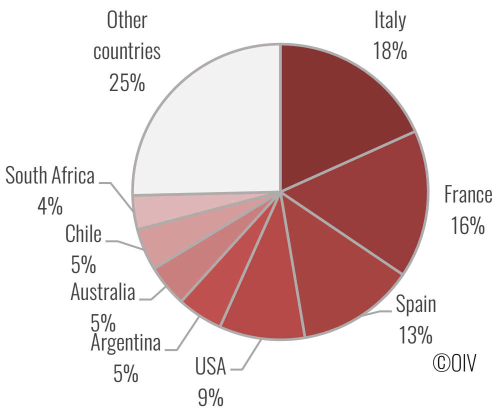
After two consecutive years that can be defined as extremely volatile, 2019 brings global wine production **back to average levels**.

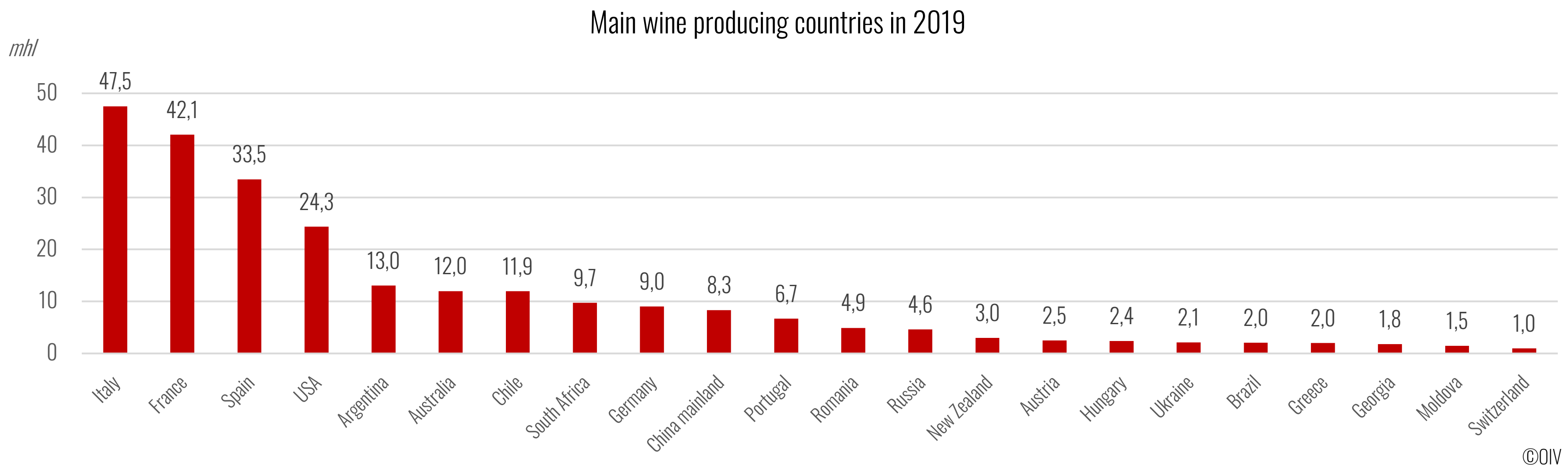
World wine production distribution in 2019



Top 8 wine producing countries vinified 75% of all wine produced in 2019.
Italy, France and Spain account for almost half of the world production.
EU: 156 mhl in 2019, 60% of world total

Breakdown of wine production in 2019




Main wine producing countries in 2019
mhl
50
40
30
20
10
0
47,5
42,1
33,5
24,3
13,0
12,0
11,9
9,7
9,0
8,3
6,7
4,9
4,6
3,0
2,5
2,4
2,1
2,0
2,0
1,8
1,5
1,0
Italy
France
Spain
USA
Argentina
Australia
Chile
South Africa
Germany
China mainland
Portugal
Romania
Russia
New Zealand
Austria
Hungary
Ukraine
Brazil
Greece
Georgia
Moldova
Switzerland
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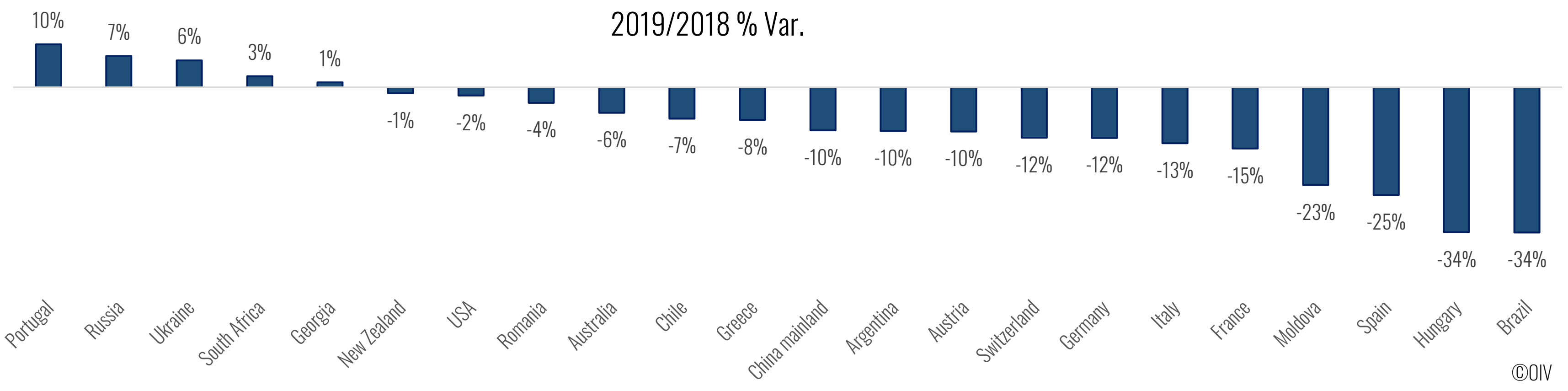
2019/2018 % Var.
10%
7%
6%
3%
1%
-1%
-2%
-4%
-6%
-7%
-8%
-10%
-10%
-10%
-12%
-12%
-13%
-15%
-23%
-25%
-34%
-34%
Portugal
Russia
Ukraine
South Africa
Georgia
New Zealand
USA
Romania
Australia
Chile
Greece
China mainland
Argentina
Austria
Switzerland
Germany
Italy
France
Moldova
Spain
Hungary
Brazil
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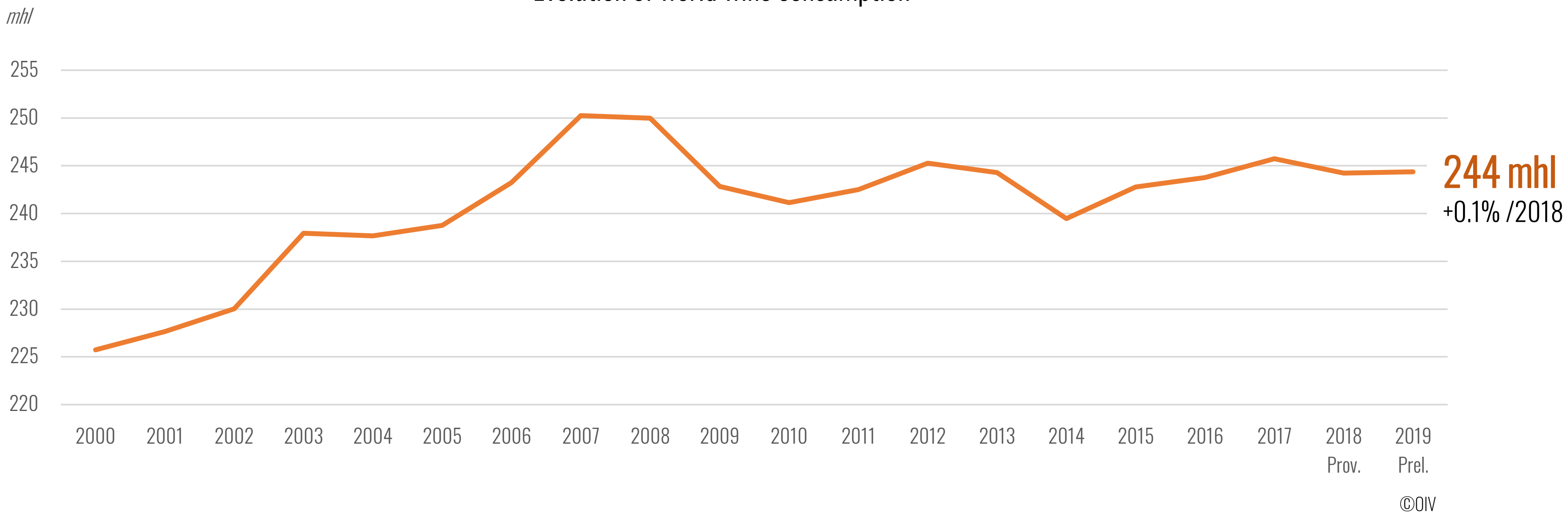
Wine Consumption

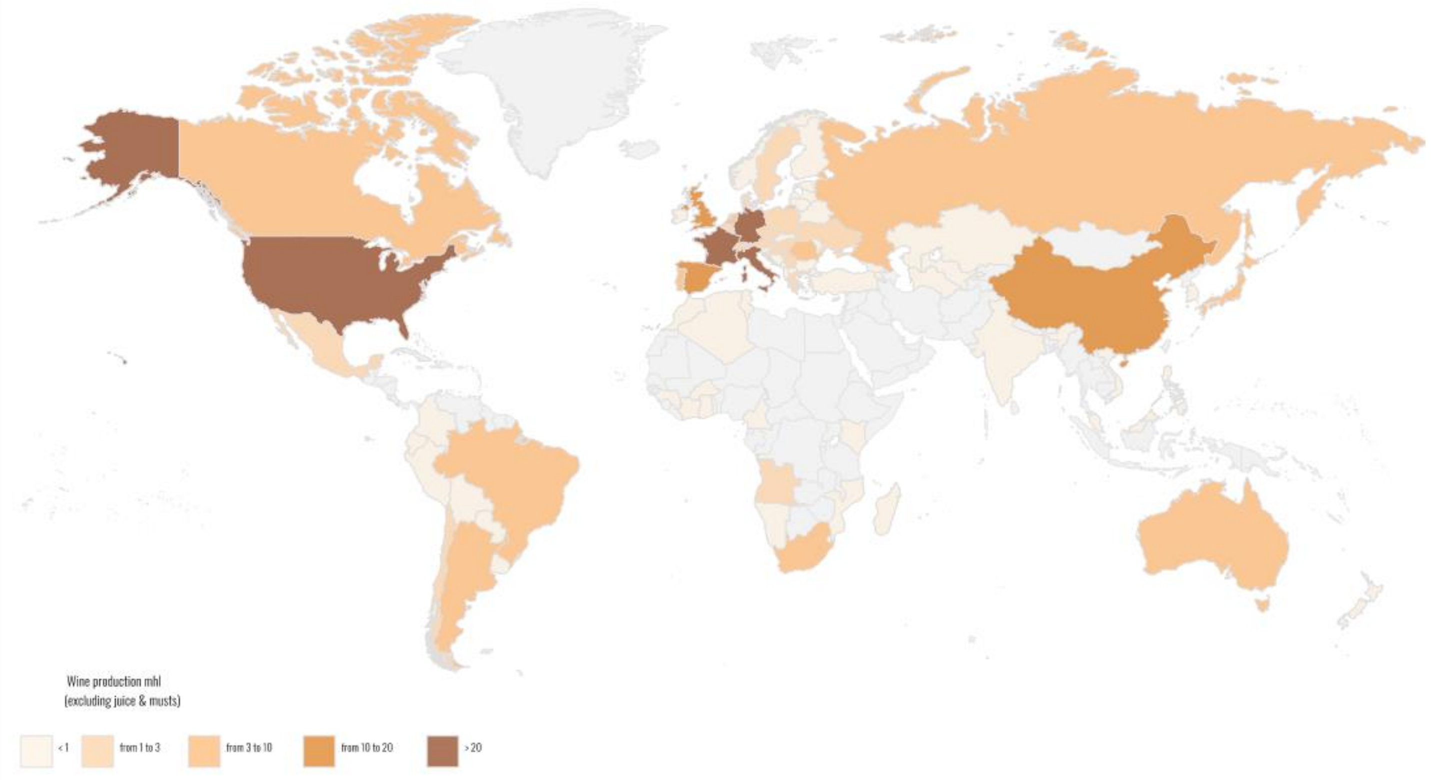
Evolution of world wine consumption



After the slight decline in world wine consumption registered in 2018, **world wine consumption in 2019** is estimated at **244 mhl**, marking a +0.1% increase compared to the previous year.

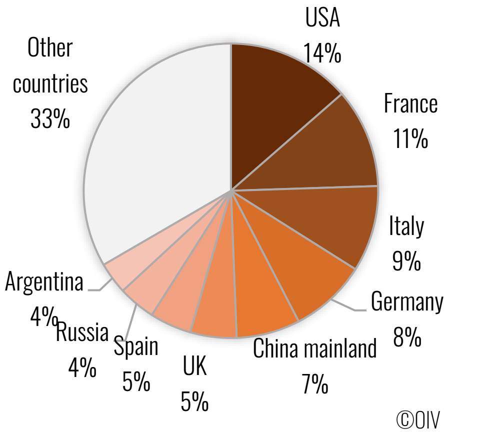
This apparent stabilization however is the result of the counterbalancing among countries with opposite trends.

World wine consumption distribution in 2019



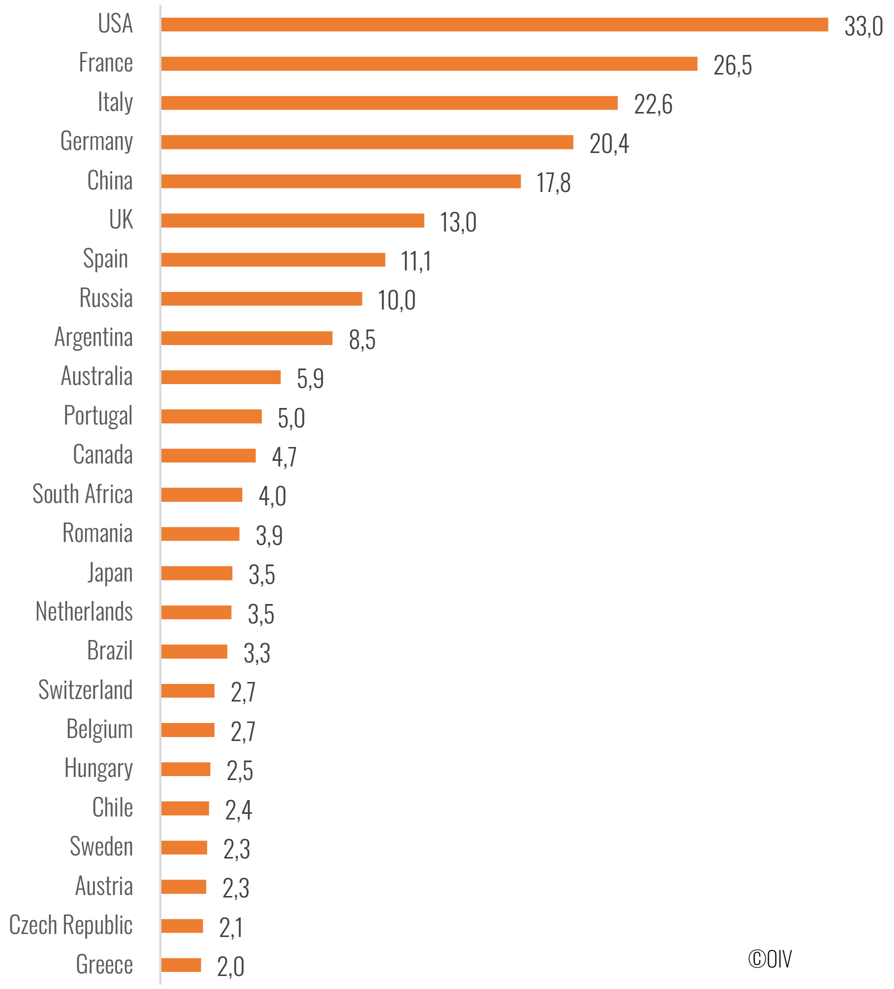
5 countries account for half of the world consumption of wine, while the top 8 countries represent 66% in 2019.

Breakdown of wine consumption in 2019

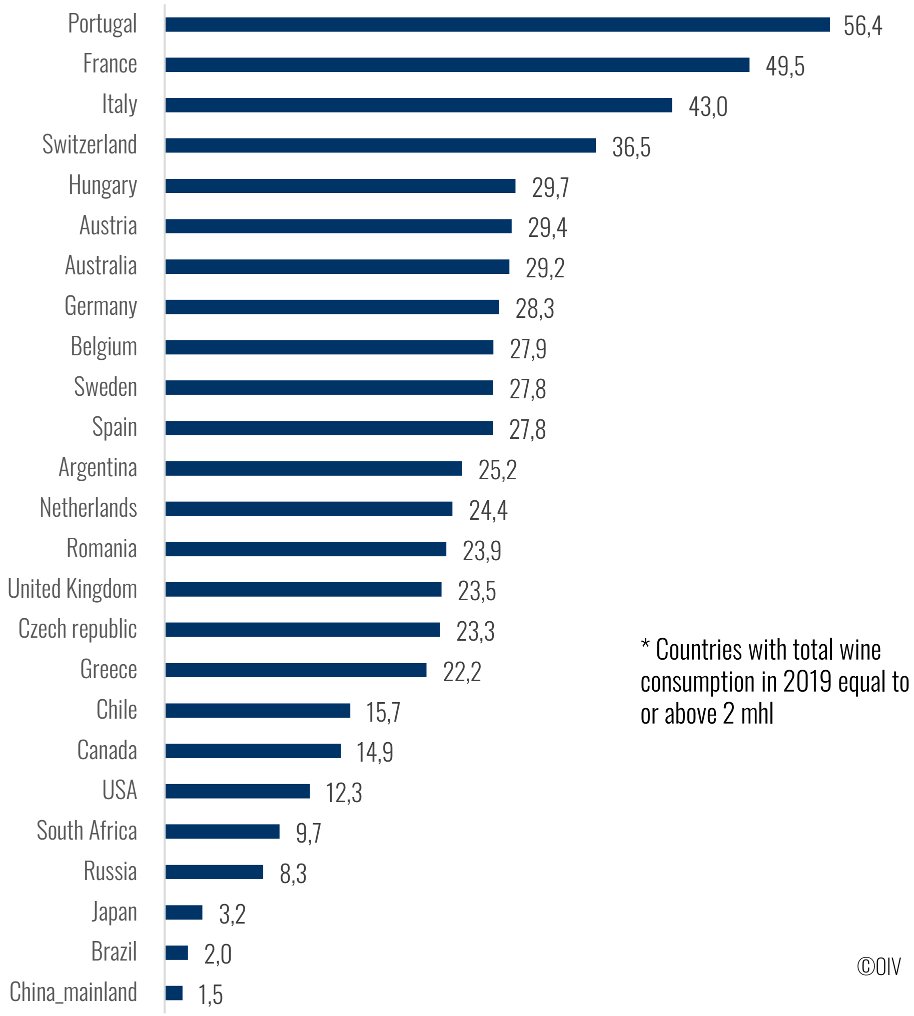


Wine Consumption

Top countries* by total consumption (mhl) in 2019

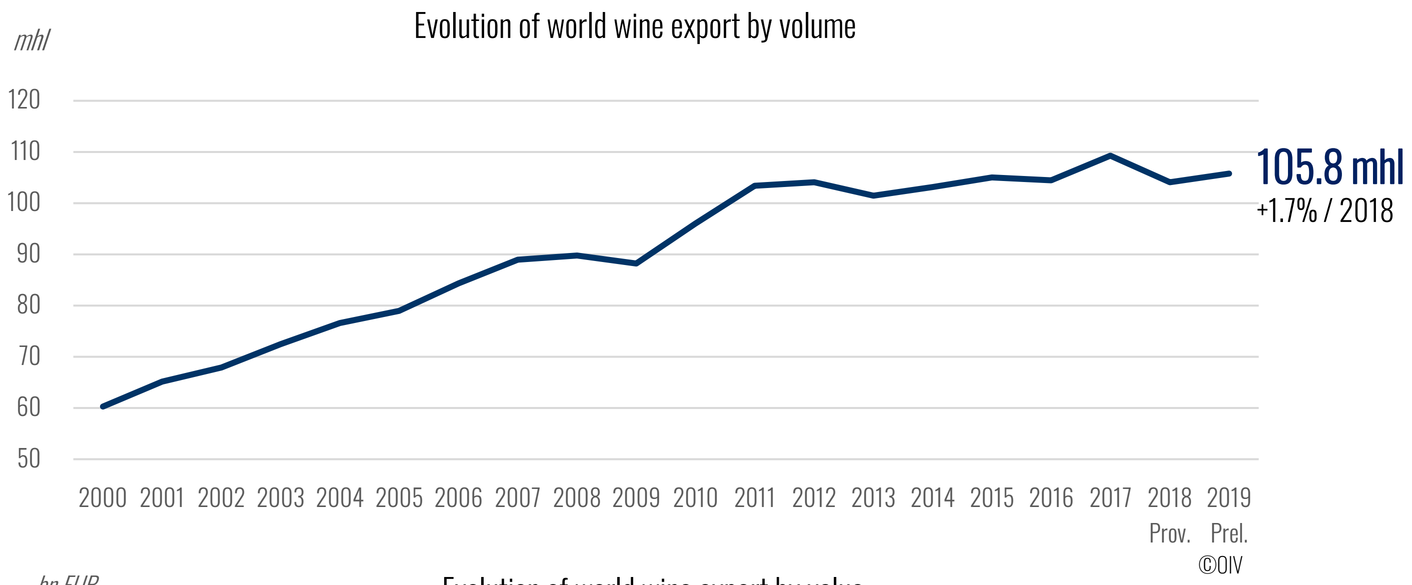


Top countries* by consumption per capita +15 (l)

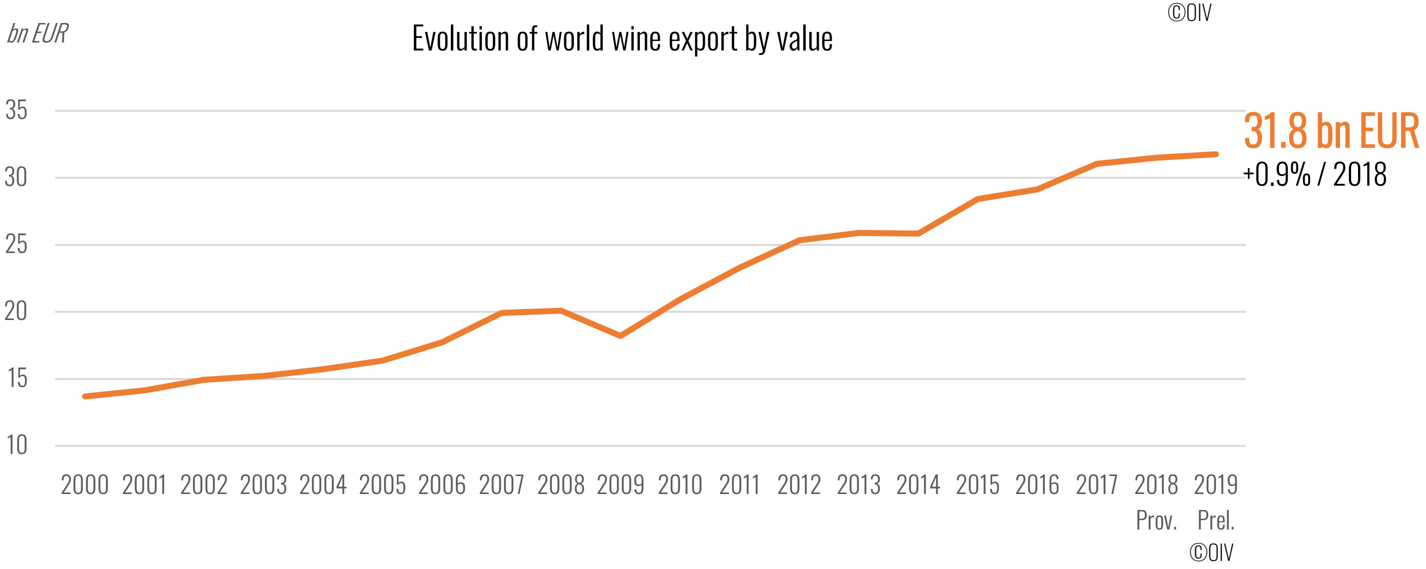


* Countries with total wine consumption in 2019 equal to or above 2 mhl

International Trade of Wine



After the decrease in wine **exports volume** recorded in 2018, in 2019 global exports seem to be **back on the growth track** started in 2013.



In 2019 the **global value of wine exports** continues the sustained growth started in 2010 and **reaches a new record high.**

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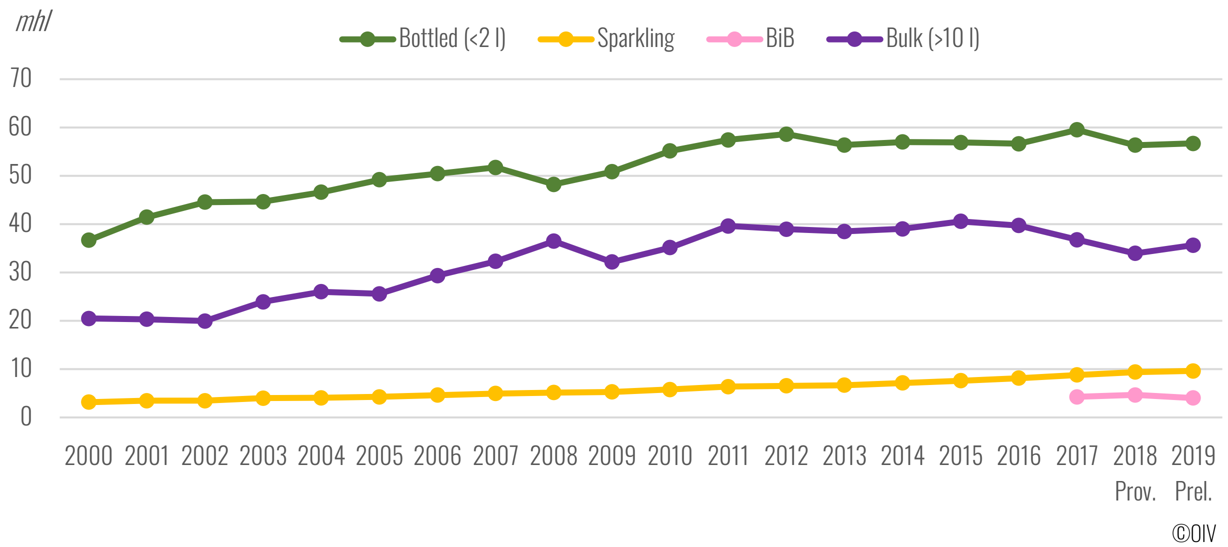
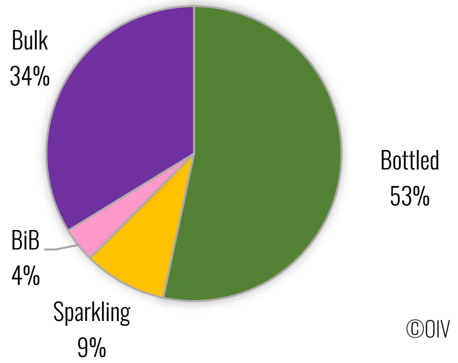
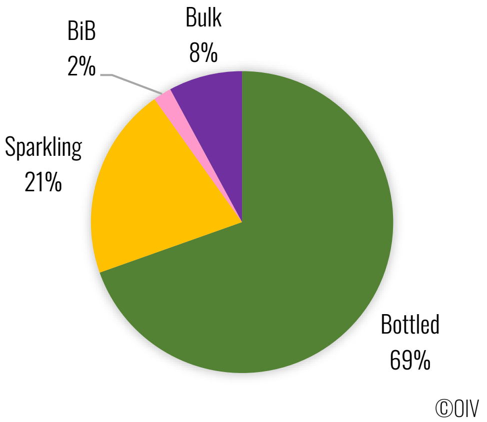
International Trade of Wine



Breakdown of global trade volume in 2019



Breakdown of global trade value in 2019



By analysing export data by type of product/packaging, in 2019 the following trends are observed:

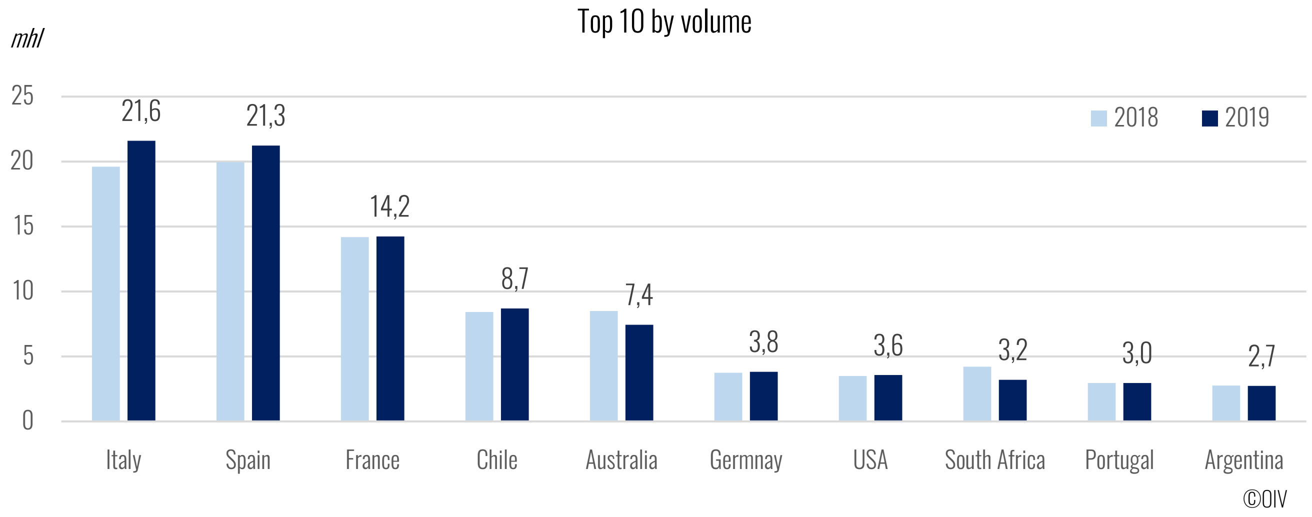
-Bottled wines increased both in volume (0.5%) and value (0.7%)

-A positive growth was observed for sparkling wines which increased by 2.5% in volume and 4.3% in value

-BiB registered a sharp decrease in volume (-13.1%) and, to a lesser extent, in value (-1.2%)

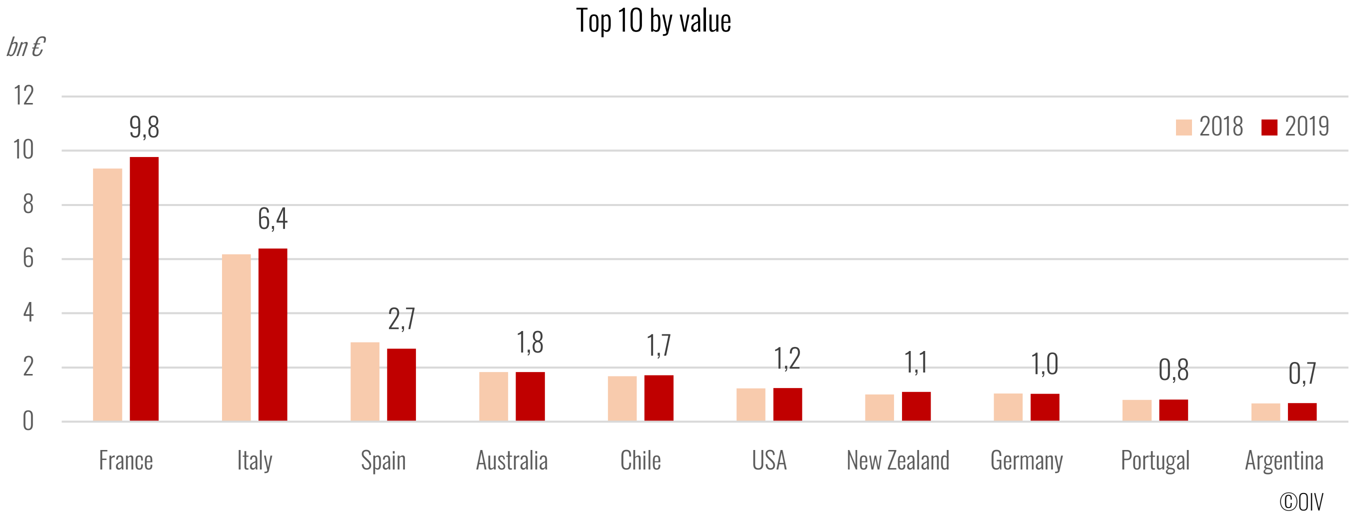
-Bulk wine exports strongly increased in terms of volume (+4.9%), with a consequent decline in value (-6.6%)

Main Wine Exporters



In 2019 the international trade of wine was dominated by three countries - Italy, Spain, and France - accounting for 54% of the world market **by volume**. Among the top 10, only Australia and South Africa exported significantly less than in 2018.

In 2019 France and Italy, with more than 16 bn EUR, account for half of the world export **by value.** Spain and South Africa sharply decreased their export value with respect to 2018.



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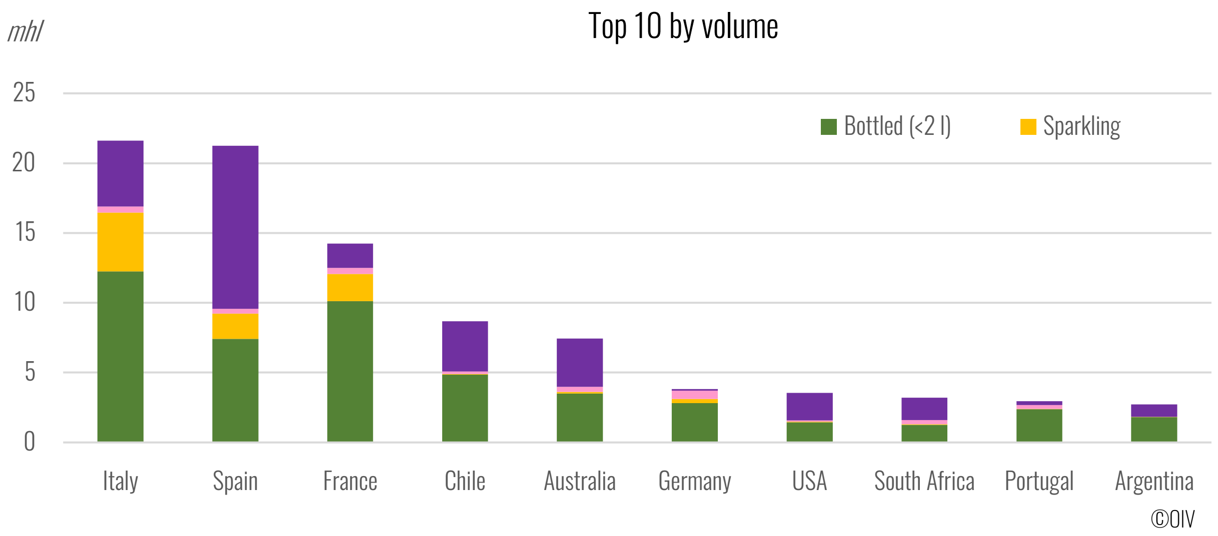
Main Wine Exporters



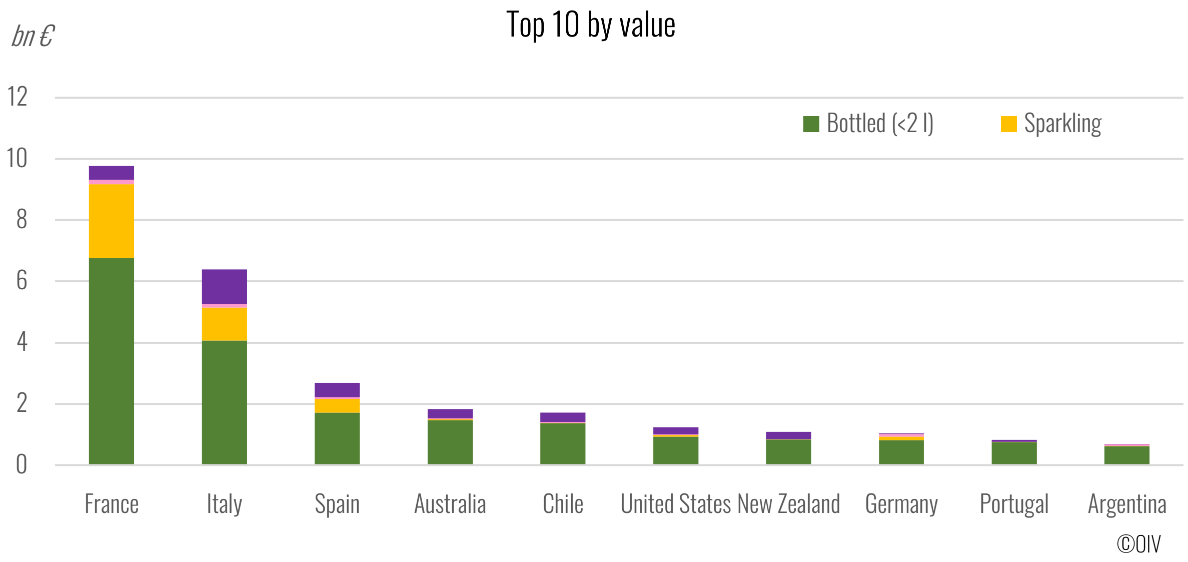
Among the top 10 exporters by volume:

Top bottled →Italy, France, Spain

Top sparkling → Italy, France, Spain

Top bulk → Spain, Italy, Chile

Top BiB → Germany, France, Italy



Among the top 10 exporters by value:

Top bottled → France, Italy, Spain

Top sparkling → France, Italy, Spain

Top bulk → Italy, Spain, France

Top BiB → France, Italy, Germany

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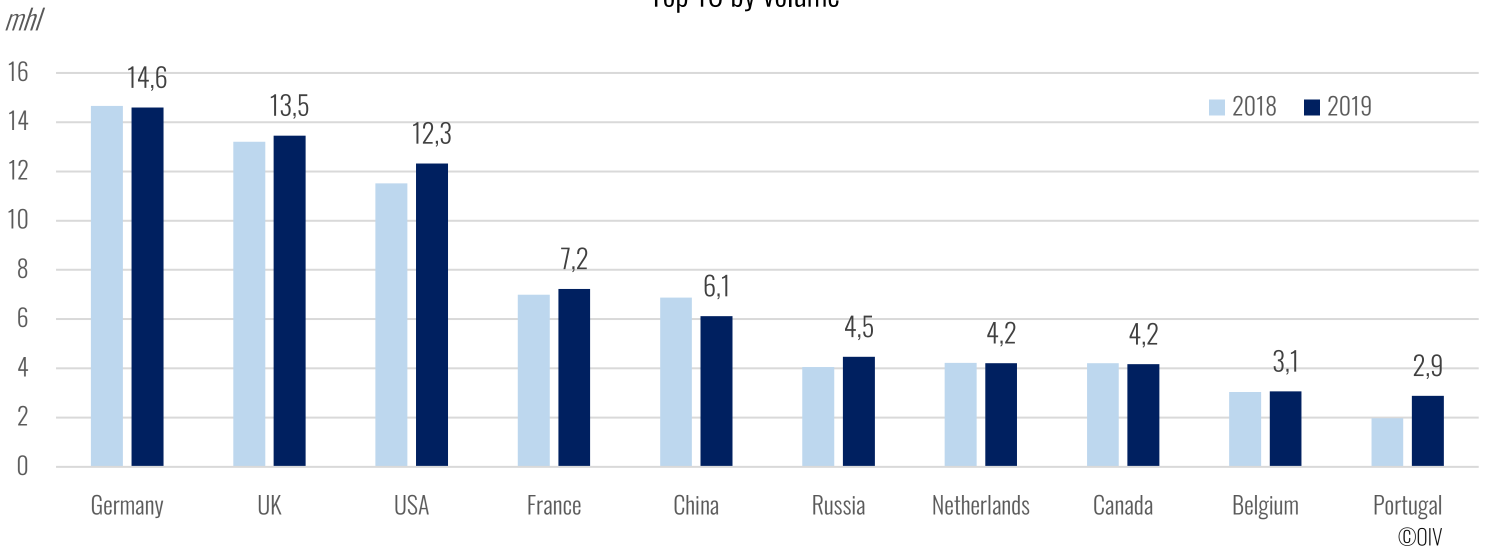
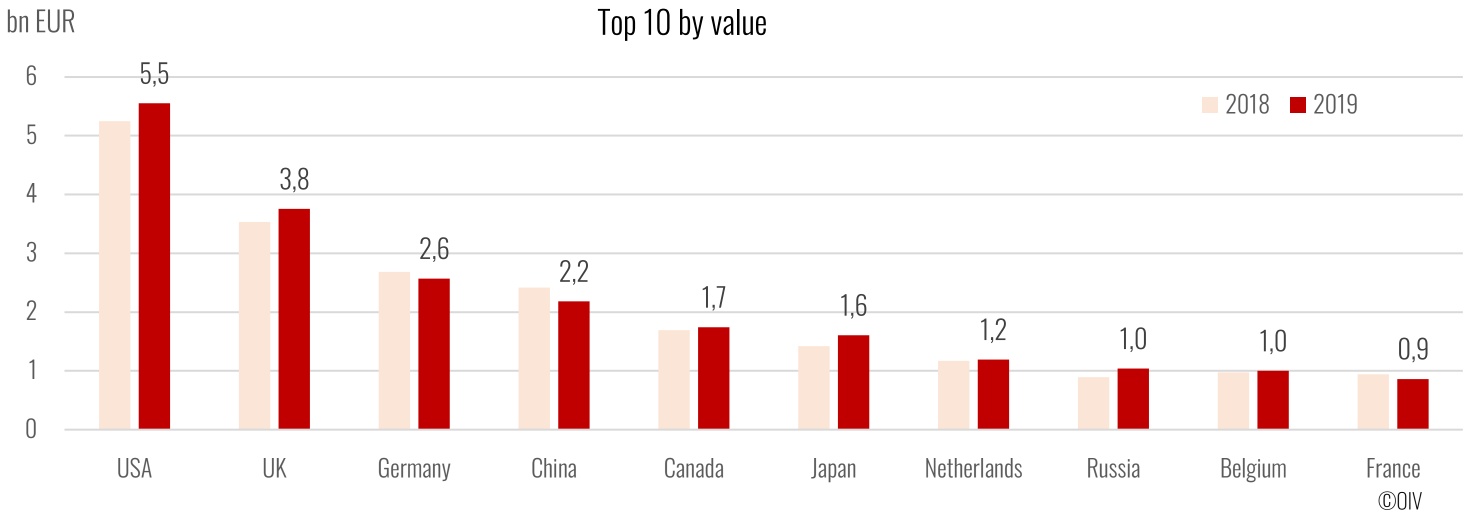
Main Wine Importers

Top 10 by volume



Germany, the **UK**, and the **USA**, confirm to be the largest importers by volume in 2019, accounting for 38% of the world total

Top 10 by value



The **USA,** the **UK** and **Germany** represent 39% of the total value of world wine imports, reaching 11.9 bn EUR.c

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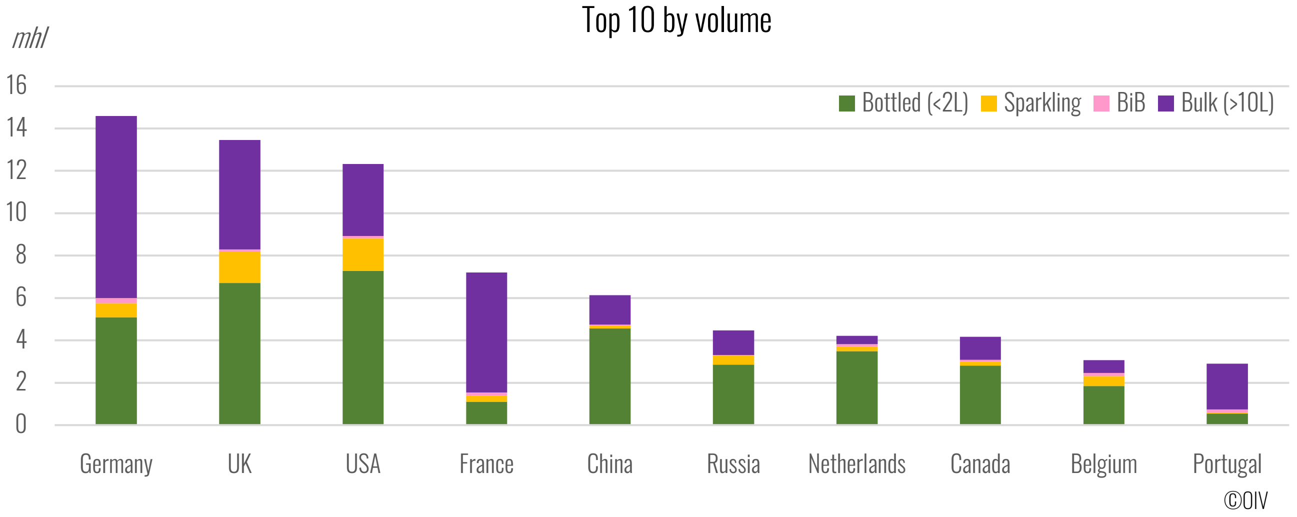
Main Wine Importers



Among the top 10 importers by volume:

Top bottled → USA, UK, Germany

Top sparkling → USA, UK, Russia

Top bulk → Germany, France, UK

Top BiB → Germany, Belgium, Portugal

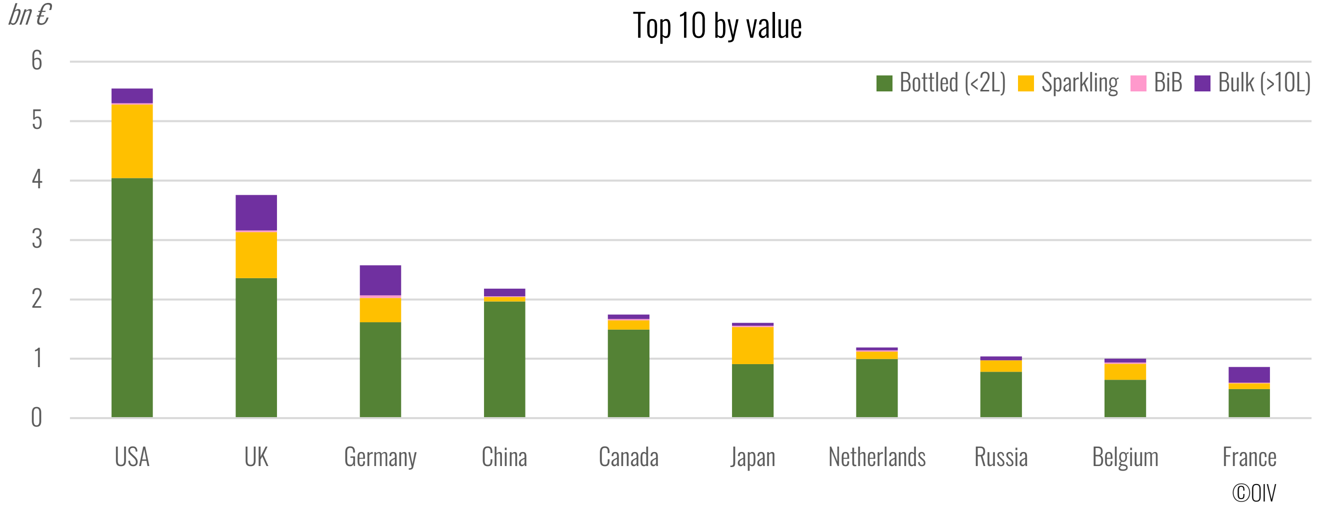
Among the top 10 importers by value:

Top bottled → USA, UK, China

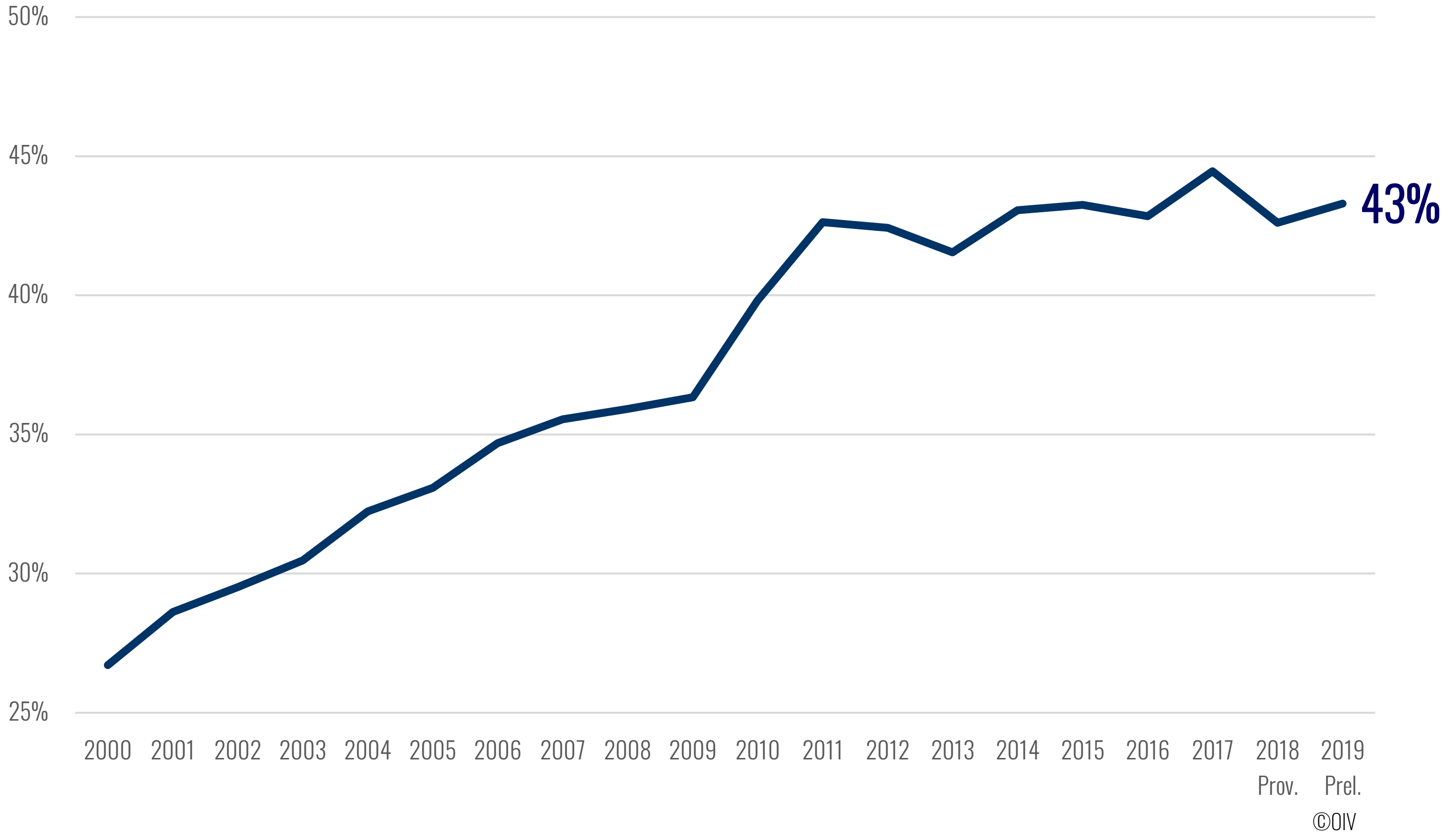
Top sparkling → USA, UK, Japan

Top bulk → UK, Germany, France

Top BiB → Germany, UK, Belgium



Market Internationalisation Index



This **market internationalization index** is constructed as the ratio between the volumes of world wine exports world wine consumption.

In 2019 the wine market internationalisation index is at 43%, meaning that on average **in 2019 every 10 bottles of wine consumed in the world more than 4 have crossed (at least) one boarder**.

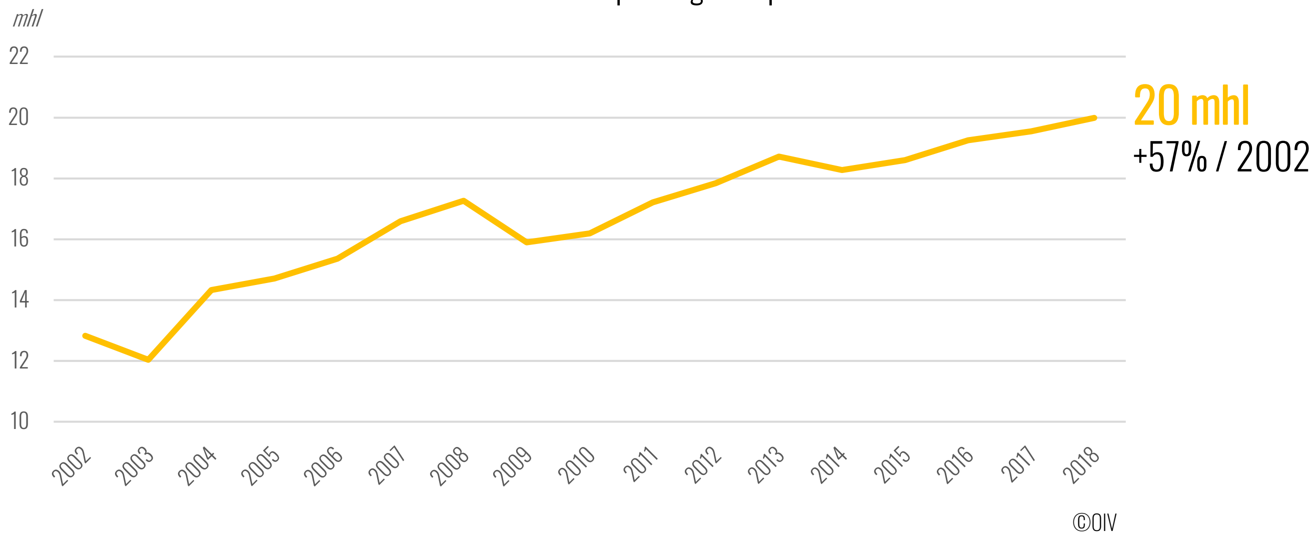
The Global Sparkling Wine Market

OIV Focus

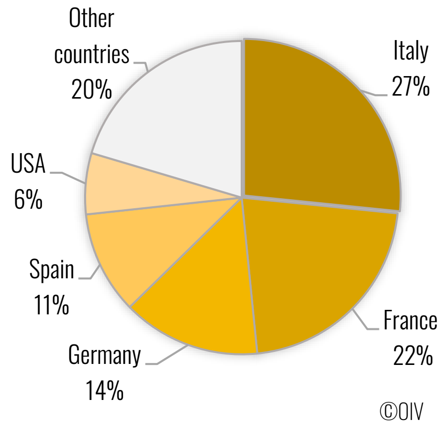
April 2020

Sparkling Wine Production

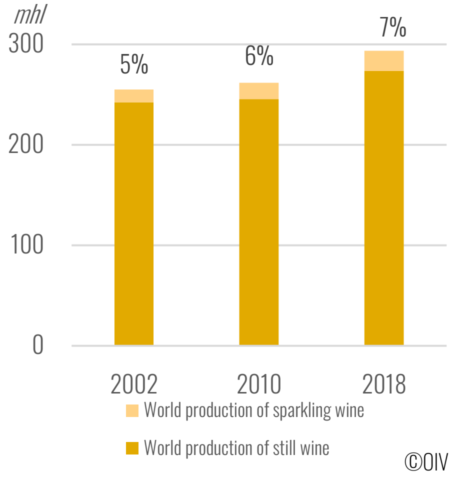
Evolution of world sparkling wine production



Breakdown of sparkling wine production in 2018



Share of sparkling wine in world wine production



In 2018 the world sparkling wine production reached for the first time 20 mhl, with an overall increase of +57% since 2002

While before the economic crisis of 2008 sparkling wine used to represent about 5% of global wine production, in recent years it reached an average weight of 7%

Sparkling wine production is highly concentrated with only 5 countries accounting for 80% of the world sparkling wine production.

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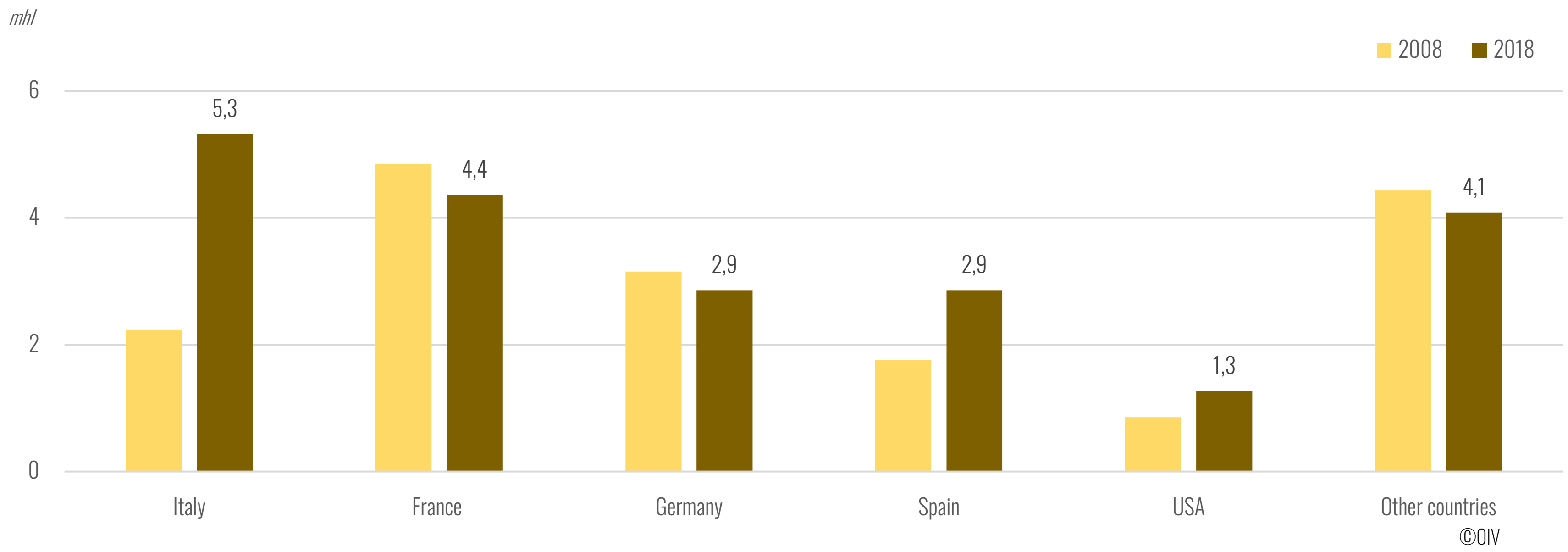
Sparkling Wine Production



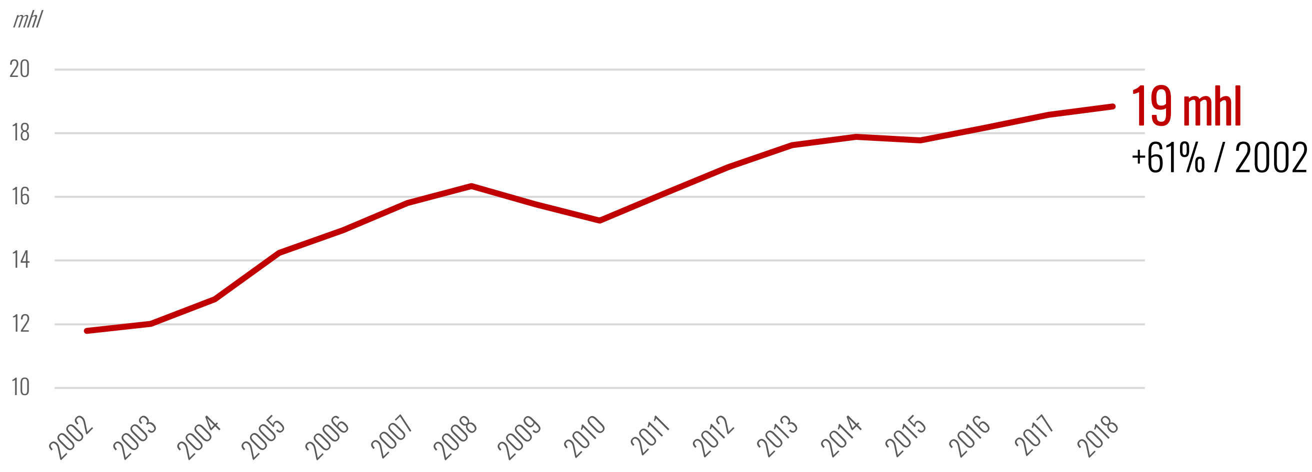
Between 2008 and 2018, the largest increases in production along the top producers where registered in **Italy** (+9% per year on average), followed by **Spain** and **USA** (both at +4% per year on average)

France lost some market share in terms of volume with respect to the past but its production volume is in line with the average registered over the last 15 years.

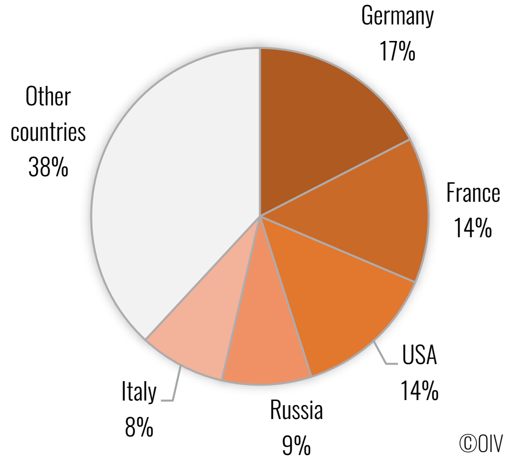
Germany, among the top producing countries, is the one with the largest share of sparkling wine in national wine production (28% in 2018).

Sparkling Wine Consumption

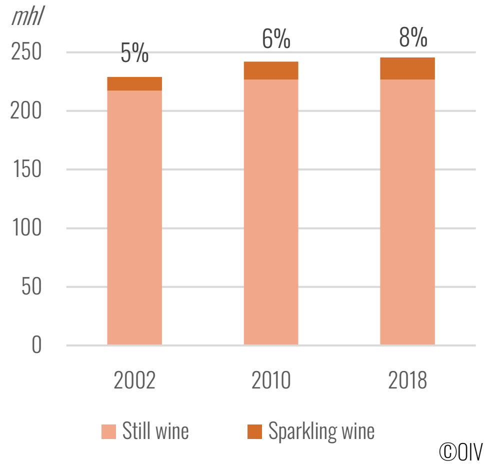
Evolution of world consumption of sparkling wine



Breakdown of sparkling wine consumption in 2018



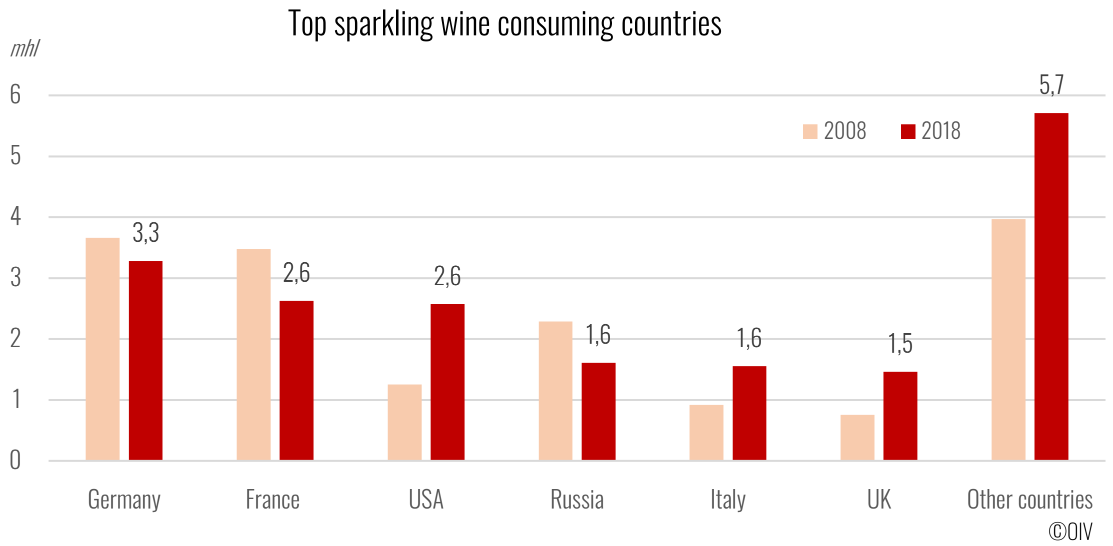
Share of sparkling wine in world wine consumption



In **2018 global sparkling wine consumption** reached **19 mhl, after 8 years of** steady growth path.

In terms of the relative weight of sparkling wines in overall wine consumption, while in 2002 it was at 5%, in 2018 sparkling wines represent about 8% of total wine consumption.

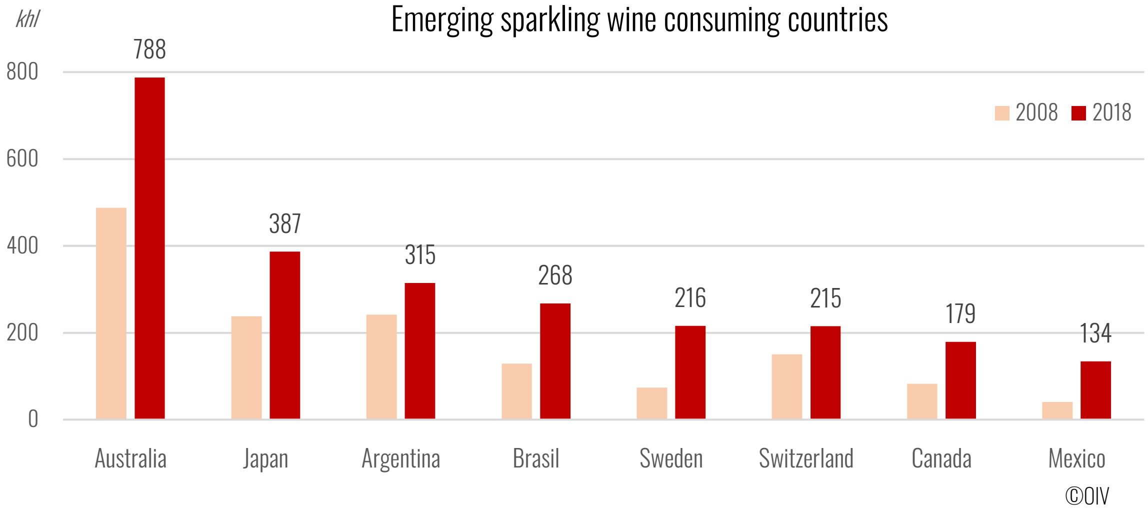
In 2018, five countries - Germany, France, USA, Russia, and Italy – represent more than 60% of global sparkling wine consumption.



USA, **Italy** and **UK** registred an average annual growth rate in the volumes consumed over the period 2008/2018 of 7%, 5.5 % and 7% respectively .

In contrast, **Germany**, **France** and **Russia** experienced a slight decline in consumption.

In the last years **many countries increased significantly their sparkling wine consumption** with countries recording average growth rates **up to +13% / year.**



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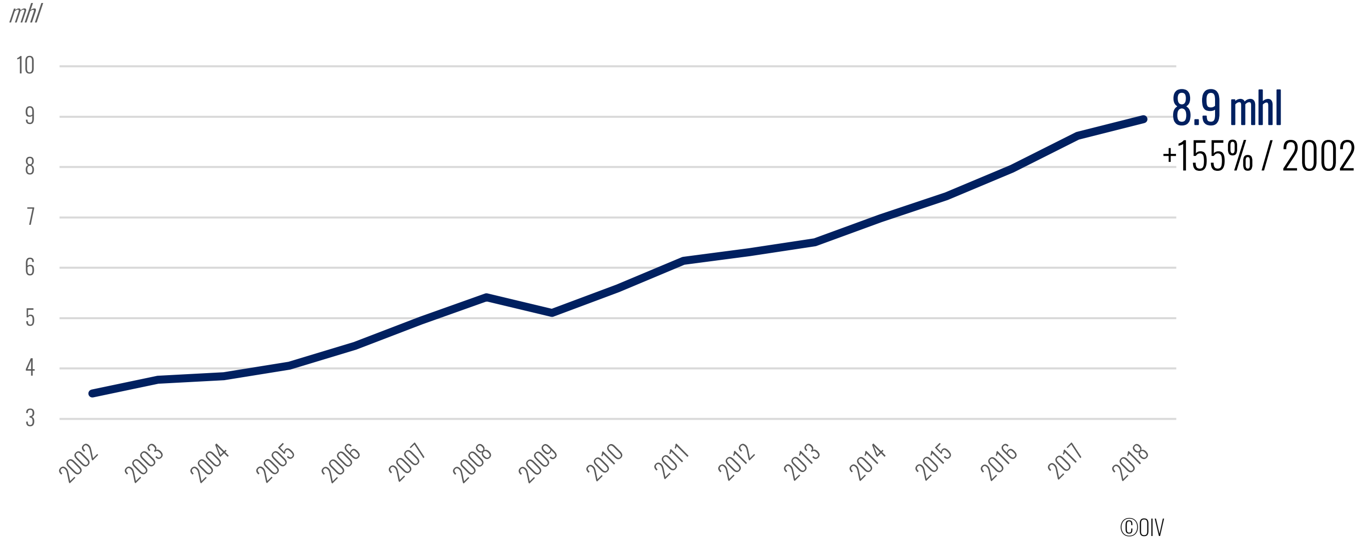
International Trade of Sparkling Wine

Evolution of international trade volume of sparkling wine

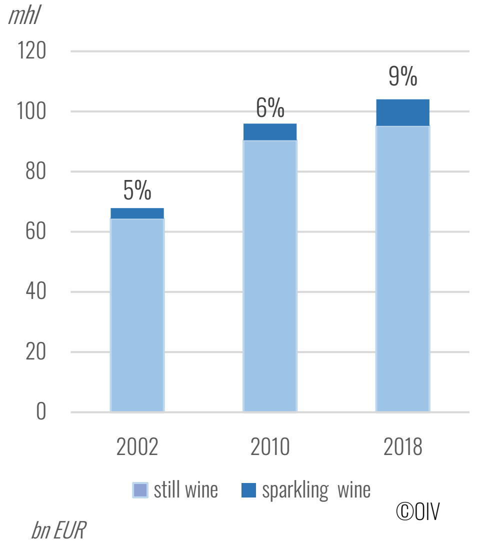


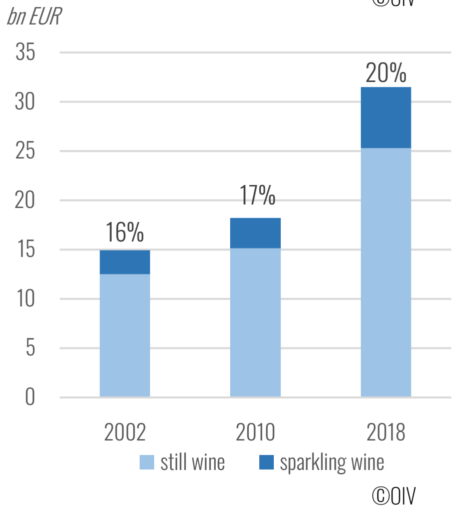
Since the beginning of the century the **international trade of sparkling wine has steadily increased both in volume and in value.**

In 2018 the volume of global exports was **8.9 mhl**, which represents 9% of total wine exported worldwide.

In 2018 the total value of sparkling wine exports reached a record-high **6.2 bn EUR**, which represents 20% of the overall value of wine exported

Weight of sparkling wine in total export volume and value





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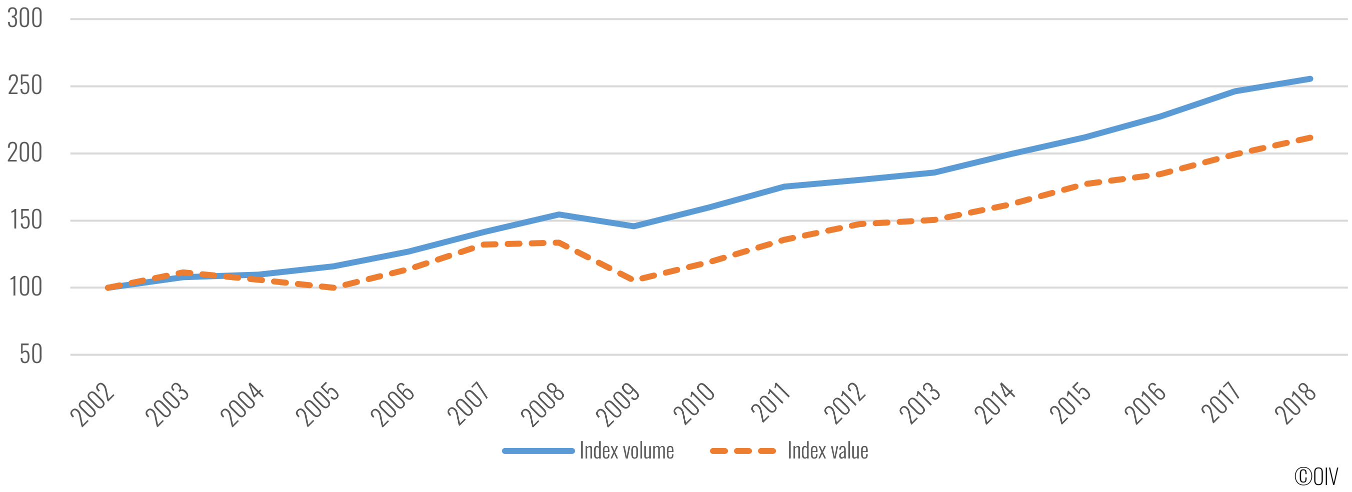
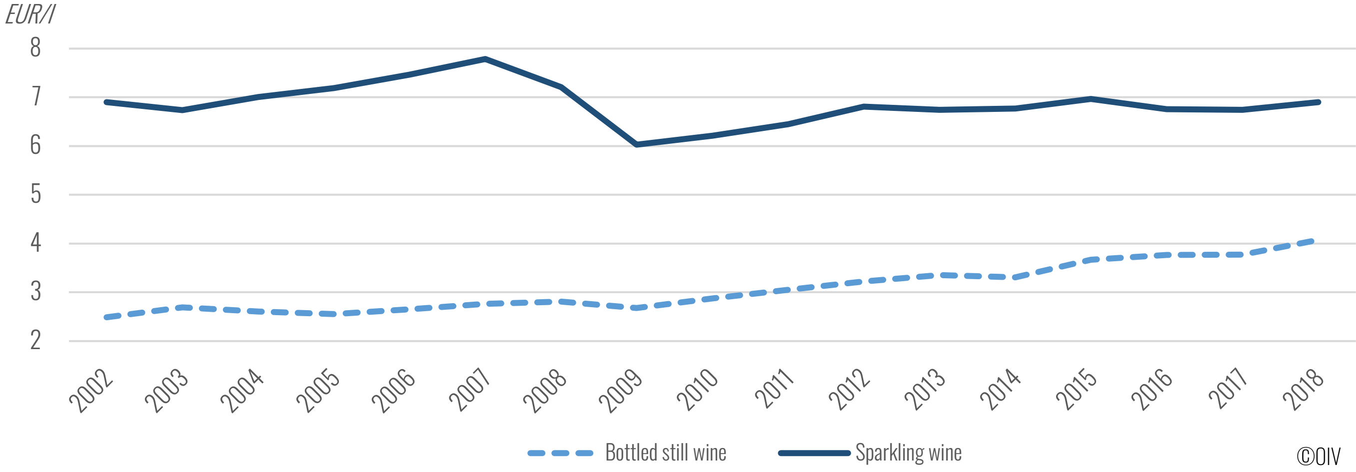
International Trade of Sparkling Wine

Evolution of international trade in volume and value of sparkling wine (index=100 in 2002)



Different impact of the 2008-2009 economic crisis on global sparkling wine export **volume vs value**



Different impact of the 2008-2009 economic crisis on **average export prices of sparkling wines vs bottled still wines**

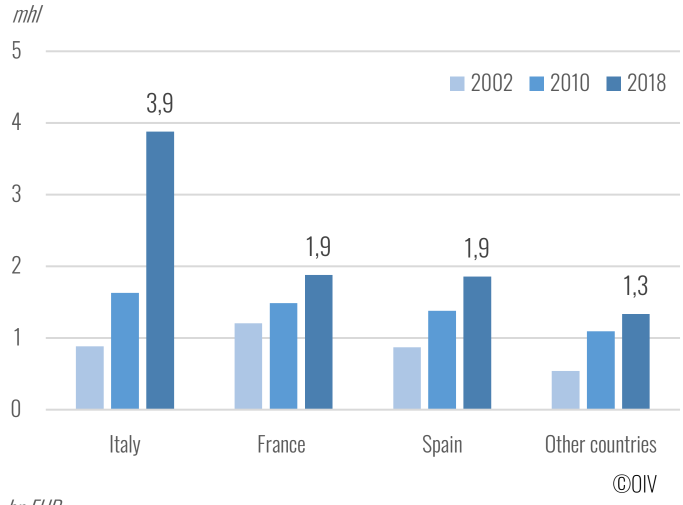
Main Sparkling Wine Exporters

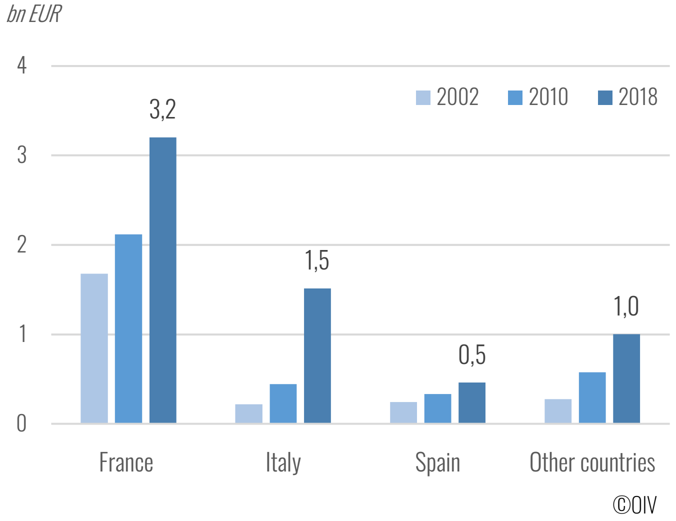
The export market is highly concentrated, with three countries – Italy, France and Spain - representing 85% of world sparkling wine exports in volume and 84% in value.

Between 2002 and 2018, the exported volume of **Italian sparkling wine** has registered an average growth rate of more than +10% per year.

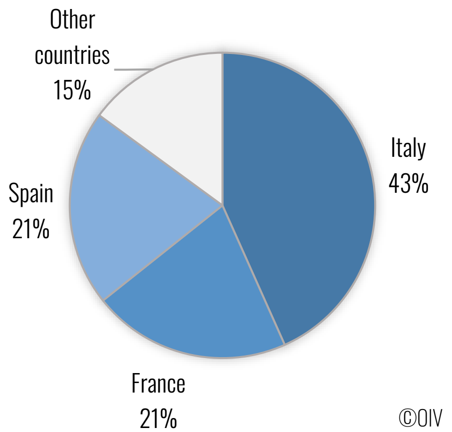
France still represents 52% of the global export value with 3 bn EUR, although in 2003 this share was about 70%.

Since 2002 **Spain** more than doubled the volume of its exports of sparkling wines, notably Cava that accounts for 66%.

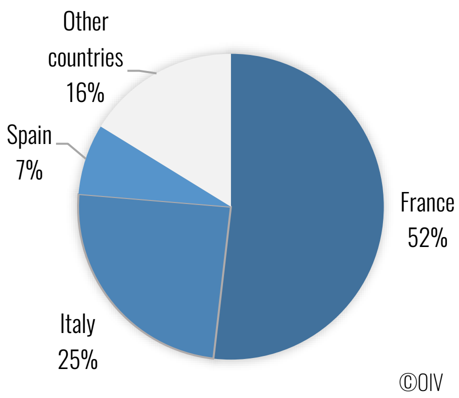




Breakdown of exports by volume in 2018

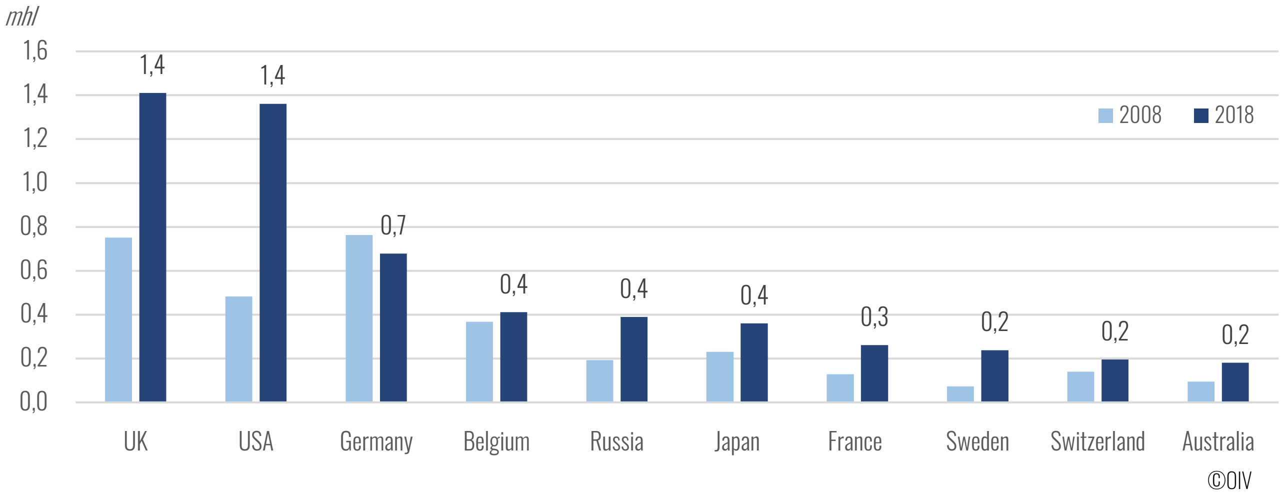


Breakdown of exports by value in 2018



Main Sparkling Wine Importers

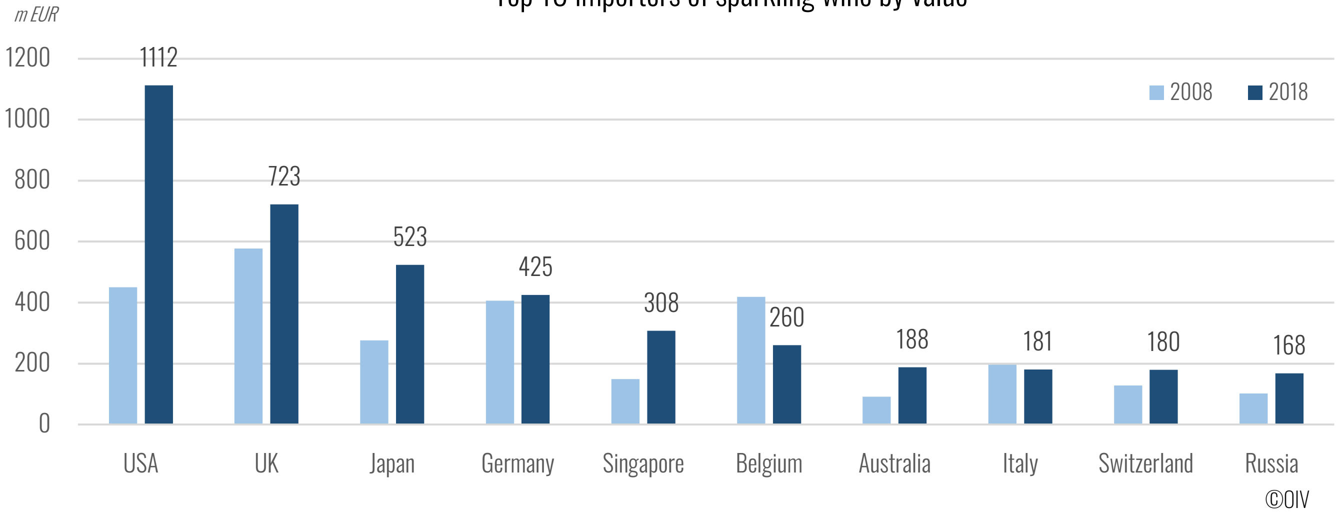
Top 10 importers of sparkling wine by volume



In 2018, **more than half of the bottles of sparkling wine exported were shipped to the 5 world-largest importers**: the UK, the USA, Germany, Belgium and Russia.

In terms of value, the **top three importers are the USA, the UK and Japan**, all of which show very high growth rate over the period 2008-2018

Top 10 importers of sparkling wine by value



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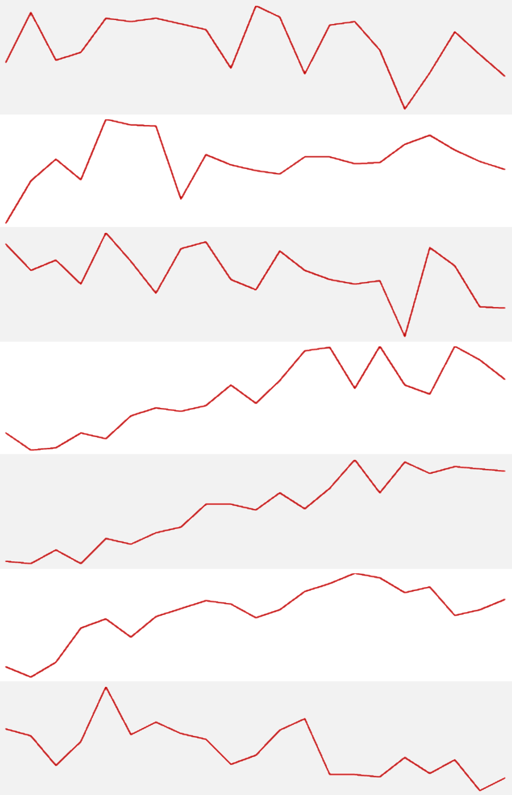
Wine Production in Southern Hemisphere First estimates 2020

Southern Hemisphere Wine Production 2020

	Prov. 2019	Prel. 2020	Trend 2020	Var. 20-19 (%)	Trend 2000-2020
Argentina	13 019	*11 600*	↘	-10.9%	
Australia	11 970	*11 500*	↘	-3.9%	
Brazil	2 025	*2 000*	↘	-1.2%	
Chile	11 939	*10 500*	↘	-12.1%	
New Zealand	2 974	*2 900*	↘	-2.5%	
South Africa	9 696	*10 200*	↗	5.2%	
Uruguay	585	*650*	↗	11.1%	



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The surface area of the world vineyard is estimated at 7.4 mha, stable since 2016

World wine production, excluding juices and musts, in 2019 is estimated at **260 mhl**, a marked decrease, compared to the historically high 2018 production

After the slight decline in world wine consumption registered in 2018, **world wine consumption in 2019** is estimated at **244 mhl**, marking a +0.1% with respect to the previous year

In 2019 the world wine export market has expanded with respect to 2018 both in volume, estimated at **105.8 mhl (+1.7%)**, and in value with **31.8 bn EUR (+0.9%)**

Sparkling wines are pursuing a **sustained growth path** in terms of production and consumption as well as international trade, thus confirming their increasingly important role in the global wine market

First estimates of wine production in the southern hemisphere indicate low expected volumes for 2020 for the majority of countries, with the exception of South Africa and Uruguay

INTERNATIONAL ORGANISATION OF VINE AND WINE

THANK YOU FOR YOUR ATTENTION