OIV
Organisation Internationale
de la Vigne et du Vin

STATE OF THE VITIVINICULTURE WORLD MARKET

April 2015

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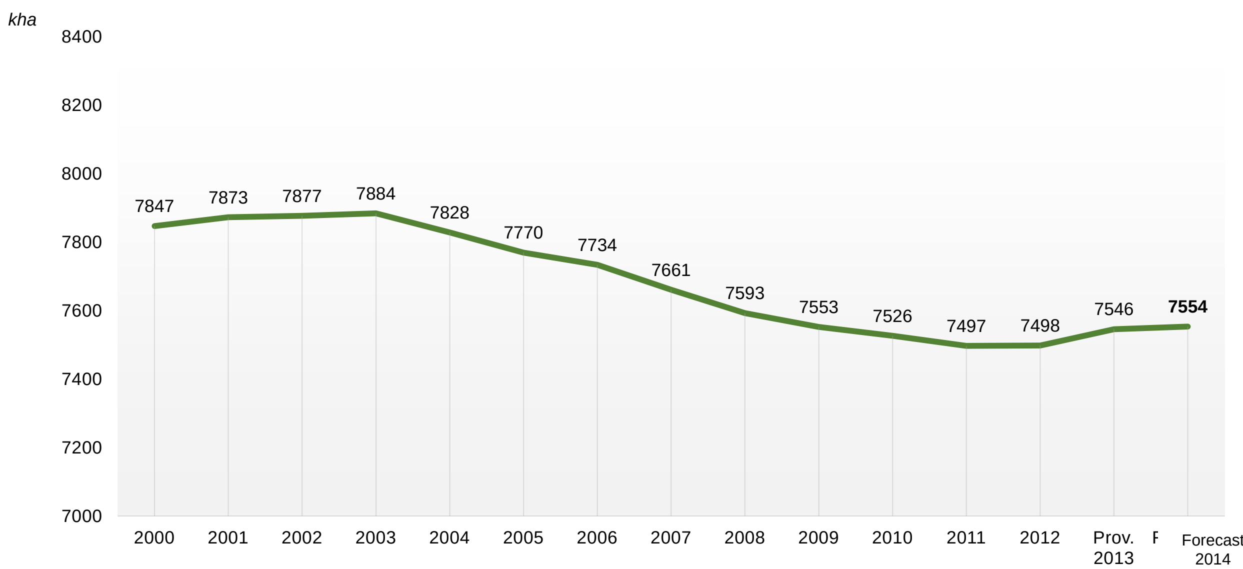
Abbreviations:
kha: thousands of hectares
mha: millions of hectares
khl: thousands of hectolitres
mhl: millions of hectolitres
L: litres
bn: billion
EUR: euros

1. 2014 Vitivinicultural production potential

In 2014, the total world area under vines (including the area not yet in production, whether harvested or not, and regardless of the grapes' final destination) should see a slight growth between 2013 and 2014 (+8 kha) to reach **7554 kha**.

Evolution of the world area under vines



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 EU, the rate of decline of **EU vineyards**[1] has significantly slowed.

The areas under vines in the EU should stand at 3399 kha, a decline of 21 kha between 2013 and 2014 (compared with -13 kha between 2012 and 2013). It is indeed important to reiterate that, between 2008 and 2011, EU vineyards shrank by an average of 93 kha/year. However, between 2013 and 2014, Italian and Portuguese vineyards should decrease even further, by 15 and 5 kha respectively.

[1] Wine grapes, table grapes or grapes for drying, in production or awaiting production.

Areas under vines in European vineyards*

kha	2011	2012	2013 Provisional	2014 Forecast
Spain	1032	1017	1021	1021
France	796	792	793	792
Italy	720	712	705	690
Portugal	236	233	229	224
Romania	191	192	192	192
Greece	110	110	110	110
Germany	102	102	102	102
Hungary	65	64	64	65
Bulgaria	75	67	65	64
Russia	63	62	62	63
Austria	44	44	44	45
Switzerland	15	15	15	15
Other wine-producing countries in Europe	716	684	684	687
EU-28 Total	3468	3429	3418	3399
Continental total	**4164**	**4103**	**4095**	**4060**

*Wine grapes, table grapes or grapes for drying, in production or awaiting production

Sources: OIV, OIV Experts, Trade Press

1.2 Outside Europe

The information in the table below shows that **vineyards outside Europe appeared to grow slightly** between 2013 and 2014 (+28 kha). This moderate increase is the result of contrasting developments.

As noted in recent years, in China and South America (except Brazil, which seems to be proceeding with a significant restructuring of its vineyards), the total areas under vines continued to increase: these areas are the main vineyard growth centres in the world and China now ranks second in the world in terms of vineyard surface area, with nearly 800 kha.

In Asia, the growth in Indian vineyards is holding steady, while Turkey, after experiencing a recovery in 2013, saw its areas under vines resume its downward trend in the medium term.

Conversely, Australia should record a reduction in its vineyards for the third year in a row: -5 kha for two consecutive years after the -8 kha decline recorded between 2011 and 2012.

Total areas under vines in vineyards* outside Europe

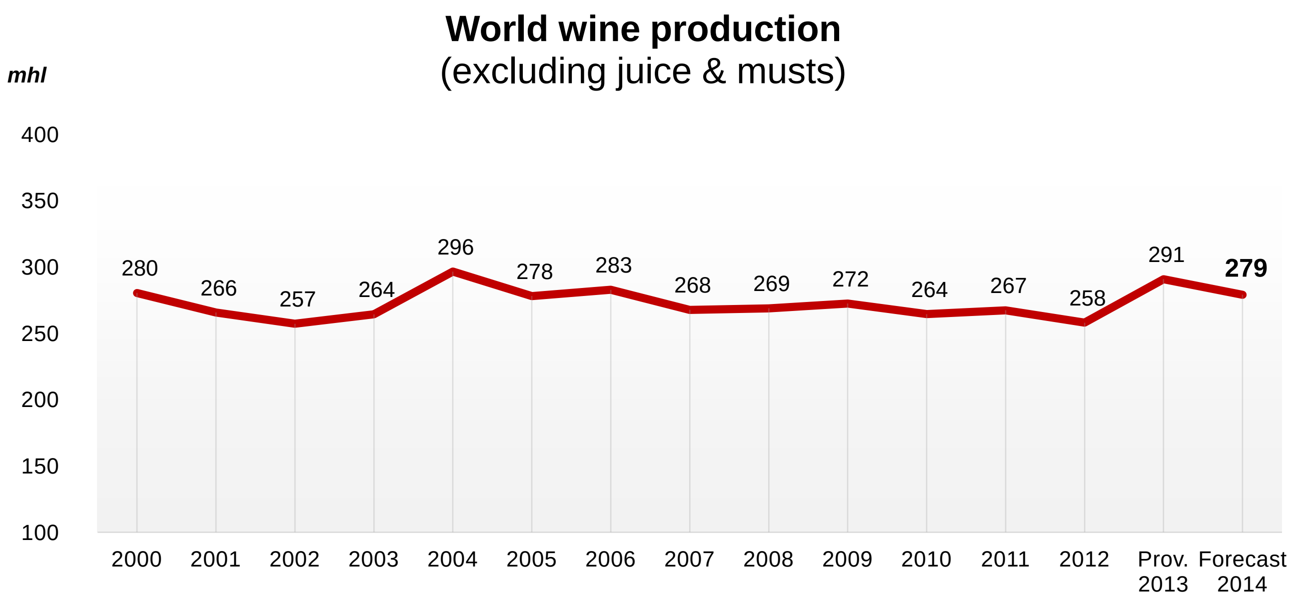
kha	2011	2012	2013 Provisional	2014 Forecast
China	633	*709*	*760*	*799*
Turkey	508	497	504	*502*
United States	413	412	424	*425*
Argentina	219	222	224	*227*
Chile	206	206	208	*211*
Australia	170	162	157	152
South Africa	133	135	133	132
Brazil	90	91	90	89
New Zealand	37	38	38	38
Other African countries	242	237	234	234
Other American countries	87	90	91	94
Other Asian countries	584	587	580	622
Total outside Europe	**3324**	**3386**	**3443**	**3525**

*Wine grapes, table grapes or grapes for drying, in production or awaiting production

Sources: OIV, OIV Experts, Trade Press

2. Wine production[2]

2014 world wine production[3] (excluding juice & musts) rose to 279 mhl, which is -12 mhl compared with 2013 production. This global wine production may therefore be described as a fairly high average.



2.1 Europe

2014 EU vinified production may be described as average. It indeed stood at a lower level than that of the fairly high 2013 production, yet at a higher level than that of the low productions recorded between 2010 and 2012.
2014 production, excluding juice and musts, should reach 164.3 mhl – a decline of 6%/2013, which is a development equivalent to that of the average 2010-2012 production.

This situation is the result of fairly anticipated changes that have brought various countries back to their respective average levels.
Thus, considering the poor 2013 productions in France and Germany, respective growths of 4.7 mhl (+11%/2013) and 0.9 mhl (11%) were recorded in 2014. This is in contrast to Italy and Spain, where the 2013 productions were high or even very high, and respective declines of 9.3 mhl (-17%) and 4.0 mhl (-11%) were experienced.
Production in Romania and Bulgaria remained at a low level in 2014, at 4.1 and 1.2 mhl respectively (-20% and -30%/2013).

[2] This is the wine production resulting from grapes harvested in autumn 2014 in the northern hemisphere and in spring of the same year in the southern hemisphere.
[3] 2014 wine production is valued at a mid-range estimate of between 275.2 and 282.4 mhl, which is between -5.7% and -3.3% compared with 2013.

2.2 Asia, the southern hemisphere and North America

There were contrasting developments in these regions:

- With **22.3 mhl**, the **United States** should record a significant wine production, excluding juice and musts, in 2014 – however, this constitutes a decline considering the very high production levels in 2013, re-estimated at 23.6 mhl.
- In South America, while **Argentine wine production remained almost stable** at around 15 mhl (at the cost of a reduction in juice & must production), **Chile recorded a decline in its wine production reaching 10.5 mhl** (-18%/2013), although this is in comparison to the record production of the previous year (12.8 mhl). As for **Brazil**, its production stayed stable, with 2.7 mhl vinified.
- In **South Africa**, vinified production reached a very high level for the second consecutive year at 11.3 mhl (+3% compared with the already substantial production of 2013).
- Although the **Australian production** marked a pause in its recovery with around **12.0 mhl vinified (-4%/2013)**, **New Zealand's production** set a new record for the second year running, reaching **3.2 mhl** in 2014 compared with the previous record in 2013 (2.5 mhl).

Wine production (excluding juice and musts) (1)

khl	2010	2011	2012	2013 Provisional	2014 Forecast	2014/2013 Variation in volume	2014/2013 Variation in %	Ranking
France	44,381	50,757	41,548	42,004	46,698	4694	11%	1
Italy	48,525	42,772	45,616	54,029	44,739	-9290	-17%	2
Spain	35,353	33,397	31,123	45,650	41,620	-4030	-9%	3
United States (2)	20,887	19,140	21,650	23,590	22,300	-1290	-5%	4
Argentina	16,250	15,473	11,778	14,984	15,197	213	1%	5
Australia	11,420	11,180	12,260	12,500	12,000	-500	-4%	6
South Africa	9,327	9,725	10,569	10,982	11,316	334	3%	7
China	13,000	13,200	13,511	11,780	11,178	-602	-5%	8
Chile	8844	10464	12554	12,820	10,500	-2320	-18%	9
Germany	6,906	9,132	9,012	8,409	9,334	925	11%	10
Portugal	7,148	5,622	6,308	6,327	6,195	-132	-2%	11
Romania	3,287	4,058	3,311	5,113	4,093	-1020	-20%	12
New Zealand	1,900	2,350	1,940	2,484	3,204	720	29%	13
Greece	2,950	2,750	3,115	3,343	2,900	-443	-13%	14
Hungary	1,762	2,750	1,818	2,666	2,734	68	3%	15
Brazil	2,459	3,460	2,967	2,710	2732	22	1%	16
Austria	1,737	2,814	2,125	2,392	2,250	-142	-6%	17
Bulgaria	1,224	1,237	1,442	1,755	1,228	-527	-30%	18
OIV World Total (3)	**264,425**	**267,279**	**257,889**	**291,902**	**278,800**	-13102	-4%	

Sources: OIV, OIV Experts, Trade Press

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

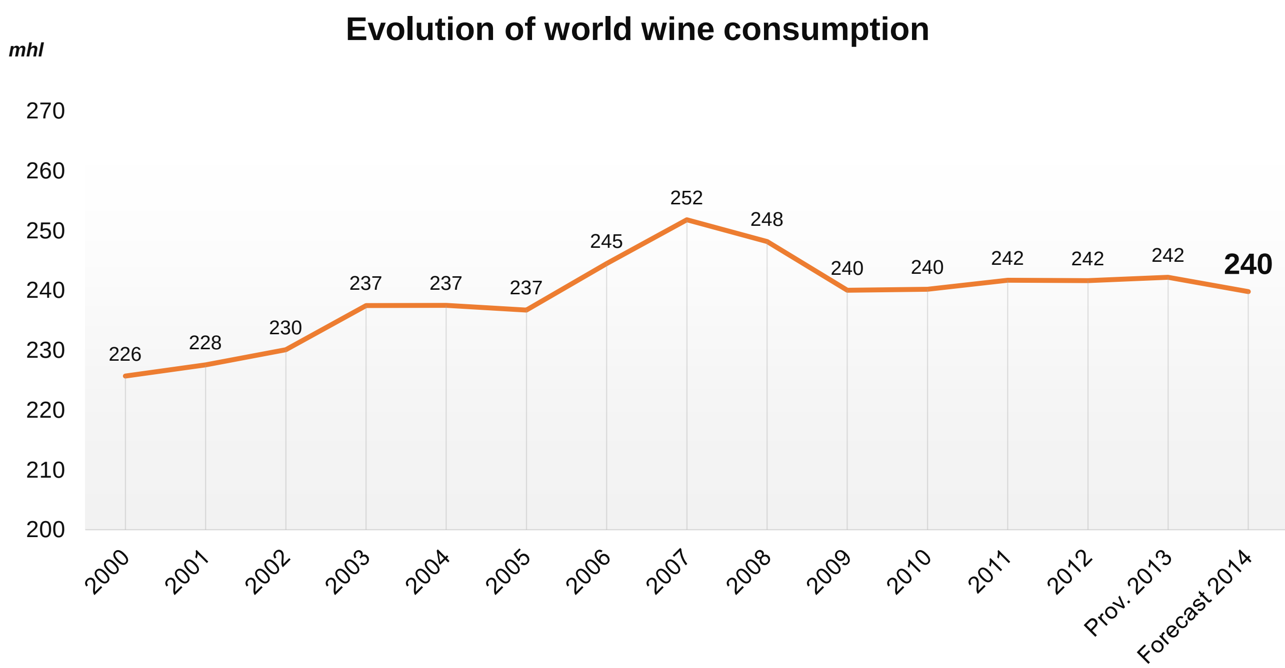
(2): OIV estimate (USDA basis)

(3): Mid-range estimate: 275.2 mhl to 282.4 mhl

3. Wine consumption

2014 World wine consumption is estimated at **240[4] mhl**, a decrease of 2.4 mhl compared with 2013.

Wine consumption was still marked by the effects of the economic and financial crisis of 2008, which has impeded the return to the growth of global consumption observed between 2000 and 2007.



As shown in the following table, in keeping with the trends of previous years, traditional consumer countries resumed their decline or stagnation to the advantage of new consumer countries in Northern Europe and outside Europe.

Changes in the consumption market shares also demonstrate that the growing markets were countries in North America and Asia (the United States increased their share by 4 points since 2000 and China by 2 points). At the same time, the traditional wine consumer countries recorded a reduction in their share of the global market (France and Italy lost 4% and 3% of their global market share respectively).

[4] Using the same analysis method as for wine production, the 2014 world wine consumption level is estimated at between 235.2 and 244.3 mhl, which corresponds to a mid-range estimate of 240 mhl.

Main wine-consuming countries

mhl	2000	2007	2009	2013 Prov.	2014 forecast	% Variation 2013/2014	World share 2000	World share 2007	World share 2014
United States	21.2	27.9	27.3	30.2	30.7	2%	9%	11%	13%
France	34.5	32.2	30.2	28.7	27.9	-3%	15%	13%	12%
Italy	30.8	26.7	24.1	21.8	20.4	-6%	14%	11%	9%
Germany	20.2	20.8	20.2	20.4	20.2	-1%	9%	8%	8%
China	10.9	14.3	14.9	17.0	15.8	-7%	5%	6%	7%
United Kingdom	9.7	13.7	12.7	12.7	12.6	-1%	4%	5%	5%
Russia	4.7	12.7	11.8	10.4	9.6	-7%	2%	5%	4%
Argentina	12.5	11.2	10.3	10.4	9.9	-4%	6%	4%	4%
Spain	14.0	13.1	11.3	9.8	10.0	2%	6%	5%	4%
Australia	3.9	4.9	5.1	5.4	5.4	0%	2%	2%	2%
Rest of the World	63.3	72.6	73.5	74.2	73.7	-1%	28%	29%	31%
WORLD (1)	**226**	**250**	**242**	**242**	**240**	**-1.0%**			

Sources: OIV, OIV Experts, Trade Press

(1) Mid-range estimate: 235.2 to 244.3

The United States, with **30.7 mhl** (excluding vermouth and special wines), confirmed their position as the top global consumer, with an almost stable level compared with the previous year's consumption (+1%). Since 2000, the consumption of the United States increased considerably – by 9.4 mhl (+45%) – despite a drop in 2008 and 2009 following the effects of the economic and financial crisis.

In keeping with past trends, **France** (27.9 mhl) and **Italy** (20.4 mhl) resumed their decline between 2013 and 2014, by 0.9 mhl and 1.4 mhl respectively.

In other traditional producer and/or consumer countries in Europe, consumption was either increasing or almost stable, the latter being the case in Northern Europe and in Germany (although the taxed consumption in the United Kingdom recorded a reduction of 1.4% between 2013 and 2014). However, in Spain, after a long period of decline in the internal consumption, the year 2014 should mark a sudden end to this downward trend, with internal consumption reaching 10 mhl (+0.2 mhl/2013).

With regard to **China**, at 15.2 mhl, 2014 consumption went down following a rapid increase since the beginning of the 2000s. Its recent trend is approached here considering the rolling development[5] over two years of apparent consumption. This approximation, which results from a lack of precise information on stock and distillate levels, led to an evaluation of this reduction at 1.2 mhl, which is a drop of 7%/2013.

In **South America**, while consumption in Brazil and Chile did not experience significant developments between 2013 and 2014, it would appear that Argentina saw a decline in its internal consumption following a recovery in 2012 and 2013, so that internal consumption seems to now be fluctuating around 10 mhl.

[5] 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.

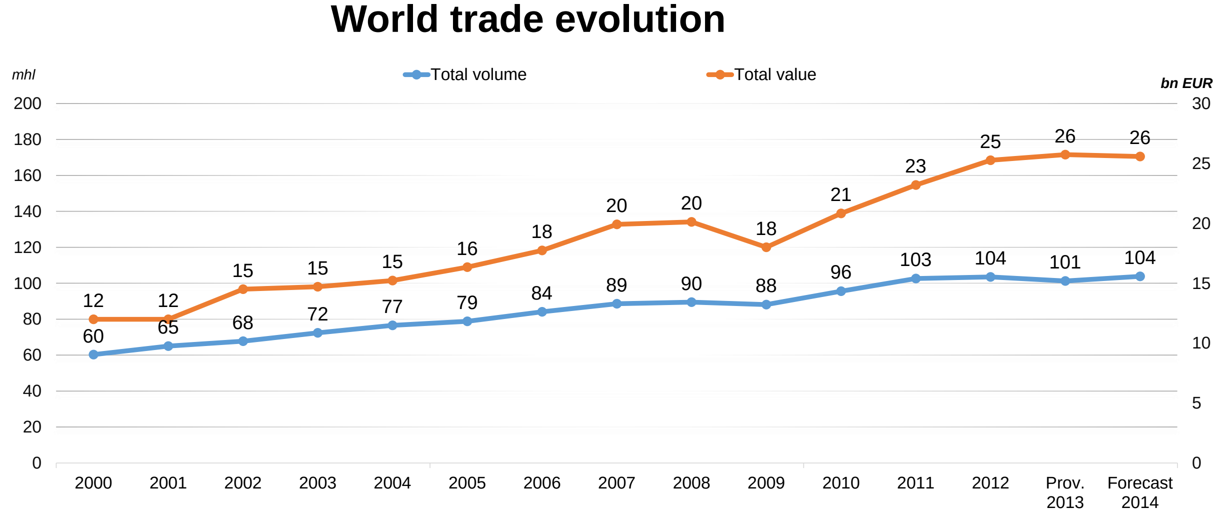
4. International trade

The global market, considered here as the sum of the exports of all countries, experienced, in broad terms, the following developments in 2014:

Exports in volume:
- World total: 104 mhl
- Increase of 2.5% compared with 2013 (101.3 mhl)
- Rise in exports mainly from Spain: +22% in volume/2013 (leading world exporter in 2014 with a global market share of 21.8%)
- Reduction in exports from Argentina (-15.7% in volume), South Africa (-8.8%) and Chile (-9.0%)
- Bottled export share still dominant in volume (accounting for 52.4 mhl), despite the further growth in bulk exports

Exports in value:
- World total: 26bn EUR[6]
- Slight decrease of 0.8%/2013 (25.7bn EUR): this drop is fairly widespread across the main exporting countries
- Despite a very significant increase in the volume of Spain's exports, the total exported in terms of value decreased by 4.9%/2013

In the medium term, these developments correspond to a resumption in the growth in volume of the global market after the pause during 2013, yet to a disruption in the development of the total value of world trade, whose only decline since 2000 was at the time of the global economic crisis.



[6] Based on the tracking of 83 countries via the GTA.

	Volume (mhl)		Value (bn EUR)		Type	2014 Vertical structure		2014/2013 Variation	
	2013	2014	2013	2014		volume	value	volume	value
World	101.3	103.6	25.7	25.5	bottled	54%	71%	1.0%	-0.6%
					sparkling	8%	18%	7.1%	5.4%
	2.5% variation		-0.8% variation		bulk and >2L	38%	11%	1.3%	-10.8%

Sources: OIV, GTA

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

- The world trade weight of wines sold in bottles continued to increase at a low rate between 2013 and 2014. Thus, between 2000 and 2014, the bottled export share decreased from 65% to 54%.

- Sparkling wines saw the biggest growth, both in terms of volume and total value (+7.1% and +5.4%/2013 respectively).

- Bulk wines and wines in containers of 2 L or more experienced a slight increase in their overall exports in terms of volume (+1.3%/2013), yet a very significant reduction in terms of value (-10.8%), phenomena that go alongside a major redistribution of the market shares among the main exporting countries.

- In terms of the value of exports, bottled wines still accounted for 71% of the total value of exported wines, with sparkling wines nearing 20% (despite only constituting 8% of the total volume). As for bulk wines or wines in containers of 2 L or more, they comprised 10.6% of the total value, although they were responsible for 38% of the world market in terms of volume.

4.1 Main exporters

The analysis by country shows that the wine trade was largely dominated by Spain, Italy and France, which together represented more than half of the exports in terms of value (15.2bn EUR) and 56% of the world market in terms of volume in 2014, equating to 57.4 mhl.

Main wine exporters

	Volume (khl)		Value (million EUR)		Type	2014 Vertical structure		2014/2013 variation	
	2013	2014	2013	2014		volume	value	volume	value
Spain	18,530	22,560	2,597	2,468	bottled	35%	64%	3%	-1%
					sparkling	8%	16%	3%	-13%
	21.7% variation		-5.0% variation		bulk and >2L	57%	20%	38%	-10%
Italy	20,319	20,540	5,007	5,078	bottled	60%	76%	-1%	1%
					sparkling	12%	17%	18%	14%
	1.1% variation		1.4% variation		bulk and >2L	28%	8%	-2%	-17%
France	14,542	14,387	7,828	7,730	bottled	71%	62%	0%	-5%
					sparkling	12%	34%	5%	8%
	-1.1% variation		-1.3% variation		bulk and >2L	18%	4%	-9%	-4%
Chile	8,790	7,999	1,409	1,388	bottled	58%	83%	0%	4%
					sparkling	1%	1%	17%	21%
	-9.0% variation		-1.5% variation		bulk and >2L	42%	16%	-20%	-24%
Australia	7,111	7,301	1,337	1,262	bottled	44%	74%	1%	-6%
					sparkling	2%	3%	-8%	-15%
	2.7% variation		-5.6% variation		bulk and >2L	55%	22%	5%	-2%
South Africa	5,256	4,794	625	594	bottled	38%	64%	14%	5%
					sparkling	2%	4%	15%	11%
	-8.8% variation		-5.0% variation		bulk and >2L	60%	31%	-26%	-22%
United States	4,149	4,045	1,174	1,103	bottled	54%	80%	-5%	-7%
					sparkling	1%	3%	-24%	-12%
	-2.5% variation		-6.0% variation		bulk and >2L	44%	17%	2%	1%
Germany	4,006	3,863	1,016	968	bottled	74%	80%	-5%	-4%
					sparkling	8%	11%	-4%	-6%
	-3.6% variation		-4.7% variation		bulk and >2L	18%	9%	5%	-6%
Portugal	3,060	2,854	720	730	bottled	78%	92%	5%	4%
					sparkling	1%	2%	-34%	19%
	-6.7% variation		1.4% variation		bulk and >2L	22%	7%	-30%	-27%
Argentina	3,115	2,626	658	631	bottled	71%	88%	-1%	0%
					sparkling	2%	3%	-3%	8%
	-15.7% variation		-4.1% variation		bulk and >2L	27%	9%	-40%	-31%
New Zealand	1,784	1,869	773	845	bottled	70%	82%	8%	7%
					sparkling	1%	1%	23%	47%
	4.7% variation		9.3% variation		bulk and >2L	29%	17%	15%	18%

Sources: OIV, GTA

- **In terms of volume**, we mainly saw a rise in exports from Spain – the leading world exporter – which stood out with a variation of more than 21.7% compared with the previous year. This increase is not unrelated to the very high 2013 production and the near disappearance of EU intervention, which, in the past, oriented a significant share of Spanish production towards distillation.

  Italy and France remained almost stable compared with the levels exported in 2013.

The main exporting countries that experienced a reduction in their export volume are Portugal with -6.7%, South Africa with -8.8%, Chile with -9% and Argentina especially with -15.7%.

However, the decline in the volume exported by these countries does not go hand in hand with a drop in value, since Portugal saw a 1.4% growth in terms of value and Argentina recorded a drop of only 4.1%.

- **In terms of value**, Italy and France continued to dominate the market with shares of 20% and 30% respectively.

  Despite the high volume of Spanish exports, the significant market share of bulk wines (57%) resulted in an lower average weighted price for the overall exports than that which was observed in Italy and France, meaning that Spain only represented 10% of the value of world trade (and 22% in terms of volume, as mentioned above).

  Conversely, New Zealand stood out with an increase of 9.4% in terms of the value of its exports, which is rising more quickly than its volume.

  The United States, Australia, South Africa and Spain saw the value of their exports decrease.

- **In terms of product type**, Spain and South Africa are very much oriented towards bulk wine exports, whereas in France and Italy the bottled export share, for both still and sparkling wines, is above average.

4.2 The main importers

In 2014, wine imports rose to 100 mhl: an increase of 0.25 mhl compared with 2013.

The **six main importing countries** account for more than **half of total imports**: Germany, the United Kingdom, the United States, France, Russia and China imported a total of 55 mhl for 12.7bn EUR in 2014.

- Using the table below, which provides data on the **10 main wine importers** in the world in 2014, it is possible to analyse the variations in terms of volume and value of imports according to the different product types.
  The biggest reduction in terms of volume and value of imports was experienced by **Russia**, where the drop reached -5% compared with 2013, both in terms of volume (4.6 mhl in 2014) and in value (865 million EUR in 2014).

Main wine importers

	Volume (khl)		Value (million EUR)		Type	2014 Vertical structure		2014/2013 Variation	
	2013	2014	2013	2014		volume	value	volume	value
Germany	15,176	15,171	2,589	2,505	bottled	38%	65%	-5.1%	2.0%
					sparkling	4%	15%	16.9%	-4.3%
	0% variation		-3.2% variation		bulk and >2L	58%	21%	5.1%	-16.0%
United Kingdom	11,830	13,388	3,622	3,595	bottled	57%	68%	1.3%	-7.1%
					sparkling	8%	20%	37.3%	14.9%
	13.2% variation		-0.7% variation		bulk and >2L	34%	12%	33.7%	18.7%
United States	10,966	10,739	3,947	4,032	bottled	65%	78%	-2.7%	1.3%
					sparkling	8%	17%	10.7%	10.5%
	-2.1% variation		2.1% variation		bulk and >2L	27%	5%	-3.9%	-8.0%
France	5,250	6,453	650	620	bottled	17%	57%	0.3%	-4.4%
					sparkling	3%	9%	42.6%	33.2%
	22.9% variation		-4.6% variation		bulk and >2L	80%	34%	28.4%	-11.5%
Russia	4,922	4,676	912	865	bottled	55%	72%	-6.2%	-1.9%
					sparkling	8%	19%	1.1%	-8.1%
	-5% variation		-5.1% variation		bulk and >2L	37%	9%	-4.4%	-20.2%
China	4,504	4,578	1,171	1,145	bottled	75%	90%	3.3%	-1.0%
					sparkling	4%	5%	59.4%	27.3%
	1.6% variation		-2.2% variation		bulk and >2L	21%	5%	-8.0%	-35.0%
Canada	3,727	3,849	1,523	1,465	bottled	70%	88%	0.6%	-4.4%
					sparkling	3%	7%	2.8%	0.4%
	3.3% variation		-3.8% variation		bulk and >2L	27%	5%	11.0%	1.2%
Netherlands	3,669	3,620	882	901	bottled	84%	86%	-0.3%	2.0%
					sparkling	3%	9%	-8.4%	10.6%
	-1.3% variation		2.2% variation		bulk and >2L	14%	5%	-5.8%	-6.8%
Belgium	3,160	3,118	979	984	bottled	61%	63%	-1.0%	-0.4%
					sparkling	14%	27%	-9.3%	0.5%
	-1.3% variation		0.4% variation		bulk and >2L	25%	10%	2.8%	6.1%
Japan	2,632	2,704	1,155	1,209	bottled	67%	66%	0.4%	0.8%
					sparkling	12%	29%	7.8%	15.4%
	2.7% variation		4.7% variation		bulk and >2L	20%	5%	7.9%	0.5%

Sources: OIV, GTA

- **The United States** recorded a decrease in the volume of its imports since 2012, however their value was still increasing: -2.1% compared with 2013 in terms of volume (10.7 mhl) and +2.1% in terms of value. As such, with 4bn EUR imported in 2014, it retained its place as the leading importer in terms of value.

- **Germany** was still the top country in terms of volume, since it remained stable at 15 mhl since 2012, however it recorded a decrease in the value of its imports in 2014 with 2.5bn EUR, which is a reduction of 3.2% compared with the previous year. This drop is nevertheless of little significance, given that the value of its imports remained significantly higher than the average value over the past 10 years.

The other main importing countries (the United Kingdom, France and China) increased their volume in 2014, yet this rise did not go hand in hand with a similar progression in the total value of its imports.

- **The United Kingdom** saw an increase in the volume of its imports to 13.3 mhl in 2014 (+13.2%/2013), while their value stayed at the same level as in 2013 (3.5bn EUR).

- **France** imported 6.4 mhl (+22.9%/2013), equating to a value of 620 million EUR (-4.6%/2013).

- **China** imported 4.5 mhl in 2014 (+1.6%/2013), corresponding to a value of 1bn EUR, which is a reduction of 2.2% compared with the previous year.

- **Canada** experienced an increase in the volume of its imports between 2013 and 2014 of 1.2 mhl (+3.3%), thus reaching nearly 4 mhl; however, the corresponding value dropped by almost 4% to 1.4bn EUR.