



OIV FOCUS
THE GLOBAL SPARKLING
WINE MARKET





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Abbreviations

l: liters
hl: hectoliters
khl: thousand hectoliters
mhl: million hectoliters
m: million
bn: billion
EUR: euros



INTRODUCTION

Over the last twenty years, the global wine market has undergone considerable changes. One phenomenon that has attracted the attention of many observers and analysts of the sector is the boom of sparkling wines. The sharp rise in demand for this category of wine can be explained by many factors, such as changes in consumers' preferences and tastes.

This document is an update of the OIV focus on sparkling wines published in 2014. The main objective of the report is to provide a general overview of the recent evolution of the global sparkling wine market. This study was conceived to analyse the sparkling wine production and consumption at both world and country level as well as to study international trade dynamics.

In this context, as shown in the diagram below, only the category of "sparkling wines" as defined by the OIV¹ and identified with the Harmonized System (HS) code 220410 has been considered in this report. Other special wines² produced with endogenous or exogenous CO₂ such as carbonated wines have not been considered.



For further information on production methods and classifications of sparkling wines, see Annex A

¹ International Code of oenological practices:

<http://www.oiv.int/en/technical-standards-and-documents/oenological-practices/international-code-of-oenological-practices>

² Wines that have undergone certain treatments during or after their production and whose characteristics come not only from the grape itself but also from the production technique used.



In this report, data on 82 countries over the period 2002-2018 was examined.

The following sources were used:

- Official data provided by OIV Member States through questionnaires
- Data available in official reports published by governmental and intergovernmental agencies
- Data available in non-official reports published by non-governmental bodies representing the wine sector
- Data from other sources and estimates, which are generally reviewed by OIV experts
- IWSR for consumption data
- Global Trade Atlas (GTA) and UNComtrade database for international trade data

For a full list of sources, please refer to the section at the end of the report.



1 • PRODUCTION

In the last twenty years, the sparkling wine market has expanded at a fast pace in response to high global demand. **In 2018 the world sparkling wine production reached for the first time 20 mhl**, with an overall increase of **+57% since 2002** (i.e. +3% per year on average). While before the economic crisis of 2008 sparkling wine used to represent about 5% of global wine production, in more recent years it reached an average weight of 7%, with a record-high 8% in 2017.

As shown in fig. 1.3, the production of sparkling wine **is highly concentrated**. Almost half of the total volume produced in 2018 comes from Italy (27%) and France (22%) and **the top 5 producing countries account for 80% of the global sparkling wine production**.

Fig. 1.1 • Evolution of world sparkling wine production

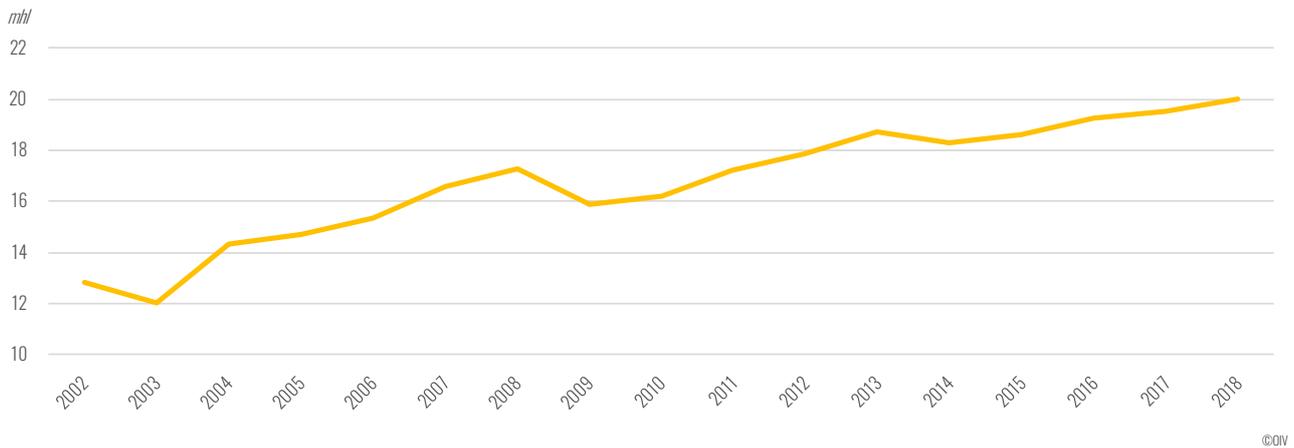


Fig. 1.2 • Share of sparkling wine in world wine production

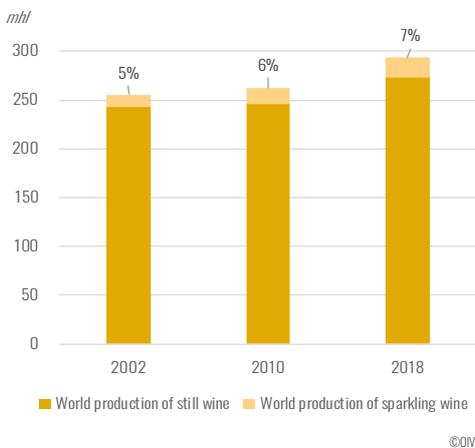


Fig. 1.3 • Breakdown of sparkling wine production in 2018

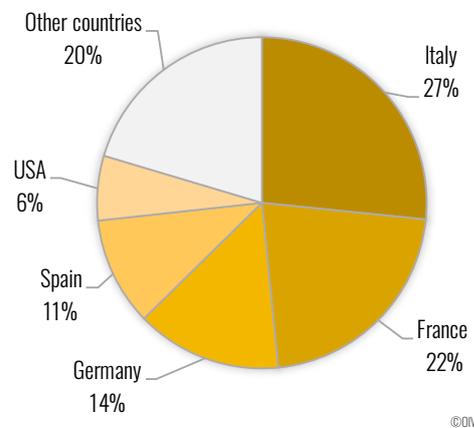
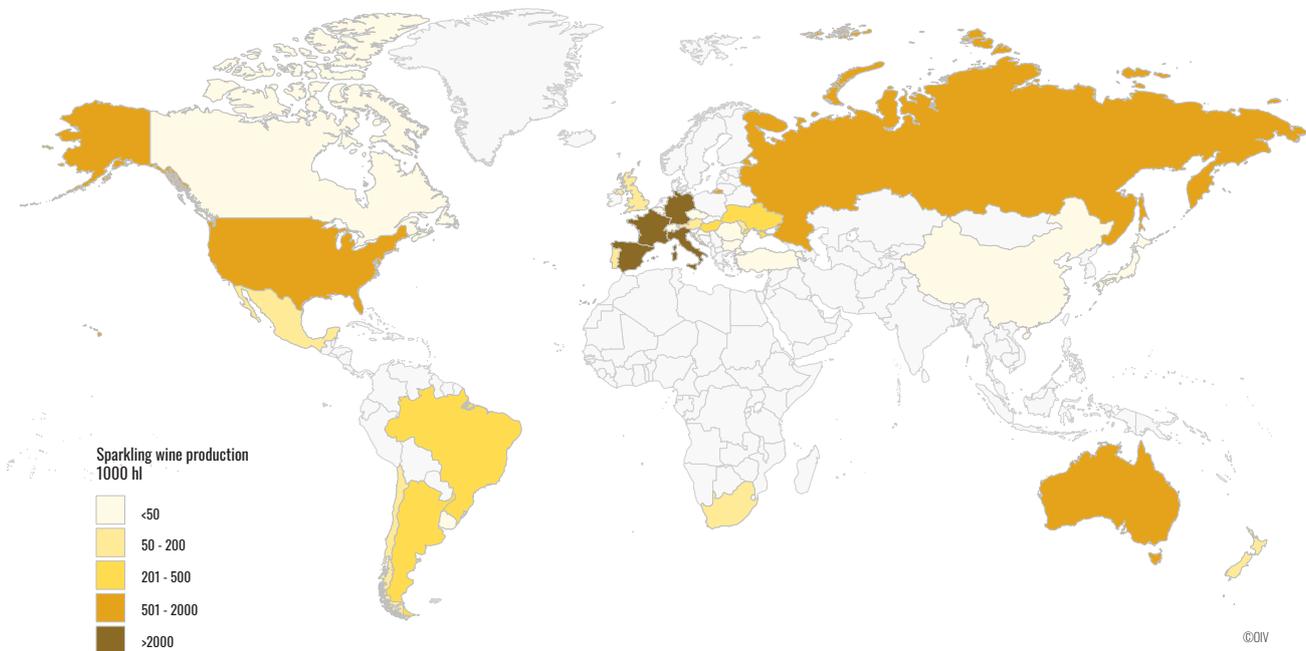




Fig. 1.4 • Sparkling wine production in 2018



As shown in fig. 1.4 the production of sparkling wines is distributed all over the world. However, the highest concentration of producers is within the **European Union**. In fact, since 2000 the EU has represented **between 70 and 80% of the world production volume**.

Italy is the world's largest producing country since 2016. Italian sparkling wine production in 2018 is **5.3 mhl**, about 10% of its total wine production. Since 2008 the production volume of Italian sparkling wines has more than doubled, recording an average annual growth rate of 9%. This substantial increase has been mainly driven by high demand for both closed tank sparkling wines (e.g. Prosecco³) and, although to a lesser extent, bottle-fermented wines (e.g. Franciacorta and Trento). Out of the total national production volume of sparkling wine, Prosecco alone represents 66%.

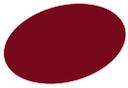
France is the second-largest producer of sparkling wines with **4.4 mhl** in 2018, a value in line with the average registered over the last 15 years.

Champagne is the first sparkling wine produced in the country with 2.7 mhl produced in 2018. In recent years, other sparkling wines known as “crémant” have increased their market share. It is the case of Crémant d’Alsace, Crémant de Bourgogne, Crémant de Loire, and Crémant de Bordeaux whose 2018 production volumes were equal to 310 khl, 232 khl, 185 khl, and 67 khl respectively.

In third place in 2018, there is **Germany** with a lower-than-average production of about **2.8 mhl** (whereas the average of the last twenty years is more than 3 mhl). Among all producing countries, Germany is the one with the largest share of sparkling wine in national wine production (28% in 2018).

In 2018 production of sparkling wine in **Spain** amounts to **2.1 mhl**. Since 2000, this category of wine has almost doubled its production volume, recording an average annual growth rate of 4%. Cava is by far the most produced sparkling wine in the country and represents 89% of the total volume produced in 2018.

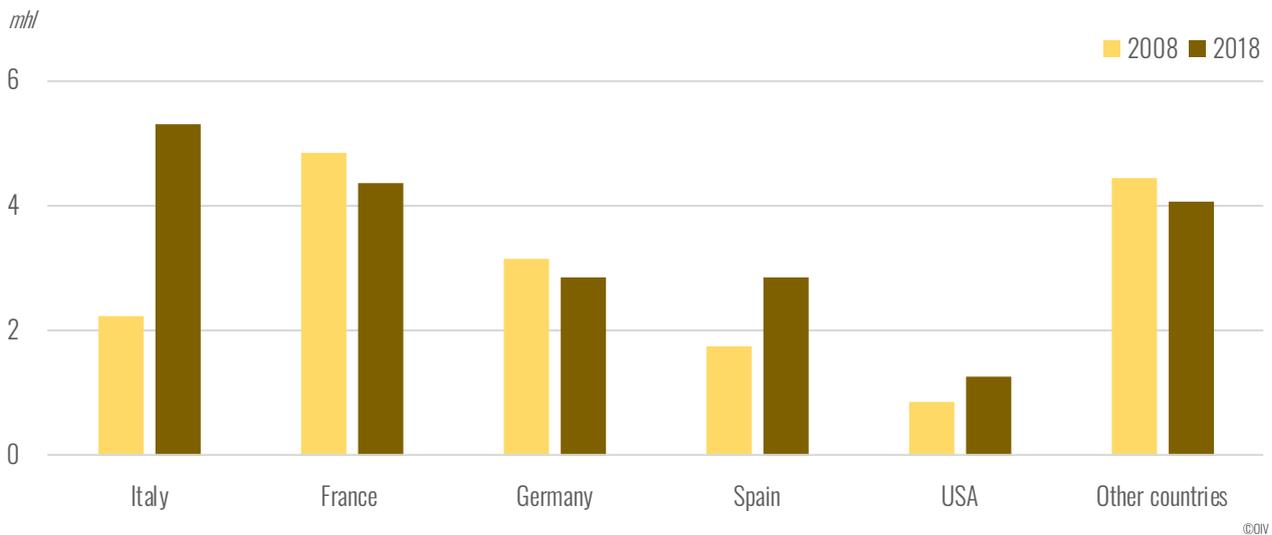
³ Prosecco production includes Prosecco (80%) and Conegliano-Valdobbiadene (20%); the latter is the new designation of origin of Prosecco, which is only produced in a specific area in the Veneto region.



The only large producing country outside the EU is the **USA**, where the sparkling wine production (**1.3 mhl** in 2018) has flourished since 2008, with an average annual growth rate of 4%.

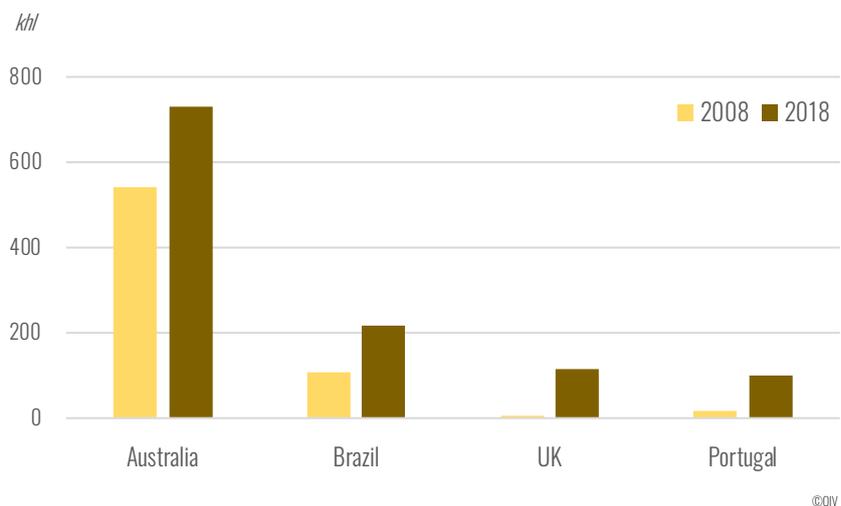
The largest share of sparkling wines comes from the Napa Valley, where the production volume in 2018 was equal to 1 mhl (i.e. 77% of the national total).

Fig. 1.5 • Top sparkling wine producing countries



Although the production of sparkling wines remains concentrated in a few countries, **new producing countries** are emerging in recent years. These countries⁴ have registered significant increases in their sparkling wine production over the period 2008-2018. In order of the average annual growth rate, we find the **UK** (+33%/year), **Portugal** (+18%/year), **Brazil** (+7%/year), and **Australia** (+3%/year). It is also worth noting that in the UK sparkling wines represent more than 70% of the total domestic wine production

Fig. 1.6 • Emerging sparkling wine producing countries



⁴Only countries with 2018 production volumes equal to or above 100 khl and with an average annual growth rate equal or above 3% are considered here.



2 • CONSUMPTION

From the beginning of this century, the global consumption of sparkling wines has significantly increased. As shown in fig. 2.1, over the period 2002-2018, demand for sparkling wine has been rising consistently, with the only exception of the biennium 2009-2010 when the global economic crisis negatively impacted sparkling wine sales. The steady growth path recorded since then - with an average annual growth rate of 3% - culminated in **2018** when **global sparkling wine consumption** reached **19 mhl**. 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 8% of total wine consumption.

One of the factors behind the global success of sparkling wines is the deseasonalisation of consumption (which is not linked to end-of-year celebrations anymore) combined with a more diversified supply characterised by a broader range of prices than in the past. Nowadays, consumption of sparkling wines tends to be more regular (e.g. as an aperitif or used to make cocktails) and includes a larger share of consumers.

Fig. 2.1 • World consumption of sparkling wine

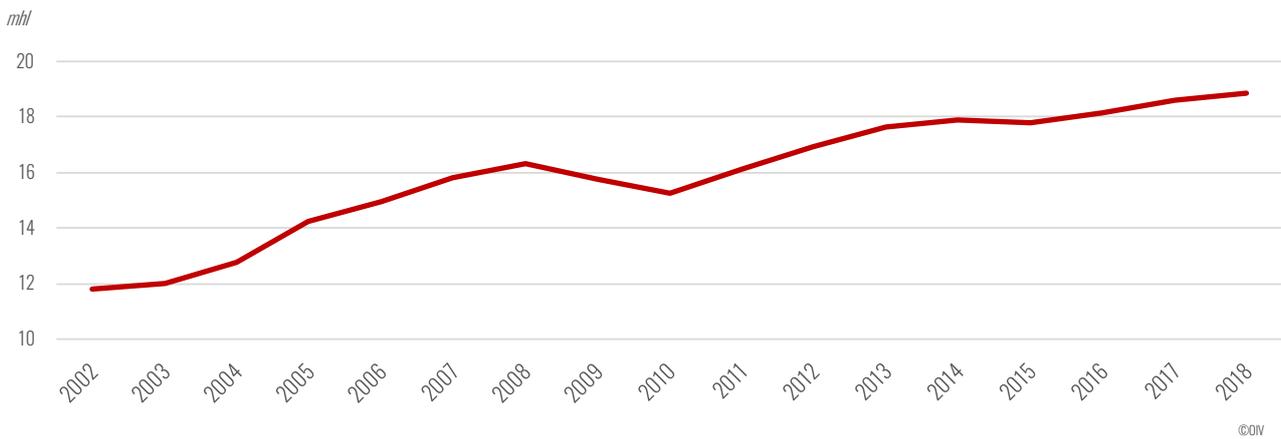


Fig. 2.2 • Weight of sparkling wine in total wine consumption



Fig. 2.3 • Breakdown of sparkling wine consumption in 2018

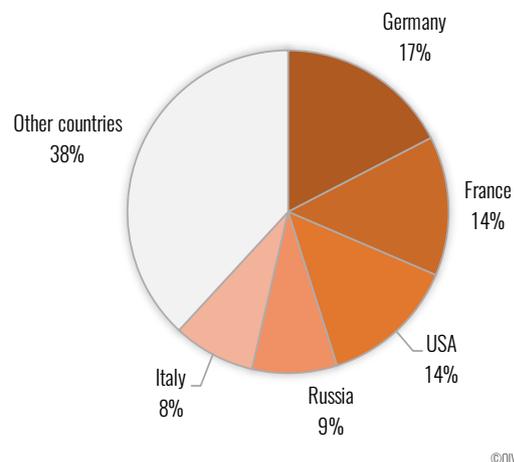
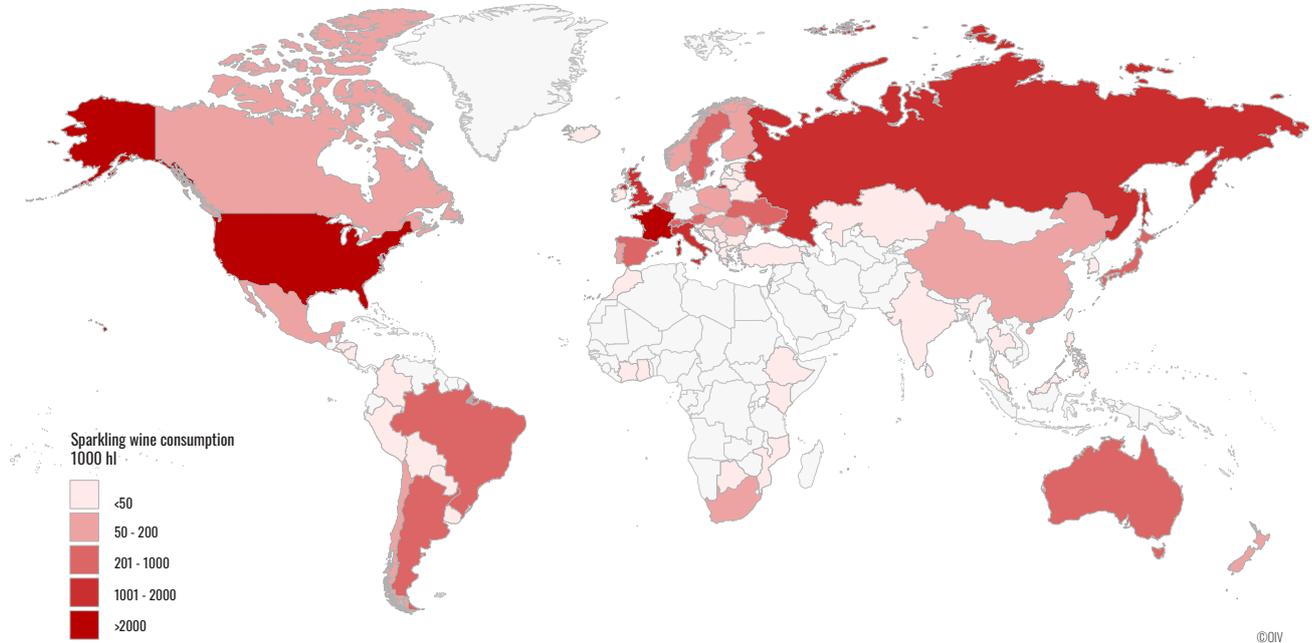




Fig. 2.4 • Sparkling wine consumption in 2018



In 2018, five countries - Germany, France, USA, Russia, and Italy - represent **62% of global sparkling wine consumption**.

Germany is the first country in terms of sparkling wine consumption in 2018 with **3.2 mhl**. White sekt is the domestic sparkling wine most consumed in the country.

France is the second country in terms of consumption with **2.6 mhl** in 2018, a value slightly below the average observed in the last twenty years. The most consumed sparkling wine is Champagne, with 147 million bottles sold in France in 2018.

The **USA** registered a significant growth in the period 2008-2018 with an average annual growth rate of 7%, reaching in 2018 a consumption volume of **2.6 mhl**.

In 2018, **Russia** registered a sparkling wine consumption of about **1.6 mhl**. Overall, imports represent 30% of the total volumes consumed.

Italy is the fifth consumer in the world, with **1.6 mhl** consumed in 2018. Since the 2008 crisis, the internal demand has been increasing at a fast pace of about 5.5% per year. The first sparkling wine consumed in the country is Prosecco, which accounts for about half of total consumption.

It is worth noting the rapid expansion of the UK market, which registered on average +7% per year since 2008. The **UK** is the sixth country in terms of consumption in 2018 with **1.5 mhl**.



The share of the six largest consuming countries has declined from 76% in 2008 to 70% in 2018. Over the same period the part of consumption represented by “other countries” has increased by 1.7 mhl. This variation can be attributed, to a large extent, to the rise in the consumption of **the emerging sparkling wine consuming countries**⁵ in fig. 2.6.

Considering the average annual growth since 2008, the top-ranking is: **Mexico (+13%)**, **Sweden (+11%)**, **Canada (+8%)**, **Brazil (+8%)**, **Japan (+5%)**, **Australia (5%)**, **Switzerland (4%)** and **Argentina (3%)**.

Figure 2.5 • Top sparkling wine consuming countries

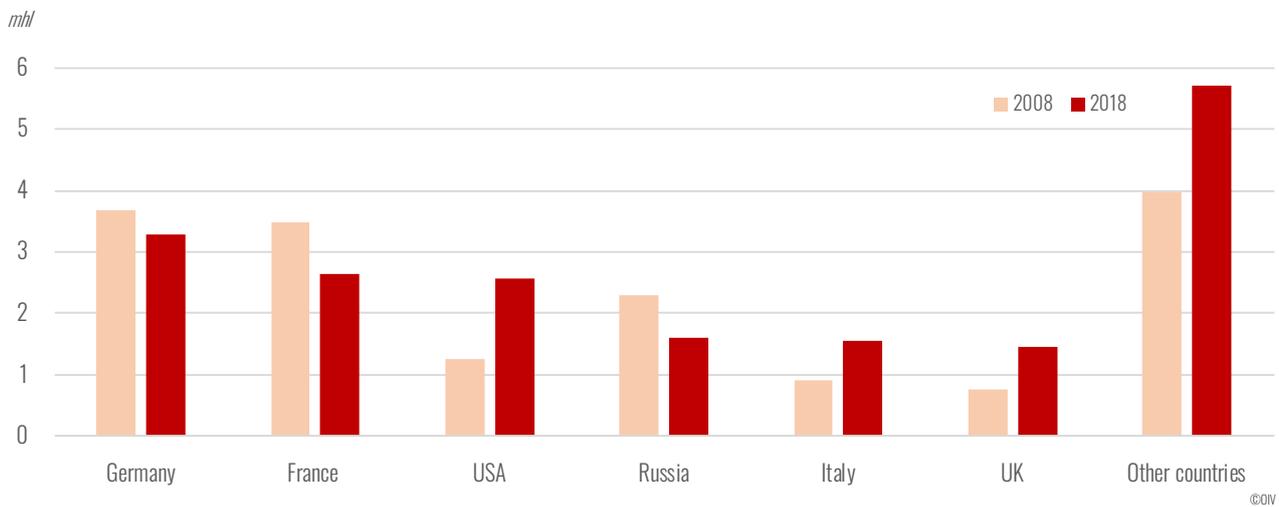
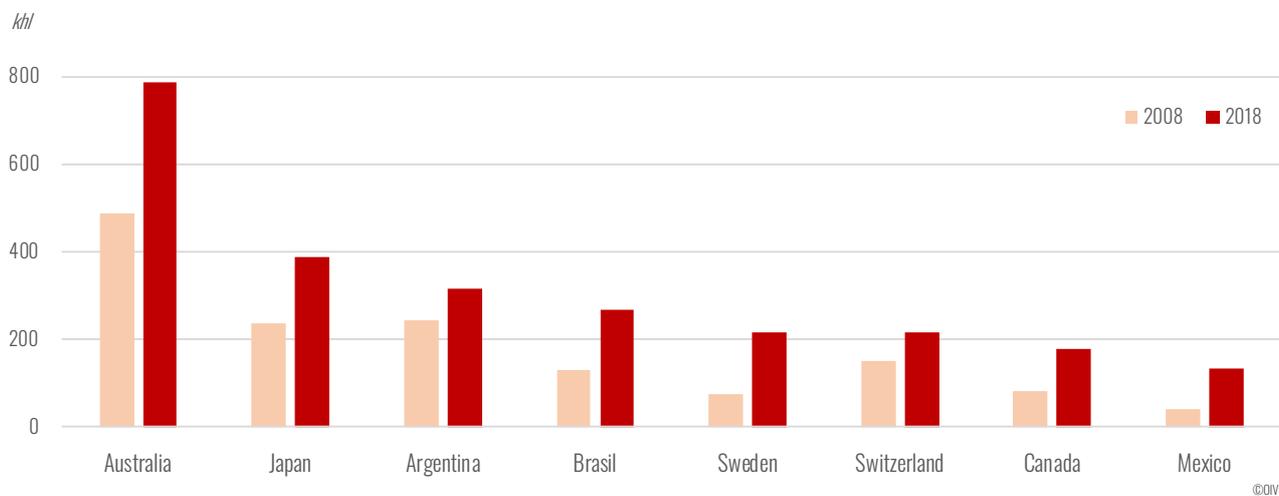


Figure 2.6 • Emerging sparkling wine consuming countries



⁵Only countries with 2018 consumption volumes equal to or above 100 khl and with an average annual growth rate equal or above 3% are considered here



3 • INTERNATIONAL TRADE

3.1 • World trade

The international trade of sparkling wine has intensified since the end of the last century. It has steadily increased both in volume and in value, with the only exception of 2009 when the economic crisis heavily impacted international markets. Since then, the volume of internationally traded sparkling wine has almost doubled, with an average annual growth rate of +6%.

In 2018 the volume of global exports was 8.9 mhl, which represents 9% of total wine exported worldwide. In terms of value, the growth since 2009 is even more substantial, with an average of +8% every year. 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.**

Figure 3.1 • Evolution of international trade volume of sparkling wine

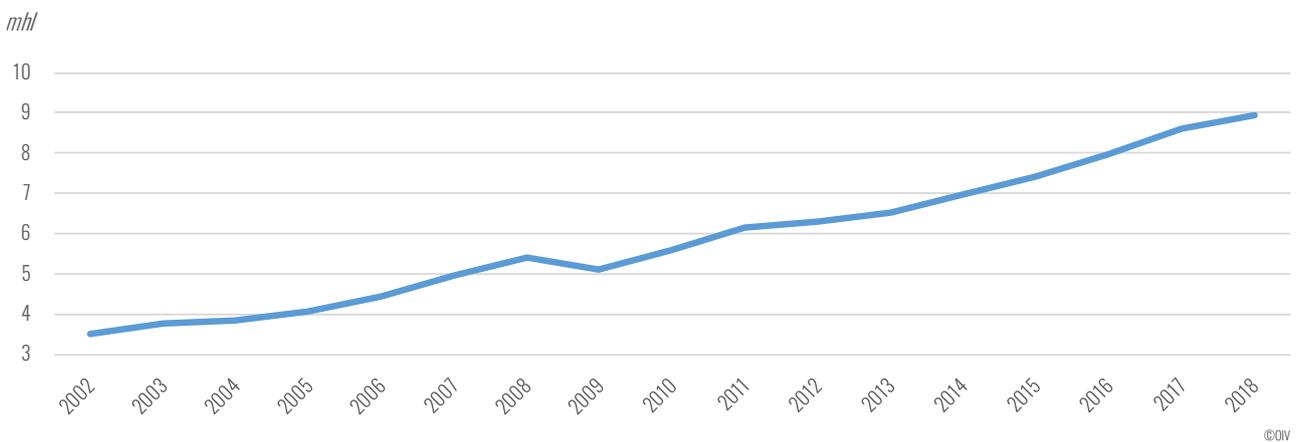


Figure 3.2 • Weight of sparkling wine in total export volume

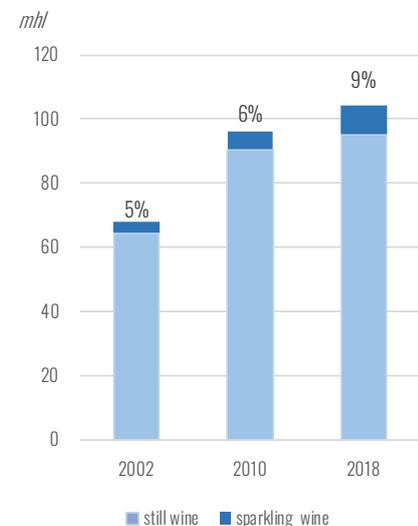
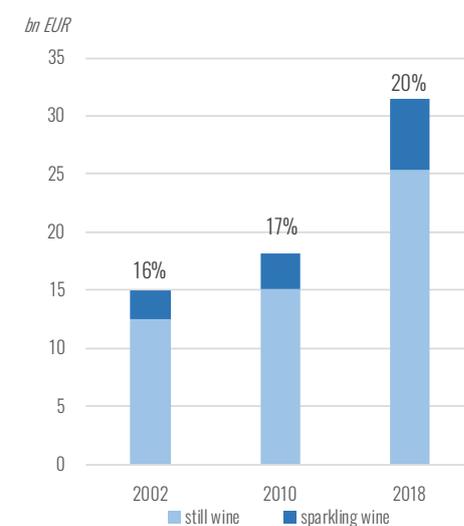


Figure 3.3 • Weight of sparkling wine in total export value





In fig. 3.4 volume and value indexes (set equal to 100 in 2002) show not only the significant growth of sparkling wine trade but also the **different impact of the economic crisis on volume and value**. While the crisis has sharply hit premium sparkling wines, which explains the sharp decline in value in 2009, at the same time, it favored the entrance in the international markets of lower-end sparkling wines, which has mitigated the adverse effects of the crisis on volumes. Since then, both trade volume and value have risen at a similar pace.

By looking at the evolution of **average export prices at world level** in fig. 3.5, we can observe different behaviours

when comparing sparkling and bottled still wines. Sparkling wines have prices growing significantly in the pre-crisis period, reaching in 2007 up to EUR/l. A sharp price decline was measured between 2007 and 2009, when demand for “premium” and “ultra-premium” sparkling wines fell considerably, thus opening the doors of the export market to “lower-end” sparkling wines. Export prices started to grow again in the period 2010-2012 and have stabilised at around 7 EUR/l since then. On the other hand, average export prices of bottled **still wines recorded a more stable evolution**. In 2018 the average export price per unit of still wines was 4 EUR/l, almost double than at the beginning of years 2000s.

Figure 3.4 • Evolution of international trade in volume and value of sparkling wine (index=100 in 2002)

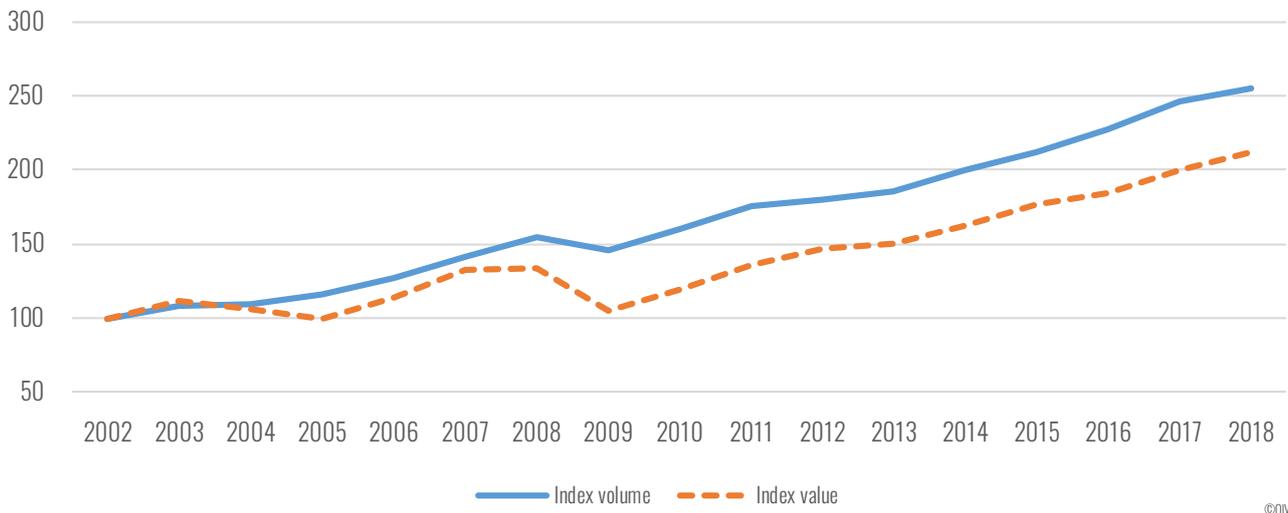
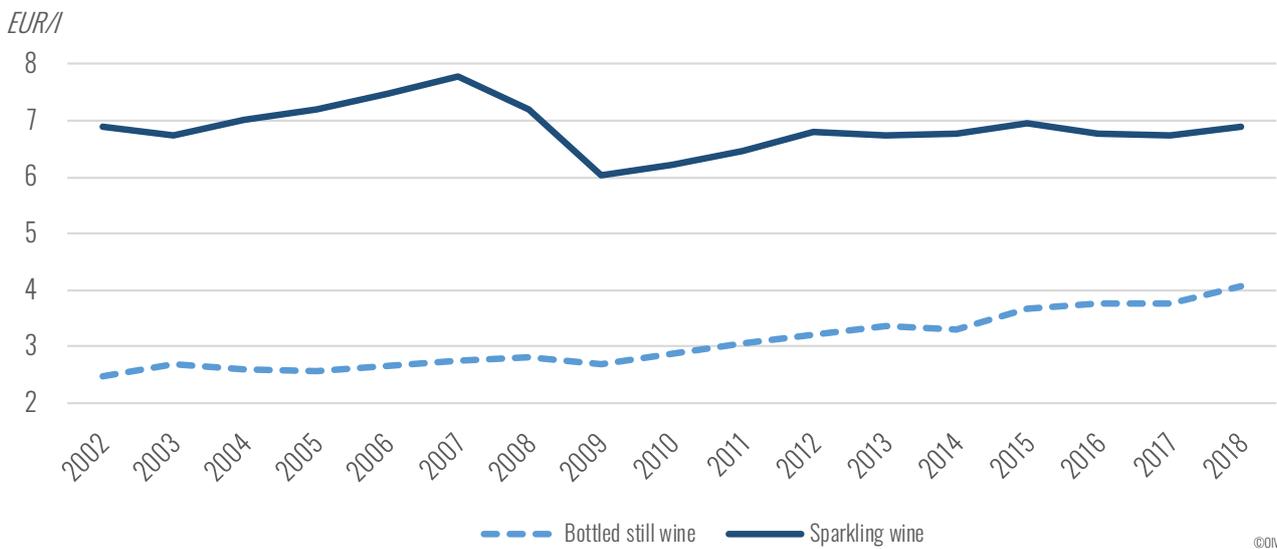


Figure 3.5 • Evolution of average export prices

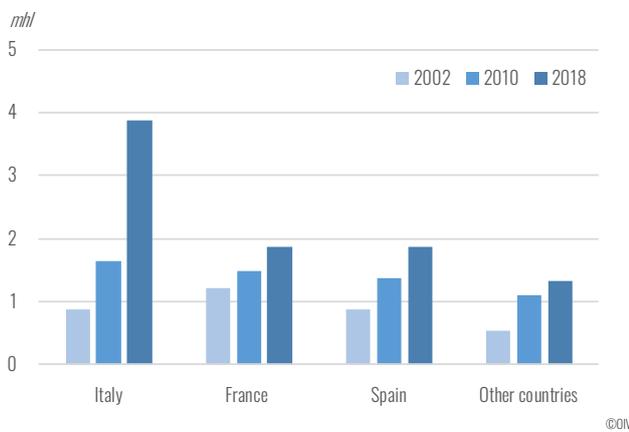




3.2 • Exports

The export market is highly concentrated, with three countries - Italy, France, and Spain - representing 85% of world sparkling wine exports in 2018. It is worth noting that the weight of these three countries in the world total has been increasing consistently since 2008 (when their share was about 79%).

Figure 3.6 • Top sparkling wine exporters in volume



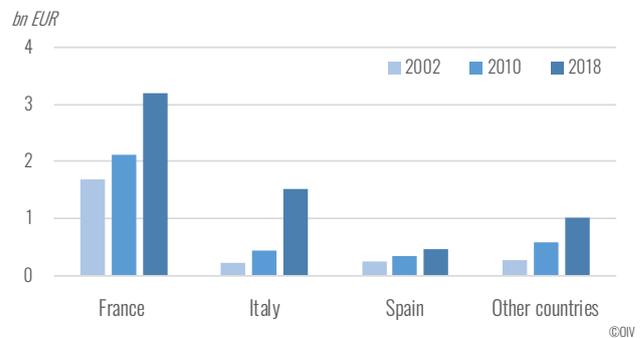
With 3.9 mhl exported in 2018 (i.e. 73% of its national production), Italy alone accounts for 43% of the world sparkling wine export market. Since 2002, the exported volume of Italian sparkling wine has registered an average growth rate of more than +10% per year. Behind this boom is Prosecco, that in 2018 represents 65% of Italian sparkling wine exports. As shown in fig. 3.10 main destinations were the UK, the USA and Germany. In terms of value, sparkling wine exports in 2018 were worth 1.5 bn EUR, i.e. 25% of global export value.

France is the second exporter in terms of volume at 1.9 mhl in 2018, with Champagne alone accounting for 1.1 mhl.

Exports represent about 43% of total national sparkling production, thus confirming the important role played by the strong internal demand. Export volume has been increasing consistently since the beginning of the century (with the only exception of the biennium 2008-2009 when the economic crisis hit hard on the demand of Champagne). However, while France used to represent about 33% of the total exported volumes worldwide at the beginning of the 2000s, in 2018 the weight of French export is about 21%. Main export destinations in 2018 were the USA, the UK, and Singapore. In terms of value, France still represents 52% of the global export value with 3 bn EUR, although in 2003 this share was about 70%.

Spain in 2018 is the third-largest exporter just behind France, with 1.8 mhl. Unlike France the great majority of Spanish sparkling wine produced is sold abroad (88% in 2018). Since 2002 Spain more than doubled the volume of its exports, a growth driven by the rise in demand of Cava. The main destinations for 2018 were the USA, Germany, and Belgium. In 2018 Spanish exports are worth 0.5 bn EUR, i.e. 7% of global value.

Figure 3.7 • Top sparkling wine exporters in value

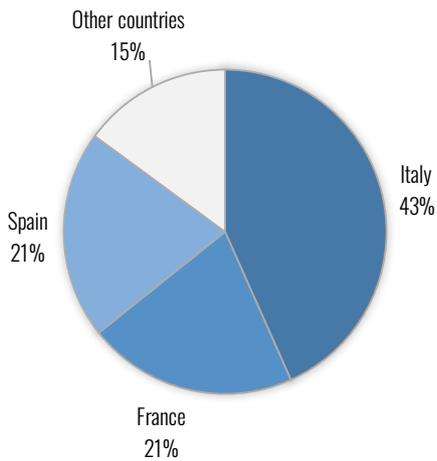




As highlighted above, high market concentration does not leave much space for other countries in the global export market. It is worth noting, however, that Germany holds the 4th place in terms of volume (0.3 mhl in 2018) and 5th place in terms of value (128 m EUR in

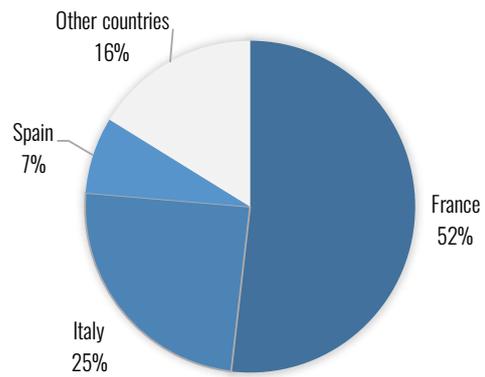
2018). Also, an important role is played by re-export platforms such as Lithuania (5th in volume in 2018 with 0.1 mhl) and Singapore (4th in value in 2018 with 329 m EUR).

Figure 3.8 • Breakdown of sparkling wine exports by volume in 2018



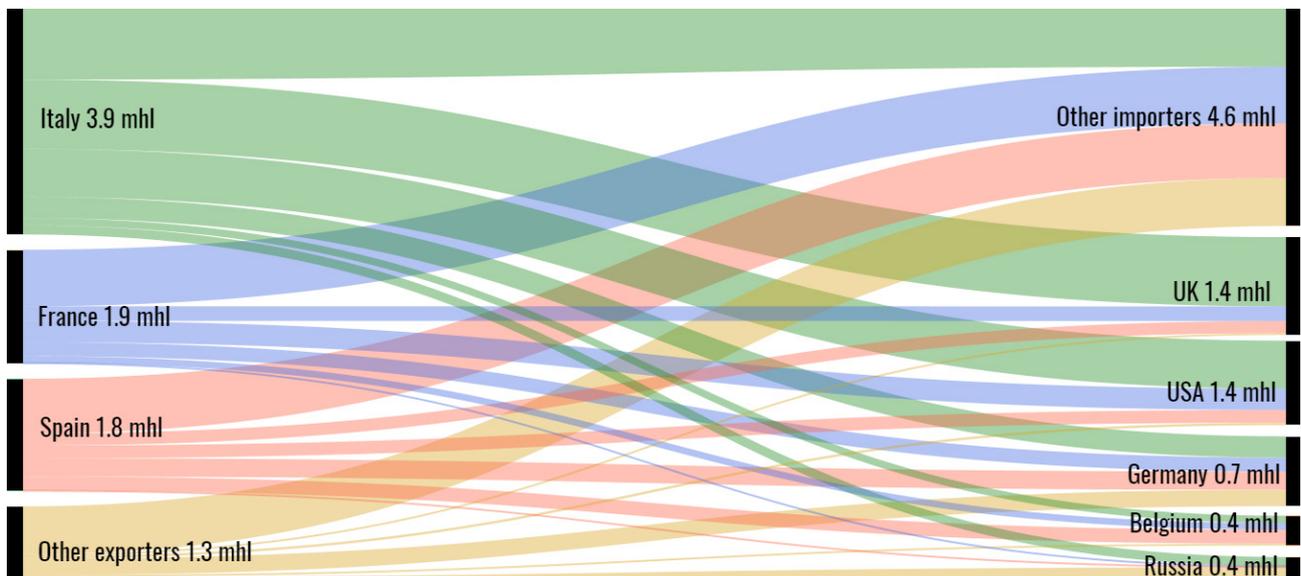
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Figure 3.9 • Breakdown of sparkling wine exports by value in 2018



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Figure 3.10 Main sparkling wine trade flows in 2018



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3.3 • Imports

In 2018, more than half of the bottles of sparkling wine exported were shipped to the **5 world-largest importers: the UK (1.4 mhl), the USA (1.4 mhl), Germany (0.7 mhl), Belgium (0.4 mhl), and Russia (0.4 mhl).**

Among the top five importers, the USA, Russia, and the UK recorded the highest average annual growth rate over the period 2008-2018, with 11%, 7%, and 6%, respectively.

In terms of value in 2018, the USA is the largest importer (with 1112 m EUR), followed by the UK (723 m EUR), Japan (523 m EUR), Germany (425 m EUR), and Singapore (308 m EUR). Since 2008 the USA and Japan have recorded significant growth with an average of +9% and +7% per year.

Figure 3.11 • Top 10 importers of sparkling wine by volume

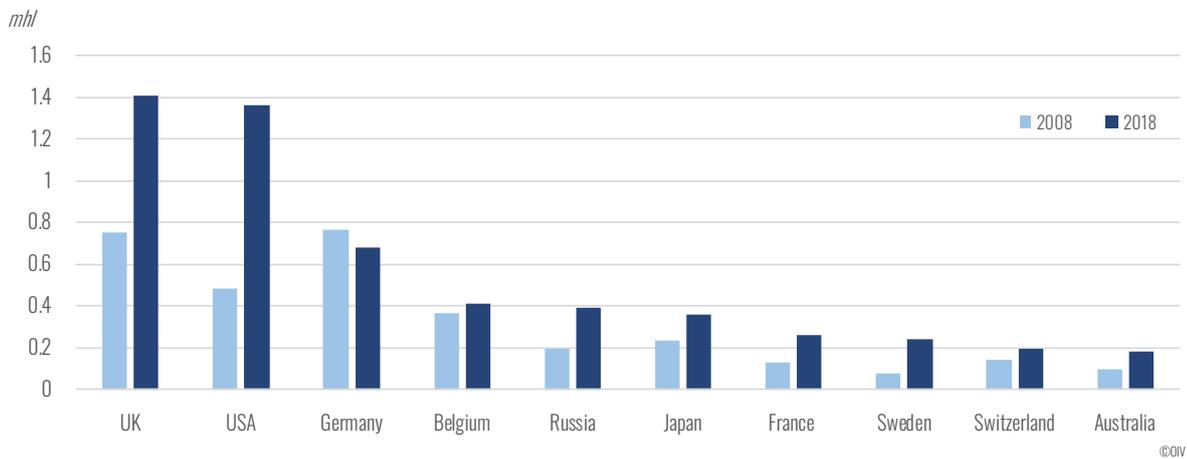
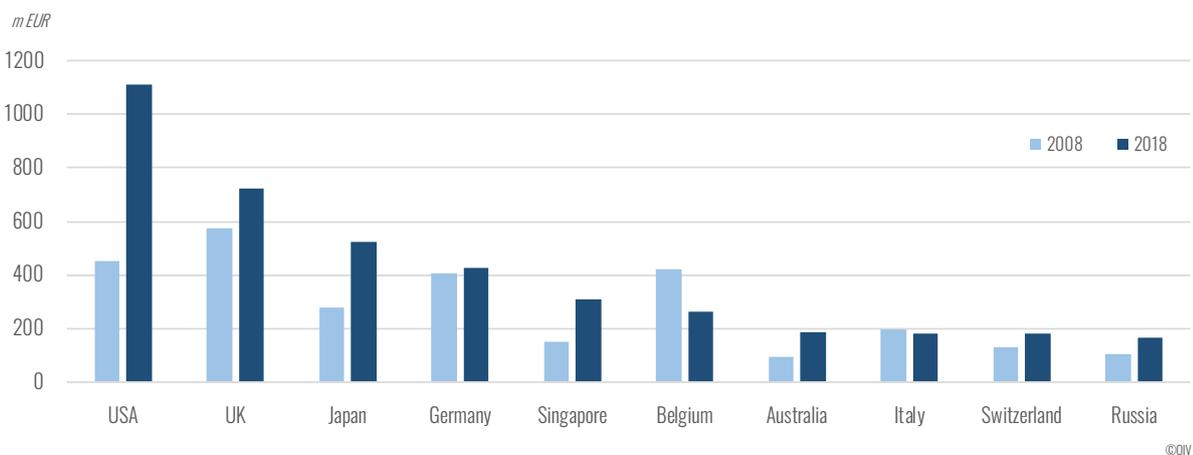


Figure 3.12 • Top 10 importers of sparkling wine by value





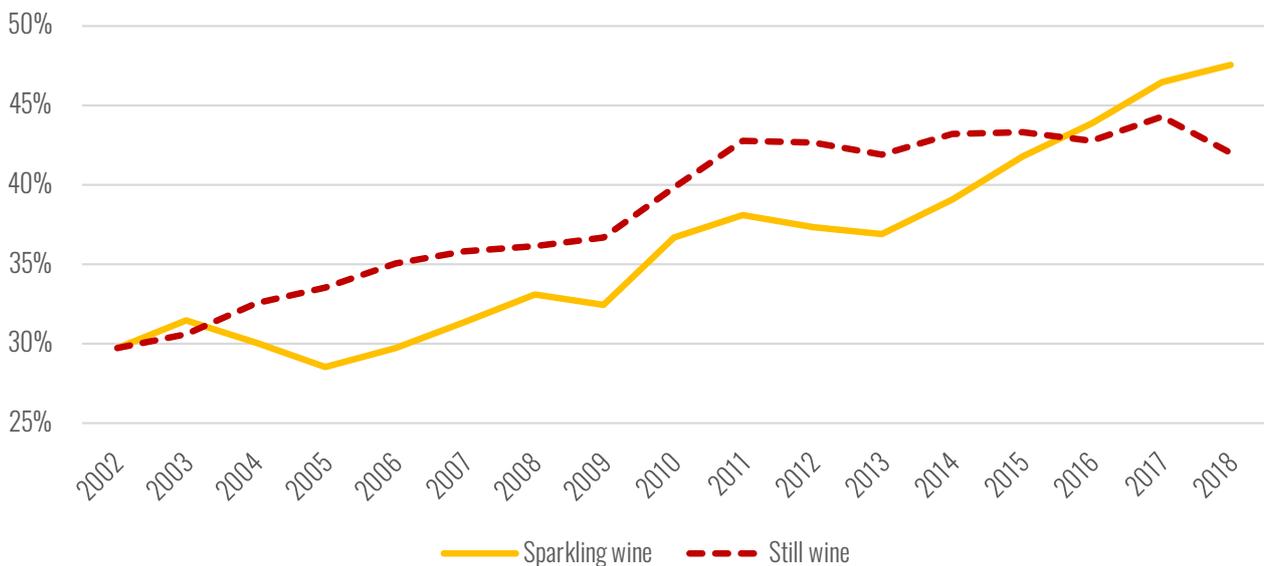
3.4 • Market internationalisation

Finally, we conclude this chapter with an **index of market internationalisation**, which is constructed as the ratio of global wine exports over global wine consumption. This indicator gives an idea of the **share of bottles of wine consumed in the world that are traded internationally**.

In 2018 this share for **sparkling wines** is **48%** while **still wines** are at **43%**. In other words, this means that every two bottles of sparkling wine consumed in the world, one has passed at least one border.

It is interesting to observe that, while sparkling wines used to be relatively less traded internationally than still wines, starting from 2016, the trend has inverted.

Figure 3.13 • Market internationalisation index



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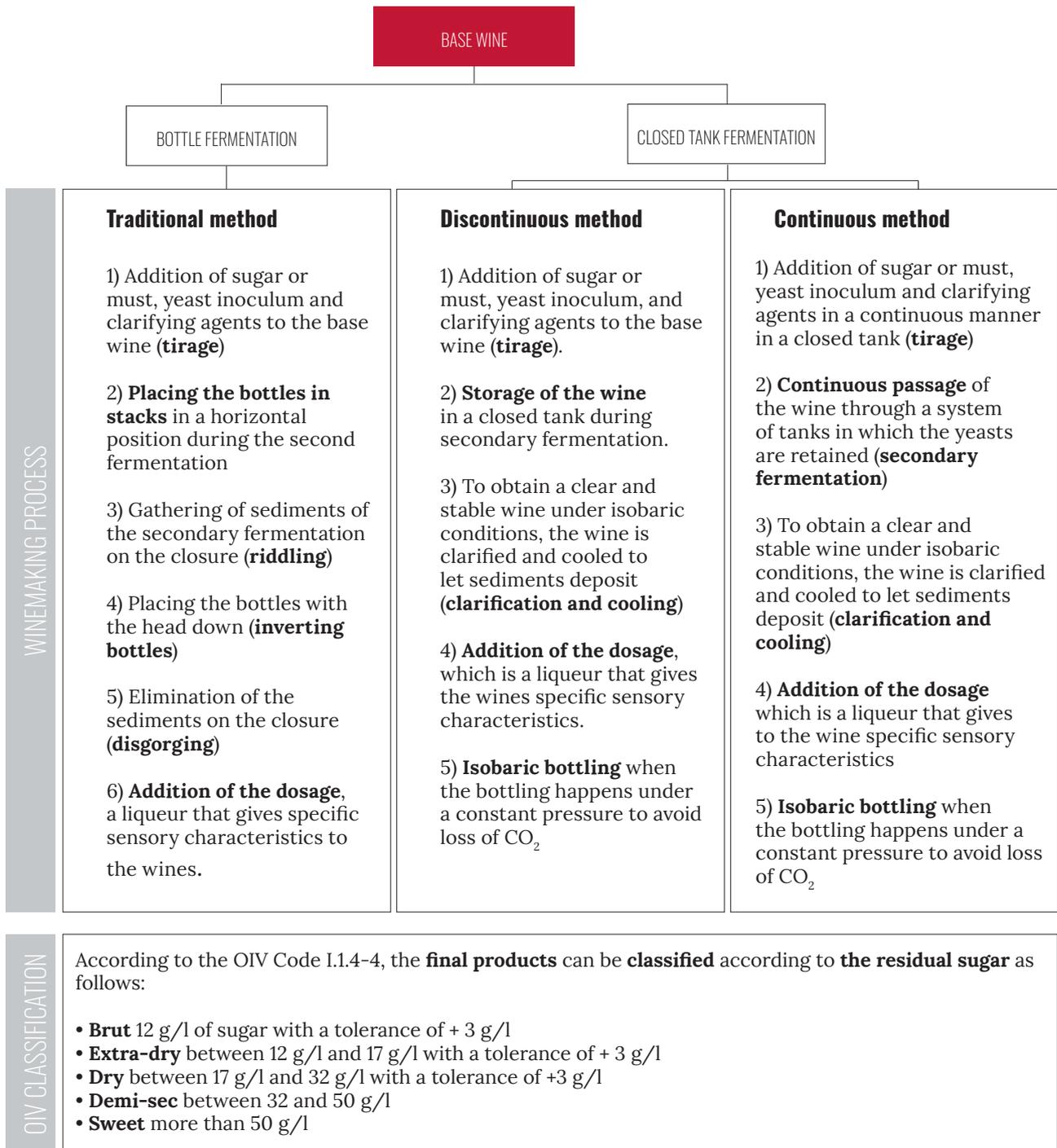
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ANNEX A

Production methods and classification of sparkling wines





Thanks, follow us.

International Organisation of Vine and Wine
Intergovernmental Organisation
Created on 29 November 1924 • Refounded on 3 April 2001

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