



STATE OF THE VITIVINICULTURE WORLD MARKET

April 2016

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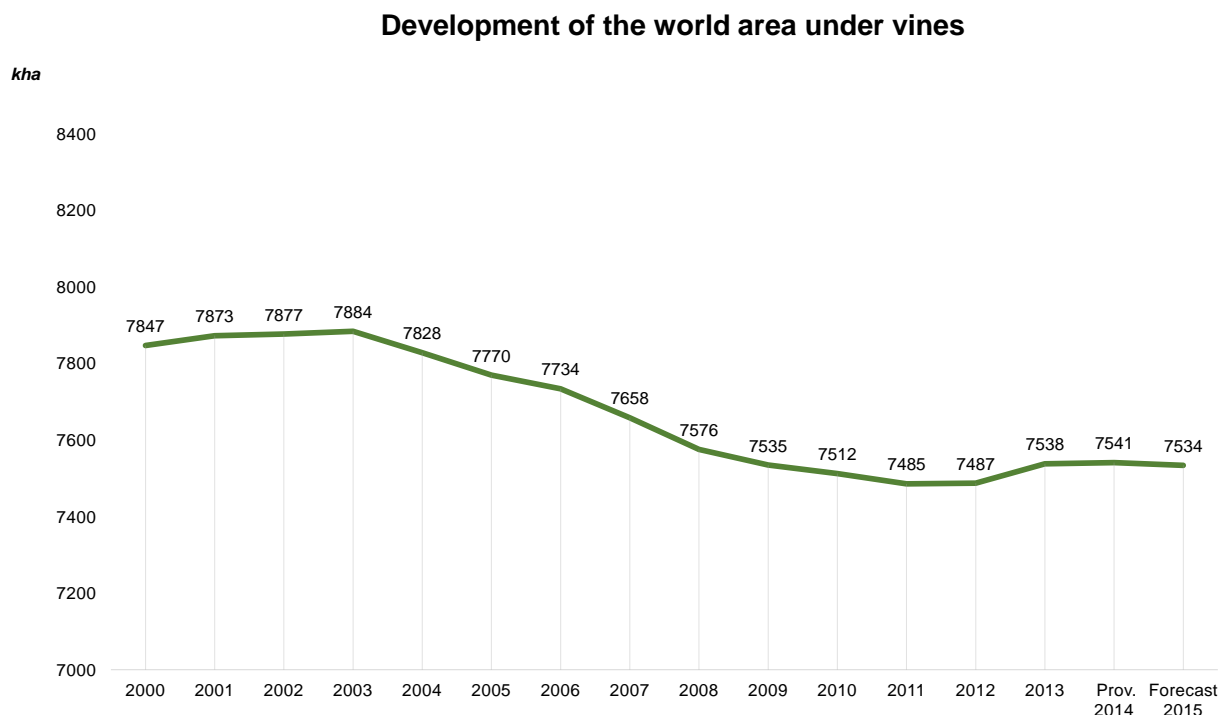
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Abbreviations:

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

1. Vitivinicultural production potential

The 2015 total world area under vines (corresponding to the total surface area planted with vines, including that not yet in production or not yet harvested), should see a slight decline compared with



2014 (-7 kha) to reach **7534 kha**.

1.1 The areas under vines in European vineyards

Since the end of the European Union programme (2011/2012 harvest) to regulate wine production potential in the EU¹, the rate of decline of **EU vineyards** has significantly slowed. **EU vineyards² should stand at 3362 kha**, a reduction of 26 kha between 2014 and 2015.

Spanish vineyards, which significantly declined between 2008 and 2011, have appeared to **stabilise** since this period, with **just over one million hectares**. **The areas under vines in Italian and French vineyards reduced respectively by 8 and 5 kha**. **The Portuguese and Greek vineyards decreased again, in no small way, by around 3% between 2014 and 2015.**

¹ Council Regulation (EC) No. 479/2008 of 29 April 2008 on the common organisation of the market in wine.

² Vines for wine grapes, table grapes or dried grapes, in production or awaiting production.

Areas under vines in European vineyards*

<i>kha</i>	2012	2013	2014 Provisional	2015 Forecast	2015/2014 Variation
Spain	1017	1021	1022	1021	-1.0
France	792	793	791	786	-5.0
Italy	713	705	690	682	-8.0
Portugal	233	229	224	217	-7.0
Romania	192	192	192	192	0.0
Greece	110	110	110	107	-3.0
Germany	102	102	102	102	0.0
Hungary	52	56	58	56	-2.0
Bulgaria	67	65	64	64	0.0
Russia	62	62	63	63	0.0
Austria	44	44	45	44	-1.0
Switzerland	15	15	15	15	0.0
Other European countries	694	692	674	676	1.3
Continental total	4093	4086	4050	4024	-25.7
Including the EU-28 total	3419	3410	3388	3362	-26.1

*Vines for wine grapes, table grapes or dried grapes, in production or awaiting production.

Sources: OIV, OIV Experts, Trade Press

1.2 Outside Europe

As noted over the past few years, **vineyards outside Europe** appeared to **grow slightly** (+19 kha between 2014 and 2015) and are likely to reach **3510 kha**. This moderate increase is the result of contrasting developments.

In **China** the total vineyard surface area continued to grow: this country is the main driver of growth of the world area under vines (+34 kha between 2014 and 2015) and thus confirmed its position attained in 2014 as the country with the second largest vineyard surface area worldwide. **Turkey**, after seeing a recovery in 2013, resumed its downward trend as in the previous year with regard to its areas under vines.

In **Brazil**, which seems to be proceeding with significant restructuring of its vineyards, there was also an erosion of the vineyard surface area (-4 kha between 2014 and 2015) while elsewhere on the American continents the main countries did not record any significant variation in the size of their vineyards.

Australia, unlike **New Zealand** whose areas under vines continue to increase, continued in the downward trend that began at the start of the decade in relation to its vineyard surface area.

Finally, as has been the case since 2012, **South Africa** once again saw its vineyards slowly decline, reaching 130 kha in 2015.

Total areas under vines in vineyards* outside Europe

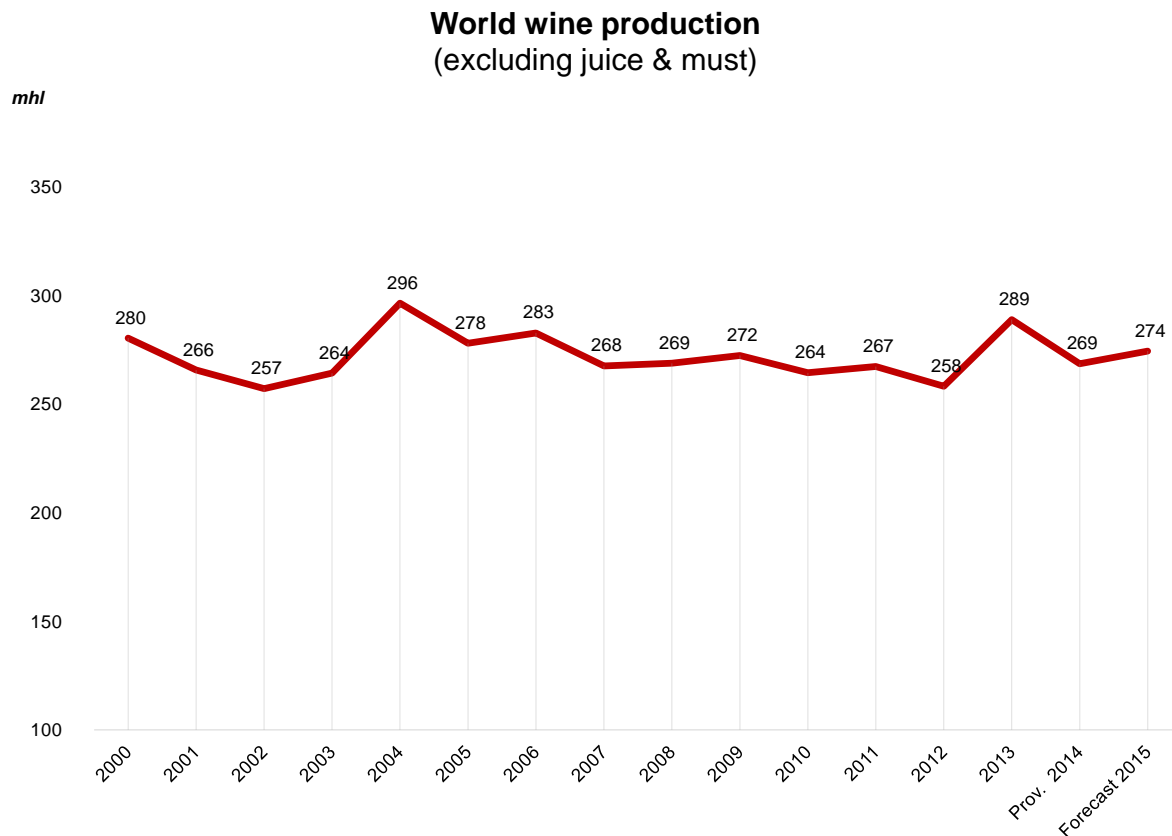
<i>kha</i>	2012	2013	2014 Provisional	2015 Forecast	2015/2014 Variation
China	707	757	796	830	34.0
Turkey	497	504	502	497	-5.0
United States	412	422	419	419	0.0
Argentina	222	224	226	225	-1.0
Chile	206	208	211	211	0.0
Australia	162	157	154	149	-5.0
South Africa	135	133	132	130	-2.0
Brazil	91	90	89	85	-4.0
New Zealand	38	38	38	39	1.0
Other African countries	237	234	234	234	0.0
Other American countries	89	93	96	97	1.0
Other Asian countries	597	592	594	594	0.0
Total outside Europe	3393	3452	3491	3510	19.0

*Vines for wine grapes, table grapes or dried grapes, in production or awaiting production.

Sources: OIV, OIV Experts, Trade Press

2. Wine production³

World wine production⁴ (excluding juice & must) was relatively high in 2015. It reached **274.4 mhl**, equating to +5.8 mhl compared with 2014 production.



2.1 Within the European Union

2015 EU vinified production is likely to reach 165.8 mhl, which may be described as over average. Wine production indeed stands at a higher level than that of 2014 by almost 6 mhl.

In relation to the average production levels of the main producers in 2014, **significant growth was recorded in Italian production with 49.5 mhl** (+5.3 mhl/2014) while **Spanish production levels slightly declined to 37.2 mhl** (-2.3 mhl/2014). With **47.6 and 8.9 mhl** respectively, **France and Germany were relatively stable** (+1 and -0.3 mhl/2014). Production in Portugal and Bulgaria increased (+0.5 and +0.8 mhl/2014 respectively), although Bulgarian production was very low in 2014.

³ This is the wine production resulting from grapes harvested in autumn 2015 in the northern hemisphere and in spring of the same year in the southern hemisphere.

⁴ 2015 Wine production is valued at a mid-range estimate of between 271.3 and 277.5 mhl, which is between +1.0% and +3.3% compared with 2014.

2.2 Outside the European Union

There were contrasting developments in these regions:

- With **22.1 mhl** (excluding juice and must), the **United States** should record a wine production almost as high as that of 2014 (22 mhl) – however, both years represent a decline considering the very high production levels in 2013 (23.6 mhl).
- In South America, **Argentine wine production declined** by 12.1% in 2015 to 13.4 mhl (with juice & must production decreasing by only 0.3 mhl), while **Chile** – which recorded a drop in its wine production in 2014 to 10 mhl – **returned to a level of production close to or perhaps even slightly higher than its all-time record in 2013 with 12.9 mhl**. As for **Brazil**, its production stayed stable for the second year running, with nearly **2.8 mhl** vinified.
- In **South Africa**, vinified production reached a **high level for the third year running** in 2015 with **11.2 mhl** – although this constitutes a small drop compared with that of 2014 (11.5 mhl).
- **Australian production** re-established itself at **12 mhl** vinified in 2015 – despite the continued decline of its vineyard surface area – while **New Zealand production (2.3 mhl)** returned to a level close to that of 2013, thus recording a downturn compared with the record harvest of 2014 (3.2 mhl).

Wine production (excluding juice and must) (1)

<i>mhl</i>	2011	2012	2013	2014 Provisional	2015 Forecast	2015/2014 Variation	2015/2014 Variation in %	Ranking
Italy	42.8	45.6	54.0	44.2	49.5	5.3	12%	1
France	50.8	41.5	42.1	46.5	47.5	1.0	2%	2
Spain	33.4	31.1	45.3	39.5	37.2	-2.3	-6%	3
United States (2)	19.1	21.7	23.6	22.0	22.1	0.1	1%	4
Argentina	15.5	11.8	15.0	15.2	13.4	-1.8	-12%	5
Chile	10.5	12.6	12.8	10.0	12.9	2.8	28%	6
Australia	11.2	12.3	12.3	11.9	11.9	0.0	0%	7
South Africa	9.7	10.6	11.0	11.5	11.2	-0.2	-2%	8
China	13.2	13.5	11.8	11.6	11.0	-0.6	-5%	9
Germany	9.1	9.0	8.4	9.2	8.9	-0.3	-4%	10
Portugal	5.6	6.3	6.2	6.2	6.7	0.5	8%	11
Romania	4.1	3.3	5.1	3.7	3.5	-0.2	-6%	12
Hungary	2.8	1.8	2.6	2.6	2.9	0.3	12%	13
Brazil	3.5	3.0	2.7	2.7	2.8	0.1	2%	14
Greece	2.8	3.1	3.3	2.8	2.7	-0.2	-5%	15
New Zealand	2.4	1.9	2.5	3.2	2.3	-0.9	-27%	16
Austria	2.8	2.1	2.4	2.0	2.3	0.3	13%	17
Bulgaria	1.2	1.4	1.8	0.7	1.5	0.8	106%	18
OIV World Total (3)	267.8	258.2	288.9	268.6	274.4	5.8	2%	

Sources: OIV, OIV Experts, Trade Press

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

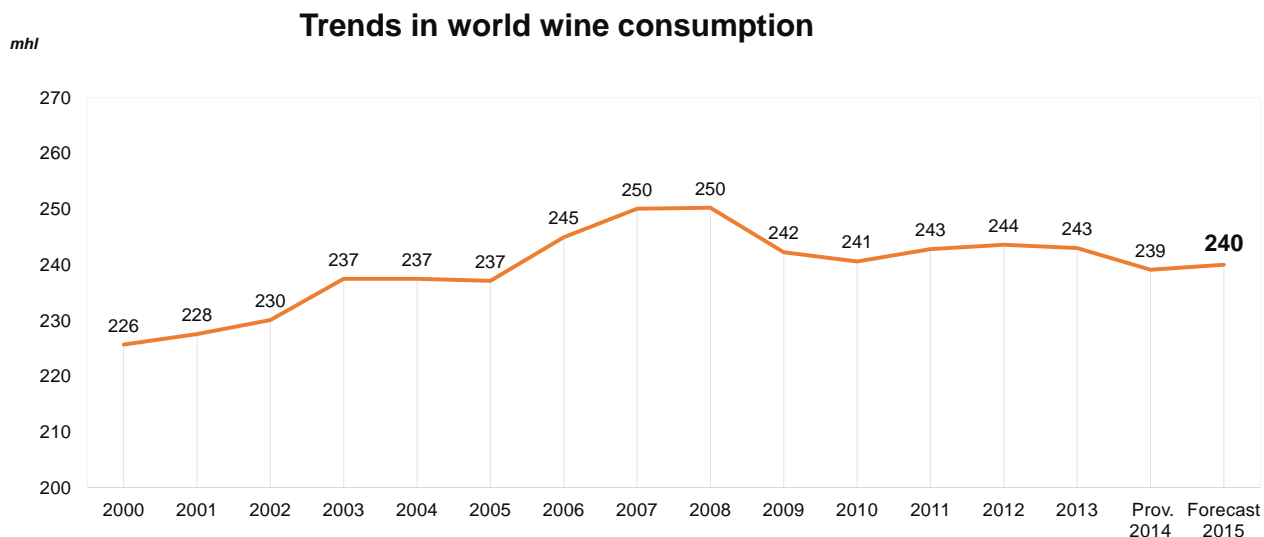
(2): OIV estimate (USDA basis)

(3): Mid-range estimate: 271.3 to 277.5 mhl

3. Wine consumption

2015 World wine consumption is estimated at **240 mhl**⁵ – a moderate increase of 0.9 mhl compared with 2014 – which, given the margin of error in relation to global consumption, should be considered with caution.

Since the beginning of the economic and financial crisis of 2008, global consumption seems to have stabilised overall at around 240 mhl.



The **United States**, whose consumption is estimated at **31 mhl**, has now broadly established itself as the largest domestic market in the world, with an almost stable level compared with the previous year's consumption (+1%).

The reduction in the consumption of traditional producer and consumer countries in Europe experienced a pause: there was a **slight fall in France (27.2 mhl)**, **very modest growth in Italy (20.5 mhl, +0.1 mhl/2014)** and in **Portugal (4.8 mhl)**, and **stabilisation in Spain (10 mhl)**.

A **drop in consumption** should be recorded in **Austria and the Netherlands**, together with an **absence of recovery in the Greek domestic market** after a relatively substantial decline between 2013 and 2014.

In Northern Europe, **Germany (20.5 mhl)** and the **United Kingdom (12.9 mhl)** saw a **growth in their domestic markets** of nearly 300 khl compared with 2014 (even though in the United Kingdom, this result does little more than to compensate for the fall recorded between 2013 and 2014), while overall the Scandinavian market remained stable. Domestic consumption levels in Germany and Italy are now very similar.

⁵ Using the same analysis method as for wine production, the 2015 world wine consumption level is estimated at between 235.6 and 244.3 mhl, which corresponds to a mid-range estimate of 240.0 mhl.

In **China**, 2015 consumption, established by means of a balance sheet-based report ⁶, should approach **16 mhl** (an upward trend of 3% compared with 15.5 mhl in 2014, a year which marked a halt to the rapid growth in Chinese demand that started at the beginning of the 2000s).

In **Oceania**, considering as a whole based on the Australian and New Zealand markets, consumption seems to have **remained stable at 6.3 mhl** for three years (with a slight decline in Australia and resumption of growth in New Zealand).

Consumption in **South Africa** should once **again see a significant rise** between 2014 and 2015 to reach **4.2 mhl** (+7%/2014, after an increase of the same magnitude as the previous year).

In **South America**, domestic consumption in 2015 was **higher** than in 2014, especially in **Argentina** (although in relation to a low level in 2014, meaning the level of consumption neared that of 2013 with 10.3 mhl) but also in **Chile** (whose overall consumption nevertheless appears to have stabilised at just under 3 mhl) and in **Brazil** (3.6 mhl, +2%/2014).

In Hungary and especially in Romania (with a decline estimated at 17%/2014), domestic consumption decreased; however, it is difficult to monitor Romanian consumption at home, which accounts for close to 50% of the domestic market share.

Main wine-consuming countries

<i>mhl</i>	2011	2012	2013	Provisional 2014	Forecast 2015	% variation 2015/2014
United States	28.3	29.2	30.3	30.7	31.0	1.0%
France	28.3	28.0	27.8	27.5	27.2	-1.2%
Italy	23.1	22.6	21.8	20.4	20.5	0.3%
Germany	19.7	20.3	20.4	20.3	20.5	1.1%
China	16.3	17.1	16.5	15.5	16.0	3.2%
United Kingdom	12.9	12.8	12.7	12.6	12.9	2.4%
Argentina	9.8	10.1	10.4	9.9	10.3	3.2%
Spain	10.0	9.9	9.8	9.9	10.0	1.3%
Russia	12.2	11.3	10.4	9.6	8.9	-7.0%
Australia	5.3	5.4	5.4	5.4	5.4	-1.0%
Portugal	4.7	5.0	4.8	4.7	4.8	1.6%
South Africa	3.5	3.6	3.7	4.0	4.2	7.5%
Romania	4.1	4.3	4.6	4.7	3.9	-17.3%
Netherlands	3.4	3.5	3.5	3.4	3.3	-3.3%
Greece	2.9	3.1	3.0	2.6	2.6	-1.7%
Sweden	2.3	2.3	2.4	2.5	2.6	2.0%
Austria	2.6	2.5	2.5	2.5	2.4	-6.5%
Hungary	2.1	2.0	1.9	2.2	2.1	-2.8%
Denmark	1.9	1.5	1.6	1.6	1.6	-2.9%
Rest of the World	49.5	49.1	49.5	49.0	49.9	1.9%
WORLD (1)	242.8	243.6	243.0	239.1	240.0	0.4%

Sources: OIV, OIV Experts, Trade Press

(1) Mid-range estimate: 235.5 to 244.4 mhl

⁶ The development in consumption between year *n-1* and year *n* is considered here to be half determined by the apparent consumption for the current year (calculated by "Production + Imports - Exports") and half by the consumption for the previous year.

4. International trade

In 2015 the global market (considered here as the total exports of all countries) should reach **104.3 mhl** in terms of volume – an increase of 1.8% compared with 2014 – and **28.3 bn EUR⁷** in terms of value – a rise of 10.6%/2014.

Exports in terms of volume

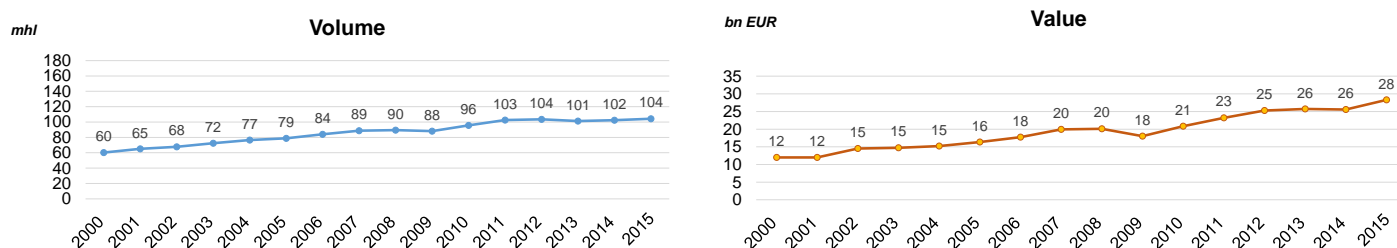
- Spain remained the biggest exporter with 24 mhl and a global market share of 23%.
- Relatively substantial rises compared with 2014 in the exports from New Zealand, Chile, Spain and Australia.
- Marked reduction of exports from Germany (-15.9% in terms of volume), as well as from Italy and France (-2.3 and -2% respectively) and, to a lesser extent, Portugal.
- Bottled export share still dominant in terms of volume (54% or 56.3 mhl, which represents a slight fall in volume compared with 2014).
- Sparkling wine exports accounted for 8% of the total exports in 2015 and grew by 5.6% in one year.
- Bulk wines and wine in containers of 2 litres or more represented 3.8%.

Exports in terms of value

- Highly marked increase of +10.6%/2014 (25.6 bn EUR): this rise was fairly widespread across the main exporting countries, with the exception of Germany (-2.4%/2014).
- France was the biggest global exporter in terms of value with 8.2 bn EUR exported in 2015 and a market share of 29%.
- 2015 saw larger increases in the value of exports from the United States and countries in the southern hemisphere than for European countries.

In the medium term, these developments correspond to a resumption in the growth in volume and in value of the global market after the 2013 pause in volume and 2014 pause in value.

World trade evolution



⁷ Based on the tracking of 83 countries via the GTA.

In terms of product type, the main trends in the world market were as follows:

- The world trade weight of bottled wines continued in a slight downward trend in terms of volume between 2014 and 2015. As such, the bottled export share decreased between 2000 and 2015. It went from 65% to 54% in 2015, while experiencing a high rise in terms of value (and thus in unit price) of +10.5% this same year.
- Sparkling wines once again saw the biggest growth, both in terms of volume and total value (+5.6% and +10.8%/2014 respectively).
- Bulk wines and wines in containers of 2 litres or more experienced a fairly significant increase in their global exports in terms of volume (+3.8%/2014), yet an erosion of their unit value since the value of their exports only grew by 3.5%.
- In terms of the value of exports, bottled wines still accounted for 72% of the total value of exported wines, with sparkling wines nearing 18% (despite only constituting 8% of the total volume). As for bulk wines or wines in containers of 2 litres or more, these comprised 10% of the total value, although they were only responsible for 38% of the world market in terms of volume.

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World wine market (excluding must)

	Volume (mhl)		Value (bn EUR)		Type	2015 Vertical structure	
	2014	2015	2014	2015		volume	value
World	102.4	104.3	25.6	28.3	bottle	54%	72%
					sparkling	8%	18%
	1.8% variation		10.6 % variation		bulk and >2L	38%	10%

Sources: OIV, GTA

4.1 Main exporters

The **analysis by country** shows that the wine trade was largely dominated by Spain, Italy and France, which together accounted for 56% (58 mhl) of the volume of the global market in 2015 and 57.4% of exports in terms of value (16.2 bn EUR).

- **In terms of volume**, we mainly saw a rise in exports from Spain, with a growth of 1.7 mhl compared with the previous year (1.5 mhl of which corresponded to bulk wines). This development is still related to the near disappearance of EU intervention – which in the past oriented a significant share of Spanish production towards distillation – and was boosted by the significant harvest of 2013. Italy and France saw their exports decrease by around 2%.

The main exporting countries that saw the most significant growth in their exported volumes were New Zealand (+11.5%), Chile (+8.6%) and Australia (+6.4%).

- **In terms of value**, Italy and France continued to dominate the market with shares of 19% and 29% respectively.
- Despite the high volume of Spanish exports, the significant market share of bulk wines (62% in 2015) resulted in a lower average price for its overall exports than that which was observed in Italy and France (where the bulk share is 25 and 16% respectively), meaning that Spain only laid claim to 9% of the world trade value (and 23% of the volume, as mentioned above).
- Conversely, for all of the other main exporting countries, the annual development in terms of value were greater than the development in terms of volume in 2015.
- **In terms of product type**, outside Spain (62%) and South Africa (88%), the countries exporting a higher bulk share than the global average (38%, as mentioned above) were Australia (56%), Chile and the United States (44%).

Main wine exporters (excluding must)

	Volume (mhl)		Value (bn EUR)	
	2014	2015	2014	2015
Spain	22.3	24.0	2,529	2,641
Italy,	20.4	20.0	5,081	5,353
France	14.3	14.0	7,720	8,244
Chile	8.1	8.8	1,388	1,650
Australia	7.0	7.4	1,262	1,459
South Africa	4.2	4.2	594	629
United States	4.0	4.2	1,103	1,395
Germany	3.9	3.6	976	953
Portugal	2.8	2.8	725	738
Argentina	2.6	2.7	631	737
New Zealand	1.9	2.1	845	963

Sources: OIV, GTA

4.2 The main importers

In 2015, wine imports rose to 102.6 mhl⁸: an increase of 1.3 mhl compared with 2014.

The **10 main importing countries**, which represented 70% of world imports in terms of volume, saw a growth of their imports of 3% in terms of volume and 9.4% in terms of value compared with 2014.

Main wine importers (excluding must)

	Volume (mhl)		Value (bn EUR)	
	2014	2015	2014	2015
Germany	15.4	15.1	2,557	2,466
United Kingdom	13.6	13.6	3,602	3,915
United States	10.7	11.0	4,038	4,855
France	6.9	7.8	621	669
China	3.9	5.6	1,145	1,840
Canada	3.8	4.1	1,465	1,618
Russia	4.7	4.0	865	625
Netherlands	3.8	3.5	954	867
Belgium	3.1	3.2	997	930
Japan	2.7	2.8	1,210	1,319

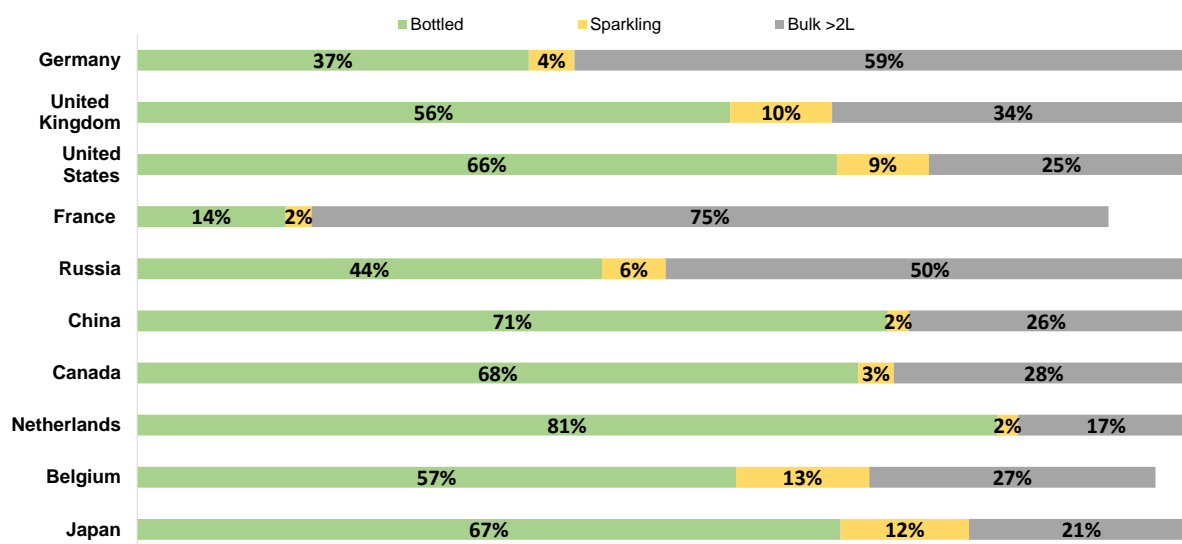
Sources: OIV, GTA

- **Germany** was indeed still the top country in terms of volume, since it remained stable at just over 15 mhl since 2012, however it recorded another decrease in the value of its imports in 2015 with less than 2.5 bn EUR, which is a reduction of 3.6% compared with the previous year.
- The **United States**, after having seen a reduction in its imports in 2014, once again experienced an increase in its imported volumes, reaching 11 mhl (+2.6%). However, the growth in terms of the value of its imports – which was not interrupted in 2014 – was remarkable: +20.2%. Therefore, with 4.9 bn EUR imported in 2015, the United States remained the biggest importer in terms of value, while coming in third in terms of volume after Germany and the United Kingdom.
- As in 2014, the **United Kingdom** imported 13.6 mhl, yet at a significantly higher value: 3.9 bn EUR (+8.7%/2014).

⁸ The difference between the total imports of all of the countries in the world and the world market is related in particular to the inward-processing arrangements.

- **France** saw significant growth in its imported volume with 7.7 mhl (relative nevertheless to a notable year in 2014: +12%). This was a sign of its structural deficit in relation to entry-level wines, which were unable to make up for a series of harvests that, in quantitative terms, were average at best. It was the demand for bulk wines at low prices, especially from Spain, that led to lower growth in the value of its imports (669 m EUR: +7.7%/2014).
- **China** saw a very significant rise in its imports in 2015 with 5.5 mhl (+44%), particularly in bulk, yet this was accompanied by an even higher increase in their value given the substantial rise (although lower in relative terms than that of the bulk market) of bottled imports (1.8 bn EUR: +64.5%/2014). The Chinese domestic demand was the biggest contributory factor, in terms of volume, to trade growth in 2015.
- **Canada** once again saw its import volume increase between 2014 and 2015 by 0.3 mhl (+7.4%), thus surpassing 4 mhl. The overall value of its imports also rose by 10.4% to reach 1.6 bn EUR.
- As for the previous year, the biggest reduction with regard to import volume and value was in **Russia**, where the drop reached -14.5%/2014 in terms of volume (4 compared with 4.6 mhl in 2014) and -27.7% in terms of value (625 m EUR compared with 865 m EUR in 2014) – a consequence of the embargo and the economic difficulties induced.

Import share of types of wine in terms of volume



Sources: OIV, GTA