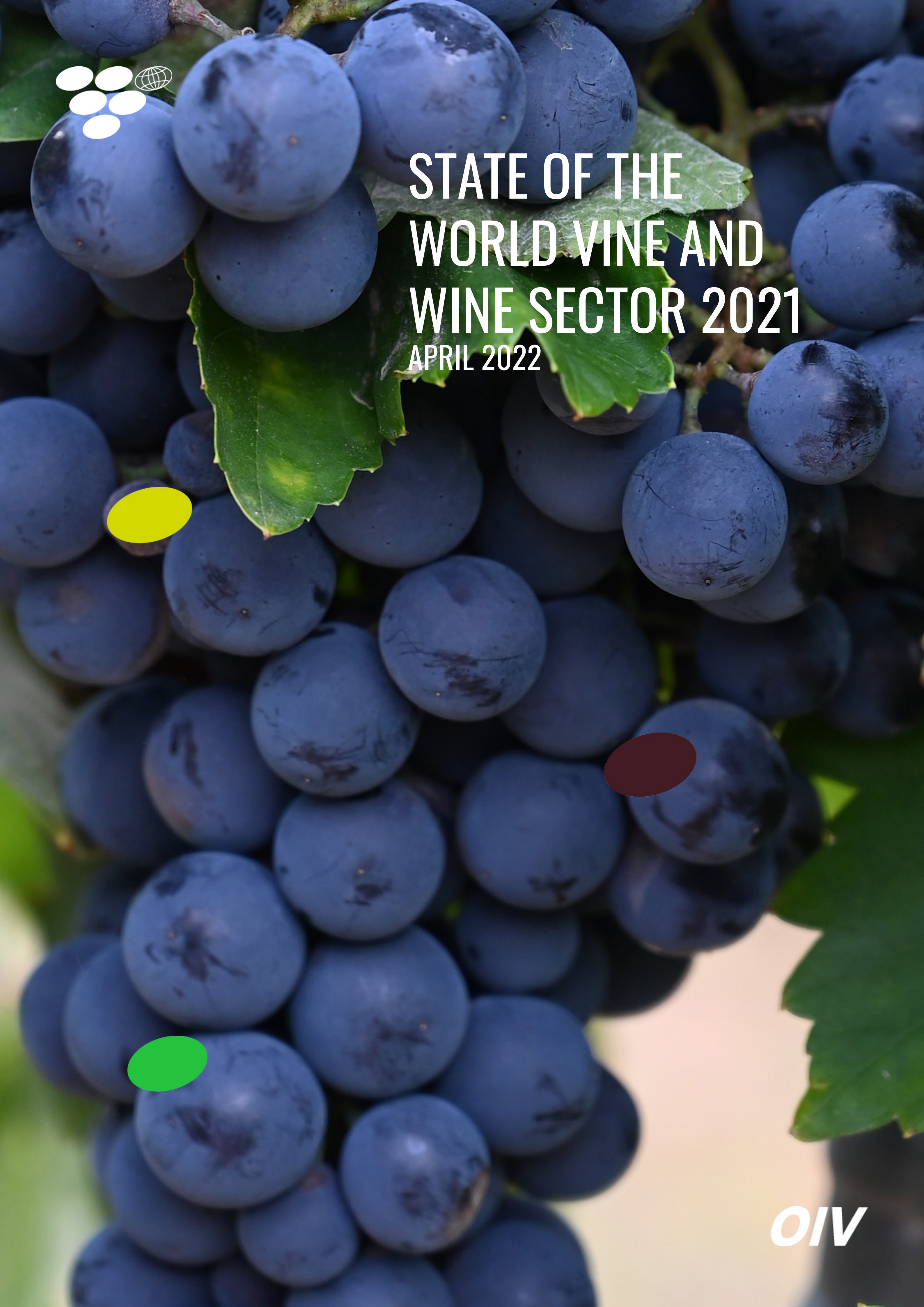


STATE OF THE WORLD VINE AND WINE SECTOR 2021

APRIL 2022

OIV

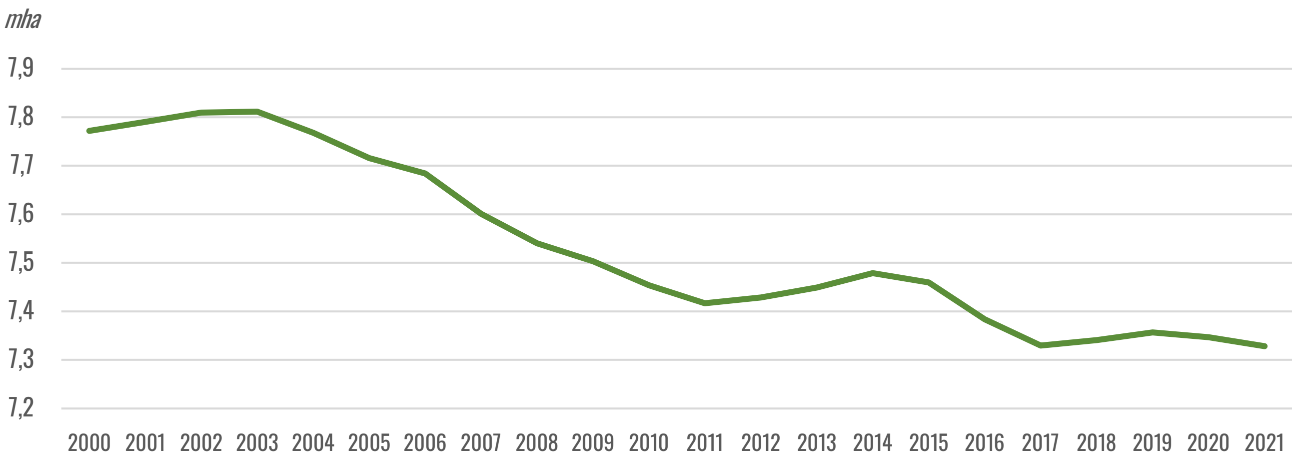
Abbreviations
kha: thousands of hectares
mha: millions of hectares
khl: thousands of hectolitres
mhl: millions of hectolitres
m: million
bn: billion
EUR: euros
Prov.: provisional
Prel.: preliminary

1 • VINEYARD SURFACE AREA

The global vineyard surface area i**s estimated to be 7.3 mha in 2021, only marginally lower compared to 2020 (-0.3%).** The world area under vines refers to the total surface area planted with vines for all purposes (wine and juices, table grapes and dried grapes) including young vines that are not yet productive. As fig. 1 below depicts, the surface area of the world vineyard seems to have stabilised since 2017. The current stabilisation hides heterogeneous evolutions in different regions in the world. In particular, contrasting trends are seen in two main blocks of countries.

On one side some European Union (EU) countries like Italy and France, together with China and Iran, are driving the world vineyard surfaces upward. On the other hand, large vine growing countries in the Southern Hemisphere (with the exception of Australia and New Zealand) along with other major vineyards like the USA, Turkey and Moldova are experiencing a significant decline in their vineyard surface areas. These opposite trends thereby balance out their effects at the world-level.

Figure 1 • Evolution of the world vineyard surface area



Trends in the main vine-growing countries

In the **Northern Hemisphere,** the vineyards in the **European Union (EU)** seem to have overall stabilised in the recent years and stand at **3.3 mha** for the eighth consecutive year in a row. This stability can be attributed to the management of viticultural production potential[1], which since 2016 has enabled EU Member States to authorise planting of up to an annual growth of 1% of the vineyard already planted.

Looking at the EU Member States, **Spain**, the largest vineyard in the world, accounts for **964 kha** in 2021, and has increased by 0.4% compared to 2020. **France**, with the second largest area under vines, has also increased the size of its vineyard (+ 0.2%) compared to 2020 and stands at **798 kha**. **Italy**, with **718 kha** of surface area under vines, after five years of positive growth, in 2021, is in line with its 2020 level.

[1] Regulation (EU) No. 1308/2013 introduced in 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.

Most other major vineyard surfaces in the European Union have witnessed a decline compared to 2020 - **Portugal (194 kha**, -0.2% / 2020), **Romania (189 kha**, -0.7% / 2020), and **Hungary (64 kha**, -1.2% / 2020). Lastly, **Germany's** surface area in 2021 has remained stable and it is estimated to be **103 kha**, a value in line with the last twenty-year average.

Outside of the European Union, **Moldova** continues its downward trend started since 2018, reaching a vineyard surface area of **138 kha** in 2021 (-1.4% / 2020). This decline can be explained by the effects of the restructuring program of the wine sector launched in 2010 by the Moldovan Government. **Russian vineyard** on the other hand, has increased its size for the fourth year in a row, reaching **98 kha** (+0.8% / 2020) in 2021.

Turkey records a vineyard surface area of **419 kha in 2021**, shrinking by 11.6 kha (-2.7%) with respect to 2020. Turkey continues to reduce its vineyard surface area for the eighth year in a row, losing about 85 kha since 2014. Turkey nevertheless remains the fifth largest vineyard in the world in 2021.

After a long period of significant expansion from 2000-2015, the growth of the **Chinese vineyard** (third vineyard in the world) in the recent years is slowing down and in 2021, is estimated to be in line with 2020, at 783 kha.

In the **USA**, the vineyard has been consistently decreasing since 2014, and in 2021 its surface area is estimated to be **400 kha**, in line with the previous year. Among other factors, this reduction in acreage has been called for in the recent years to overcome a grapes oversupply issue.

In the **Southern Hemisphere**, the recent evolution of vineyard surface area in major vine-growing countries differs from region to region.

In South America, **Argentina's** vineyard surface has been on the decline since 2015, reaching **211 kha** in 2021. It records a reduction of 3.7 kha, that is -1.7% compared to 2020. Argentina's reduction in its vineyard surfaces can be explained by climatic factors facing its major wine growing regions, mainly Mendoza, including water scarcity, rising temperatures, and drought-like conditions. **Chile**, on the other hand, increases its surface vineyards by 1% in 2021 compared to 2020 reaching **210 kha** in 2021. After eight years in a row of continuous decline, **Brazil** too, increases the size of its vineyard in 2021, however only marginally, by 0.2%, reaching **81 kha** in 2021.

In 2021, **South Africa** has recorded **126 kha**, a fall of 2% compared to 2020. After contending with a severe drought between 2015 and 2017, vine growers face higher average temperatures, more severe heatwaves, causing the decline in vineyard surfaces to continue for the seventh year in a row. South Africa has lost a surface area of 7.5 kha (-6%) since 2014.

In Oceania, **Australia** is estimated to remain at a level in line with 2020, reaching **146 kha** in 2021. **New Zealand**, increasing its vineyard surface only marginally, by 0.1%, records an all-time high of **41 kha** in 2021.

Figure 2 • Vineyard surface area of major vine-growing countries[2]

kha	2017	2018	2019	2020 Prov.	2021 Prel.	21/20 % Var.	2021 % world
Spain	968	972	966	961	964	0.4%	13.2%
France	788	792	794	796	798	0.2%	10.9%
China	760	779	781	783	*783*	0.0%	10.7%
Italy	699	705	714	719	718	0.0%	9.8%
Turkey	448	448	436	431	419	-2.7%	5.7%
USA	434	408	407	400	*400*	0.0%	5.5%
Argentina	222	218	215	215	211	-1.7%	2.9%
Chile	207	208	210	207	210	1.0%	2.9%
Portugal	194	192	195	195	194	-0.2%	2.7%
Romania	191	191	191	190	189	-0.7%	2.6%
Iran	153	167	167	170	*170*	0.0%	2.3%
India	147	149	151	*151*	*151*	0.0%	2.1%
Australia	145	146	146	146	146	0.0%	2.0%
Moldova	151	147	143	140	138	-1.4%	1.9%
South Africa	130	130	129	128	126	-2.0%	1.7%
Uzbekistan	111	108	112	*112*	*112*	0.0%	1.5%
Greece	106	108	109	*109*	*109*	0.0%	1.5%
Germany	103	103	103	103	*103*	0.2%	1.4%
Afghanistan	94	94	96	100	*100*	0.0%	1.4%
Russia	91	94	96	97	98	0.8%	1.3%
Brazil	84	82	81	80	81	0.2%	1.1%
Egypt	84	80	78	77	*77*	0.0%	1.1%
Algeria	75	75	74	75	*75*	0.0%	1.0%
Bulgaria	65	67	67	66	*66*	0.0%	0.9%
Hungary	68	69	68	65	64	-1.2%	0.9%
Other countries	811	809	826	831	826	-0.5%	11.3%
World total	**7329**	**7341**	**7357**	**7347**	**7328**	**-0.3%**	**100.0%**

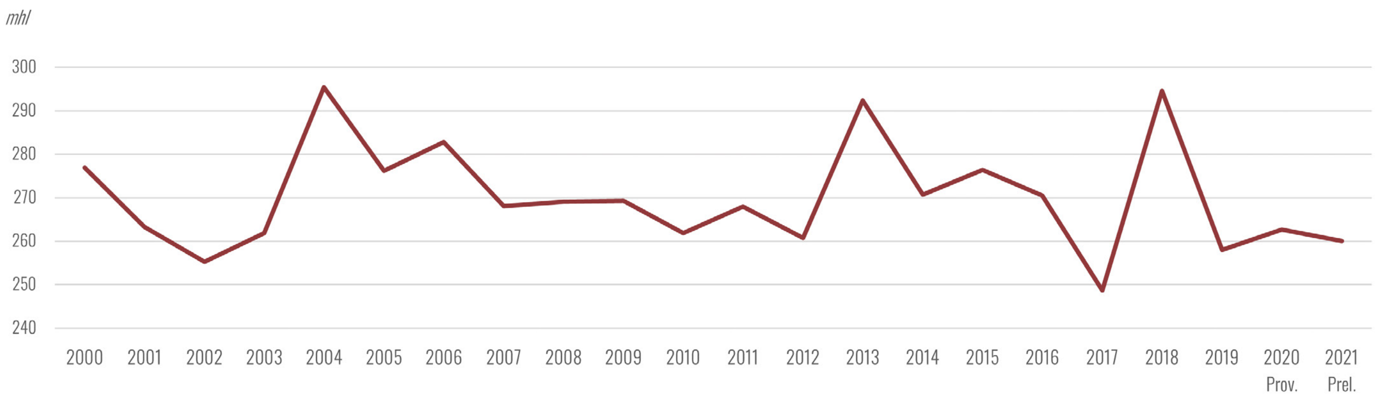
Figure in Italics: OIV estimate
Sources: OIV, FAO, National Statistical Offices

[2] Regulation (EU) No. 1308/2013 introduced in 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.

2 • WINE PRODUCTION

World wine production, excluding juices and musts, in 2021[3] is estimated at 260 mhl, marking a decrease of almost 3 mhl (-1%), compared to 2020. The slight decline in the world wine production in 2021 can be associated to mainly two contradicting effects- the sharp fall in some of the major EU wine producing countries and the excellent harvests boosting production levels of most of the Southern Hemisphere countries - balancing out this fall at the global level. Overall, the 2021 global wine production volume can be defined for the third consecutive year as slightly **below its ten-year average.**

Figure 3 • Evolution of world wine production (juices and musts excluded)



Trends in the main wine-producing countries in the Northern Hemisphere

Vinified production in the **EU** in 2021 is **153.7 mhl**, which represents an 8% decline compared to 2020 and is 5% below its last-five-year average. This downfall recorded in the EU can mainly be explained by reductions in wine production levels in France due to spring frost episodes experienced in April 2021. In the rest of the EU, among other countries, quite a heterogeneous situation can be observed in the wine production levels, mainly due to different weather conditions throughout the year.

Italy (50.2 mhl), France (37.6 mhl), and **Spain (35.3 mhl),** together account for 47% of the world wine production in 2021. Among these top three wine producers, Italy was the only one that recorded an increase not only in wine production compared to 2020 (+2%[1]) but also with respect to its last-five-year average (+3%). France on the other hand was sharply affected by unfavourable weather conditions- mainly the late frosts in April that severely damaged the harvests. Besides the exceptionally small vintage of 2017, France's 2021 wine production level is one of the lowest productions seen since 2000. It is 19% lower than 2020 and 14% below its last five-year average level. Spain's 2021 wine production has fallen by 14% compared to 2020 and is 8% below its last five-year average.

Among the other EU countries, Germany and Hungary are the only countries that have also witnessed a downfall in their wine production level in 2021. Recording a level of **7.9 mhl, Germany's** wine production is 5% lesser compared to 2020, due to the Spring frost episode in some of its wine

[3] This is the production resulting from wine grapes harvested at the start of 2021 in the Southern Hemisphere and at the end of 2021 in the Northern Hemisphere

growing regions. **Hungary's (2.6 mhl)** 2021 wine production is 12% lower than 2020.

All the other main wine producing countries in EU have recorded positive variations in their production levels. In 2021, the production levels are: **Portugal** (**7.3 mhl,** +14% / 2020), **Romania** (**4.5 mhl,** +16% / 2020), **Austria** (**2.5 mhl**, +3% / 2020), and **Greece** (**2.4 mhl**, +6% / 2020). It is noteworthy to mention that Portugal's 2021 wine production level is the highest recorded since 2006.

Concerning European countries outside the EU, the scenario is quite positive overall. **Russia (4.5 mhl)** has increased its 2021 wine production by 2% compared to 2020. Wine production in **Georgia** in 2021 is estimated to be a record-high level of **2.1 mhl**, an increase of 17% compared to the already large production of 2020, owing to an exceptionally high grape yield. Notwithstanding an unfavourable weather marked by late frost and heavy rains in 2021, **Moldova's** vinified production is estimated to be at **1.1 mhl**. This level is 20% higher than the wine production in 2020, which was however impacted by a drought.

In Asia, **China's** wine production level in 2021 is expected to decline for the fifth year in a row and is estimated to reach a level of **5.9 mhl**. This level marks a reduction of 10% compared to its 2020 level. It is the consequence, among other factors, of China's reducing demand, as well as certain structural problems such as difficult climate conditions, technological constraints, and overall low productivity of the sector. This is perhaps a signal that the future of China's wine sector might not be as favourable as anticipated by many international observers in the previous years.

In North America, attributing to drought-like conditions in summer in certain wine regions, wine production in the **USA** in 2021 is estimated to be at **24.1 mhl**, a level 3% lower than its five-year average. However, this figure is 6% higher than its production level of 2020 that was impacted by wildfires and smoke taint, as well as by a response to mitigate an oversupply of grapes.

Trends in the main wine-producing countries in the Southern Hemisphere

In the Southern Hemisphere, after a strong decline in wine production in 2020 caused by unfavourable climatic conditions, 2021 has witnessed a sharp increase among all major producing countries. The wine production estimate for the Southern Hemisphere in 2021 is a record-high **59 mhl**, +19% compared to 2020.

In **South America,** given the low production levels in 2020 and the favourable climatic conditions of 2021, wine production has grown positively in 2021 overall. After 2 years of declining production levels caused by the impact of El Niño, **Chile's** vinified production in 2021 has amounted to 1**3.4 mhl,** a volume that is not only 30% higher than 2020 but also represents the largest production ever recorded in the country. **Argentina**, likewise, records an increase in its wine production in 2021. With a production of **12.5 mhl**, it witnesses an increase of 16% compared to 2020 and +5% in comparison to its five-year average. Lastly, **Brazil** sees a boom in its wine production in 2021, with a level of **3.6 mhl** (+60% / 2020). This is it the largest volume recorded since 2008.

South Africa's 2021 wine production is **10.6 mhl**, an increase of 2% compared to its 2020 level. The 2021 volume is back to the average production levels recorded before the beginning of drought conditions in 2016, that heavily impacted the country's wine production for several years in a row.

In Oceania, **Australia**, after a very low production in 2020 due to dry conditions, fires, and smoke damage in some wine regions, in 2021, produces **14.2 mhl** of wine (+30% / 2020). This level is 14% above its last-five-year average and represents the largest production since 2005. On the flip side, **New Zealand**, after a record-high production in 2020, with decline of 19% in 2021, produces a level of **2.7 mhl** due to unfavourable weather conditions in spring.

Figure 4 • Wine production (juices and musts excluded) in major countries[4]

mhl	2017	2018	2019	2020 Prov.	2021 Prel.	21/20 % Var.	2021 % world
Italy	42.5	54.8	47.5	49.1	50.2	2%	19.3%
France	36.4	49.2	42.2	46.7	37.6	-19%	14.5%
Spain	32.5	44.9	33.7	40.9	35.3	-14%	13.6%
USA	*24.5*	*26.1*	*25.6*	*22.8*	*24.1*	6%	9.3%
Australia	13.7	12.7	12.0	10.9	14.2	30%	5.5%
Chile	9.5	12.9	11.9	10.3	13.4	30%	5.2%
Argentina	11.8	14.5	13.0	10.8	12.5	16%	4.8%
South Africa	10.8	9.5	9.7	10.4	10.6	2%	4.1%
Germany	7.5	10.3	8.2	8.4	8.0	-5%	3.1%
Portugal	6.7	6.1	6.5	6.4	7.3	14%	2.8%
China	*11.6*	*9.3*	*7.8*	*6.6*	*5.9*	-10%	2.3%
Russia	4.5	4.3	4.6	4.4	4.5	2%	1.7%
Romania	4.3	5.1	3.8	3.8	4.5	16%	1.7%
Brazil	3.6	3.1	2.2	2.3	3.6	60%	1.4%
New Zealand	2.9	3.0	3.0	3.3	2.7	-19%	1.0%
Hungary	2.9	3.6	2.7	2.9	2.6	-12%	1.0%
Austria	2.5	2.8	2.5	2.4	2.5	3%	0.9%
Greece	2.6	2.2	2.4	2.3	2.4	6%	0.9%
Georgia	1.0	1.7	1.8	*1.8*	*2.1*	17%	0.8%
Moldova	1.8	1.9	1.5	0.9	*1.1*	20%	0.4%
Other countries	15.1	16.7	15.4	15.2	*15.0*	-1%	5.8%
World total	**249**	**295**	**258**	**263**	**260**	**-1%**	**100%**

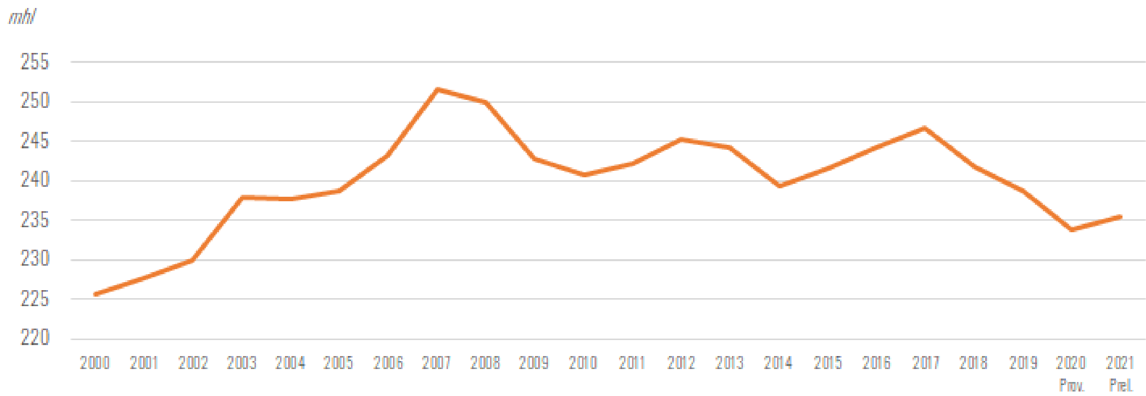
Figure in italic: OIV estimate
Sources: OIV, EC DG AGRI, FAO, National Statistical Offices, Specialised Press

[4] Countries with a wine production equal to or above 1 mhl in 2021.

3 • WINE CONSUMPTION

World wine consumption in 2021 is estimated at 236 mhl, marking an increase of 2 mhl (+0.7%) compared to 2020 volume. This is a change in the negative trend that started in 2018 with the decline in China's consumption (which has lost on average 2 mhl per year since then). This downward trend was accentuated in 2020 by the covid-19 pandemic, which brought a depressing effect on many large wine markets. Consumption was hit by lockdown measures, the disruption of the HoReCa[5] channel, and an overall lack of tourism. In 2021, the uplifting of restrictions pertaining to movement of people and goods, reopening of HoReCa channels and the revival of social gatherings and celebrations have, as anticipated, contributed to an increase in consumption in most countries around the world. However, wine consumption behaviours at country level are quite heterogenous across geographical regions.

Figure 5 • Evolution of world wine consumption



Trends in the main wine consuming countries

Estimates of national wine consumption levels presented in this chapter should be interpreted cautiously, given the intrinsic limitations of the "apparent consumption" methodology[6], especially for the numerous countries where data on stock variations, losses, or industrial uses of wine, are not fully known or assessed.

In 2021, the **EU**, with a wine consumption estimate of **114 mhl**, accounts for 48% of the world consumption. This figure is 3% higher than the level estimated in the covid crisis-stricken year of 2020 (110.5 mhl, one of the lowest volumes recorded ever), and brings the EU wine consumption back to its last ten-year average. In terms of relative weight over the world wine consumption, the EU's share has significantly decreased since 2000, when it was estimated at 59% at the beginning of this century. This is the combined effect of the rise of new markets in the world and an overall reduction of wine consumption in traditional producing countries within the EU, which today in total consume about 20 mhl less than in 2000 (-15%).

[5] The term HoReCa refers to the distribution channel in the food service industry; it is the acronym formed by linking the words HOtel, REs-taurant and CAtering.

[6] Apparent wine consumption is a proxy measure for consumption defined as production plus imports minus exports adjusting for changes in inventories.

Within the EU, **France** with an estimate of **25.2 mhl** in 2021, is the largest consumer (and the second largest in the world). Relying heavily on the HoReCa channel, this level, as rightly anticipated, is not only 8.6% higher than 2020, but also 2% higher than the pre-pandemic level of 2019. **Italy**, second largest market in the EU and third at world level, has an estimated wine consumption of **24.2 mhl** in 2021, a level in line with 2020. This is the highest wine consumption level recorded in Italy since the aftermath of the global financial crisis of 2008. Maintaining its position of 3rd largest consumer within the EU (and 4th at world level), **Germany** records a level of **19.8 mhl** in 2021 (-0.2% / 2020). Recovering from the sanitary crisis restrictions, **Spain** has increased its wine consumption volume in 2021, reaching **10.5 mhl** (+9.9% / 2020), a figure in line with its pre-pandemic average levels. Similarly, countries like **Romania** (**4.0 mhl**, +4.6% / 2020), **Netherlands** (**3.8 mhl,** +3.4% / 2020), **Austria** (**2.4 mhl**, +2.3% / 2020), and **Czech Republic** (**2.3 mhl,** +11.9% / 2020), all show an increase in their wine consumption levels in 2021. While **Portugal** (**4.6 mhl**, -0.6% / 2020), **Belgium** (**2.5 mhl**, -4.1% / 2020), **Greece** (**2.2 mhl,** -0.4% / 2020), and **Sweden** (**2.1 mhl**, -0.3% / 2020) decline in their wine consumption levels in 2021, not only compared to 2020 but also to their last five-year averages.

Still in Europe, but outside the EU, the **UK** has shown to be a resilient market in 2020 and shows a similar volume of wine consumption in 2021, estimated at **13.4 mhl** (3.4% higher than its last five-year average). **Russia's** wine consumption is estimated at **10.5 mhl,** with a rise of 2% compared to 2020. This is the fourth consecutive year of growth recorded in Russia. **Switzerland's** wine consumption is on a slight decline for the third year in a row, reaching **2.6 mhl** (-1% / 2020).

The **USA**, in 2021, continues to remain the largest wine consuming country in the world. With a level estimated at **33.0 mhl,** its consumption is in line with 2020. Over the last three years, the USA has proven to be a resilient market, notwithstanding trade-related tensions with some EU countries and the restrictions imposed by the Covid-19 pandemic.

Moving to Asian markets, **China's** 2021 wine consumption is estimated at **10.5 mhl**[7], accounting for a 15% drop with respect to 2020. This steep decline reflects the rapidly declining demand after a boom in wine consumption that saw its peak in 2017, with a decline of more than 9 mhl. The downfall in Chinese consumption since then is causing a significant impact in driving down world consumption- as stated above. The second highest consuming country in Asia is **Japan**, which is estimated to have a wine consumption level in 2021 of **3.3 mhl** (-5.4% / 2020).

In **South America** some differences in consumption behaviours across countries are recorded. In **Argentina**, with **8.4 mhl** in 2021, wine consumption has decreased by 11.1% with respect to 2020, a year that saw an increase in consumption even amidst the Covid-19 pandemic. Argentina's wine consumption shows a clear downward trend since the beginning of this century, a decline accentuated by the reduced purchasing power of consumers because of the economic turmoil and currency devaluation facing the country. On the contrary, **Brazil**, second largest market in South America, with a level of **4.1 mhl** in 2021, has increased its consumption by 1.2% with respect to 2020, reaching a record-high since 2000. This boom in wine consumption in the last two years could be due to a change in wine consumption patterns during the pandemic, shifting Brazil's demand for wine to a higher level.

[7] This apparent consumption should be interpreted carefully because low production levels - like the ones recorded in 2019-2021 and the large data revisions made by the National Bureau of Statistics (NBS) of China regularly, can strongly impact the estimation of 2021 wine consumption volume.

In **South Africa**, reconciling from the restriction of the lockdown in 2020, where local sales of alcohol were banned for 14 weeks, estimated consumption in 2021 is **4.0 mhl**, an increase of 27.5% compared to 2020. However, this level is still 5.3% lower than its last five-years average.

In **Australia**, tenth market in the world by volume, 2021 wine consumption is estimated at **5.9 mhl,** only slightly higher than its 2020 level (+0.3%), but 7.9% higher than its last five-year average. This level is the highest consumption ever recorded in Australia.

Figure 6 • Wine consumption in major countries[8]

mhl	2017	2018	2019	2020 Prov.	2021 Prel.	21/20 % Var.	2021 % world
USA	*32.7*	*33.6*	*34.2*	*32.9*	*33.1*	0.7%	14%
France	28.6	26.0	24.7	*23.2*	*25.2*	8.6%	11%
Italy	22.6	22.4	22.6	24.2	24.2	0.0%	10%
Germany	19.7	20.0	19.8	19.8	*19.8*	-0.2%	8%
UK	13.1	12.9	*13.0*	*13.4*	*13.4*	0.0%	6%
Spain	10.5	10.9	10.7	9.6	10.5	9.9%	4%
China	*19.3*	*17.6*	*15.0*	*12.4*	*10.5*	-15.4%	4%
Russia	*10.4*	*9.9*	*10.0*	*10.3*	*10.5*	2.0%	4%
Argentina	8.9	8.4	8.5	9.4	8.4	-11.1%	4%
Australia	5.4	5.3	5.9	5.9	5.9	0.3%	3%
Portugal	5.2	5.1	5.4	4.6	4.6	-0.6%	2%
Canada	*5.0*	*4.9*	*4.7*	*4.4*	*4.2*	-4.5%	2%
Brazil	3.3	3.3	3.3	4.1	4.1	1.2%	2%
Romania	4.1	3.9	3.9	*3.8*	*4.0*	4.6%	2%
South Africa	4.4	4.2	3.9	3.1	*4.0*	27.5%	2%
Netherlands	*3.7*	*3.6*	*3.5*	*3.6*	*3.8*	3.4%	2%
Japan	*3.5*	*3.5*	*3.5*	*3.5*	*3.3*	-5.4%	1%
Switzerland	2.5	2.5	2.7	2.6	*2.6*	-1.0%	1%
Belgium	*2.8*	*2.7*	*2.7*	*2.6*	*2.5*	-4.1%	1%
Austria	2.4	2.4	2.3	2.3	2.4	2.3%	1%
Czech Republic	2.1	2.0	2.2	2.1	2.3	11.9%	1%
Greece	2.4	2.2	2.2	2.2	2.2	-0.4%	1%
Sweden	2.3	*2.1*	*2.0*	*2.1*	*2.1*	-0.3%	1%
Other countries	31.7	32.5	32.0	31.6	32.0	1.3%	14%
World total	**247**	**242**	**239**	**234**	**236**	**0.7%**	**100%**

Figure in italics: OIV estimates
Sources: OIV, FAO, National Statiostical Offices, Specialised Press

[8] Countries with wine consumption equal to or more than 2 mhl in 2021.

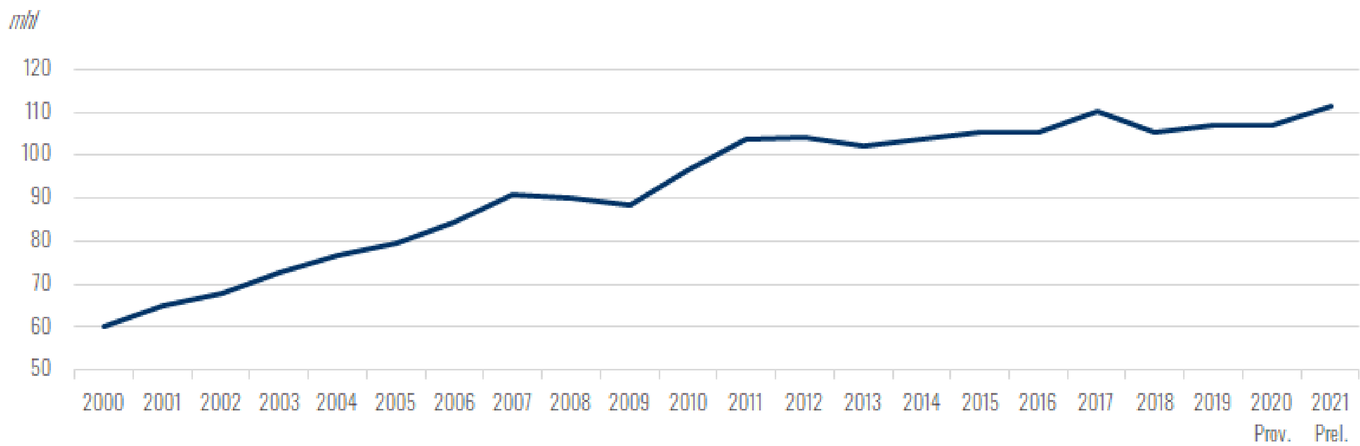
4 • INTERNATIONAL TRADE OF WINE

After a year of major trade disruptions world over, the lifting of restrictions due to the COVID-19 pandemic has set the world wine export market – considered here as the sum of the exports of all countries – on its path to reconciliation. With a volume of 111.6 mhl, the largest exported **volume ever recorded in history, world wine exports in 2021 have increased by 4% compared to 2020, and have boosted even more in terms of value, with 34.3 bn EUR, registering a yearly increase of 16%.** Evolving dynamics in the world wine trade continue to remain relevant and interesting pertaining to the large spectrum of events facing trade today: increase in some trade tariffs, slowdown of sea freight, supply chain disruptions, and energy prices crisis.

World trade volume

In 2021, **global wine exports** amount to **111.6 mhl**, a 4% increase compared to 2020. **Spain** is the largest exporter in 2021 with **23.0 mhl**, accounting for 21% of the global market. Developments in export volumes at country level in 2021 have mostly recorded positive growths, with only a few exceptions. The largest contributors to this growth in world trade are Spain, (+2.8 mhl / 2020), Italy (+1.5 mhl / 2020), South Africa (+1.2 mhl / 2020), and France (+1.1 mhl / 2020). Among top exporting countries, only Australia (-1.3 mhl / 2020), Argentina (-0.6 mhl / 2020), and USA (-0.3 mhl / 2020) have recorded reductions compared to their 2020 export volumes.

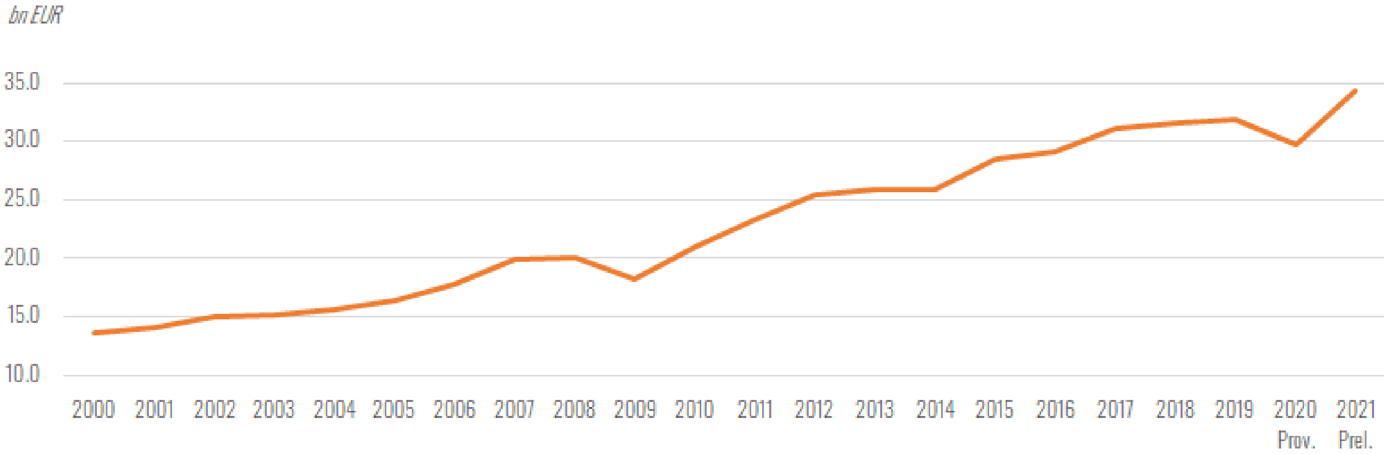
Figure 7 • Evolution of international trade of wine by volume



World trade value

Offsetting the fall seen in world wine exports value in the 2020 covid-19 impacted year, 2021 **global export value** is a record-high **34.3 bn EUR**, 15.5% higher than 2020. In terms of value, **France** confirms its position as the first world exporter in 2021, with wine exports worth **11.1 bn EUR**. Almost all major wine exporters have recorded significant rises in value, except Australia that has seen a decline of 435 m EUR compared to 2020. The largest increases are recorded in France (+2.3 bn EUR / 2020), Italy (+786 m EUR / 2020), and Spain (+249 m EUR / 2020).

Figure 8 • Evolution of internatioanl trade of wine by value



World trade by product type

Bottled wine (< 2 litres) represents 53% of trade volumes globally in 2021, a share in line with that recorded in the last 10 years. This category has increased by 6% in volume and 13% in value as compared to 2020. In 2021, among the major exporting countries, the share of bottled wine exports is very high in terms of volume in Portugal (80%), Germany (73%) and France (70%). Bottled wines constitute 69% of the total value of wines exported in 2021 throughout the world. In 2021, bottled wines in value terms, constitute the largest export shares in Portugal (92%), Argentina (91%) and USA (82%).

Sparkling wine, represents 10% of the global volume exported and accounts for 22% in global world exports, making it the second largest category in terms of value after still bottled wine. This category has increased both in volume (+22%) and in value (+35%) compared to 2020. This can be owed to the reopening of HoReCa channels and resumption of social gatherings and celebratory events. France, Italy, and Spain – whose sparkling wine exports represent 15%, 23% and 7% of their total 2021 export volumes and 35%, 26%, and 16% of their total 2021 wine exports value respectively– are the top exporters of sparkling wine.

Bag-in-Box® (BiB) refers to the trade of wines in containers holding more than 2 litres but less than 10 litres. BiB represents a share of 4% in volume and 2% in value of the total world exports. This category, in 2021, has declined in global exports by 8% in volume and 1% in value. Among the major wine exporters, Germany, Portugal, and South Africa had the largest shares of BiB in their total exports- in volume (15%, 11%, 7% respectively) as well as in value (8%, 5%, 8% respectively).

Bulk wine (> 10 litres) exports, the second largest category in volume, in 2021 increased in terms of volume by 5% compared to 2020 but saw a decrease in export value (-5% / 2020). Among the major exporters, the share of bulk exports in total volume exports is the largest in Canada (99%), Spain (56%) and Australia (55%). While bulk wine represents 33% of total world wine volume exports, it only comprises 7% of the total value of wine exports. The large exporters that have the biggest shares of bulk wine exports in value terms in their total export value are Canada (68%), New Zealand (24%), South Africa and Australia (both with 23%).

Figure 9 • World wine export market

Volume (mhl)		Value (bn EUR)		Type	Vertical Structure in 2021		Var. 21/20	
2020	2021	2020	2021		volume	value	volume	value
				Bottled (<2 l)	53%	69%	6%	13%
106.9	111.6	29.7	34.3	Sparkling	10%	22%	22%	35%
				BiB	4%	2%	-8%	-1%
variation of 4.4%		variation of 15.5%		Bulk (>10 l)	33%	7%	5%	-5%

Main wine exporters

In 2021, once again, the international trade of wine is dominated by the three EU countries – **Spain, Italy** and **France** that together exported **59.9 mhl**, accounting for 54% of the world wine exports. The share in volume of these three countries together has seen a significant boom of 5.4 mhl with respect to 2020. This increase has been a result of booming exports in all the three countries - **Spain (23.0 mhl**, +14% / 2020), **Italy (22.2 mhl**, +7% / 2020), and **France (14.6 mhl**, +8% / 2020). **France, Italy,** and **Spain** are the main exporters in terms of value too, in 2021, with **11.1 bn EUR, 7.1 bn EUR and 2.9 bn EUR respectively**. Like in volume, these 3 major exporters record a substantial increase in value as compared to 2020: France (+27% / 2020), Italy (+13% / 2020) and Spain (+10% / 2020). These 3 countries account for 61% of the total exports in value this year, as compared to their share being 59% in 2020. In France and Italy, the lifting of Covid-19 related restrictions, with restaurants reopening and social gatherings and celebrations restoring around the world, have boosted the exports of sparkling wines, by +33% and +21% in volume, and +40% and +24% in value respectively. In Spain, the best performing category in volume is bulk wines with a +22% and +4% in its value equivalent. The category that performed positively in both volume and value in all the 3 countries is bottled wine with +7% in volume and +22% in value in France,+7% in volume and +9% in value in Spain, and +6% in volume and +10% in value in Italy.

Among the other large exporting countries of the EU, **Germany's** exports are in line with 2020 at **3.7 mhl** in volume, but an increase of 8% in value, at **991 m EUR.** The best performing export category in Germany is sparkling wine with an increase of 24% in volume and 35% in value compared to 2020. **Portugal** records an increase in exports by +4% in volume (**3.3 mhl**) and +8% in value (**924 m EUR**).

In South America, **Chile** has experienced an increase of 2% in volume compared to 2020, reaching **8.7 mhl** of wine exported, and a 4% increase in value reaching **1.7 bn EUR** in 2021. Even though bulk, bottled and sparkling wine exports have increased in volume compared to last year, total wine exports from **Argentina** have decreased in volume by 15% with respect to 2020, reaching **3.3 mhl** in 2021. However, the value of its exports is **700 m EUR** (+6.7% / 2020). This is because, in 2020, Argentinian exports saw a boom, with bulk wine representing a share of 45% (+81%/ 2019). The share of bulk wine has decreased in 2021, being replaced by an increasing share of bottled wines, which explains the rise in value even when total exported volume has reduced.

In **Australia**, owing to the rise in Chinese tariffs that took place in 2021, wine trade has taken quite a hit in volume (**6.3 mhl,** -17% / 2020) and in value (**1.3 bn EUR**, a loss of 24% with respect to 2020). Bottled wine, which represents 38% of Australia's total volume exports in 2021, has fallen by 25% compared to 2020. With a 72% share in its value equivalent, this category's export value has fallen by 29%. Bulk wine which represents 55% in volume and 23% in value of total Australian wine exports has declined by 10% in both volume and value exported. **New Zealand** registers relatively minor variations in both volume (**2.8 mhl**, -0.6% / 2020) and value (**1.2 bn EUR**, +1.7% / 2020), and records a decline in exports in all categories in volume.

South African wine exports see a revival owing to progressive lifting of lockdown measures due to the Covid-19 pandemic, as compared to last year that was impacted by strict lockdown measures. Export volume in 2021 (**4.8 mhl**) has increased by 33% and in value (**634 m EUR**), by 18.6% (+10 m EUR). Bulk, bottled and sparkling wine categories have seen substantial recovery too, with 49%, 28% and 32% increase in volume and 37%, 15% and 36% in value respectively.

In North America, the **United States of America**, has exported **3.3 mhl** in volume, a decrease of 8.9% compared to 2020, while export value (**1.2 bn EUR**) has increased by 6.8%. Bulk wine, with a share of 50% in USA exports in volume, registers a negative growth in volume (-27%) and in value (-35%). Bottled wine, which represents the largest share in terms of value (82%), has increased by 22% in volume and 21% in value. **Canada** has recorded the highest positive variation among major exporters, in both volume and value. With a level of **2.1 mhl** in volume, Canadian exports have increased by 26% with respect to 2020. A heavy concentration of its exports is on bulk wine (99% in volume and 68% in value).

Figure 10 • Main exporters of wine[9]

	Volume (mhl)		Value (m EUR)		Type	Vertical Structure in 2021		Variation 2021/2020	
	2020	2021	2020	2021		volume	value	volume	value
Spain	20.2	23.0	2,634	2,883	bottle (< 2 l)	34%	65%	7%	9%
					sparkling	7%	16%	-2%	18%
					BiB	2%	2%	3%	3%
	variation of	14.0%	variation of	9.5%	bulk (>10 l)	56%	17%	22%	4%
Italy	20.7	22.2	6,274	7,060	bottle (< 2 l)	58%	69%	6%	10%
					sparkling	23%	26%	21%	24%
					BiB	2%	1%	-10%	-8%
	variation of	7.3%	variation of	12.5%	bulk (>10 l)	17%	4%	0%	-3%
France	13.5	14.6	8,736	11,075	bottle (< 2 l)	70%	61%	7%	22%
					sparkling	15%	35%	33%	40%
					BiB	3%	1%	-2%	10%
	variation of	8.0%	variation of	26.8%	bulk (>10 l)	11%	2%	-6%	-4%
Chile	8.5	8.7	1,594	1,664	bottle (< 2 l)	56%	81%	1%	5%
					sparkling	0%	1%	3%	-4%
					BiB	2%	2%	-7%	-6%
	variation of	1.9%	variation of	4.4%	bulk (>10 l)	41%	16%	4%	3%
Australia	7.6	6.3	1,787	1,353	bottle (< 2 l)	38%	72%	-25%	-29%
					sparkling	2%	4%	49%	56%
					BiB	4%	2%	-34%	-38%
	variation of	-17.1%	variation of	-24.3%	bulk (>10 l)	55%	23%	-10%	-10%
South Africa	3.6	4.8	534	634	bottle (< 2 l)	40%	67%	28%	15%
					sparkling	1%	4%	32%	36%
					BiB	7%	8%	-20%	-10%
	variation of	32.5%	variation of	18.6%	bulk (>10 l)	52%	23%	49%	37%
Germany	3.7	3.7	916	991	bottle (< 2 l)	73%	79%	1%	7%
					sparkling	9%	12%	24%	35%
					BiB	15%	8%	-10%	-9%
	variation of	0.1%	variation of	8.2%	bulk (>10 l)	2%	1%	-15%	9%
Argentina	3.9	3.3	656	700	bottle (< 2 l)	69%	91%	5%	9%
					sparkling	1%	1%	89%	94%
					BiB	0%	8%	233%	149%
	variation of	-15.3%	variation of	6.7%	bulk (>10 l)	29%	7%	-47%	-21%
USA	3.6	3.3	1,152	1,231	bottle (< 2 l)	45%	82%	22%	21%
					sparkling	1%	3%	-13%	-29%
					BiB	3%	2%	24%	32%
	variation of	-8.9%	variation of	6.8%	bulk (>10 l)	50%	13%	-27%	-35%
Portugal	3.2	3.3	856	924	bottle (< 2 l)	80%	92%	3%	8%
					sparkling	1%	1%	-13%	7%
					BiB	11%	5%	-2%	-2%
	variation of	4.1%	variation of	8.0%	bulk (>10 l)	9%	3%	23%	26%
New Zealand	2.9	2.8	1,146	1,165	bottle (< 2 l)	58%	74%	-3%	6%
					sparkling	1%	1%	-41%	-29%
					BiB	1%	1%	-7%	17%
	variation of	-0.6%	variation of	1.7%	bulk (>10 l)	41%	24%	-17%	-8%
Canada	1.7	2.1	47	66	bottle (< 2 l)	0%	29%	25%	73%
					sparkling	0%	2%	-44%	0%
					BiB	0%	1%	25%	33%
	variation of	25.8%	variation of	41.2%	bulk (>10 l)	99%	68%	26%	36%

Sources: OIV, GTA

[9] Countries with export volumes equal to or above 2 mhl in 2021.

Main wine importers

In 2021, **Germany, USA** and **UK** bagged the top 3 positions in terms of volumes of wine imported. With **42 mhl**, together they account for 38% of the world total. Together, their value equivalent accounts for **13.1 bn EUR**, also representing 38% of the world total.

The largest importer by volume in 2021 is **Germany** with **14.5 mhl,** in line with its imports in 2020. It ranks third in terms of value with 2021 wine imports worth **2.8 bn EUR** (+6%/ 2020). Bulk wine represents the highest share in German imports in volume (56%). This category has declined in both volume (-1%) and value (-9%). Regarding sparkling wine, even though representing only 5% in German wine imports in volume, this category has increased by 18% in volume and 19% in value. Bottled wine, representing the highest category in value (66%) has remained in line in terms of volume but increased by 7% in value compared to 2020.

The second largest importer, **USA**, has increased in wine imports in both volume and value in 2021. With an increase of 13% in volume, USA wine imports amounts to **13.9 mhl** in volume and with an increase of 21%, it continues to secure its first position among largest importers in value at **6.2 bn EUR**. Bottled wines, representing the largest shares in both volume (53%) and value (68%), have increased by 5% and 15% respectively, reconciling gradually from the impact of the trade barriers on wines from some European countries. Sparkling wine, the second largest category in terms of value, has increased by 38% in volume and 42% in value. Lastly, bulk wine, representing 32% in volume in USA imports, has increased by 19% in volume and 22% in value.

UK, with a volume of **13.6 mhl**, stands at the 3rd position in imports in 2021 (-6.7% / 2020). In terms of value, UK imports have increased by 7% reaching **4.1 bn EUR**. These variations in volume and value are indicative of the fact that prices of imported wines have risen in the UK, amidst disruptions pertaining to Brexit. Sparkling wine representing 22% of the total UK import value in 2021, is the only category that has increased in both volume (+19%) and value (+28%). On the other hand, Bulk wine, representing 35% in volume, the second largest share after bottled wine has decreased in both volume (-19%) and value (-16%).

Looking at other major importers, in the EU, **France**, with **5.9 mhl**, has declined by 6% in import volumes between 2021 and 2020, while in value, it has increased by 7%. Bulk wine, which represents the largest share (75%) of the volumes imported in 2021, has declined by 9% in volume and -19% in value; while bottled wine, which represents the largest share (61%) in value in 2021, has increased by 19% in value and 3% in volume. **Netherlands**, with an increase of 7% in its import volume, reaches **5 mhl**; and has seen a shoot up of 11% in value, reaching **1.4 bn EUR**. Bottled wine, which represents the largest share in both volume and value (86% and 84% respectively) in 2021, has grown by +8% and +9% respectively. **Belgium**, at **3.9 mhl** in volume and at **1.2 bn EUR**, has seeen increases in both volume and in value by 29%. All categories except bulk wine in Belgian imports have increased in both volume and value in 2021 compared to 2020. **Italy** records a massive boost in imports in both volume and value in 2021, with +83% in volume, reaching **3 mhl** and at **381 m EUR** in value, increasing by 37%. Bulk wine, representing the largest category of wine imports in Italy both in volume and value (89% and 21%) has increased by 83% in volume and 37% in value. **Portugal**, imports **2.8 mhl** of wine in volume in 2021, increasing its imports by 3%, with a valuation of **161 m EUR** (+0.2% / 2020). Bottled wine, the second largest category of Portugal's imports have risen by 27% in volume and 18% in value. Lastly, **Sweden** has declined by 11% in its wine imports, recording a level of **2.1 mhl** in volume and in value, a level of **748 m EUR** (+0.1% / 2020). Sweden is the largest importer of BiB in the world, with a representation of 27% in volume and 14% in value of this category in its total imports.

Outside the EU, **Russia** has imported **3.7 mhl** in volume, accounting for an increase of 6% but the value of its wine imports (**949 m EUR**) stays in line with last year. Russia's bottled wine imports, being the largest category in both volume and value have increased by 9% and 8% respectively.

Canada is at **4.2 mhl** (-7% / 2020) in volume, but has increased by 10% in value, reaching **1.9 bn EUR** in value. Sparkling wine category has the highest growth rates in 2021, with +20% in volume and +39% in value, although it represents only 5% of the total imported volume.

Largest Asian wine importers are China and Japan. In 2021, **China** imports **4.2 mhl** in volume (-1.4% / 2020) and **1.4 bn EUR** (-10.5% / 2020) in value. Bottled wine imports which represent 68% of China's imports in volume and 86% in value, have decreased by 8% in volume and 15% in value. Bulk wine on the other hand, the second largest category in volume, has increased both in volume (17%) and value (14%). **Japan** reduces its wine imports by 5%, importing a volume of **2.4 mhl**, that has a value of **1.4 bn EUR** (+5% / 2020). Sparkling wine, representing 38% of Japan's import value has increased by 9% in volume and 16% in value in 2021.

Figure 11 • Main importers of wine[10]

	Volume (mhl)		Value (m EUR)		Type	2021 Vertical Structure		Variation 2021/2020	
	2020	2021	2020	2021		volume	value	volume	value
Germany					bottle (<2 l)	38%	66%	0%	7%
	14.5	14.5	2 629	2 777	sparkling	5%	16%	18%	19%
					BB	1%	1%	-6%	0%
	variation of	0.0%	variation of	5.6%	bulk (>10 l)	56%	16%	-1%	-9%
USA					bottle (<2 l)	53%	68%	5%	15%
	12.3	13.9	5 153	6 242	sparkling	14%	26%	38%	42%
					BB	1%	0%	0%	0%
	variation of	13.1%	variation of	21.1%	bulk (>10 l)	32%	6%	19%	22%
UK					bottle (<2 l)	52%	64%	-2%	8%
	14.6	13.6	3 806	4 082	sparkling	13%	22%	19%	28%
					BB	1%	1%	-23%	-8%
	variation of	-6.7%	variation of	7.3%	bulk (>10 l)	35%	14%	-19%	-16%
France					bottle (<2 l)	17%	61%	3%	19%
	6.3	5.9	765	821	sparkling	6%	14%	19%	23%
					BB	3%	2%	-8%	0%
	variation of	-6.0%	variation of	7.3%	bulk (>10 l)	75%	24%	-9%	-19%
Netherlands					bottle (<2 l)	86%	84%	8%	9%
	4.7	5.0	1 309	1 447	sparkling	5%	13%	33%	33%
					BB	2%	1%	-6%	2%
	variation of	6.6%	variation of	10.6%	bulk (>10 l)	7%	2%	-16%	-20%
China					bottle (<2 l)	68%	86%	-8%	-15%
	4.3	4.2	1 598	1 430	sparkling	3%	7%	14%	52%
					BB	1%	1%	28%	38%
	variation of	-1.4%	variation of	-10.5%	bulk (>10 l)	29%	6%	17%	14%
Canada					bottle (<2 l)	66%	85%	-3%	9%
	4.5	4.2	1 727	1 906	sparkling	5%	10%	20%	39%
					BB	2%	1%	3%	10%
	variation of	-6.9%	variation of	10.3%	bulk (>10 l)	26%	4%	-19%	-10%
Belgium					bottle (<2 l)	58%	65%	24%	26%
	3.0	3.9	993	1 282	sparkling	19%	28%	76%	44%
					BB	8%	3%	103%	52%
	variation of	28.9%	variation of	29.1%	bulk (>10 l)	15%	4%	-8%	-7%
Russia					bottle (<2 l)	81%	75%	9%	8%
	3.5	3.7	949	1 061	sparkling	17%	24%	37%	35%
					BB	0%	0%	7%	16%
	variation of	5.9%	variation of	11.8%	bulk (>10 l)	1%	0%	-86%	-86%
Italy					bottle (<2 l)	8%	20%	4%	18%
	1.6	3.0	278	381	sparkling	4%	58%	39%	45%
					BB	0%	0%	313%	75%
	variation of	82.9%	variation of	37.3%	bulk (>10 l)	89%	21%	83%	37%
Portugal					bottle (<2 l)	23%	33%	27%	18%
	2.7	2.8	160	161	sparkling	2%	15%	20%	0%
					BB	2%	2%	-34%	-40%
	variation of	2.9%	variation of	0.2%	bulk (>10 l)	73%	50%	0%	0%
Japan					bottle (<2 l)	64%	58%	-5%	1%
	2.6	2.4	1 365	1 439	sparkling	16%	38%	9%	16%
					BB	6%	1%	6%	6%
	variation of	-4.8%	variation of	5.4%	bulk (>10 l)	14%	2%	-19%	-23%
Sweden					bottle (<2 l)	47%	58%	-2%	6%
	2.3	2.1	747	748	sparkling	13%	21%	-7%	0%
					BB	27%	14%	-12%	-11%
	variation of	-11.1%	variation of	0.1%	bulk (>10 l)	14%	7%	-33%	0%

Sources: OIV, GTA

[10] Countries with import volumes equal to or above 2 mhl in 2021.

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