STATE OF THE WORLD VITIVINICULTURAL SECTOR IN 2020

OIV

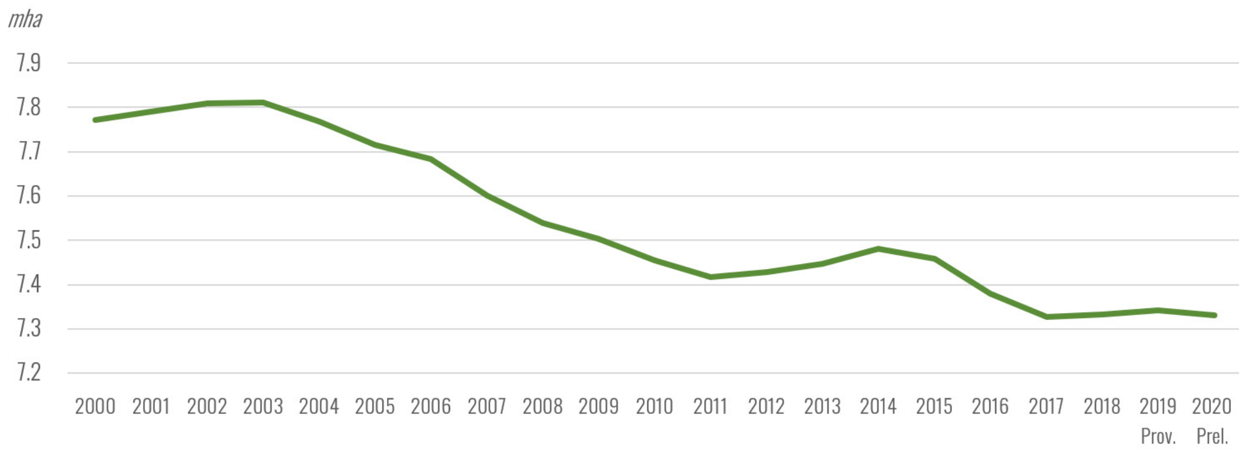
1 • VINEYARD SURFACE AREA 3
2 • WINE PRODUCTION 6
3 • WINE CONSUMPTION 9
4 • INTERNATIONAL TRADE OF WINE 11

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

In 2020 the world area under vines, corresponding to the total surface area planted with vines for all purposes (wine and juices, table grapes and raisins), including young vines not yet in production, **is estimated at 7.3 mha**.
As shown in fig. 1, the surface area of the world vineyard seems to have stabilised since 2017, after the fall caused by the significant reduction in the vineyard surface area in countries like Iran, Turkey, Portugal, Uzbekistan, and USA. The current stabilisation, however, hides heterogeneous evolutions in different regions in the world.

Figure 1 • Evolution of the world vineyard surface area



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Trends in the main vine-growing countries

Starting with the **Northern Hemisphere**, overall stability can be observed in the **European Union (EU)** vineyards, which stand for the seventh consecutive year at **3.3 mha**. The EU vineyard is undergoing a global balance between grubbing up and new planting since 2015. 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.

Within the EU, the latest available data for 2020 indicates an increase in the area under vines in **France** (**797 kha**, +0.4% /2019) and **Italy** (**719 kha**, +0.8% /2019). The vineyard surface areas in **Spain** (**961 kha**, -0.6% /2019), **Portugal** (**194 kha**, -0.2% /2019), **Romania** (**190 kha**, -0.4% /2019), **Bulgaria** (**66 kha**, -1.8% /2019) and **Hungary** (**65 kha**, -3.9% /2019), on the other hand, have decreased with respect to 2019.

Germany's surface area in 2020 is stable and it is estimated at **103 kha**, a value in line with the last twenty-year average.

In Eastern Europe, **Moldova** continued its downward trend started since 2018, reaching a vineyard surface area of **140 kha** (-2% /2019), which can be explained by the ongoing process of restructuring and transformation of its vineyard. **Russian vineyards** on the other hand, in 2020, have marginally increased to **96 kha** (+0.6% /2019).

[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.

Turkey, the fifth vineyard in the world, once again, saw the size of its vineyard area decreasing in 2020 by 4.7 kha (-1.1%), to a total surface of **431 kha**. This is the seventh year in a row that Turkey shrinks the size of its vineyard, recording a total reduction of more than 70 kha since 2013.

In East Asia, after a long period of significant expansion (2000-2015), the growth of the **Chinese vineyard** (**785 kha**) in 2020, is slowing down (+0.6% /2019) for the fifth year in a row. According to the results of the Third National Agricultural Census in China, data on the area under vines have been significantly revised, consequently putting China in the third position in vineyard areas in the world in 2019 and 2020, after Spain and France.

In the **USA**, the vineyard has been consistently decreasing since 2013, and its estimated surface area in 2020 is **405 kha**. This downward trend, specifically the sharp decline in 2018, is associated to the endeavour to overcome a grape over supply problem.

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

In **South America**, overall changes in vineyard surface area between 2019 and 2020 showed a downward trend for the fifth year in a row. The first vineyard by size is **Argentina** that has, since 2014, seen a decline at an annual average growth rate of -1%. However, in 2020, it saw a drop of only 0.2% compared to 2019, to reach **215 kha**. Similarly, **Chile** decreased its area under vines (-1.2% /2019), estimated at **207 kha** in 2020. Also, **Brazil** with a decline of almost 1 kha (-1.2% /2019) in surface, stands at **80 kha** in 2020.

In 2020, **South African** vineyards do not record significant changes for the second year in a row, staying at **122 kha** (-0.7% /2019). This stabilization comes after the period between 2015 and 2018 where a drought caused major damages to the vineyard thus drastically reducing its size by more than 10 kha (-8%).

In **Oceania**, while in **Australia** the area under vines remained unchanged at **146 kha** in 2020 for a third year in a row, in **New Zealand**, the surface area growing by 2% compared to 2019, recorded an all-time high of **40 kha** in 2020.

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

kha	2016	2017	2018	2019 Prov.	2020 Prel.	2020/2019 % Var.	2020 % world
Spain	975	968	972	966	961	-0.6%	13.1%
France	786	788	792	794	797	0.4%	10.9%
China	770	760	779	781	*785*	0.6%	10.7%
Italy	693	699	701	713	719	0.8%	9.8%
Turkey	468	448	448	436	431	-1.1%	5.9%
USA	439	434	408	407	*405*	-0.4%	5.5%
Argentina	224	222	218	215	215	-0.2%	2.9%
Chile	209	207	208	210	*207*	-1.2%	2.8%
Portugal	195	194	192	195	194	-0.2%	2.7%
Romania	191	191	191	191	190	-0.4%	2.6%
Iran*	168	153	167	167	*167*	0.0%	2.3%
India*	131	147	149	151	*151*	0.0%	2.1%
Australia	145	145	146	146	146	0.0%	2.0%
Moldova	145	151	147	143	140	-2.0%	1.9%
South Africa	130	128	123	122	122	-0.7%	1.7%
Uzbekistan*	131	111	108	112	*112*	0.0%	1.5%
Greece*	105	106	108	*109*	*109*	0.0%	1.5%
Germany*	102	103	103	103	*103*	0.0%	1.4%
Russia	88	90	93	96	96	0.6%	1.3%
Afghanistan*	89	94	94	96	*96*	0.0%	1.3%
Brazil	86	84	82	81	80	-1.2%	1.1%
Egypt*	83	84	80	79	*79*	0.0%	1.1%
Algeria*	76	75	75	66	*66*	0.0%	0.9%
Bulgaria	64	65	67	67	66	-1.8%	0.9%
Hungary	68	68	69	67	65	-3.9%	0.9%
Other countries	816	812	811	827	827	0.0%	11.3%
World total	**7379**	**7326**	**7333**	**7342**	**7331**	**-0.2%**	**100.0%**

Figure in Italics: OIV estimates
* Carried over from latest available data
Sources: OIV, FAO.

[2] Refers to total surface area planted with vines for all purposes (wine and juices, table grapes and raisins), including young vines not yet in production. Includes countries with vineyards larger than 50 kha in 2020.

2 • WINE PRODUCTION

World wine production, excluding juices and musts, in 2020[3] is estimated at **260 mhl**, marking a slight increase of almost 3 mhl (+1%), compared to 2019. Overall, after two consecutive volatile years of 2017 and 2018, 2020 is in line with the 2019 global wine production level that can be defined as slightly **below average**.

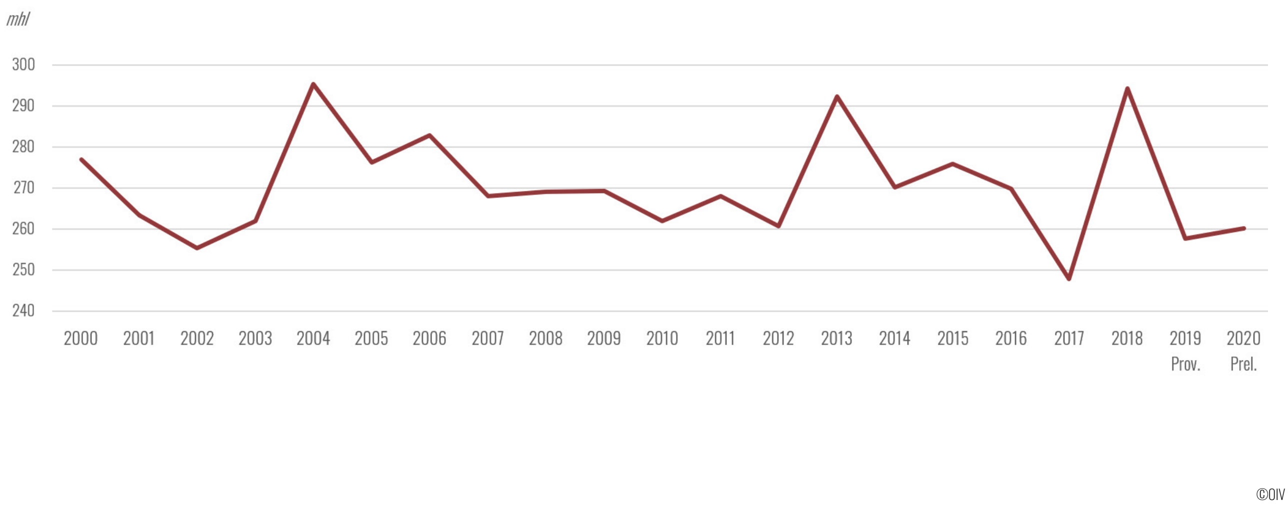
Trends in the main wine-producing countries in the Northern Hemisphere

Vinified production in the **EU** in 2020 is estimated at **165 mhl**, registering an increase of 8% (+12 mhl) compared to the low volume registered in 2019. Despite the attempt of national and EU regulations to contain production[4] and the decisions of several Italian, French and Spanish producers' associations to fix the vinified volumes at a level lower to that of 2019 because of the expected drop in demand on the global wine market, the favourable weather led to a bountiful harvest in many regions of the EU. For this reason, many forecasts and early estimates made in September 2020 have been revised upwards.

The production volumes in these three countries recorded respective decreases of -7.3 mhl (-13%), -7.1 mhl (-15%), and -11.4 mhl (-25%) compared with the very high production of 2018. However, while for Italy the 2019 production volume is only 2% less than its last five-year average, for France and Spain the difference is much larger, at -6% and -11% respectively.

Italy (49.1 mhl), **France (46.6 mhl)**, and **Spain (40.7 mhl)**, which together account for 53% of the world wine production in 2020, saw a sharp rise in their wine production with respect to 2019. The production volumes in these three countries recorded increases of 1.5 mhl (+3%), 4.4 mhl (+11%), and 7.0 mhl (+21%) respectively compared to 2019. However, while for Italy the 2020 production volume remains in line with respect to its last five-year average, for France and Spain the shoot is much larger, with +6% and +8% respectively. This increase could be accrued to a warm spring and summer, experienced in these countries that favoured an early and large 2020 harvest.

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



[3] This is the production resulting from wine grapes harvested at the start of 2020 in the Southern Hemisphere and at the end of 2020 in the Northern Hemisphere.
[4] The EU wine Common Market Organisation, for example, provided subsidies to regulate volumes through measures such as green grape harvesting.

On the other hand, apart from **Germany** which has also slightly increased its 2020 wine production (**8.4 mhl**, +2%/2019), all the other main wine producing countries in the EU recorded a drop with respect to 2019. In 2020, the production levels were: **Portugal** (**6.4 mhl**, -2% /2019), **Romania** (**3.6 mhl**, -7% /2019), **Austria** (**2.4 mhl**, -3% /2019), **Hungary** (**2.4 mhl**, -12% /2019) and **Greece** (**2.3 mhl**, -6% /2019).

In Eastern Europe, **Russia** (**4.4 mhl**, -4% / 2019) and **Ukraine** (**0.7 mhl**, -33% / 2019) too, witnessed a notable downfall in wine production in 2020. **Moldova** underwent unfavourable conditions due to a drought, thereby documenting a less abundant harvest in 2020 with vinified production being equal to **0.9 mhl** (-37%/ 2019). **Georgia** (**1.8 mhl**), contrastingly, is estimated to increase its wine production by 2% compared to 2019, recording a level 37% higher than its five-year average.

In Asia, the new data available[5] for **China** indicate an estimated vinified production of **6.6 mhl** in 2020, marking a decrease of -16% with respect to the already declining production level of 2019. This is a sharp decline in wine production for the fourth year in a row, a signal that the development of the Chinese wine sector could be more uncertain than previously expected. A potential explanation for this negative trend is the structural problems (such as difficult climate conditions, technological constraints and overall low productivity) facing China, which are making the Chinese wine industry less competitive compared to imported wines.

In North America, wine production in the **USA** is estimated at **22.8 mhl**, a decrease of 11% compared to 2019. This striking decline in 2020 can be mainly explained by the combination of factors- such as bad weather conditions, namely the dry lightning storm that raged fires in California from August to October, inducing lower yields and giving smoke taint to a part of grapes that were not harvested; and a response to overcome the oversupply problem of grapes and wine.

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

In **South America**, the overall trend for wine production in 2020 is negative with respect to 2019. This descent might be explained by the unfavourable weather conditions caused by El Niño with excess rainfall in the vine growing areas. Not only are the vinified productions in **Argentina** (**10.8 mhl**, -17% /2019) and **Chile** (**10.3 mhl**, -13% /2019) lower than last year, but they are also significantly lower than their five-year averages (-13% and -10% respectively). In 2020, **Brazil** (**1.9 mhl**) registered a decrease of 5% in its wine production from 2019. Except for 2016, when El Niño devastated the harvest, this is the lowest vinified production level registered in Brazil since the beginning of the century.

In **South Africa**, 2020 production reached **10.4 mhl**. This represents a swell of 7% with respect to the volume registered in 2019, and it is gradually headed for convergence to the average production levels recorded before the beginning of the drought that heavily impacted the country for three years in a row (2016, 2017 and 2018).

Regarding **Oceania**, **Australian** wine production registers a decline for the third consecutive year, stooping to the lowest level recorded in the last decade, reaching **10.6 mhl** in 2020 (-11% / 2019). On the flip side, **New Zealand's** wine production was **3.3 mhl** in 2020, touching the highest recorded level ever, with a +11% growth compared to 2019.

[5] Official data from China is revised frequently and hence must be treated with caution.

Figure 4 • Wine production (juices and musts excluded) in major countries[6]

mhl	2016	2017	2018	2019 Prov.	2020 Prel.	2020/2019 % Var.
Italy	50.9	42.5	54.8	47.5	49.1	3%
France	45.4	36.4	49.2	42.2	46.6	11%
Spain	39.7	32.5	44.9	33.7	40.7	21%
USA	*24.9*	*24.5*	*26.1*	*25.6*	*22.8*	-11%
Argentina	9.4	11.8	14.5	13.0	10.8	-17%
Australia	13.1	13.7	12.7	12.0	10.6	-11%
South Africa	10.5	10.8	9.5	9.7	10.4	7%
Chile	10.1	9.5	12.9	11.9	10.3	-13%
Germany	9.0	7.5	10.3	8.2	8.4	2%
China	*13.2*	*11.6*	*9.3*	*7.8*	*6.6*	-16%
Portugal	6.0	6.7	6.1	6.5	6.4	-2%
Russia	5.2	4.5	4.3	4.6	4.4	-4%
Romania	3.3	4.3	5.1	3.8	3.6	-7%
New Zealand	3.1	2.9	3.0	3.0	3.3	11%
Hungary	2.5	2.5	3.6	2.7	2.4	-12%
Austria	2.0	2.5	2.8	2.5	2.4	-3%
Greece	2.5	2.6	2.2	2.4	*2.3*	-6%
Brazil	1.3	3.6	3.1	2.0	1.9	-5%
Georgia	0.9	1.0	1.7	1.8	*1.8*	2%
Other countries	16.8	16.5	18.1	16.6	15.4	-7%
World total	**270**	**248**	**294**	**258**	**260**	**1%**

Figure in italic: estimate OIV
Sources: OIV, EC DG AGRI, FAO, Press

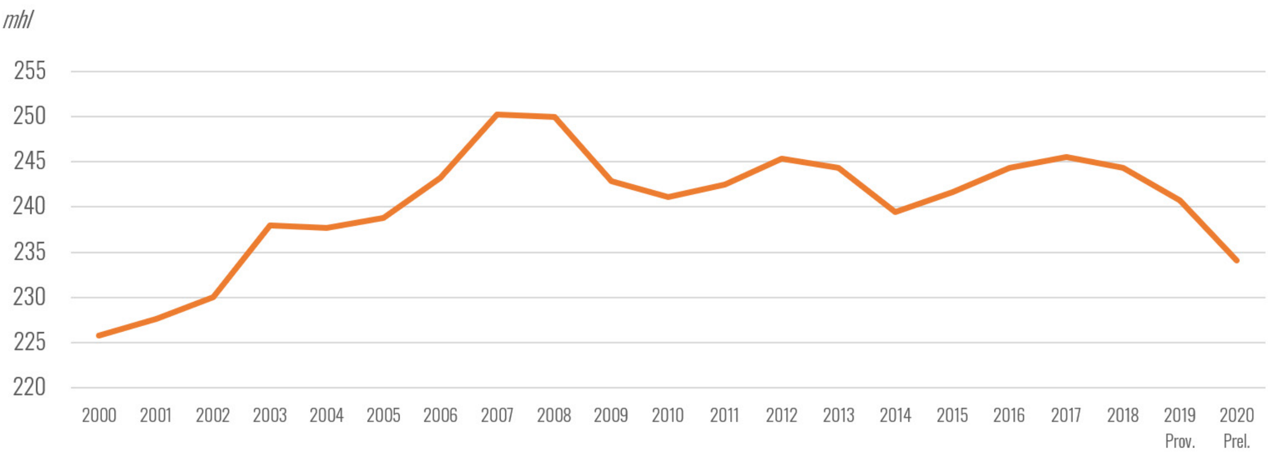
[6] Countries with a wine production equal to or above 1 mhl in 2020.

3 • WINE CONSUMPTION

World wine consumption in 2020 is estimated at **234 mhl**, marking a **3% decrease compared to 2019**. This fall of 7 mhl is analogous to the one seen during the 2008–09 global financial crisis. The first year of the COVID-19 sanitary crisis highlighted asymmetrical aggregate consumption behaviours in different countries in the world.

Even though this is the lowest recorded level of consumption since 2002, given the uncertainty faced in 2020, the figure suggests that the wine sector has altogether not underperformed with respect to other commodities. However, it should be noted that given the margin of error in tracking global wine consumption, these figures should be considered with caution. It should also be noted that a notable revision in Chinese wine consumption has made China the key driver in lowering consumption levels in the last few years[7].

Figure 5 • Evolution of world wine consumption in 2019



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[7] This update has also led to an alteration in the estimate of the world wine consumption level in 2019.

Trends in the main wine consuming countries

Estimates of national consumption levels presented in this chapter should be interpreted cautiously, given the intrinsic limitations of the "apparent consumption" methodology, especially for the numerous countries where data on stocks variations, losses, or industrial uses of wine, are not fully known or assessed. In an extraordinary year like 2020, large differences in consumer behaviours are likely and therefore, the additional difficulty in making estimates must be considered. These variations can be associated to factors such as the lockdown measures, disruption of Horeca[8] channel and lack of tourism, and to large differences in demand elasticities in different countries.

In 2020 the **EU27**, which accounts for 48% of the world consumption, consumed an estimated volume of wine of about **112 mhl**, a value in line with 2019. Once again, this apparent stabilisation at aggregate level hides heterogenous evolutions in the different Member States.

In 2020, **France** saw a level of wine consumption that remained unchanged as compared to 2019, at **24.7 mhl,** but was down by 7.8% as compared to its five-year average. **Italy**, that represents the second largest market within the EU, recorded the highest level of consumption in the last decade with **24.5 mhl**. Italy consumed 7.5% more than 2019 (+10% with respect to its five-year average). Maintaining its position of the 3rd largest consumer within the EU (and 4th at world level), **Germany** recorded a level of **19.8 mhl** in 2020 (+0.2% / 2019). Representing an opposite scenario, **Spain** consumed **9.6 mhl** in 2020, that is -6.8% compared to 2019. Similarly, countries like **Portugal** (**4.6 mhl**, -0.6% /2019), **Romania** (**3.8 mhl**, -1.9% /2019), **Belgium** (**2.6 mhl**, -3.1% /2019), **Sweden** (**2.2 mhl**, -2.3% /2019) and **Hungary** (**1.9 mhl**, -10.2% /2019) saw a reduction in wine consumption in 2020. These countries also saw a significant drop as compared to their five-year averages with a peak of -22% recorded in Hungary. Although, **Austria** (**2.3 mhl**) saw an increase of 2.2% compared to 2019, it saw a decline of 2.5% with respect to its five-year average value.

Still in Europe, but outside the EU, the **UK** has an estimated consumption in 2020 of 13.3 mhl (+2.2% /2019), the majority of which is accounted from the wines imported. In Eastern Europe, **Russia's** consumption is estimated at **10.3 mhl**, with a +3% compared to 2019. An opposite trend has been recorded in **Switzerland** (**2.6 mhl**), that is, -1.6% with respect to 2019.

The **USA**, once again confirm their position as the world's largest wine consuming country, reaching **33.0 mhl** in 2020. This volume is in line with 2019 notwithstanding the impact of the Covid-19 sanitary crisis, thereby proving to be a resilient market. This could be owed to the relatively less stringent lockdown measures as well as a notable spurge of e-commerce in USA.

Concerning **China**, 2020 wine consumption is estimated at **12.4 mhl**, showing a 17.4% drop with respect to 2019. The strict lockdown measures in the first quarter of the year certainly played a role. However, considering that this is a sharp decline for the third consecutive year, the rapid growth in wine consumption that started at the beginning of the century seems at its end[9].**Japan**, the second highest consuming country in Asia, shows a stable level of consumption for the seventh consecutive year, estimated at **3.5 mhl**.

In **South America**, overall wine consumption increased in 2020 compared to 2019. In **Argentina**, with **9.4 mhl**, wine consumption went up by 6.5% with respect to 2019. At **4.3 mhl** in 2020, **Brazil** (+18.4% /2019) recorded the highest consumption level since the year 2000. In **Chile**, **1.8 mhl** of wine consumption was recorded in 2020. Even though this level was 1.4% higher than 2019, it was 20.2% lower than its five-year average.

With a decline of 19.4% as compared to 2019, **South Africa** (**3.1 mhl**) registered the lowest wine consumption of the last twenty years. This level in 2020, was down by 26.7% from its five-year average. A key driver of this major drop in consumption is certainly linked to the COVID-19 crisis: local sales of alcohol were banned (even online sales) for 14 weeks during the lockdown period, reducing sale opportunities by 30%, according to SAWIS[10].

In **Australia**, wine consumption is estimated at **5.7 mhl**, a value 3.7% less than that observed in 2019 but overall in line with the last five-year average.

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[8] The term Horeca refers to the distribution channel in the food service industry; it is the acronym formed by linking the words HOtel, REstaurant and CAtering.
[9] This apparent consumption should be interpreted carefully because low production levels - like the ones recorded in 2019 and 2020, and the large data revisions made by the National Bureau of Statistics (NBS) of China regularly, can strongly impact the estimation of 2020 wine consumption volume.
[10] South African Wine Industry Statistics

Figure 6• Wine consumption in major countries[11]

mhl	2016	2017	2018.	2019 Prov.	2020 Prel.	2020/2019 % Var	2020 % wolrd
USA	*31.3*	*31.5*	*32.4*	*33.0*	*33.0*	0.0%	14%
France	28.3	28.6	26.0	24.7	24.7	0.0%	11%
Italy	22.4	22.6	22.4	22.8	24.5	7.5%	10%
Germany	20.2	19.7	*20.0*	*19.8*	19.8	0.2%	8%
UK	12.9	13.1	12.9	*13.0*	*13.3*	2.2%	6%
China	*19.2*	*19.3*	*17.6*	*15.0*	*12.4*	-17.4%	5%
Russia	*10.1*	*10.4*	*9.9*	*10.0*	*10.3*	3.0%	4%
Spain	9.9	10.5	10.9	10.3	9.6	-6.8%	4%
Argentina	9.4	8.9	8.4	8.9	9.4	6.5%	4%
Australia	5.4	5.9	6.0	5.9	5.7	-3.7%	2%
Portugal	4.7	5.2	5.1	4.6	4.6	-0.6%	2%
Canada	*5.0*	*5.0*	*4.9*	*4.7*	*4.4*	-6.0%	2%
Brazil	3.1	3.3	3.3	3.6	4.3	18.4%	2%
Romania	3.8	4.1	3.9	3.9	*3.8*	-1.9%	2%
Netherlands	*3.6*	*3.7*	*3.6*	*3.5*	*3.5*	-0.3%	1%
Japan	*3.5*	*3.5*	*3.5*	*3.5*	*3.5*	-0.8%	1%
South Africa	4.4	4.5	4.3	3.9	3.1	-19.4%	1%
Switzerland	2.7	2.7	2.6	2.7	2.6	-1.6%	1%
Belgium	*2.8*	*2.8*	*2.7*	*2.7*	*2.6*	-3.1%	1%
Austria	2.4	2.4	2.4	2.3	*2.3*	2.2%	1%
Sweden	2.4	2.3	*2.3*	*2.3*	*2.2*	-2.3%	1%
Czech Republic	2.1	2.2	2.1	*2.1*	*2.1*	2.0%	1%
Other countries	34.8	33.1	37.3	37.7	32.2	-14.7%	14%
World total	**244**	**246**	**244**	**241**	**234**	**-2.8%**	**100%**

Figure in italics: estimate OIV
Sources: OIV, IWSR, FAO, Press

[11] Countries with wine consumption equal to or more than 2 mhl in 2020.

4 • INTERNATIONAL TRADE OF WINE

In the crisis-stricken year of 2020, **the world wine export market** – considered here as the sum of the exports of all countries – 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**[12] (-6.7% /2019). Also, the structure and composition of the world exports, has experienced some noteworthy changes.

This overall outcome is due to the combination of several factors- the impactful blow faced by the world markets in the first semester due to the Covid-19 pandemic, that saw a reasonable reconciliation in the second half of 2020, as well as is the imposition of trade barriers as a consequence of geo-political tensions. Examples are the US retaliatory trade tariffs toward some EU countries (notably France, Spain, and Germany), Chinese tariffs on Australian wines, and Brexit uncertainties regarding future administrative procedures for trade with the remaining 27 countries in the EU.

World trade volume

In 2020, notwithstanding a slight decrease (-1.7%) with respect to 2019, global volume exports with 105.8 mhl are in line with the last ten-year average. Italy was the largest exporter in 2020 with 20.8 mhl, accounting for 20% of the global market. Developments in export volumes at country level in 2020 are quite heterogeneous.

Italy (20.8 mhl, -2.4%), Spain, (20.2 mhl, -5.9%), France (13.6 mhl, -4.9%), Chile (8.5 mhl, -2.2%), Germany (3.4 mhl, -10.3%), and South Africa (3.6 mhl, -11.9%) observed significant reductions in exports, while Australia (7.5 mhl, +0.5%), Argentina (4.0 mhl, +27.0%), USA (3.6 mhl, +1.8%), Portugal (3.1 mhl, +5.3%), and New Zealand (2.9 mhl, +6.0%) recorded increases compared to 2019.

World trade value

Disturbing the incremental growth path started in 2010, the global value of wine exports in 2020 decreased by -6.7% compared to 2019 reaching 29.6 bnEUR. This fall is certainly linked to the lockdown restrictions imposed by the Covid-19 pandemics (notably the closure of the Horeca channel), that drove down demand for premium wines. In terms of value, France confirmed to be once again the first world exporter in 2020, with wine exports worth 8.7 bnEUR. However, there were large declines in many major exporting countries like France (-1.1 bnEUR, -10.8% /2019), Germany (-162 m EUR, -16.0% /2019), Italy (-154 m EUR, -2% /2019), Chile (-12 m EUR, -7% /2019), USA (-107 m EUR, -9% /2019), and Spain (-92 m EUR, -3% /2019). The only major exporters that recorded rises in value were New Zealand (+49 m EUR, +4% /2019) and Portugal (+27 m EUR, +3% /2019).

[12] Source: Global Trade Atlas customs data.

Figure 7 • Evolution of international trade of wine by volume

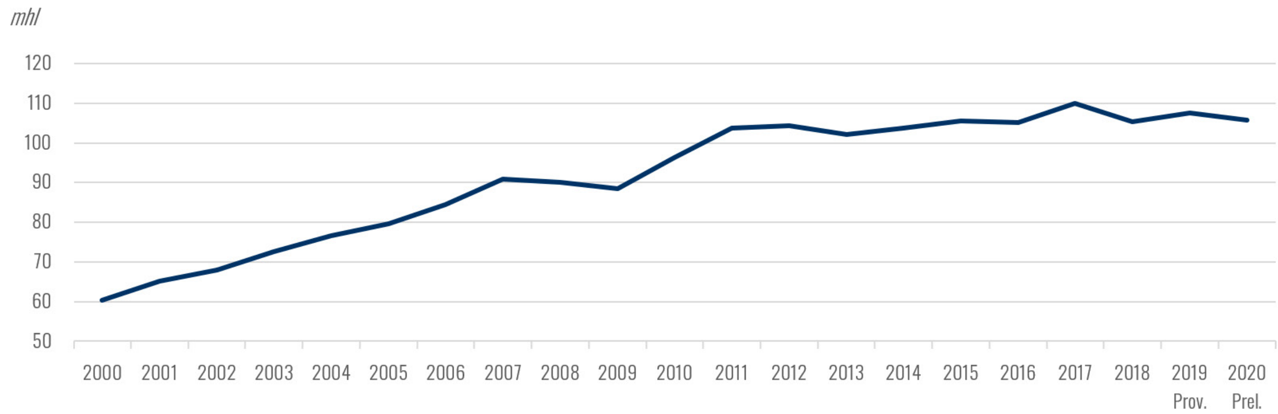

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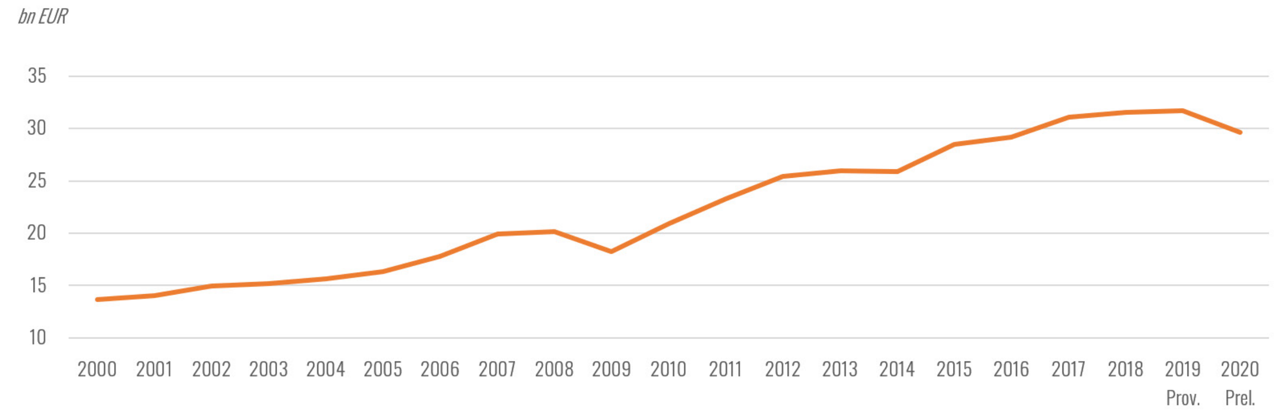
Figure 8 • Evolution of international trade of wine by value



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Trade by product type

Bottled wines (< 2 litres) represented 53% of trade volumes globally in 2020, a share in line with that recorded in the last 2 years. Among the major exporting countries, the bottled export share was very high in terms of volume in 2020 in Portugal (81%), Germany (73%), France (71%), and Italy (59%). Bottled wines constituted 70% of the total value of wines exported in 2020 throughout the world. Portugal (92%), Argentina (89%), Chile (81%), and Australia (77%) held the largest export shares in terms of value in 2020.

Sparkling wine did not experience a very lucrative year, witnessing a drop in terms of both volume (-5% / 2019) and value (-15% / 2019). This can be explained by the distressing year of COVID-19 that did not allow many celebratory events and socialising occasions, hence curbing the demand for sparkling wine world-over. Also, the closure of Horeca channels, a popular channel of distribution of sparkling wines can partially explain this decline. Share of exports from Italy, France, and Spain, in terms of volume representing 20%, 13% and 8% respectively in 2020, reduced by 2%, 13% and 5% respectively compared to 2019. Despite the relatively small share in terms of volume (9%), sparkling wines represented 19% of the world export market in terms of value in 2020.

An opposite scenario is provided by the trade of wines in containers holding more than 2 litres but less than 10 litres, more commonly referred to as **Bag-in-Box®** (BiB). This category, in 2020, represents 4% of world export volumes, and 2% of the total value. Germany, South Africa, and Portugal were the biggest exporters in volume (17%, 11%, 10% respectively) as well as in value (9%, 8%, 5% respectively) among the large exporters. In 2020, this category saw the largest expansion compared to the other product types in terms of both volume (+12%) and value (+8%) as compared to 2019.

Bulk wine (> 10 litres) exports in 2020 remain stable in terms of volume compared to 2019, with an increase in value (+4% /2019). The countries for which the bulk share of export volume was predominant are the USA (63%), Spain (53%), Australia (51%) and South Africa (46%). With respect to 2019, bulk export volumes increased significantly in Argentina (+81%), New Zealand (+26%), USA (+15%) and Australia (+11%), yet sharply declined in Germany (-32%), Portugal (-19%), South Africa (-18%), Italy (-15%) and Spain (-10%). While bulk wine represents 34% of total world wine volume exports, it only comprises 9% of the total value of wine exports.

Figure 9 • World wine export market

Global Wine Trade

<table>
<tr><th colspan="2">Volume (mhl)</th><th colspan="2">Value (bnEUR)</th><th rowspan="2">Type</th><th colspan="2">Vertical Structure in 2020</th><th colspan="2">Variation 2020/2019</th></tr>
<tr><th>2019</th><th>2020</th><th>2019</th><th>2020</th><th>volume</th><th>value</th><th>volume</th><th>value</th></tr>
<tr><td rowspan="3">107.6</td><td rowspan="3">105.8</td><td rowspan="3">31.7</td><td rowspan="3">29.6</td><td>Bottled (< 2 l)</td><td>53%</td><td>70%</td><td>-2%</td><td>-6%</td></tr>
<tr><td>Sparkling</td><td>9%</td><td>19%</td><td>-5%</td><td>-15%</td></tr>
<tr><td>BiB</td><td>4%</td><td>2%</td><td>12%</td><td>8%</td></tr>
<tr><td colspan="2">variation of -1.7%</td><td colspan="2">variation of -6.7%</td><td>Bulk (> 10 l)</td><td>34%</td><td>9%</td><td>0%</td><td>4%</td></tr>
</table>

Sources: OIV, GTA

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Main wine exporters

IIn 2020, once again, the international trade of wine in terms of volume was mainly dominated by the three EU countries - **Italy, Spain**, and **France** - that together exported 54.6 mhl, accounting for 52% of the world market. The share in volume of these three countries together, decreased by 1 mhl with respect to 2019, when it was 53%. This relative decrease can be attributed to the large declines in Spain (-6% /2019) and France (-5% / 2019) mainly, while Italy saw a drop of 2% compared to 2019. France, Italy, and Spain are the main exporters in terms of value too, in 2020, with 8.7 bnEUR, 6.2 bnEUR and 2.6 bnEUR respectively. These three countries account for 59% of the total value of wine exported in 2020. However, all the three, France (-10.8%), Spain (-3.4%), and Italy (-2.4%), recorded drop in value of exports compared to 2019. In Italy, Spain and France, BiB was the only category that recorded positive growth rates in both volume (27%, 41%, 13% respectively) and in value (21%, 23%, 7% respectively); while sparkling wine grew negatively compared to 2019, in volume (-2%, -5%, -13% respectively), and in value (with losses of 7%, 14%, 19% respectively).

Among the other large exporting countries of the EU, **Germany**, faced a decrease in export volumes (3.4 mhl, -10.3%) as well as value (882 mEUR-15.5%), while **Portugal** recorded a positive growth in both volume (3.1 mhl, +5.3%) and value (846 mEUR, +3.3%) compared to 2019.

In Oceania, both **Australia** (7.5 mhl, +0.5% /2019) and **New Zealand** (2.9 mhl, +6.0% /2019) registered positive annual growth rates in export volumes in 2020. However, in terms of value, while New Zealand (1.1 bnEUR, +4.5%) recorded an increase with respect to 2019, Australia (1.8 bnEUR, -2.3%) experienced a decline in 2020. In Australia and New Zealand, bulk wines, which represents 51% and 44% share of export volumes respectively, increased significantly in both volume (11% and 26%) and in value (14% and 26%) compared to 2019.

In **South Africa**, due to the strict lockdown measures (5 weeks of alcohol export ban in April 2020), export volume (3.6 mhl) decreased by 11.9% while in value (535 mEUR), decreased by 9.3%. Bottled and bulk wine, constituting together 87% of South Africa's exports in volume and 89% in value, dropped by 8% and 18% in volume respectively and by 10% in value each. It is interesting to note however, that, if South African exports to the rest of the world excluding countries of the South African Customs Union are considered, there is almost no change in the volume levels in 2020 (3.2 mhl) with respect to 2019.

In South America, **Chile** experienced a drop of 2% compared to 2019, reaching 8.5 mhl in 2020, while **Argentina** increased its exports volume by 27% with respect to 2019, reaching 4.0 mhl in 2020. The value of exports was 1.6 bnEUR (-7.1% /2019) in Chile, and 655 mEUR (-4.0% /2019) in Argentina. It is worth noting that Argentinian exports of bulk wine increased dramatically, by 81% in volume and 35% in value. In Chile, BiB was the only category with positive growth rates, recording +24% in volume and +20% in value.

In the **United States of America**, 2020 export volumes (3.6 mhl) increased by 1.8%, while export value (1.1 bnEUR) declined by 8.5%. Bulk wine, with a share of 63% in US exports in volume, was the only category that registered a positive growth in volume (+15%). Bottled wine, which represents the largest share in terms of value (73%), decreased by 14% in volume and 11% in value.

Figure 10 • Main exporters of wine[13]

	Volume (mhl)		Value (mEUR)		Type	Vertical Structure in 2020		Variation 2020/2019	
	2019	2020	2019	2020		volume	value	volume	value
Italy	21.4	20.8	6 387	6 233	Bottled (< 2 l)	59%	70%	1%	-1%
					Sparkling	20%	24%	-2%	-7%
					BiB	3%	2%	27%	21%
	variation of -2.4%		variation of -2.4%		Bulk (> 10 l)	19%	4%	-15%	-8%
Spain	21.4	20.2	2 718	2 626	Bottled (< 2 l)	36%	65%	-2%	-2%
					Sparkling	8%	15%	-5%	-14%
					BiB	3%	2%	41%	23%
	variation of -5.9%		variation of -3.4%		Bulk (> 10 l)	53%	18%	-10%	-3%
France	14.3	13.6	9 794	8 736	Bottled (< 2 l)	71%	64%	-5%	-8%
					Sparkling	13%	32%	-13%	-19%
					BiB	4%	1%	13%	7%
	variation of -4.9%		variation of -10.8%		Bulk (> 10 l)	13%	3%	-1%	16%
Chile	8.7	8.5	1 716	1 595	Bottled (< 2 l)	57%	81%	0%	-6%
					Sparkling	0%	1%	-24%	-24%
					BiB	3%	2%	24%	20%
	variation of -2.2%		variation of -7.1%		Bulk (> 10 l)	40%	16%	-6%	-15%
Australia	7.4	7.5	1 829	1 787	Bottled (< 2 l)	43%	77%	-8%	-6%
					Sparkling	1%	2%	-22%	-18%
					BiB	6%	2%	12%	22%
	variation of 0.5%		variation of -2.3%		Bulk (> 10 l)	51%	19%	11%	14%
Argentina	3.1	4.0	682	655	Bottled (< 2 l)	54%	89%	5%	-6%
					Sparkling	0%	1%	-27%	-38%
					BiB	0%	0%	-1%	13%
	variation of 27%		variation of -4.0%		Bulk (> 10 l)	45%	10%	81%	35%
USA	3.6	3.6	1 254	1 147	Bottled (< 2 l)	34%	73%	-14%	-11%
					Sparkling	1%	4%	-2%	-4%
					BiB	2%	2%	-24%	-12%
	variation of 1.8%		variation of -8.5%		Bulk (> 10 l)	63%	21%	15%	0%
South Africa	4.1	3.6	590	535	Bottled (< 2 l)	41%	69%	-8%	-10%
					Sparkling	1%	3%	9%	-6%
					BiB	11%	8%	1%	-3%
	variation of -11.9%		variation of -9.3%		Bulk (> 10 l)	43%	20%	-18%	-10%
Germany	3.8	3.4	1 044	882	Bottled (< 2 l)	73%	81%	-11%	-14%
					Sparkling	8%	10%	-11%	-27%
					BiB	17%	9%	-3%	-4%
	variation of -10.3%		variation of -15.5%		Bulk (> 10 l)	2%	1%	-32%	-8%
Portugal	3.0	3.1	819	846	Bottled (< 2 l)	81%	92%	7%	3%
					Sparkling	1%	1%	11%	0%
					BiB	10%	5%	17%	31%
	variation of 5.3%		variation of 3.3%		Bulk (> 10 l)	8%	2%	-19%	-17%
New Zealand	2.7	2.9	1 096	1 145	Bottled (< 2 l)	54%	71%	-1%	-3%
					Sparkling	1%	1%	118%	150%
					BiB	1%	1%	59%	23%
	variation of 6%		variation of 4.5%		Bulk (> 10 l)	44%	27%	26%	26%

Sources: OIV, GTA

[13] Countries with export volumes equal to or above 2 mhl in 2020.

Main wine importers

In 2020, the top three importers in terms of volumes were **UK**, **Germany**, and **USA**, which together imported **41 mhl, accounting for 39% of the world total**. These three countries represent 38% of the total value of world wine imports, reaching **11.5 bnEUR**.

The largest importer by volume in 2020 is the **UK**, with **14.6 mhl**, (+4% / 2019) and ranks second in terms of value with 2020 wine imports worth **3.8 bnEUR** (-4%/2019). Sparkling wine in 2020, represents 18% of the total UK import value in 2020, witnessing a drastic fall of 17% compared to 2019, when it represented 21%. This fall could be due to a combination of the impact of lockdown restrictions in the UK as well as the trade disruptions linked to Brexit. Bulk wine is the product that sees the largest increase in import volume (+11% /2019) and value (+12% / 2019) and represents the second-largest share (40% in volume and 18% in value) in UK imports after bottled wine.

Germany ranks second in the list of major importers of 2020 in terms of volume, with **14.1 mhl**, and third in terms of value, with **2.6 bnEUR**. Bulk wine continues to represent the largest share (57%) of German imports in volume, despite a fall of 7% with respect to 2019 and second-largest share in value with 19% (-3% / 2019). Bottled wine stays in line with 2019, representing 38% in volume (+1%/2019) and 65% in value (+0%/2019) of the total 2020 German imports.

The **USA**, in 2020, maintained its wine import volume at **12.3 mhl**; however, faced a notable decline in value (-11%) reaching **5.2 bnEUR**. Notwithstanding this decline, the USA continues to secure its first position among largest importers in value. Bulk wine which accounts for 30% of the total US import volume, grew by 9% in 2020. Both bottled and sparkling wine, which represent 72% and 22% in value respectively, decreased by 12% and 11% respectively compared to 2019, probably due to the higher tariffs on certain European wines starting in October 2019.

France, with 6.3 mhl, saw a decline of 14% in import volumes between 2019 and 2020, while in value registered a loss of -12%. Bulk wine represents the largest share (78%) of the volumes imported in 2020 which decreased by 15% with respect to 2019; while bottled wine, which represents the largest share (54%) in value in 2020, saw a drop of 16%. BiB category, which represents 3% of total French import volumes, registered the relatively largest growth in volume (+14% /2019).

Netherlands, with an increase of 11% in its import volume, reached **4.7 mhl**, rising in ranks to acquire the position of the fifth largest importer in 2020 by volume; wherein France, Germany, Italy, and Spain were its top 4 trade partners. It also saw an upshoot of 9% in value, reaching **1.3 bnEUR**. Bottled wine constitutes the largest share of the Dutch imports in both volume and value (both being 85%) in 2020, which grew by +13% and +11% respectively.

Canada was at **4.5 mhl** (+8% /2019) in volume, and with a slight decline of -1% compared to 2019, reached **1.7 bnEUR** in value. BiB category saw the highest growth rates in 2020, with +24% in volume and +19% in value, although it represents only 2% of the total imported volume.

China on the other hand, saw a significant decline in its imported volumes (-30% / 2019), reaching **4.3 mhl** in 2020. With an overall decline of 27% compared to 2019, the trend is similar in value, reaching **1.6 bnEUR**. This steep decline could be linked to border closures and strict lockdown measures in China due to the COVID-19 sanitary crisis. All categories saw sharp downfalls, but bottled wines which accounts for most of the imports of China, dropped by 32% in volume and 26% in value.

Among other large importers in volume, **Russia** (3.5 mhl, -21% / 2019), **Belgium** (**3.0 mhl**, -4% / 2019), and **Portugal** (**2.7 mhl**, -8% / 2019) followed. These three countries also, saw a decline in value of their wine imports in 2020 by -9%, -2%, and -4% respectively. Lastly, outside the 'top 10 importers by volume', other large importers were **Japan** and **Sweden**, importing volumes of **2.6 mhl** (-8.8% /2019) and **2.2 mhl** (+2.9%/2019) respectively.

Figure 11 • Main importers of wine[14]

	Volume (mhl)		Value (mEUR)		Type	Vertical Structure in 2020		Variation 2020/2019	
	2019	2020	2019	2020		volume	value	volume	value
UK	14.0	14.6	3 957	3 804	Bottled (< 2 l)	49%	63%	1%	-3%
					Sparkling	10%	18%	-5%	-17%
					BiB	1%	1%	-11%	-4%
	variation of 4.2%		variation of -3.9%		Bulk (> 10 l)	40%	18%	11%	12%
Germany	14.8	14.1	2 635	2 572	Bottled (< 2 l)	38%	65%	1%	0%
					Sparkling	4%	15%	-8%	-9%
					BiB	2%	1%	-8%	-20%
	variation of -5.0%		variation of -2.4%		Bulk (> 10 l)	57%	19%	-7%	-3%
USA	12.3	12.3	5 787	5 160	Bottled (< 2 l)	57%	72%	-3%	-12%
					Sparkling	12%	22%	-7%	-11%
					BiB	1%	1%	10%	8%
	variation of 0.1%		variation of -10.8%		Bulk (> 10 l)	30%	6%	9%	10%
France	7.2	6.3	869	761	Bottled (< 2 l)	15%	54%	-14%	-16%
					Sparkling	5%	12%	-4%	-5%
					BiB	3%	2%	14%	0%
	variation of -13.5%		variation of -12.4%		Bulk (> 10 l)	78%	31%	-15%	-9%
Netherlands	4.2	4.7	1 198	1 304	Bottled (< 2 l)	85%	85%	13%	11%
					Sparkling	4%	10%	-3%	6%
					BiB	3%	1%	7%	0%
	variation of 10.7%		variation of 8.8%		Bulk (> 10 l)	9%	3%	1%	-10%
Canada	4.2	4.5	1 742	1 727	Bottled (< 2 l)	63%	86%	1%	-1%
					Sparkling	4%	8%	-4%	-8%
					BiB	2%	1%	24%	19%
	variation of 7.9%		variation of -0.9%		Bulk (> 10 l)	31%	4%	26%	1%
China	6.1	4.3	2 182	1 599	Bottled (< 2 l)	73%	91%	-32%	-26%
					Sparkling	2%	4%	-28%	-16%
					BiB	1%	0%	-27%	-42%
	variation of -29.8%		variation of -26.7%		Bulk (> 10 l)	24%	5%	-24%	-38%
Russia	4.5	3.5	1 039	948	Bottled (< 2 l)	79%	78%	-1%	-5%
					Sparkling	13%	20%	4%	-1%
					BiB	0%	0%	8%	-50%
	variation of -20.9%		variation of -8.8%		Bulk (> 10 l)	7%	1%	-79%	-77%
Belgium	3.1	3.0	1 010	988	Bottled (< 2 l)	61%	66%	-3%	0%
					Sparkling	13%	25%	-15%	-7%
					BiB	5%	3%	-13%	4%
	variation of -4.1%		variation of -2.2%		Bulk (> 10 l)	20%	6%	-2%	-8%
Portugal	2.9	2.7	164	158	Bottled (< 2 l)	22%	30%	16%	12%
					Sparkling	1%	11%	-10%	-25%
					BiB	3%	3%	-40%	-20%
	variation of -7.9%		variation of -3.7%		Bulk (> 10 l)	75%	57%	-11%	-3%
Japan	2.8	2.6	1 607	1 366	Bottled (< 2 l)	64%	61%	-7%	-9%
					Sparkling	14%	35%	-19%	-24%
					BiB	5%	1%	-8%	-9%
	variation of -8.8%		variation of -15.0%		Bulk (> 10 l)	17%	3%	-6%	-14%
Sweden	2.1	2.2	690	726	Bottled (< 2 l)	45%	56%	-2%	5%
					Sparkling	13%	21%	9%	5%
					BiB	29%	16%	10%	10%
	variation of 2.9%		variation of 5.2%		Bulk (> 10 l)	13%	8%	0%	0%

Sources: OIV, GTA

[14] Countries with import volumes equal to or above 2 mhl in 2020.

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