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STATE OF THE VITIVINICULTURAL WORLD

SPEAKING FROM THE OIV'S HEADQUARTERS IN PARIS, BY WEB CONFERENCE, DIRECTOR GENERAL PAU ROCA PRESENTED ON 20 APRIL, INFORMATION ON WINE PRODUCTION, CONSUMPTION AND INTERNATIONAL TRADE IN 2020.

2020: A YEAR OF RESILIENCE

2020-The year of the Covid-19 crisis, drops wine consumption volume by 3%, wine production slightly below average for the second consecutive year. Latest data on China highlight the end of its wine sector's rapid growth. However, new opportunities arise.

2020 Key figures for the wine sector

The s**urface area** of the world vineyard in 2020 is estimated at **7.3 mha**, stable since 2017.

World wine production, excluding juices and musts, in 2020 is estimated at **260 mhl** (+1% / 2019), a level slightly below average for the second consecutive year.

World wine consumption in 2020 is estimated at **234 mhl**, marking a 3% decrease compared to 2019 and reaching the lowest recorded level of consumption since 2002.

In 2020 the **world wine export market** has contracted slightly in volume reaching **105.8 mhl** (-1.7% /2019), but has seen a relatively sizeable fall in value, with **29.6 bnEUR** (-6.7% /2019).

First estimates of wine production in the **Southern Hemisphere** indicate high expected volumes for 2021 for the majority of countries, with the exception of Argentina.

Significant downward data revisions in vineyard surface area, wine production and consumption in China, together with the sharp decline in wine imports, signal the probable end of the rapid growth trend that started 20 years ago.

The impact of Covid-19 on the wine sector: main trends observed

Heterogeneous consumption behaviours in 2020 across countries depending on factors such as national consumption habits (weight of wine over total alcoholic beverages, weight of Horeca channel, etc.), length and strictness of lockdown measures and associated policies such as sales bans, and the weight of tourism in national wine consumption.

Distribution channel shift
The full or partial closure of the Horeca channel has caused a fall in sales in value, and to a lesser extent in volume, only partially compensated by the increase in wine sales via e-commerce and large retailers.

Volume vs value
Premium wine suffered the most from the closure of restaurants and tasting rooms, while large producers that owned the off-premise channel with large partner wholesalers performed well.

With the exception of Prosecco, sparkling wine is the category of wines that suffered the most in 2020. Contrarily, bag-in-box wine sales have experienced a sharp increase in sales although overall volumes remain low.

Shifts in global trade patterns due to the combination of the expected decrease in global demand due to Covid-19 crisis and the imposition of new trade barriers (US retaliatory tariffs, China tariffs on Australian wine, Brexit).

A moment of new opportunities

On his final intervention, the OIV Director General reminded that for wine producers there has been and will continue to be a need to adapt to the diversification of markets and distribution channels. The Director General stressed that this situation added difficulties to an already complex system, and only those who incorporate continuous adaptive behaviour will stand up.
“The sector is highly concentrated, and therefore risky. This shows us that diversification is necessary, starting with consumption”, said. Among other objectives, the OIV is working to make wine a more universal consumer product. “Asia, as a growing consumer continent, is one of the main challenges for the wine world”, considered Pau Roca.

Note for editors

The OIV is the intergovernmental organisation of a scientific and technical nature of recognised competence for its work concerning vines, wine, wine-based beverages, table grapes, raisins and other vine-based products.

It is composed of 48 Member States.
In the framework of its competence,
the objectives of the OIV are as follows:

• to inform its members of measures
whereby the concerns of producers, consumers and other players
in the vine and wine products sector may be taken into consideration;
• to assist other international organisations,
both intergovernmental and non-governmental,
especially those that carry out standardisation activities;
• to contribute to international harmonisation of existing practices
and standards and, as necessary,
to the preparation of newinternational standards
in order to improve the conditions for producing
and marketing vine and wine products, and to help ensure
that the interests of consumers are taken into account.

*Abbreviations used:

kha: thousands of hectares
mha: millions of hectares
khl: thousands of hectolitres
mhl: millions of hectolitres
m: million
bn: billion
EUR: euros
Prov.: provisional
Prel.: preliminary

Contact

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