

State of World Vitiviniculture situation

37th World Congress of Vine and Wine

Mendoza, 10th November 2014

Jean-Marie AURAND

Director General



State of the vitiviniculture world market

❖ Surface area

❖ Grape

- Global grape production
- Grape for fresh consumption
- Dried Grape

❖ Wine

- Production: 2014 first estimation
- Consumption of wine
- Wine trade

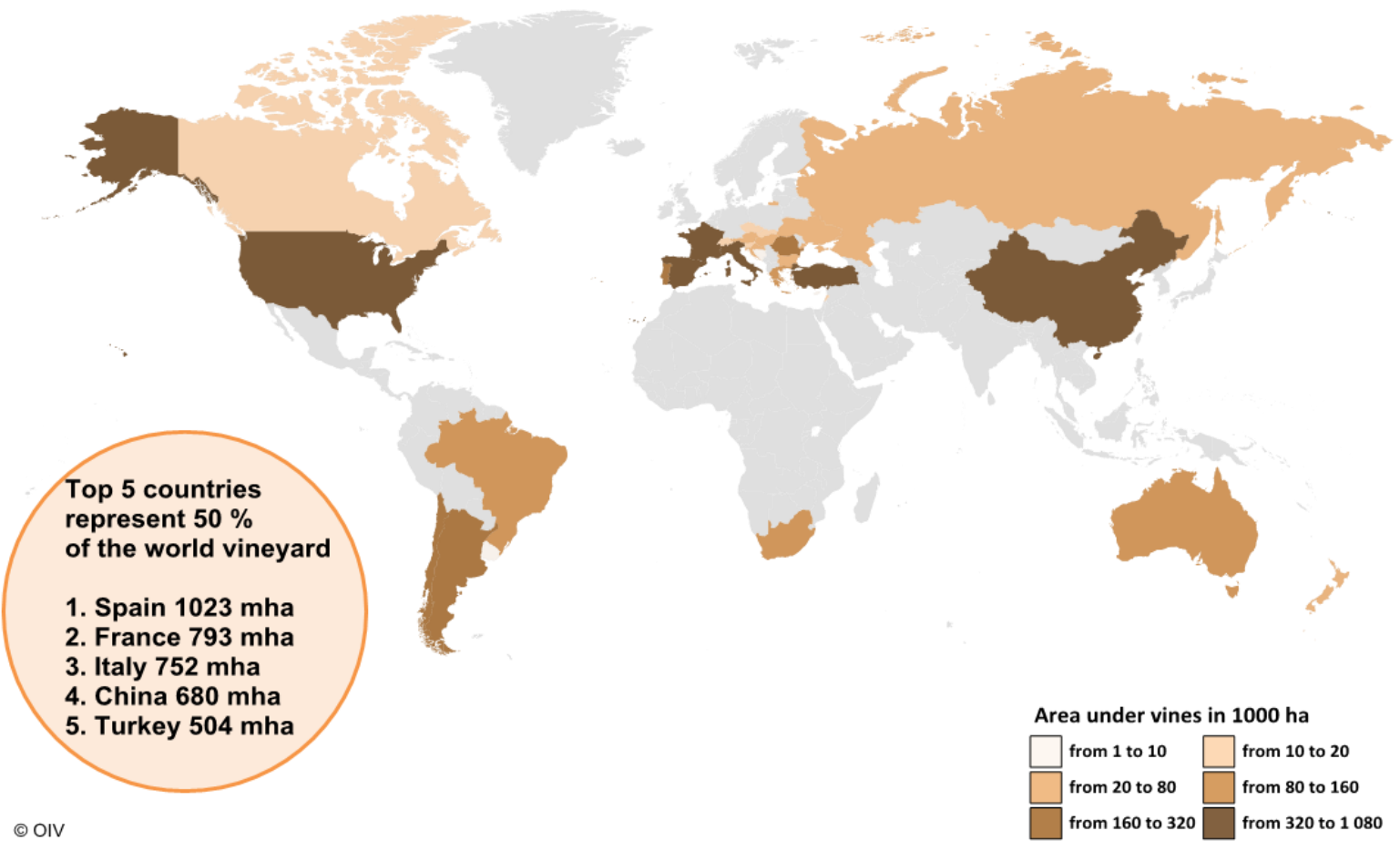
❖ The Sparkling wine market

Surface area of vineyards



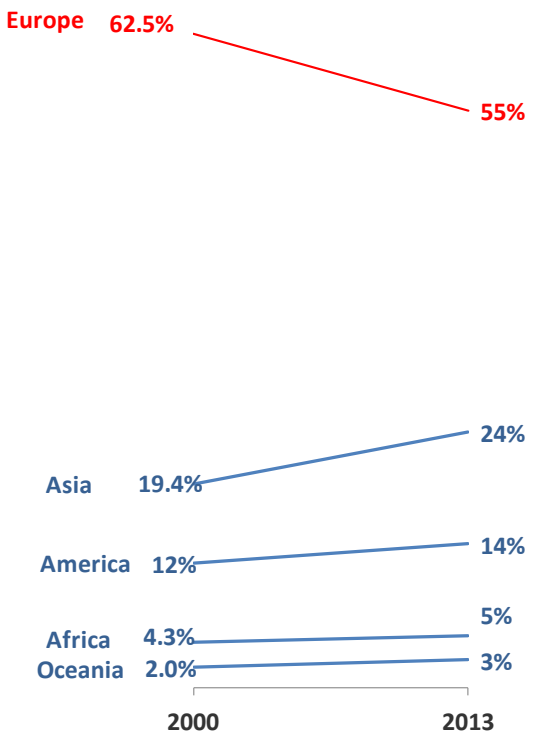
Vitivinicultural production potential: the vineyards in the world

7519 mha is the global area under vines in 2013

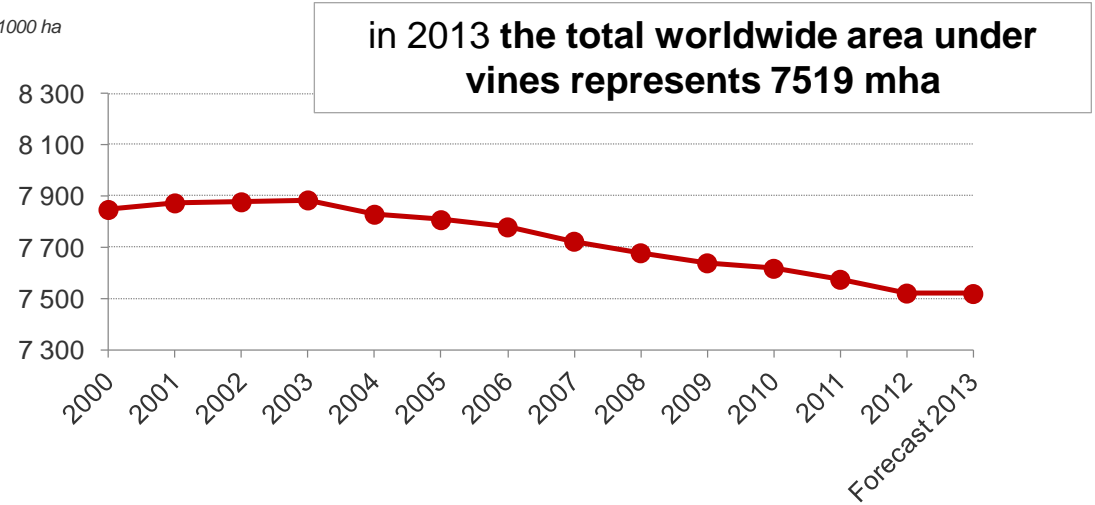


Surface area of vineyards worldwide

Evolution share of global vineyard in %
2000-2013



1000 ha

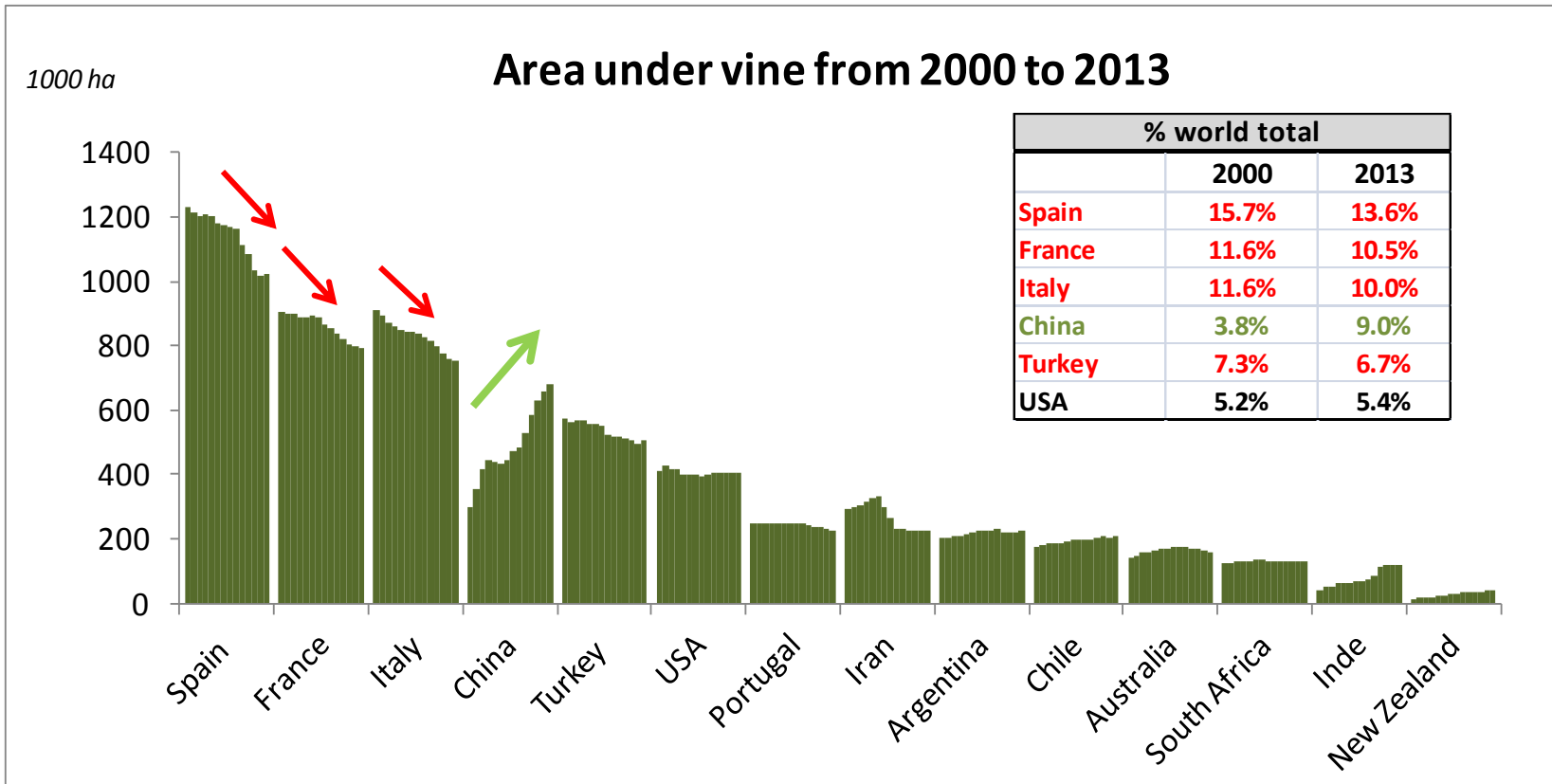


The **total area under vines** : the world's total vineyard surface area, is decreasing mainly due to the reduction of European vineyards.

This reduction has been partially offset by the increase in the planted surface areas in the rest of the world:

- **Europe's** share of the world' vineyards has declined from about 62% of the total in 2000 to 55% in 2013.
- the share of **all other regions is increasing**, in particular in Asia, which now accounts for 24% of the world's vineyards.

Recent developments of the leading vineyards



Since 2000 area under vine has **fallen considerably**:

Spain (-17%), France (-13%), Italy (-17%)

While vineyards and plantations are reducing in Turkey (-12%) and Iran (-23%), they are

increasing in China (+127%) and India (+177%), while New Zealand (+179%) and Australia have **remained** more or less **stable** in the USA and in South Africa.

Grape

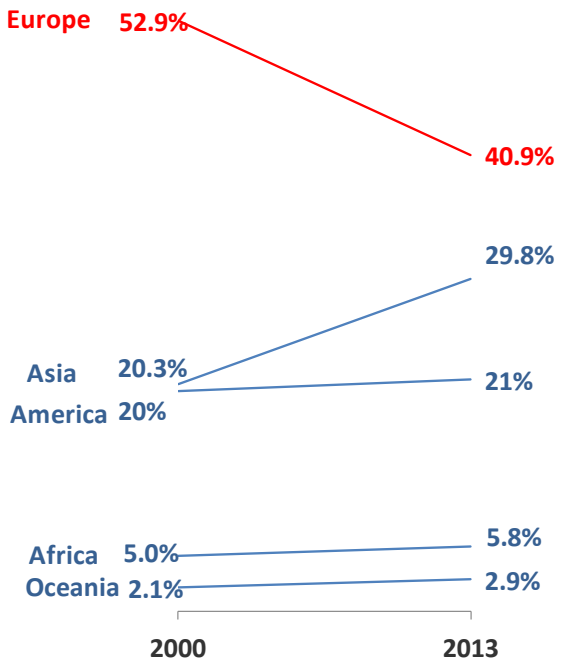
Global grape production

- *Grape for fresh consumption*
- *Dried Grapes*

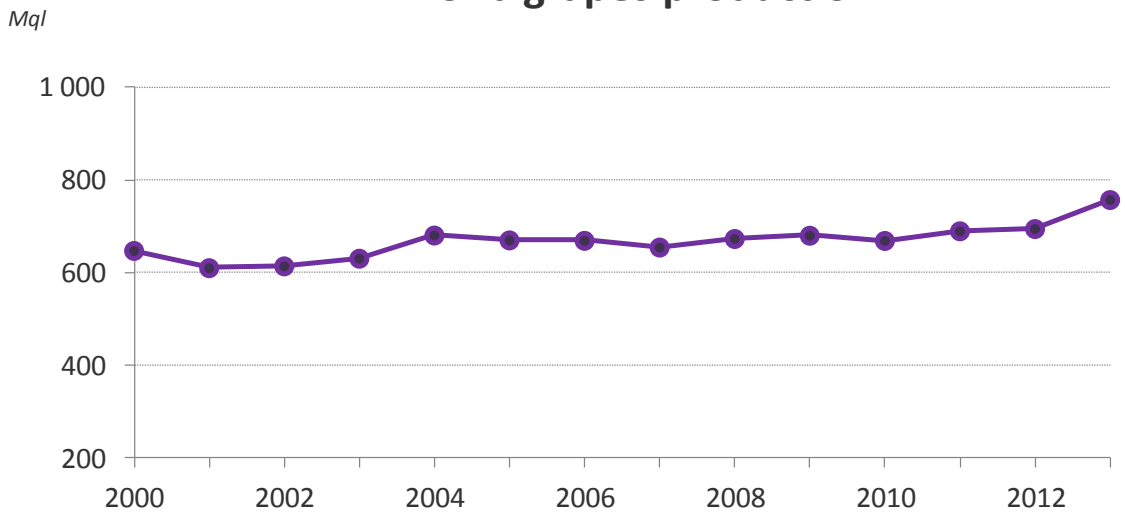
Global grape production

Global grape production

Continental evolution
as % of global production
2000-2013



World grapes production

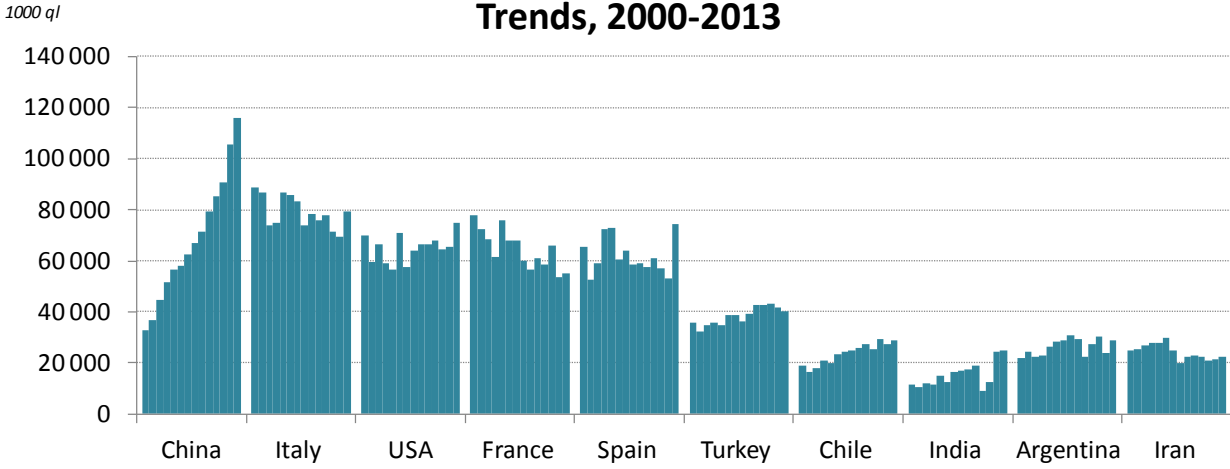


In **2013** the world production of grapes (**751 MqL**) increased by 8% compared to 2012. While the area under vine decrease, grape production has been increasing since 2000 (+17%) : this partly due to an increase in yields.

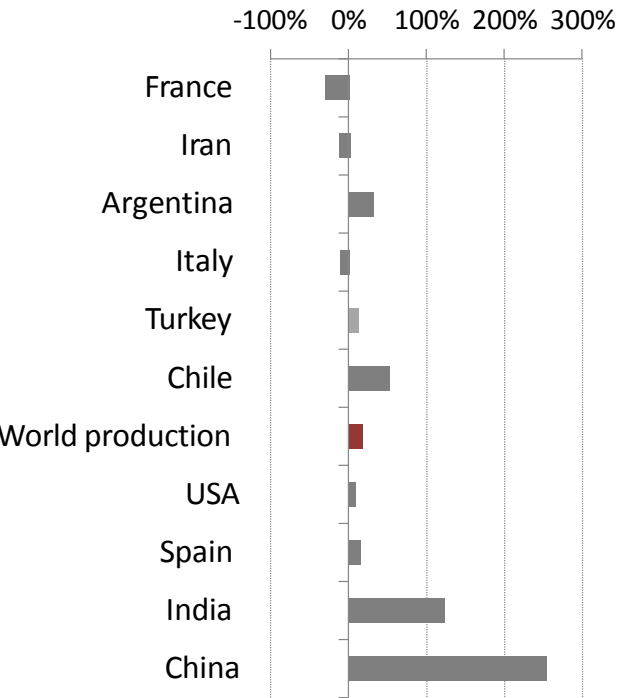


Major grapes producers: all use

Trends, 2000-2013



% change 2000-13



With **115 Mql**, China produces **15% of the world grapes**, followed by **Italy (79 Mql, 10% of the world production)** and **USA (about 75 Mql, 10% of the world production)**.

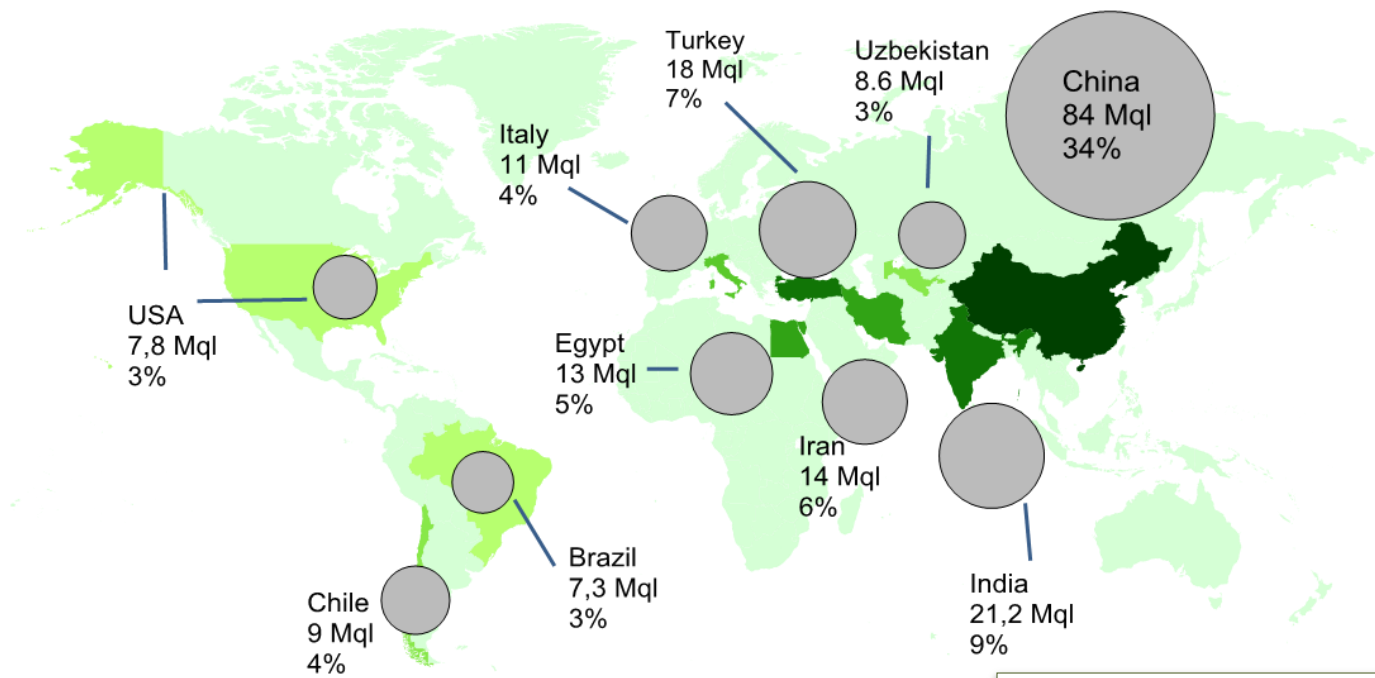
Growth in grapes production is particularly significant in **China, India** and **Chile**.

Grapes for fresh consumption



Fresh grapes production

World's Top Ten fresh grapes producing countries in 2013



Asia is by far the largest producer, accounting for 62% of the world's production

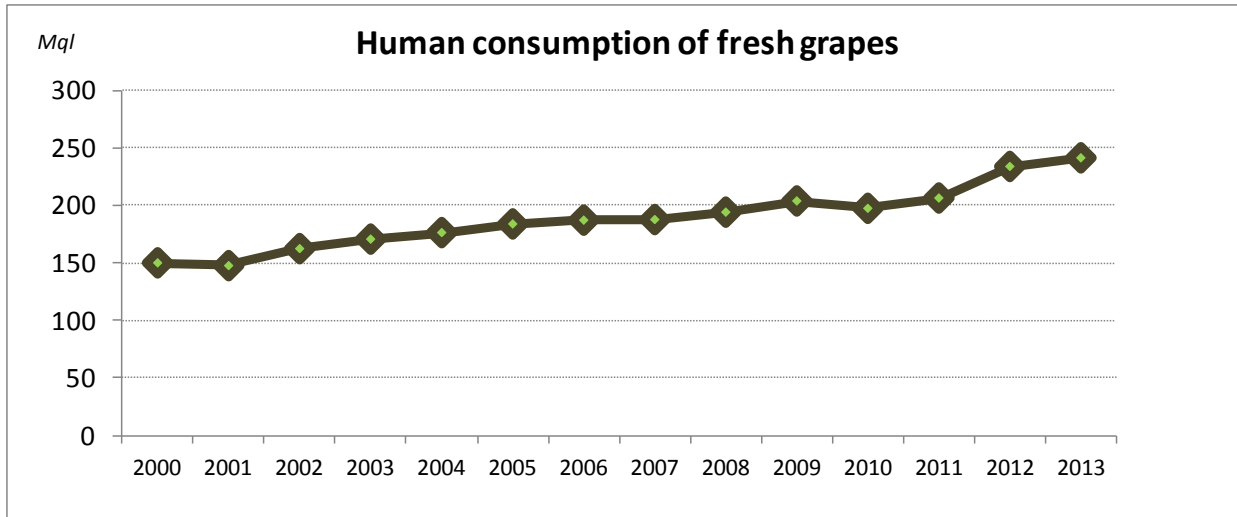
© OIV

Production reached **249 MqL** in 2013: a remarkable increase compared to 2010 (+21%)





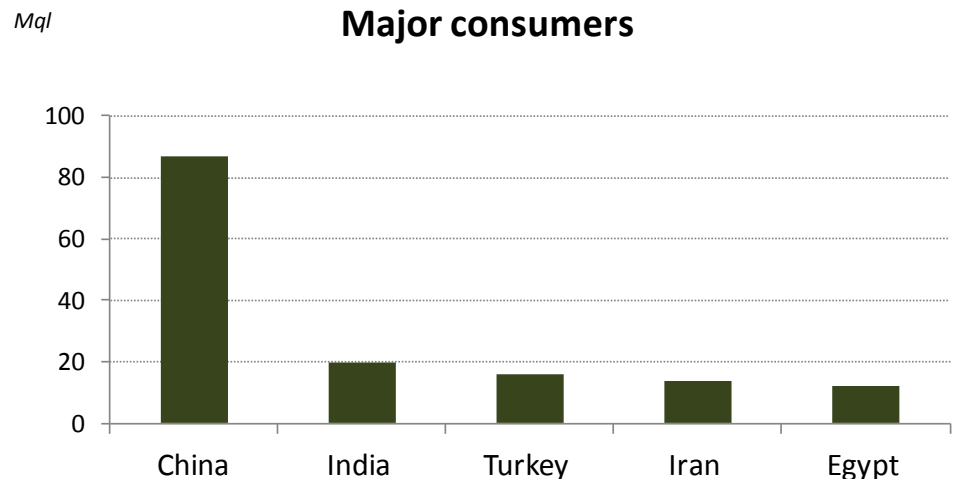
Fresh grapes consumption



The world human consumption of fresh grapes reached about **241 Mql** in 2013: the highest level reported since 2000.

➤ 60% of fresh grapes are consumed in 5 countries.

➤ Asia is first grape consumer, China alone accounting for the 36% of the world consumption



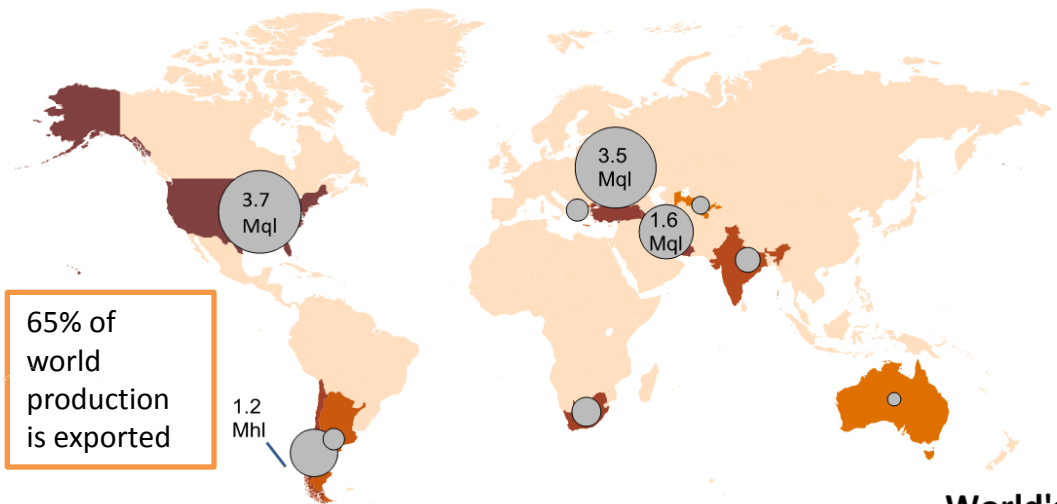
Dried grapes

Dried grapes

Who produce? Who consume?

World's Top Ten dried grapes producing countries

in 2013, the global production of dried grapes represents about 13 Mql

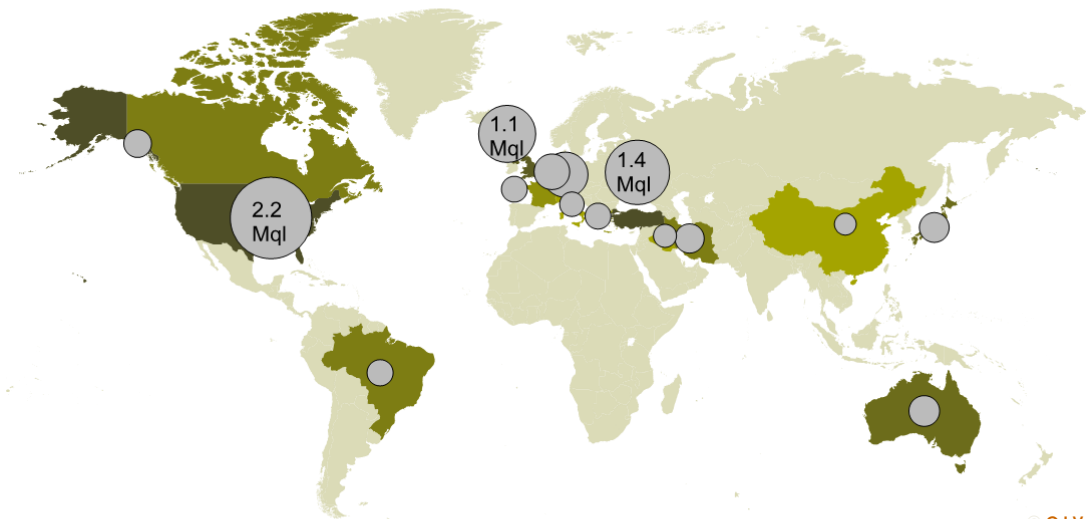


65% of world production is exported

	Production 2013 1000 ql	% world production
USA	3715	29%
Turkey	3559	31%
Iran	1600	12%
Chile	1230	6%
South Africa	460	4%
India	336	0%
Greece	267	4%
Argentina	252	2%
Uzbekistan	170	4%
Australia	100	1%

World's Top Ten dried grapes consuming countries

in 2013, about 12 Mql of dried grapes have been consumed



	Consumption 2013 1000 ql	% world consumption
USA	2 268	18%
Turkey	1 419	12%
UK	1117	9%
Germany	700	6%
Netherlands	435	4%
Australia	324	3%
Japon	304	2%
Iran	293	2%
Canada	264	2%
Brazil	234	2%
Greece	230	2%
France	229	2%
Italy	206	2%
Iraq	183	1%
China	165	1%



Wine

❖ Production of wine

- World production
- Major producers

❖ Consumption of wine

- World consumption
- Major consumers

❖ Wine trade

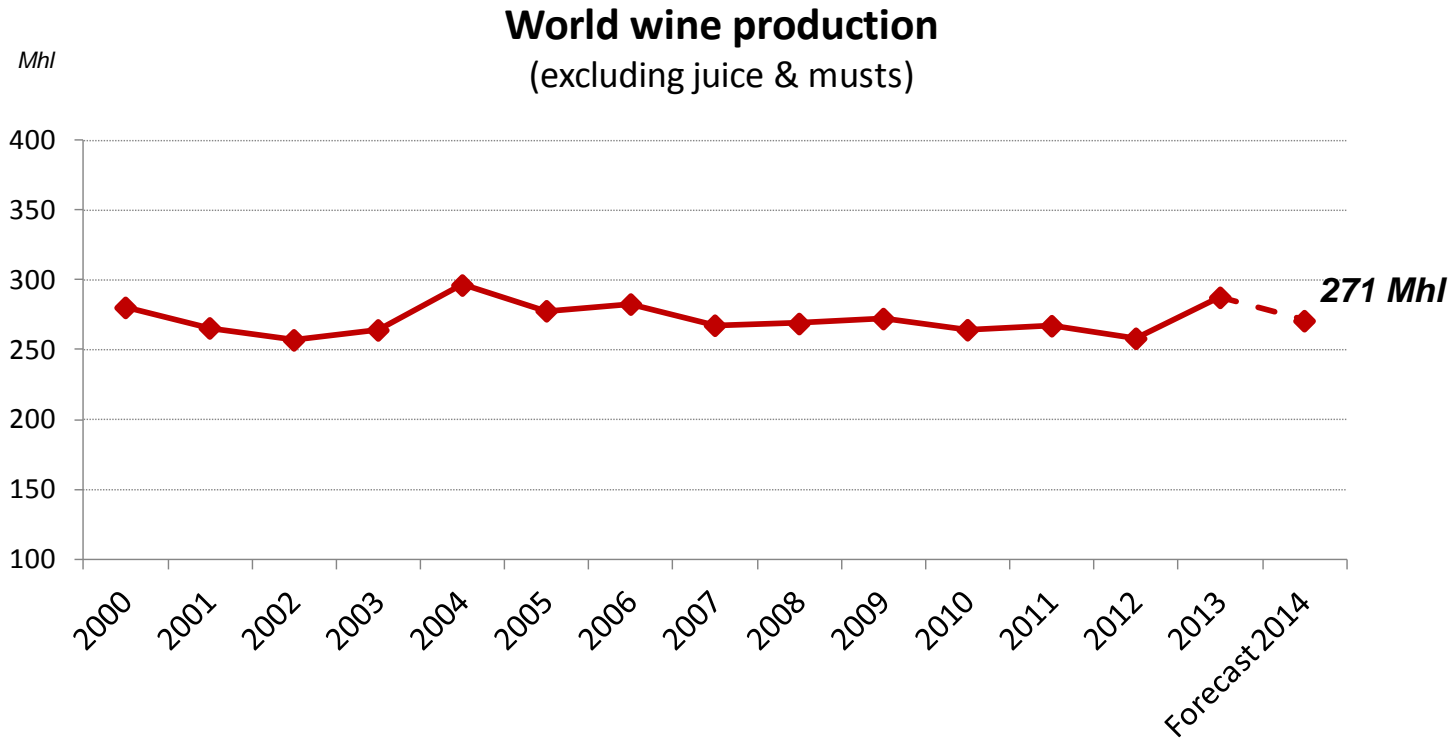
- World wine trade: value & volume
- Top world Exporters
- Top world Importers

Wine production

- 2014 first estimation
- Trends in production



Trends in world wine production

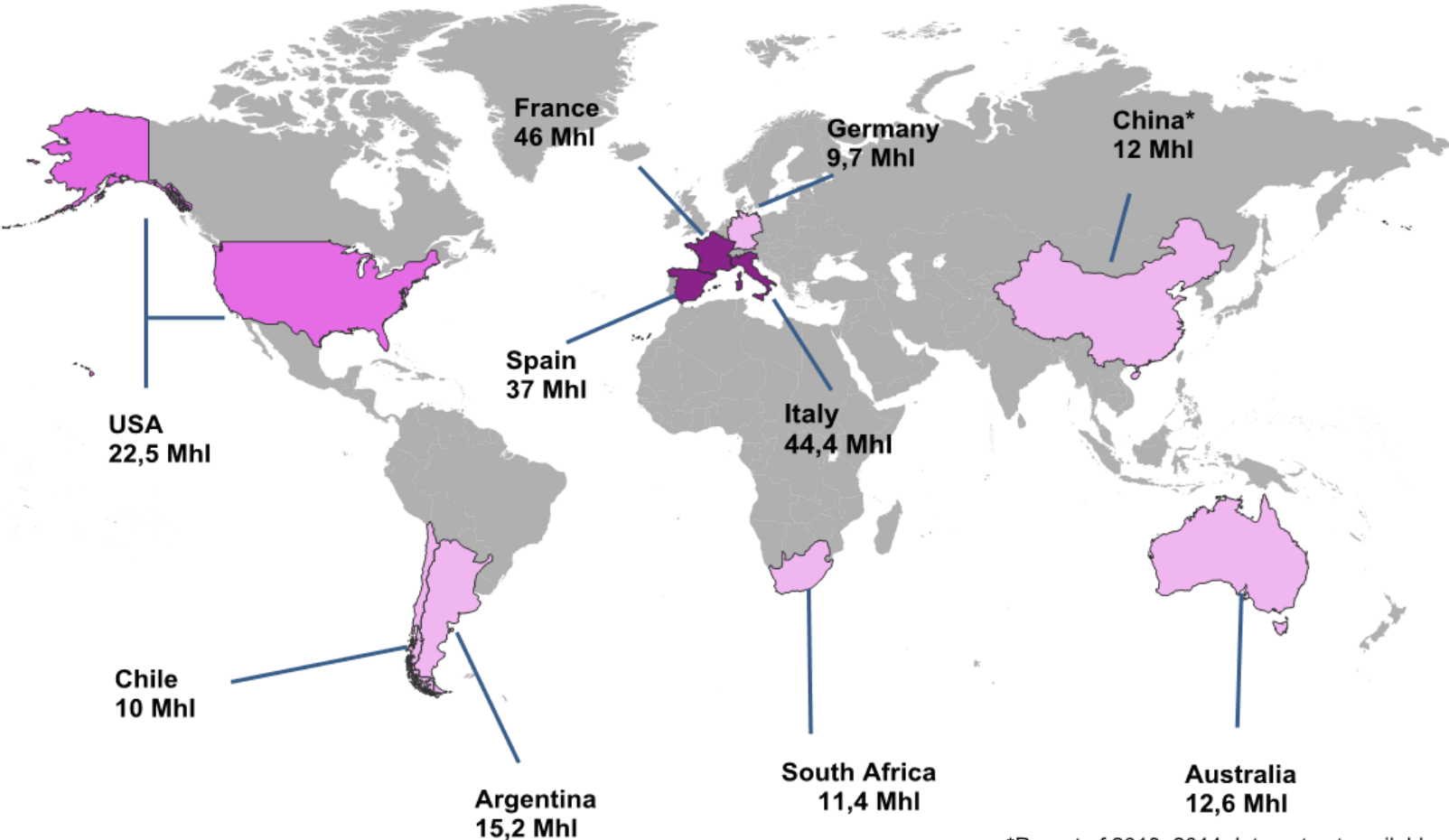


The global wine production, excluding juice and musts, is likely to reach 271 millions hectolitres in 2014 – a decrease of 6% compared to 2013



2014 wine production in the 10 main producing countries

80% of the world's wine is produced by 10 countries



*Report of 2013, 2014 data not yet available

Table 1: Wine production (excluding juice and musts) (1)

<i>1000 hl</i>	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	46 151	4147	10%	1
Italy	48 525	42 772	45 616	52 429	44 424	-8005	-15%	2
Spain	35 353	33 397	31 123	45 650	37 000	-8650	-19%	3
United States (2)	20 890	19 140	21 740	23 500	22 500	-1000	-4%	4
Argentina	16 250	15 473	11 780	14 984	15 200	216	1%	5
Australia	11 420	11 180	12 260	12 310	12 560	250	2%	6
China (3)	13000	13200	13810	11780	11780	0	0%	7
South Africa	9 327	9 725	10 568	10 980	11 420	440	4%	8
Chile	8844	10464	12554	12 846	10 029	-2817	-22%	9
Germany	6 906	9 132	9 012	8 409	9 725	1316	16%	10
Portugal	7 148	5 622	6 327	6 238	5886	-352	-6%	11
Romania	3 287	4 058	3 311	5 113	4 093	-1020	-20%	12
New Zealand	1 900	2 350	1 940	2 480	3 200	720	29%	13
Greece	2 950	2 750	3 115	3 343	2 900	-443	-13%	14
Brazil	2 459	3 460	2 967	2 710	2810	100	4%	15
Hungary	1 762	2 750	1 776	2 666	2 734	68	3%	16
Austria	1 737	2 814	2 125	2 392	2 250	-142	-6%	17
Bulgaria	1 224	1 237	1 442	1 755	1 229	-526	-30%	18
Switzerland	1 030	1 120	1 000	840	900	60	7%	19
Croatia	1 433	1 409	1 293	1 249	874	-375	-30%	20
OIV World Total(4)	264 372	267 243	256 222	287 600	270 864	-16736	-6%	

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

(2): OIV estimate (USDA basis)

(3): Report for the year 2013, 2014 figures not yet available

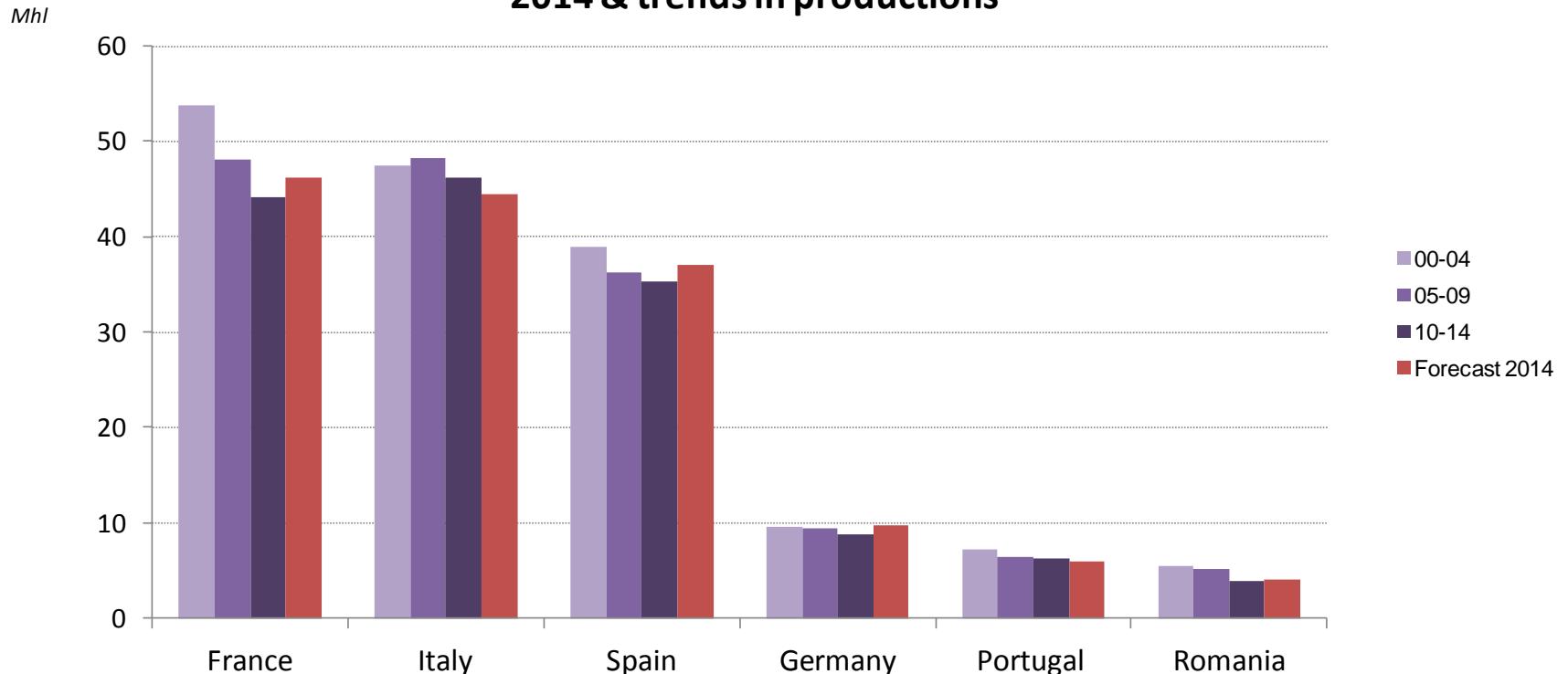
(4) Range used for 2014 world production: 266.2 mhl to 275.5 mhl



How is the 2014 wine production compared with the last 15 years?

Countries with a decreasing trend

2014 & trends in productions

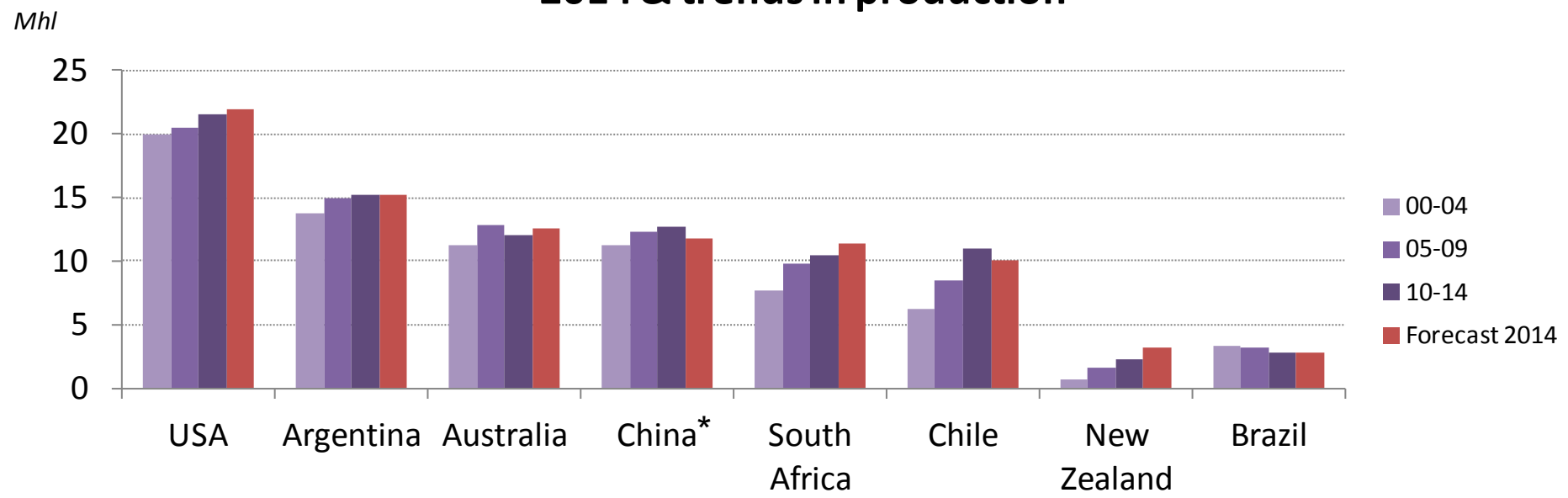


In 2014, compared to the last 15 years' trend:

- France, Spain and Germany's production seem to recover and reverse the decreasing trend
- Italy and Romania confirmed the decrease or stagnation of their production

Countries with an increasing trend

2014 & trends in production



*Report for the year 2013, 2014 figures not yet available

In 2014, compared to the last 15 years' trend:

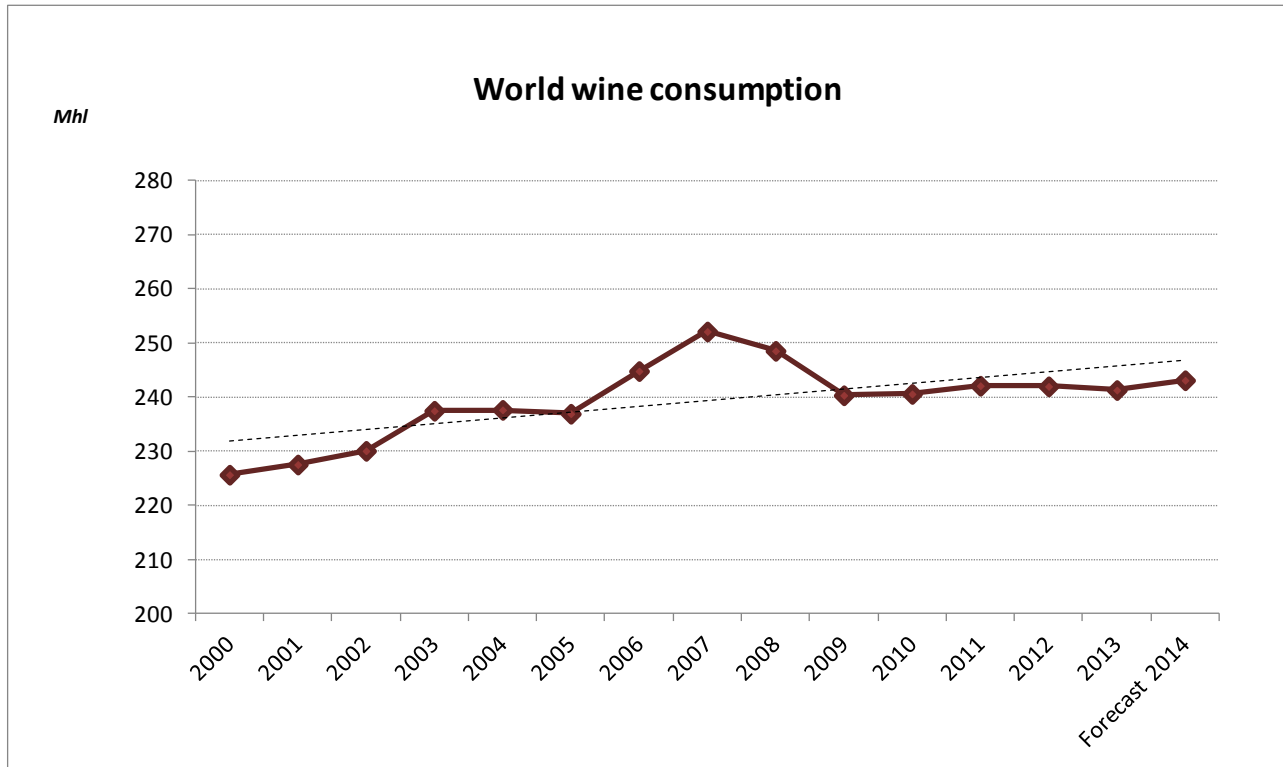
- almost all countries confirm their increase in vine production

Consumption's trend

- World consumption
- Major consumers



Moving towards consolidation of consumption

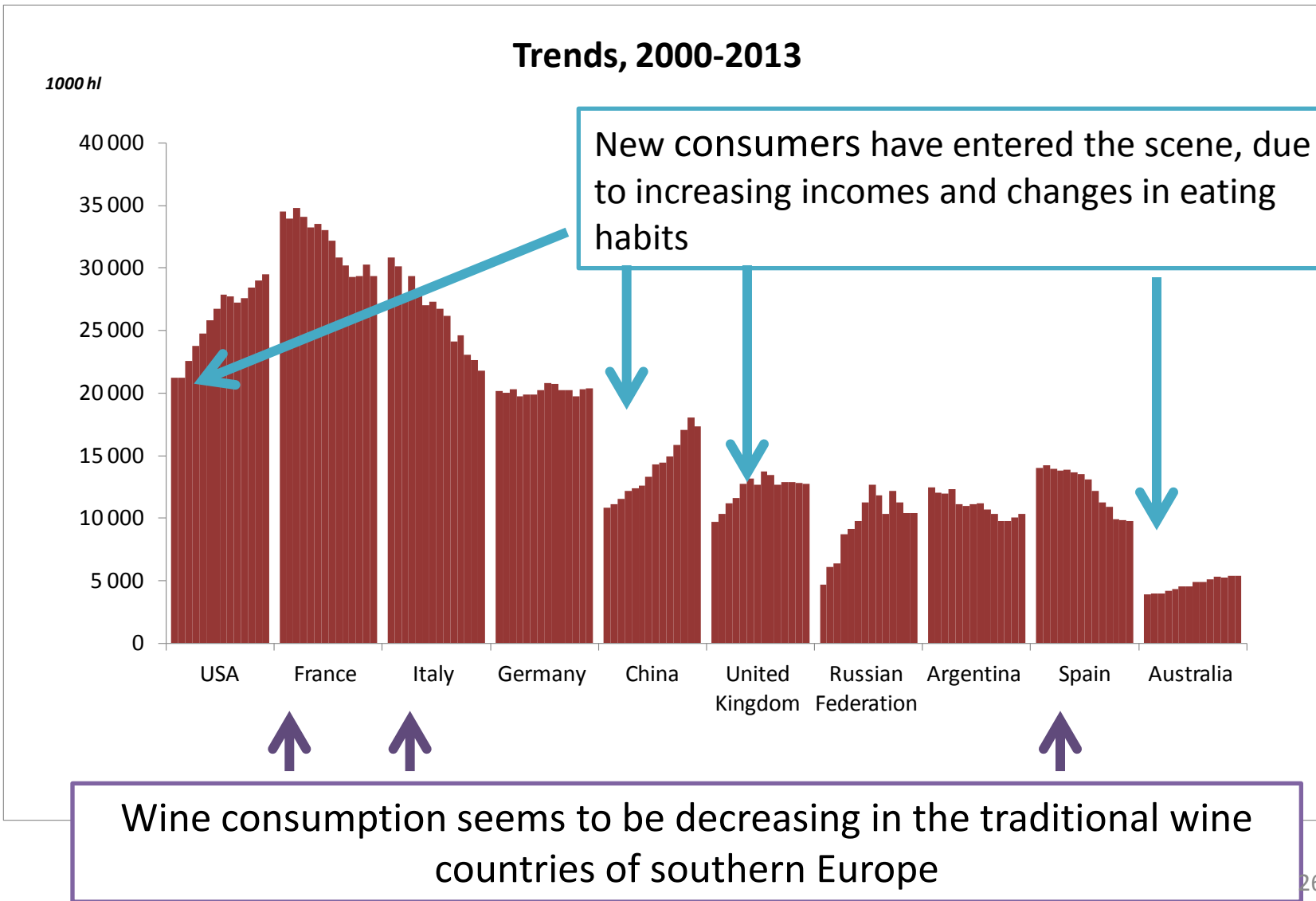


At this time of the year, no reliable information is available on the level of consumption in the different markets for 2014.

The data available show a consolidation of the global consumption, **at around 243 Mhl.**

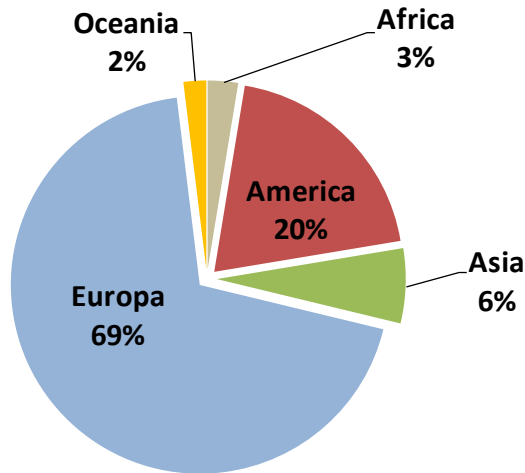


Major wine consumers

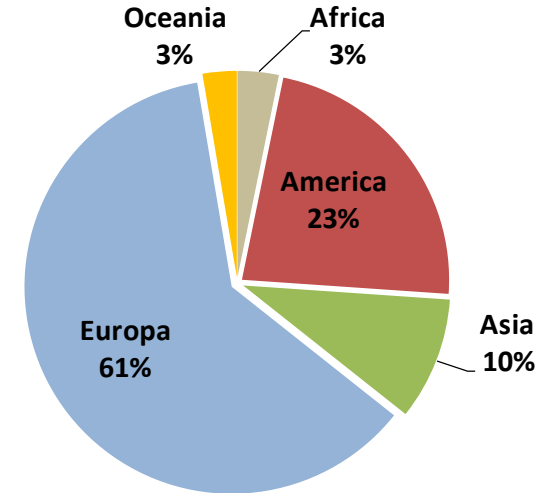


Shift in wine consumption geography

2000



2013



The increased global in trade over the past 20 years has resulted in a **shift in the wine consumption patterns.**

The 2000-2013 period has been characterized by a transfer of the wine consumption : today about 39% of the wine is consumed outside European countries, compared to 31% in 2000.



Wine trade*

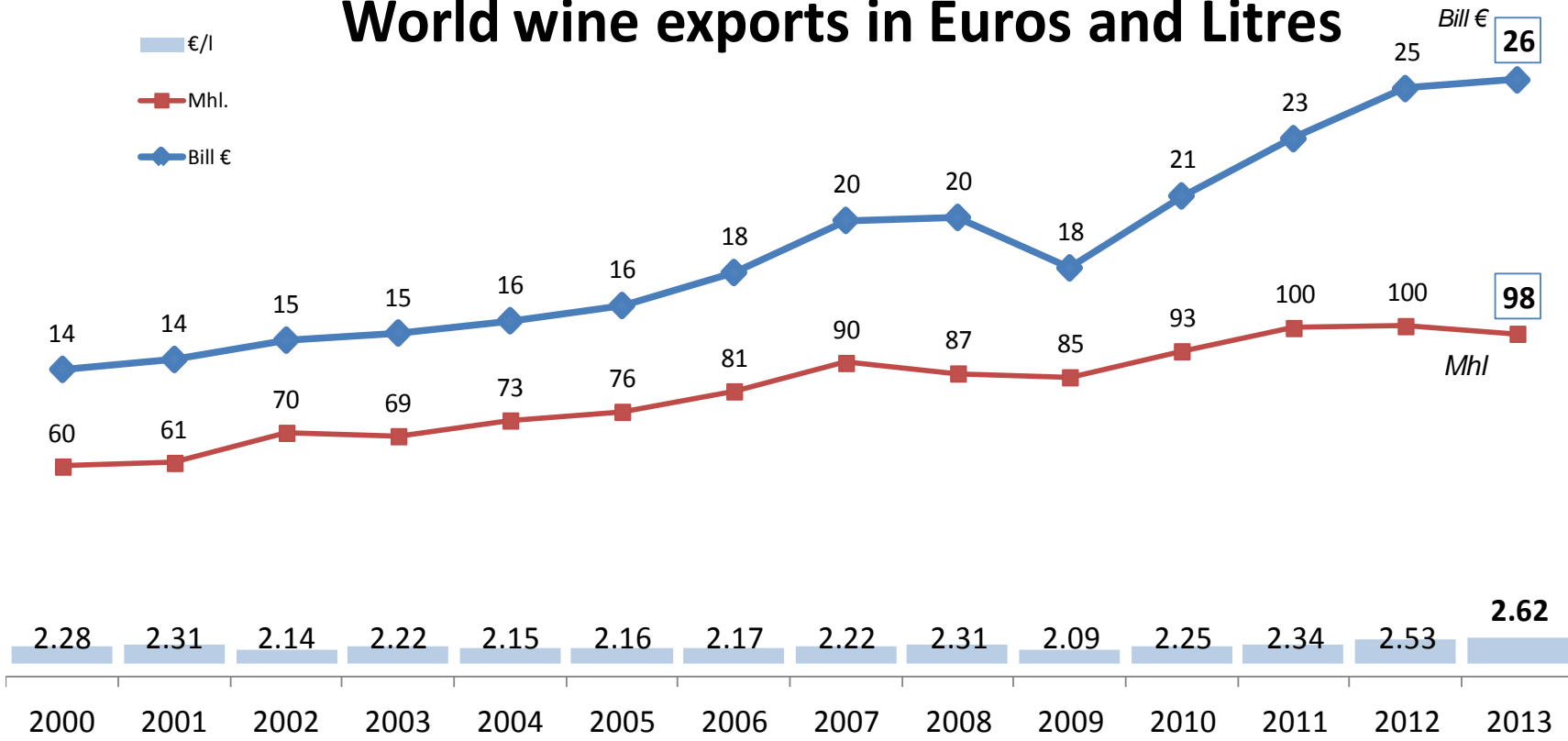
- World wine trade: value & volume
- Top world Exporters
- Top world Importers

*in collaboration with the Spanish Observatory of Wine Markets (OeMv)

NOTE: data for world trade are taken from GTA, which, in turn, take them from official administration bodies in more than 80 countries of the world. Not all countries are, therefore, included.



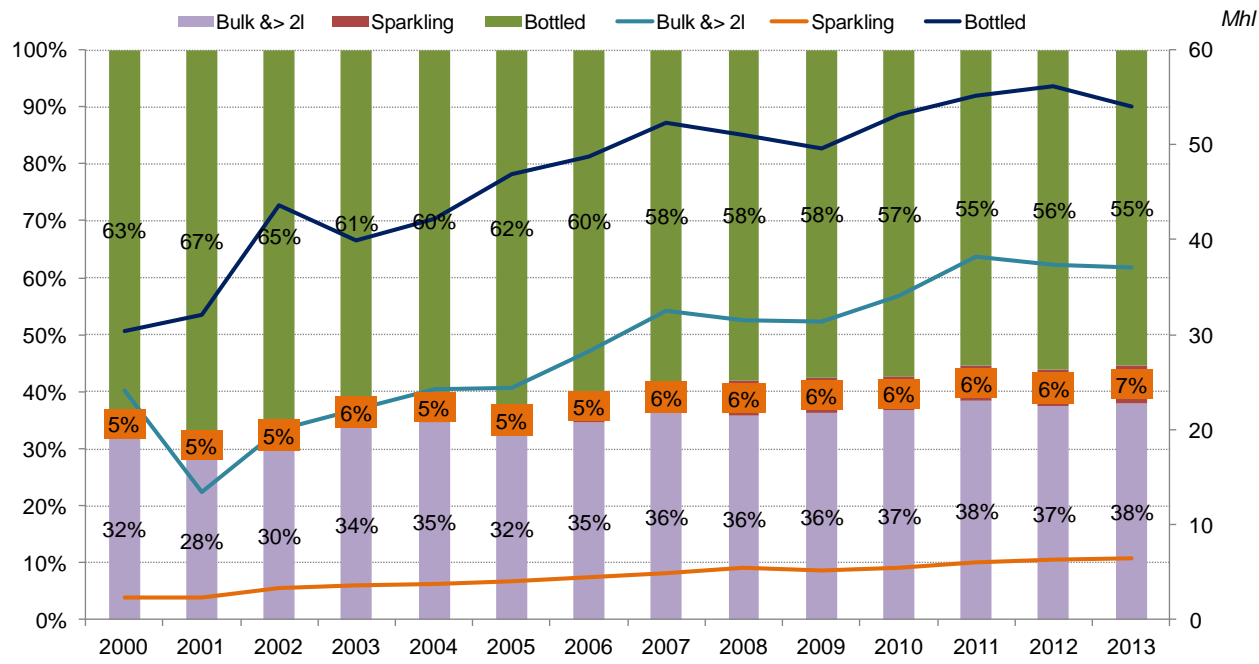
World wine exports in Euros and Litres



In 2013 the trade in wine decreased by 2.2% in volume, representing 98 million of hl, even though the growing prices allowed an increase in total revenues of 1.5% up to 25.7 billion Euros.

By type of product

By type of wine in volume terms



World wine exports 2000 - 2013

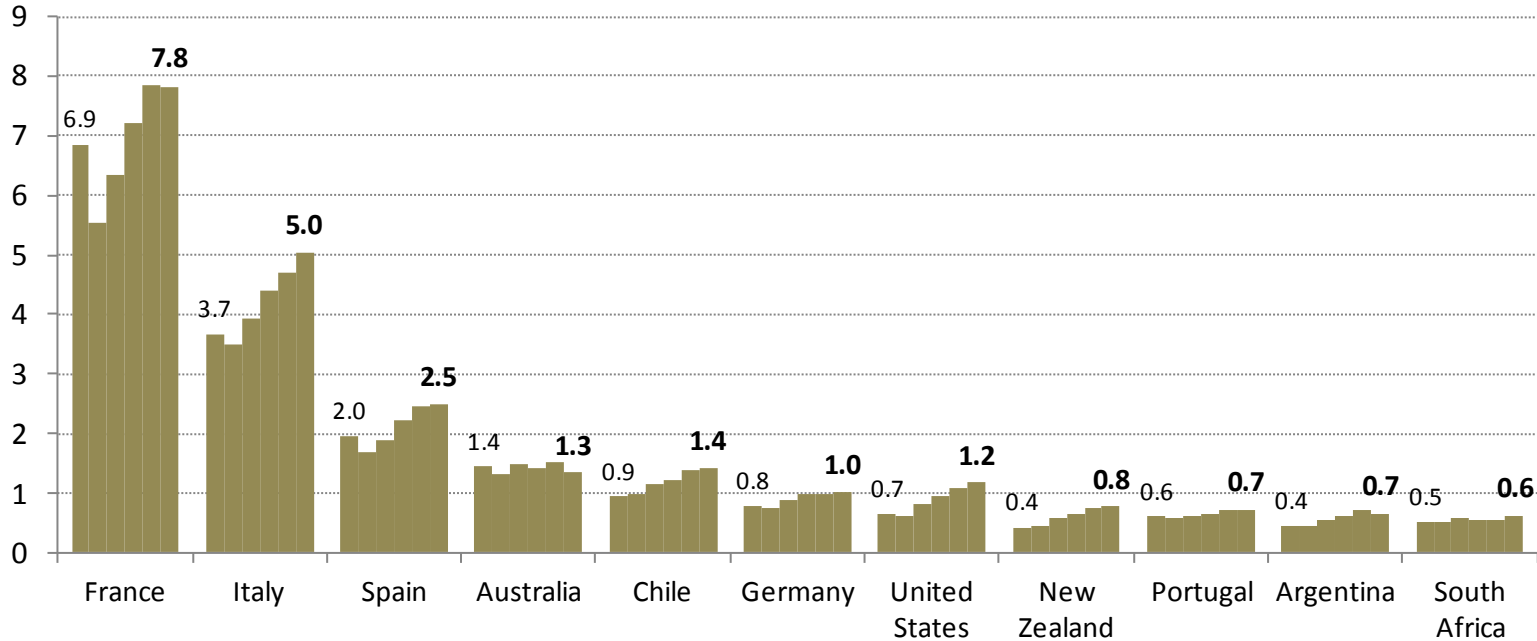


In the 2000-2013 period, the composition of exports significantly changed : the share of bottled wines reduced by 2.5 points in value and 6 points in volume, while bulk wines increased.

Top world Exporters

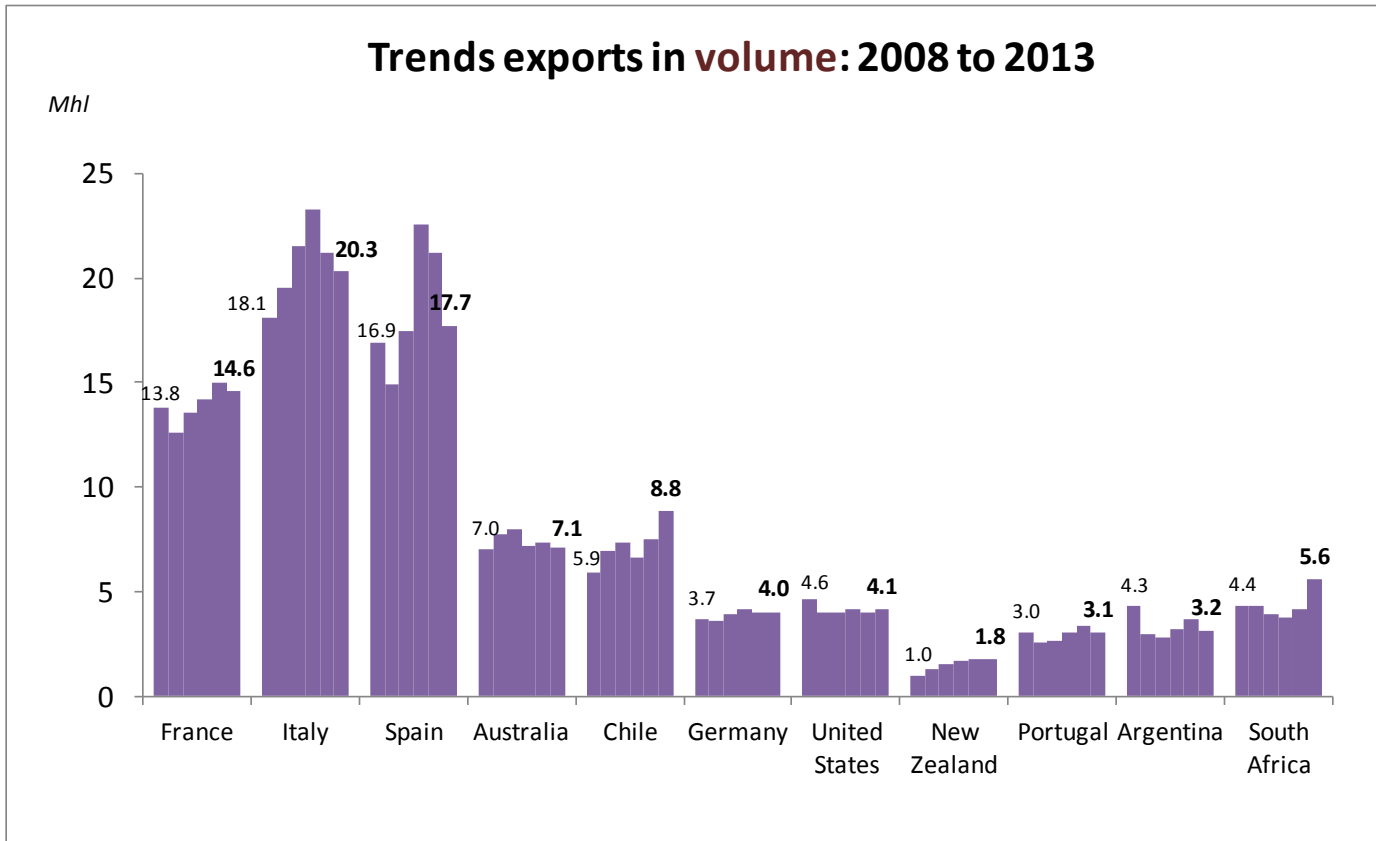
Trends exports in value : 2008 to 2013

Billion of Euro



Since the beginning of the Century, **all the top 10 exporters increased their value.**

France remains clearly the leader. After the 2009 world crisis in wine consumption, Italy and to a lesser extent Spain, performed particularly well in the last 4 years ; Chile also increased its value.

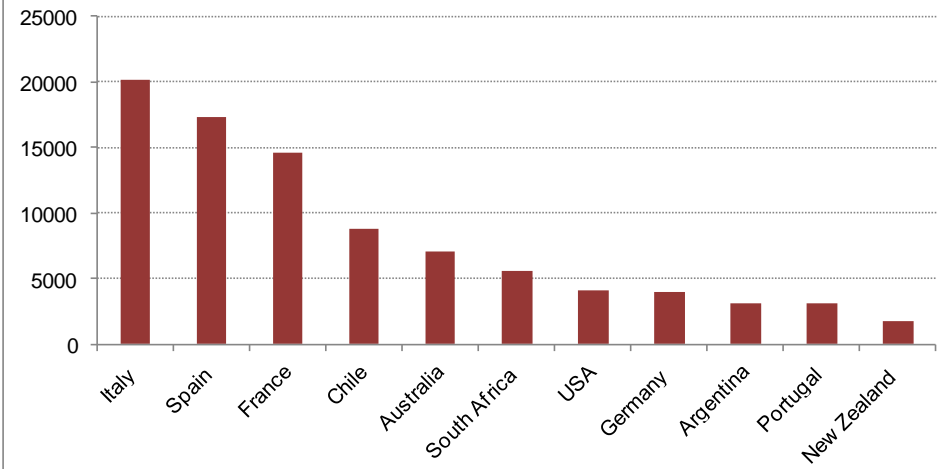


In **volume**, Italy and Spain are the leaders, although suffering from a low crop in 2012 in the Northern Hemisphere. In 2013, Chile overpassed Australia, and South Africa took advantage of lower inventories in the North.



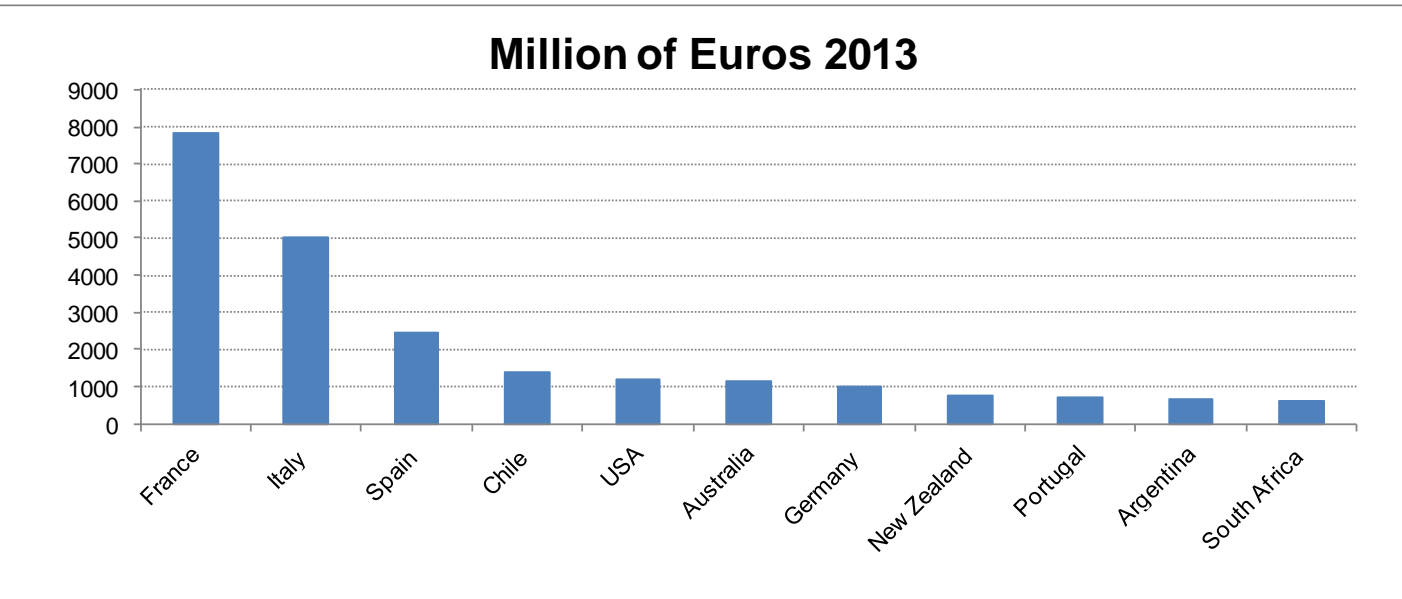
Top world Exporters

1000 hl 2013



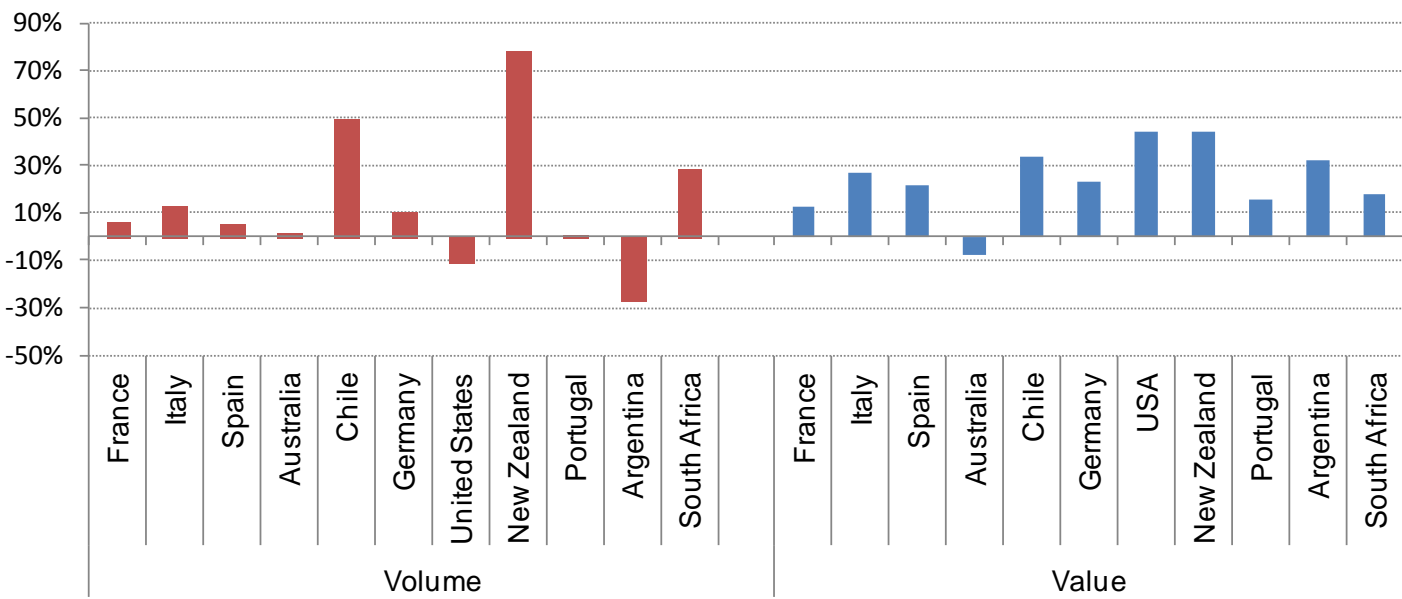
Among the top wine exporters, the first 5 account for more than 70% of total exports in value and volume

Million of Euros 2013





Evolution 2008-13 in %



Chile, South Africa and New Zealand registered the biggest increase, both in volume and value.

USA decreased in volume, but increased in value

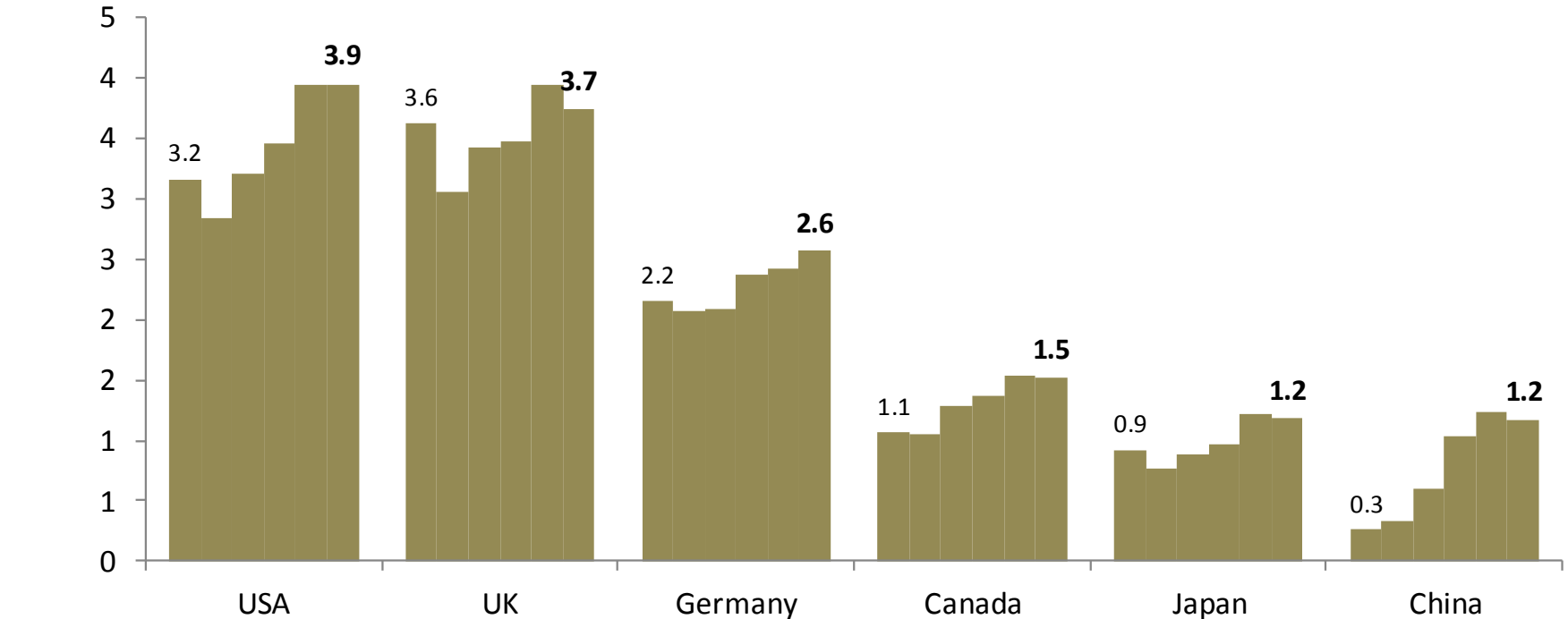
All the major European countries have been stable in level of wine traded but increased in value.

Top world Importers

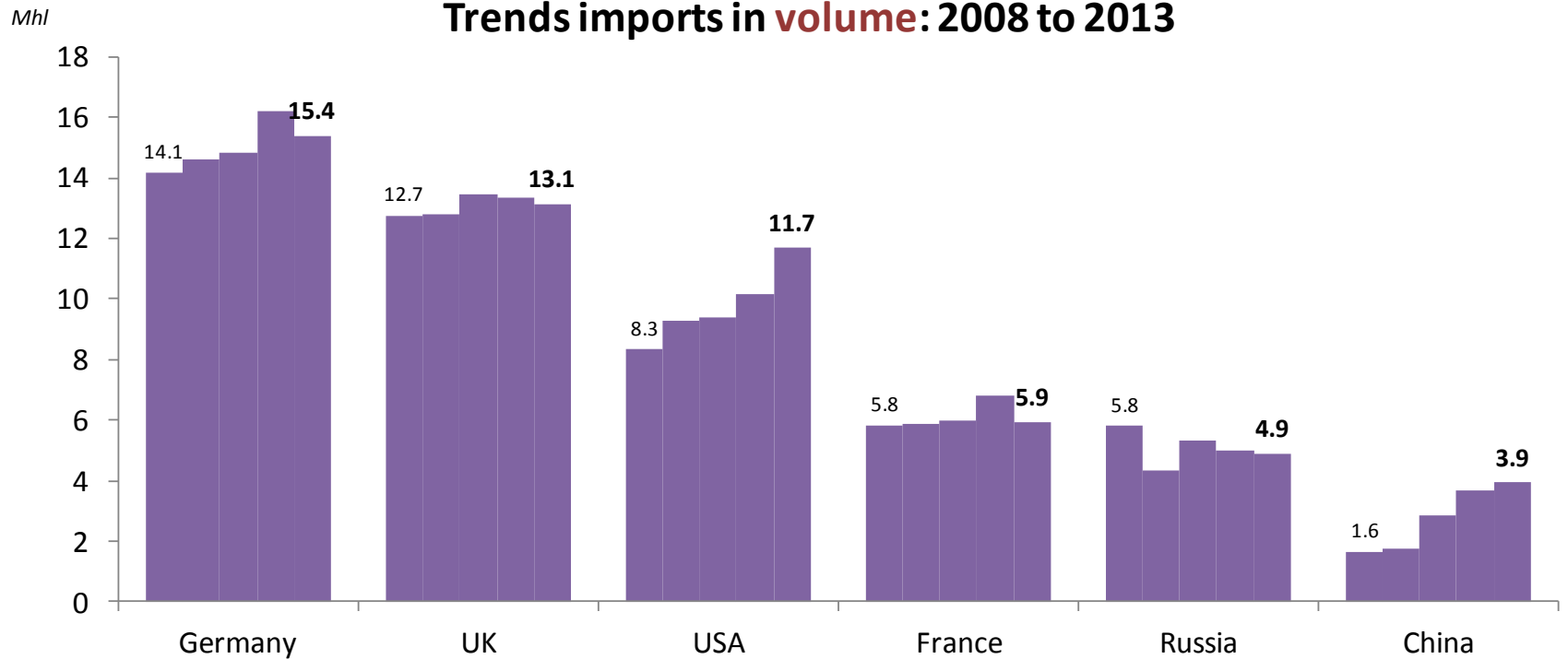


Trends imports in value: 2008 to 2013

Billion Euro



6 countries import for more than 1 billion euros of wine each : USA overpassed UK as top world importer, Germany and Canada grows slowly, and China reached Japan's level although declining in 2013.

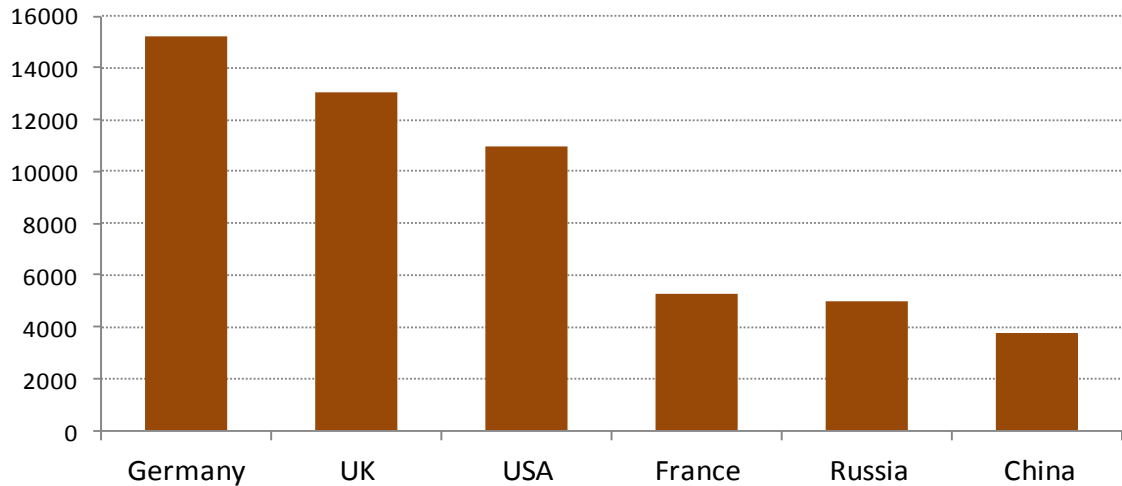


In terms of volume, France and Russia are among the top 6 Importers, while Germany, UK and the USA import above 10 million Hl of wine.

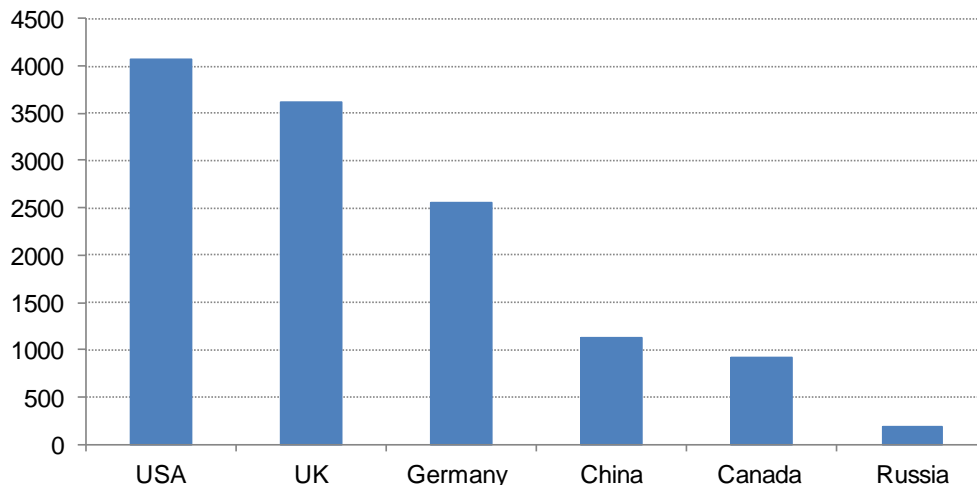
Top world Importers

Top world wine Importers differ depending on volume or value ranking...an indication of who buys more expensive wine

1000 hl 2013

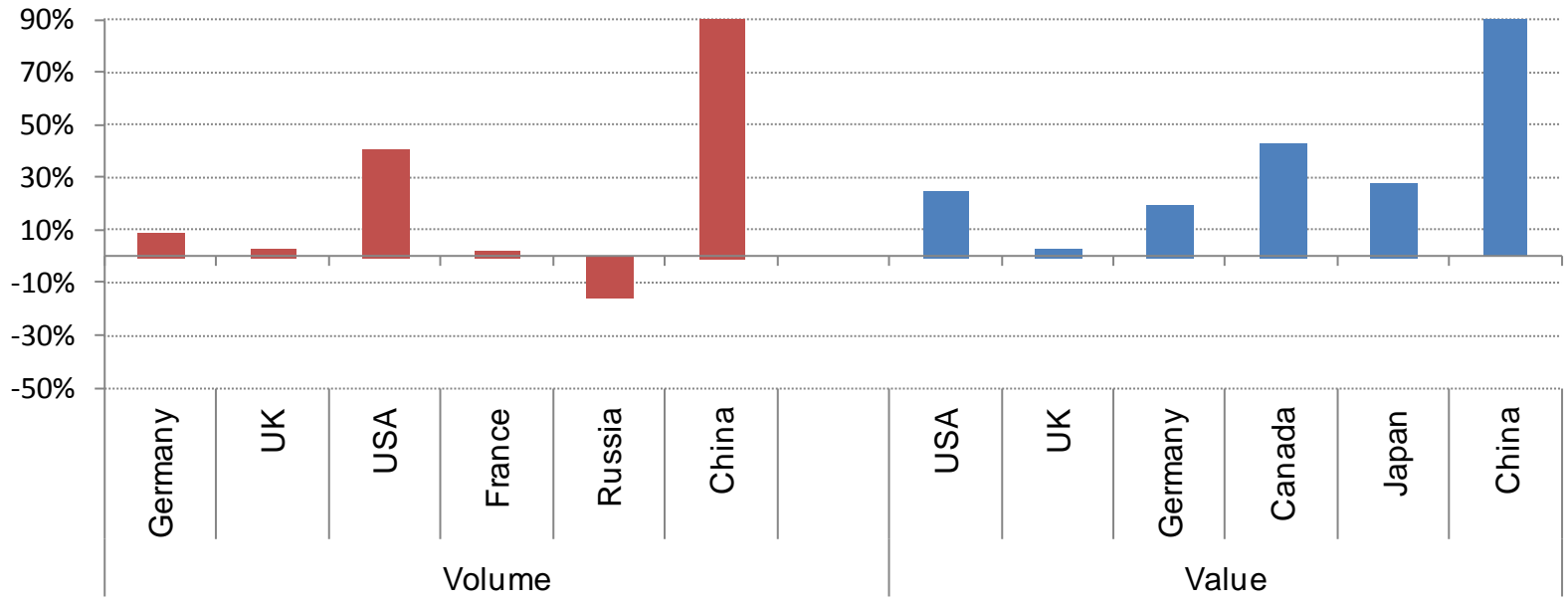


Million of Euros 2013



Among the top world markets for wine, the first five in value account for more than half of total imports in Euros: USA, UK, Germany, Canada and China reached a total of about 13 billion Euros.

Evolution 2008-13 in %



Since 2008 both groups of importers recorded an increase:

- In terms of value, the largest growth was for China
- France and USA show the largest increase in volume.

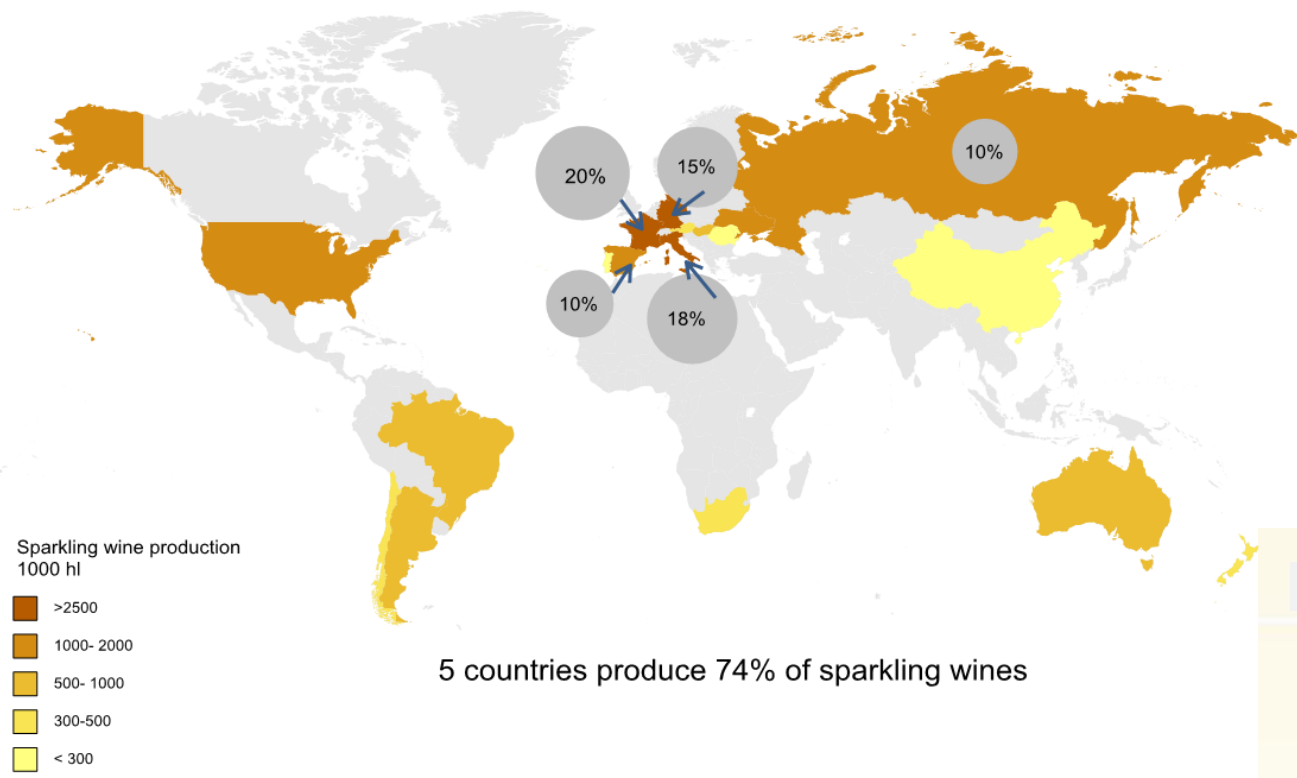


The Sparkling wine Market

...has expanded in recent years, boosted by
high global demand



World sparkling wine production in 2013



5 countries produce 74% of sparkling wines

Production has increased significantly: + 40% in 10 years

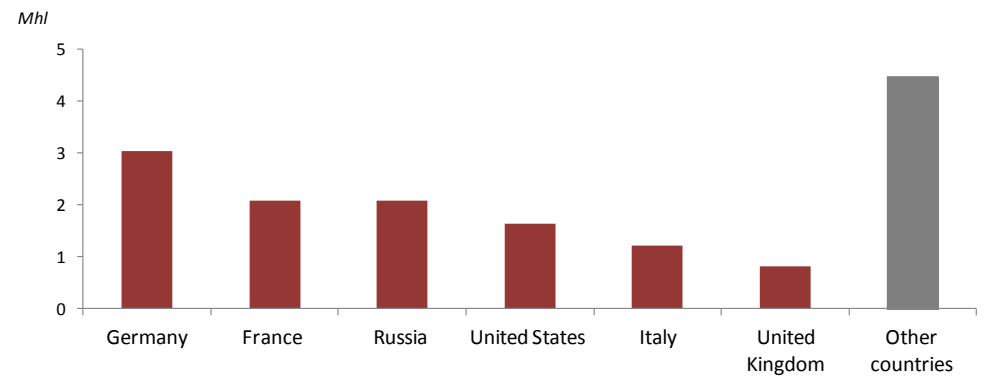
About 18 Mhl of sparkling wine was produced in 2013- accounting for **7% of the world wine production**



Sparkling wine *consumption* has increased by around **30 %**



Sparkling wine consumption by country

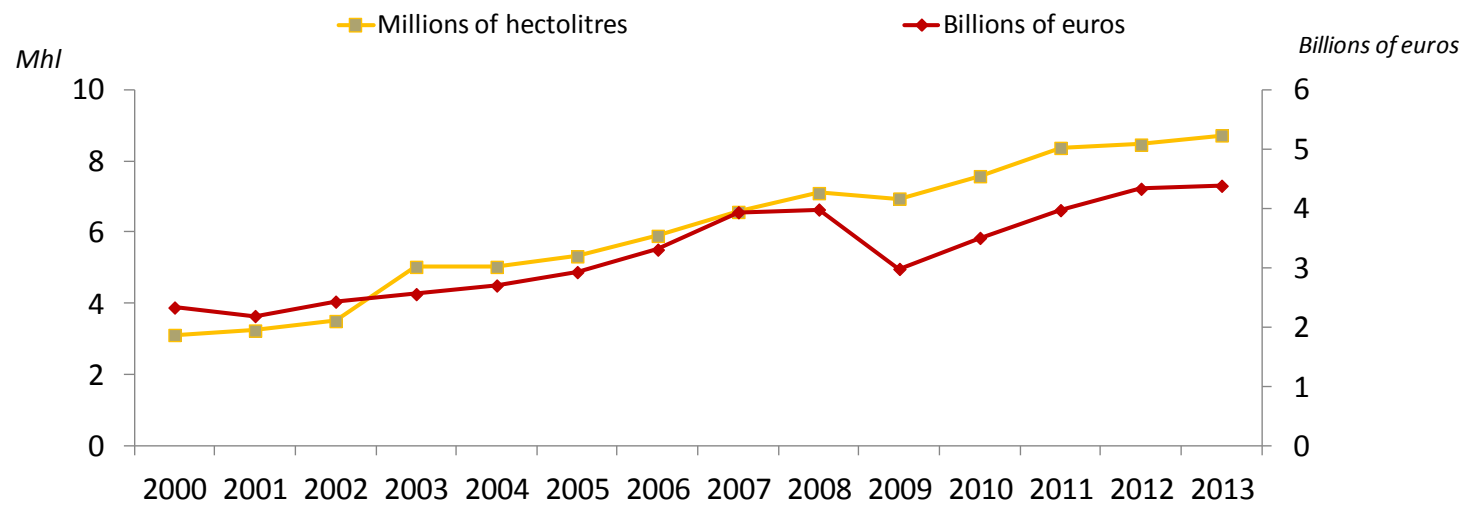


The **German and French** markets remain **the largest**, with about 3 and 2 Mhl consumed in 2013

A **growing interest** in these wines outside the EU, particularly in the **United States, Australia, Russia and Eastern European countries**, whose consumption has significantly increased over the past 10 years.



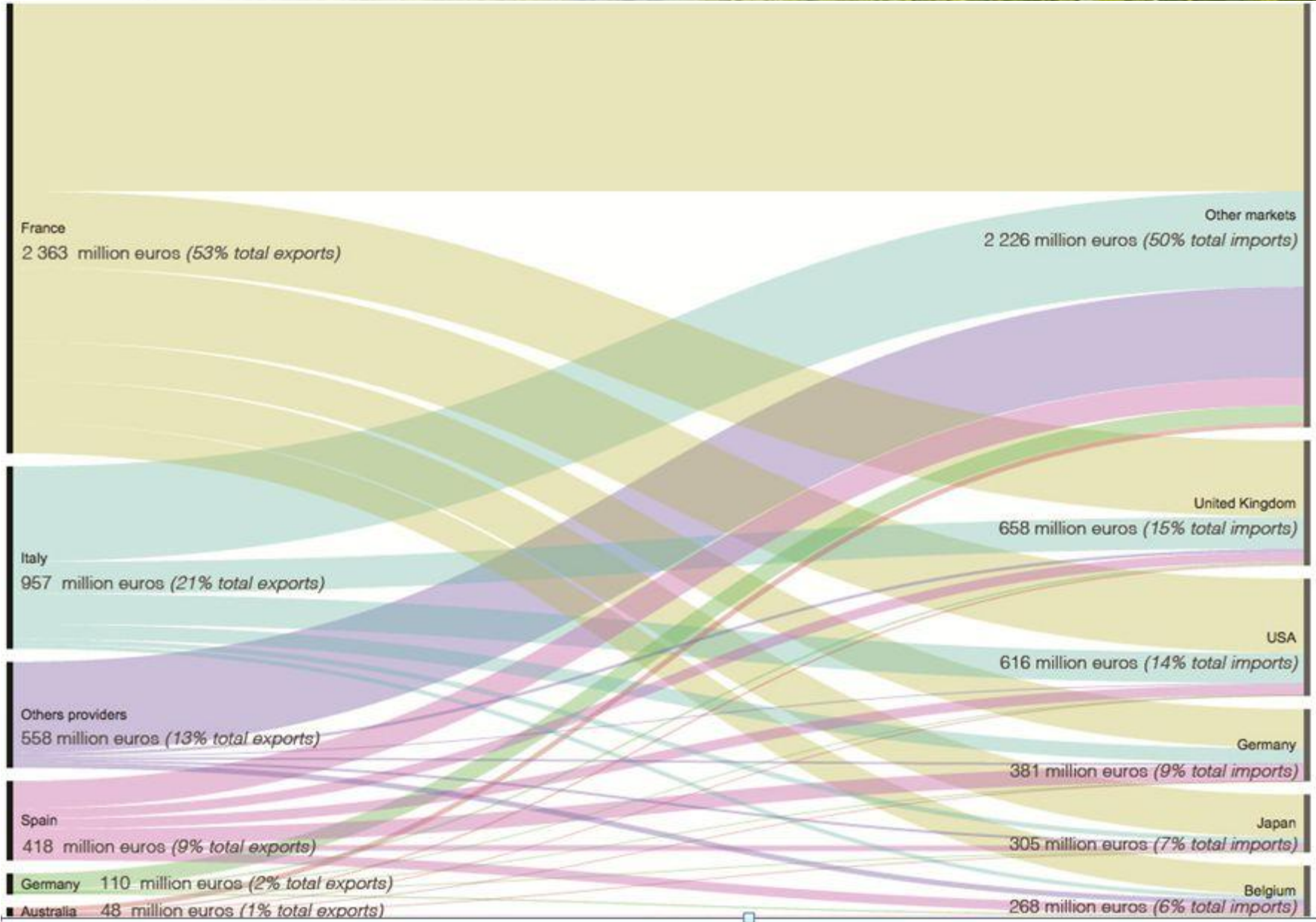
The sparkling wine trade has increased steadily over the past 10 years



Since 2000, world exports of sparkling wines have more than doubled, with an average growth of 9% per year, from 3.11 Mhl to **8.7 Mhl in 2013** and reaching the **4.3 billion euros in 2013**



Trade flows in value: 2013





Thank you for your attention

Vielen Dank für Ihre Aufmerksamkeit

Grazie per la Loro attenzione

Gracias por su atención

Merci de votre attention