OIV
International Organisation
of Vine and Wine
Intergovernmental Organisation

World Vitiviniculture situation in 2012

XXXVIth World Congress of Vine and Wine

Bucarest, 3rd June 2013

Federico Castellucci
Director General

State of the vitiviniculture world market 2012

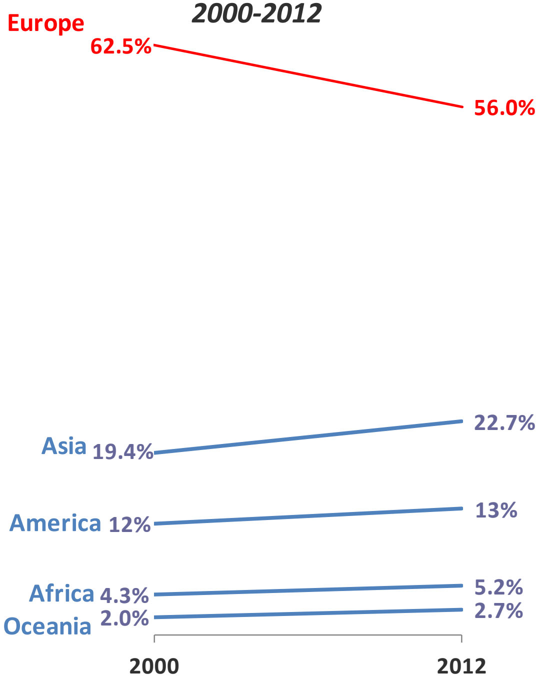
- Surface area
- Grape production & yield
- Wine
- Focus on wine trade

Surface area of vineyards

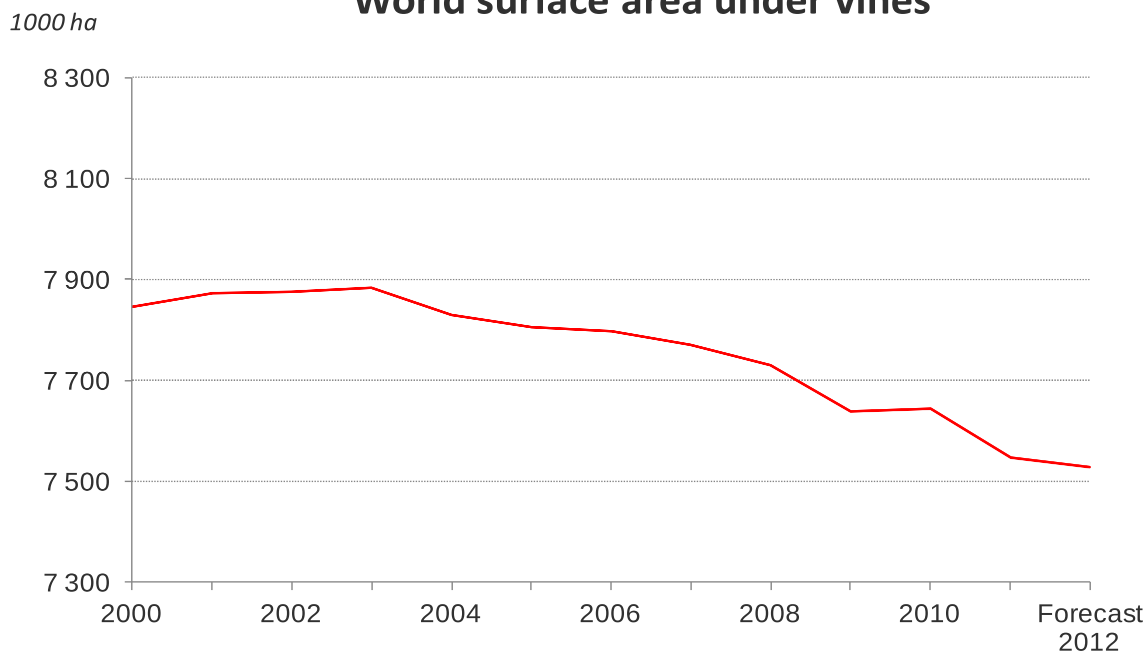
- Surface area of world vineyards
- European vineyards
- Southern Hemisphere & USA vineyards
- Asian vineyards
- Emerging vitiviniculture countries

Surface area of vineyards worldwide

Continental evolution area under vines as % of global vineyard *2000-2012*



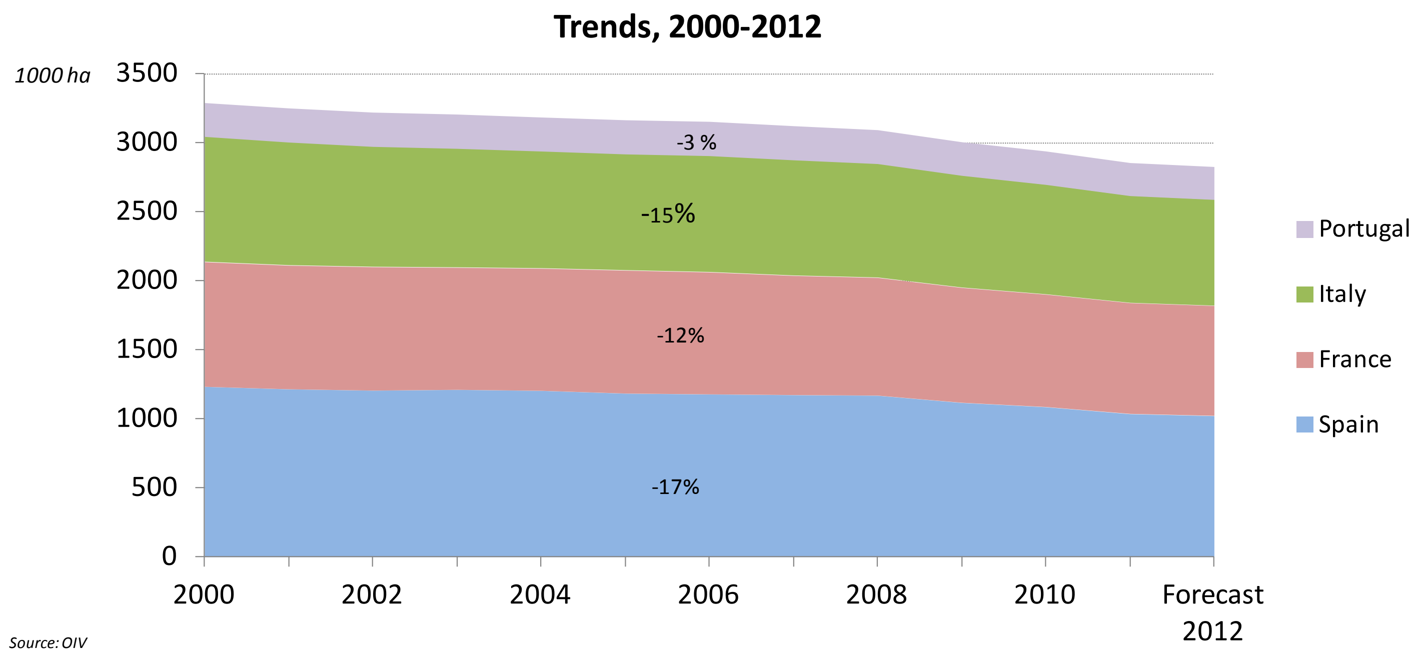
World surface area under vines



Source: OIV

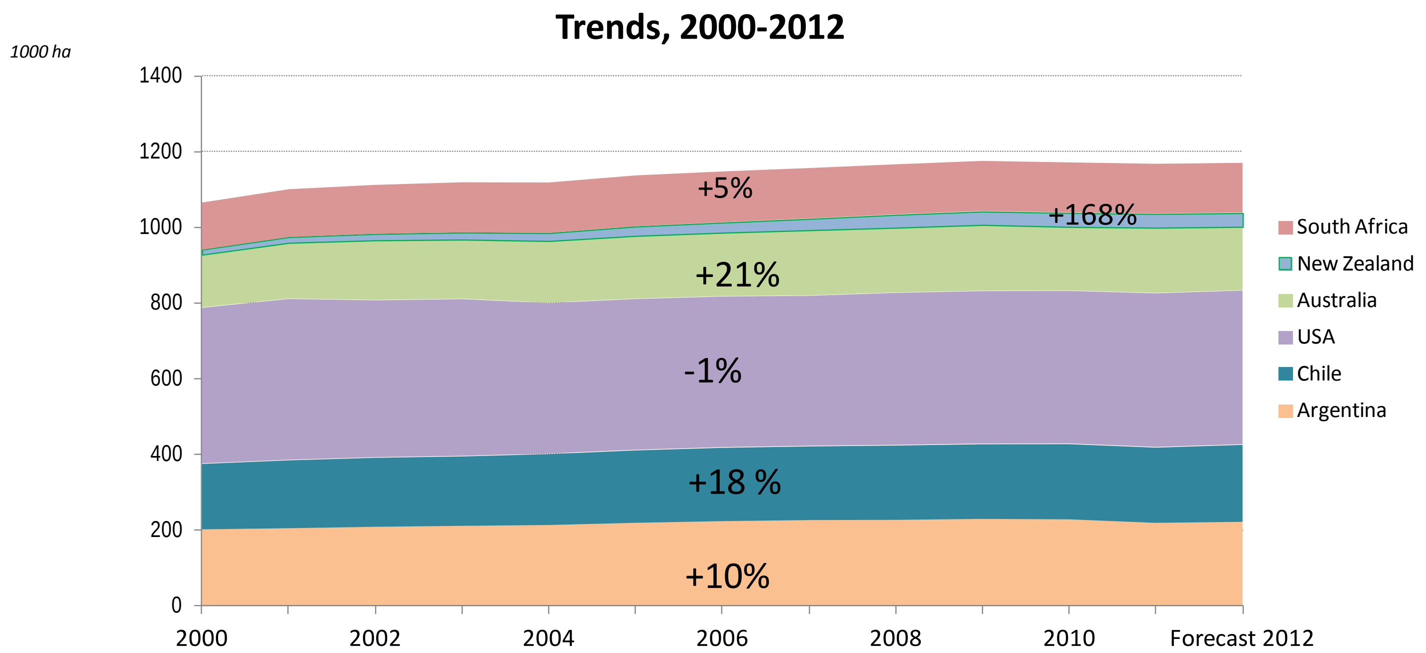
<u>7528 mha</u> is the total worldwide area under vines in 2012 (including the areas under vines not yet in production or harvested).
Surface are of vineyards continued to decline at a lower rate than that of the previous years.
Between 2000 and 2012 it has decreased of – 319 mha, this decrease is mainly due to the reduction of European vineyards.

European vineyards



The period of 3 years (2008-2011) during which the EU offered permanent abandonment premiums for vineyards has ended: **2012 area under vines** is the first in 4 campaigns that has not been marked by the influence of these premiums: **4216 mha** (- 339.4 mha between 2007 and 2012).

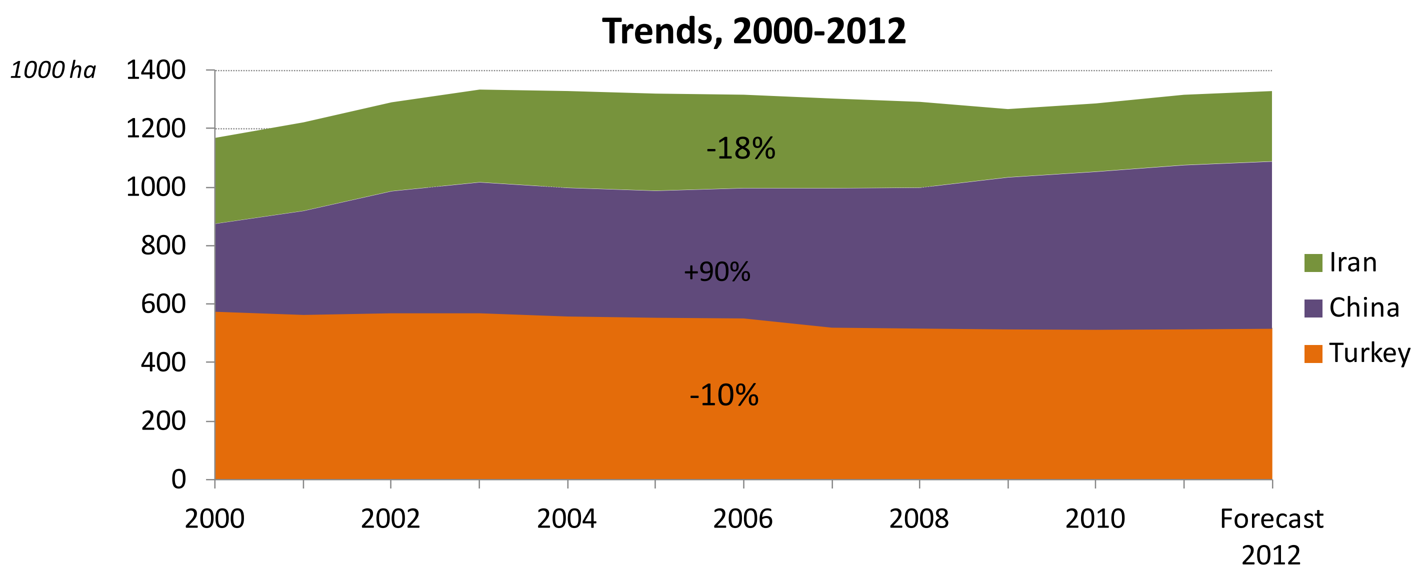
Southern Hemisphere + USA vineyards



Source: OIV

In the Southern Hemisphere and USA, new vine-planting has continued: a relatively moderate **increase of 0.3%** in comparison with 2011.

Asian vineyards



Source: OIV

With **<u>1705 mha</u>** areas under vines, Asia continues to see its vineyards growing: +12 % between 2000 and 2012 (+122 mha).

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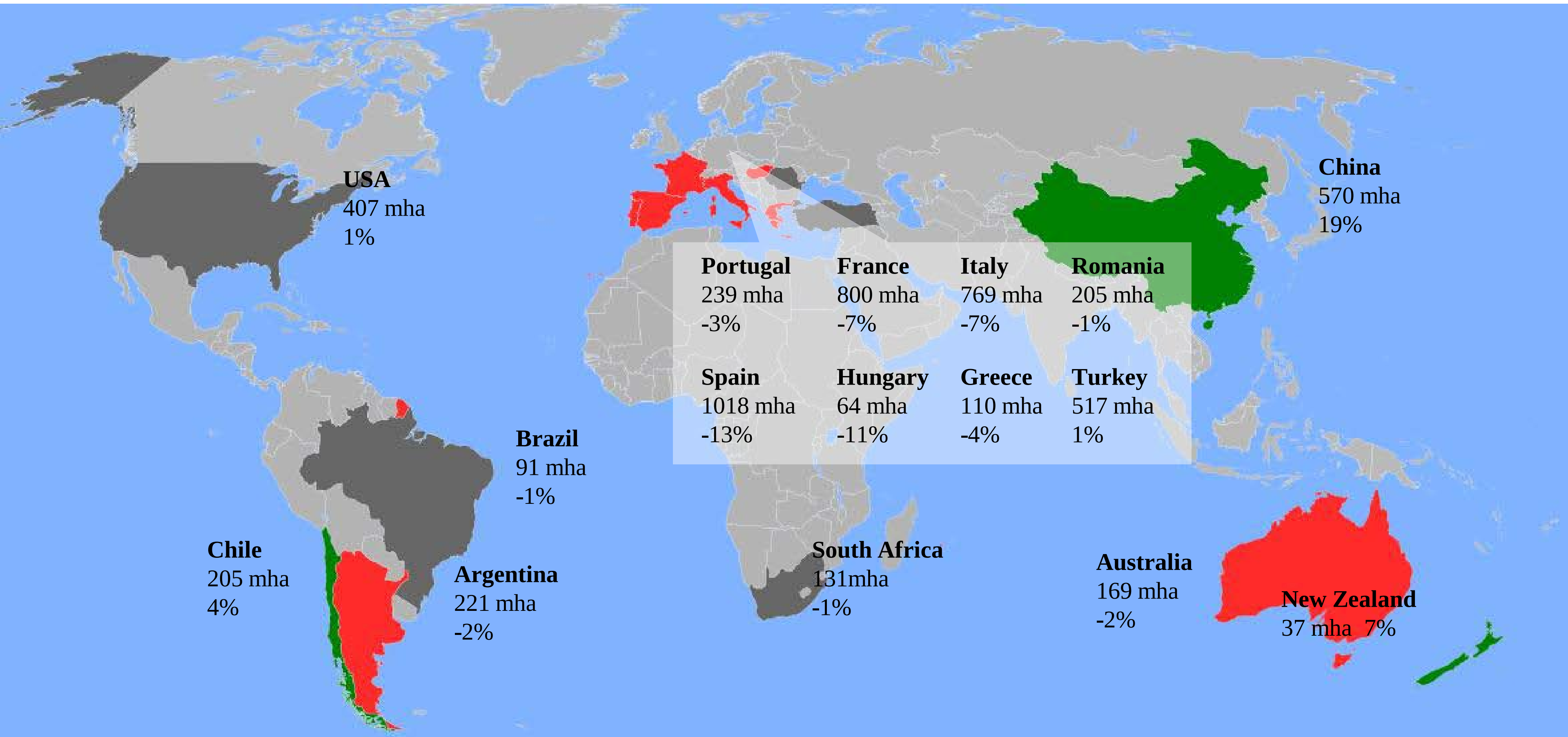
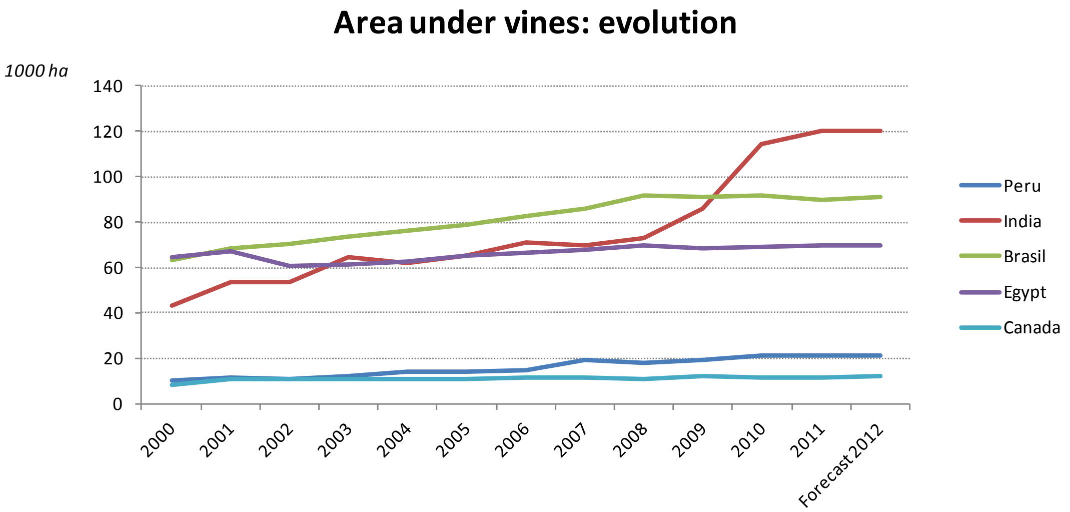
Surface under vines 2012
Evolution in % 2008-2012



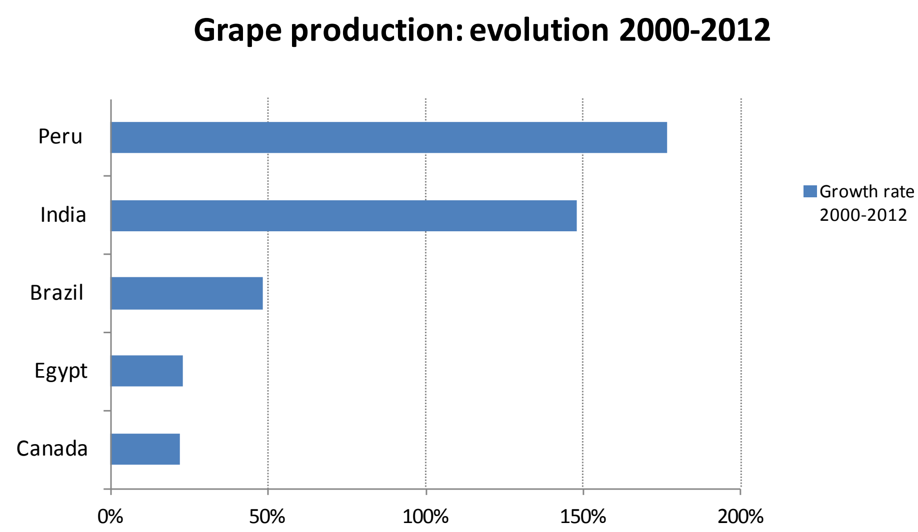
Increase | Stability | Decrease

Source: OIV

Emerging vitiviniculture countries



Surface area of vineyards has grown by 5% and more in the last 5 years



In addition to a rapid growth of an overall planted area…**grape production growth is particularly significant**

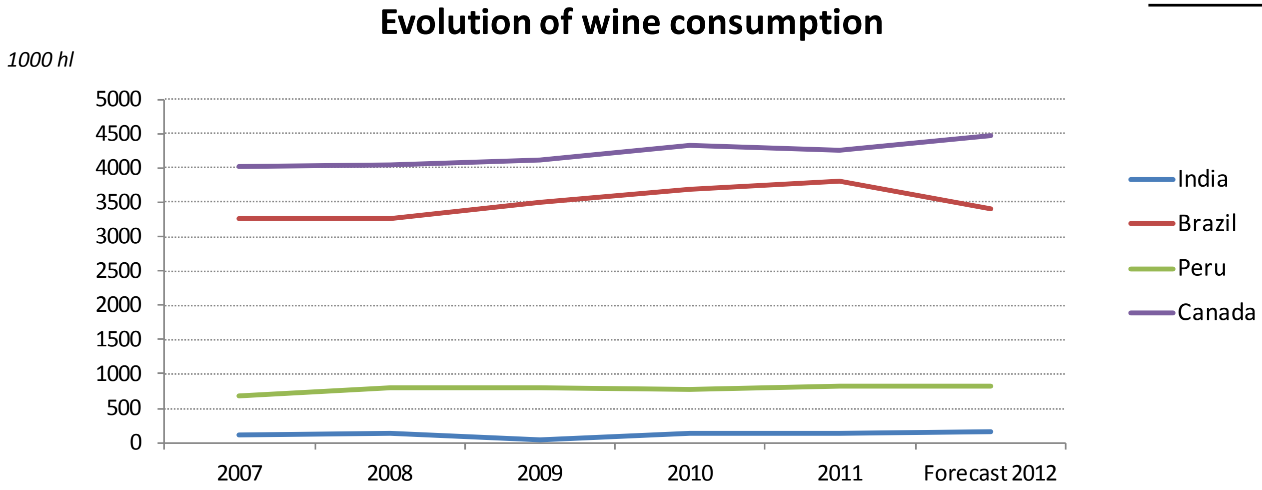
Source: OIV

Emerging vitiviniculture countries

These countries are getting more and more sensitive to the taste of wine

Wine consumption

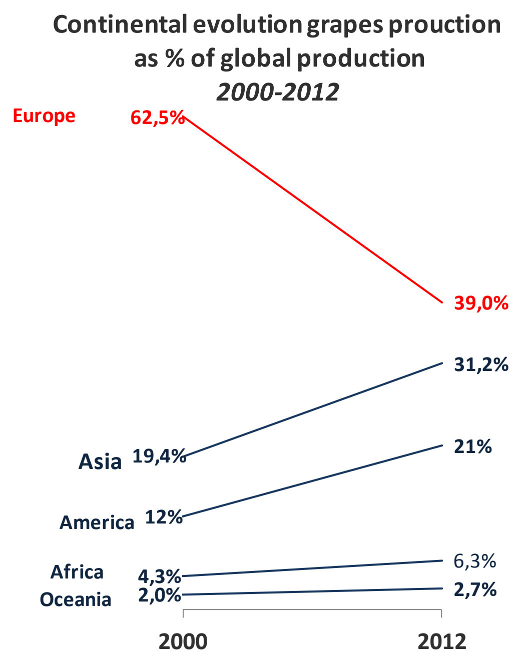
1000 hl	2007	Forecast 2012	Variation %
India	120	150	25%
Brazil	3254	3399	4%
Peru	683	809	19%
Canada	4018	4476	11%



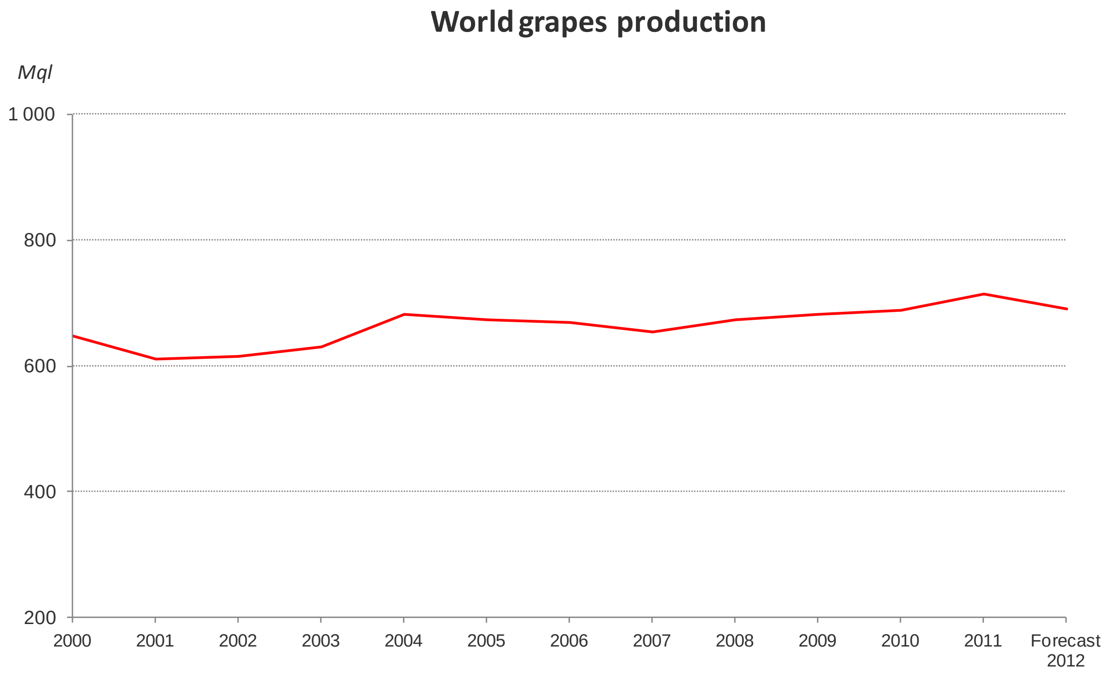
Source: OIV

Global grape production & Yield

Global grape production

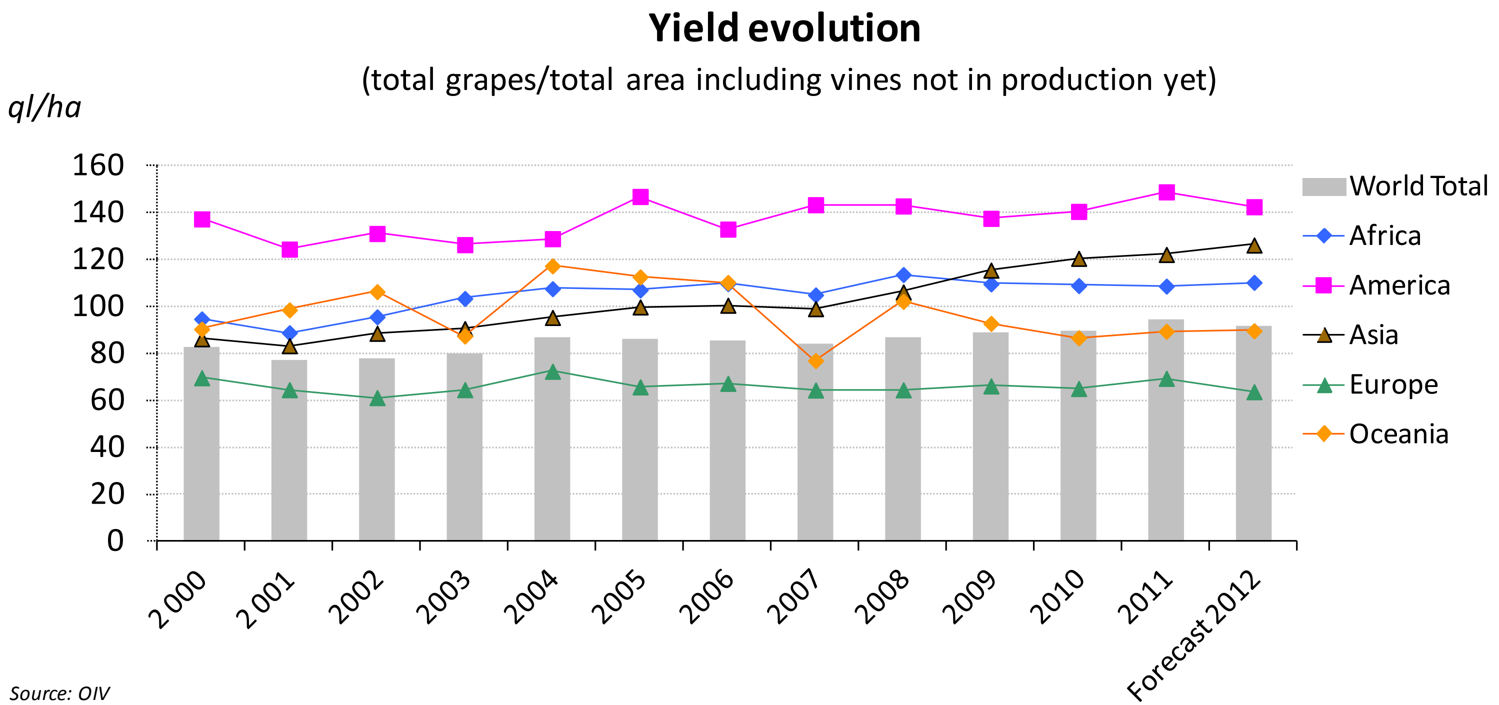


Source: OIV



In **2012 world production of grapes (691 Mql)** decreased: - 23 Mql between 2011-2012. An increased trend in grape production (+7%/2000), despite decrease in area under vines : this can be **explained in part by an increase in yields**.

Global grape production & Yield



Source: OIV

Yield is the measure of amount of grapes or wine produced per unit surface of vineyard**: the trend has increased at world level to 91.7 ql/ha**. Productivity is growing especially in the countries that produce non-fermented products and table grapes.

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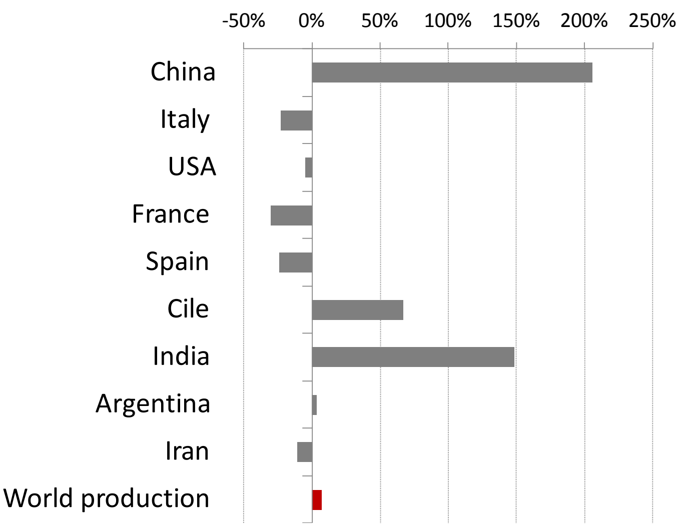
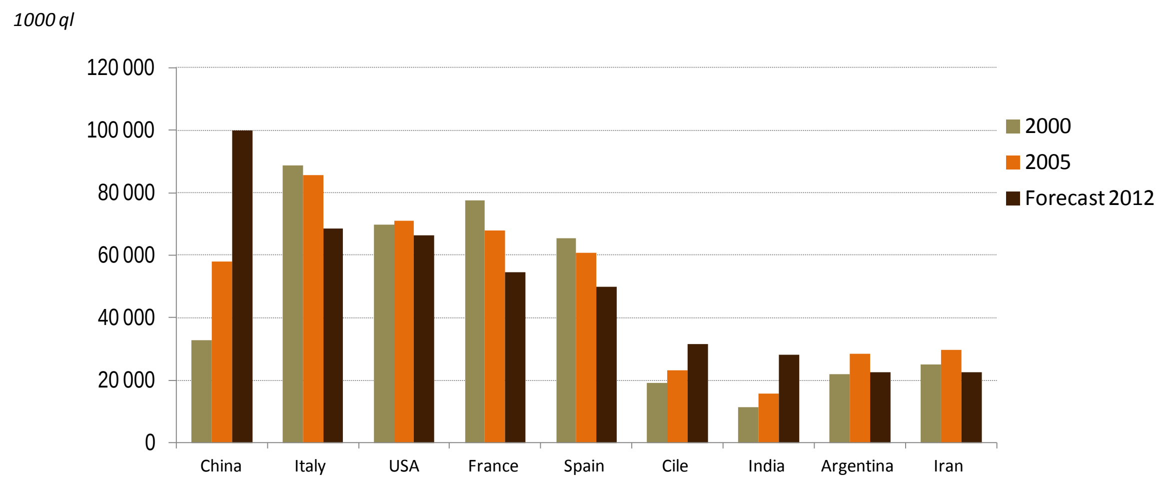
Major grapes producers: all usage

Growth rate 2000-2012



Trends , 2000-2012



Source: OIV

Grapes production growth is particularly significant in **Cina**, **India** and **Cile.**
Cina with **100 Mql produces** the **14% of the world grapes production,** followed by **Italy (68.4 Mql,** 10% of the world grapes production) and **USA (66.3 Mql,** 10% of the world grapes production).

Wine

❖Production of wine

- World production
- Major producers

❖Consumption of wine

- World consumption
- Major consumers

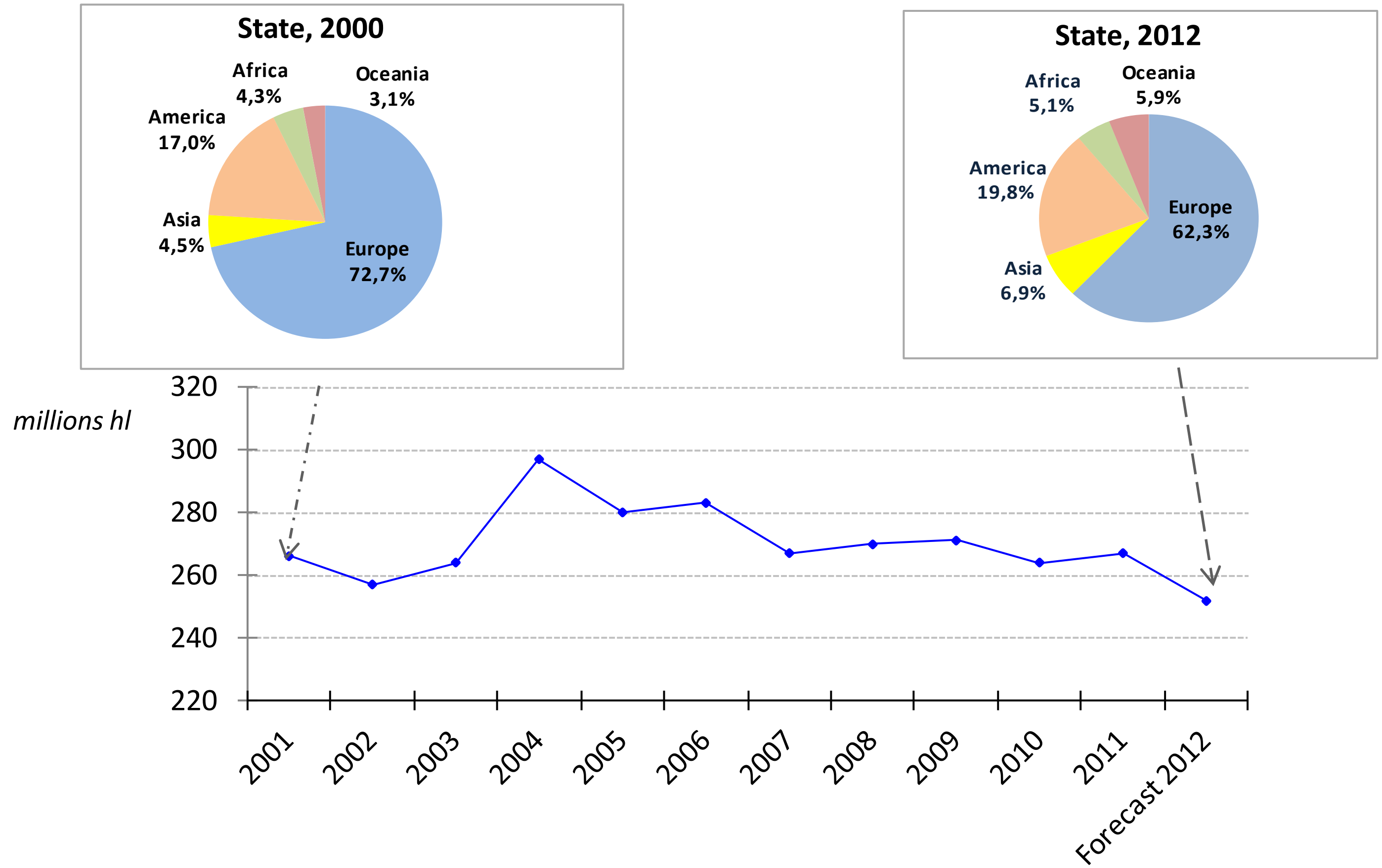
❖Focus on wine trade

- World wine trade: value & volume
- Top world Exportes
- Top world IMporters

Wine production

- World wine production
- Major producers

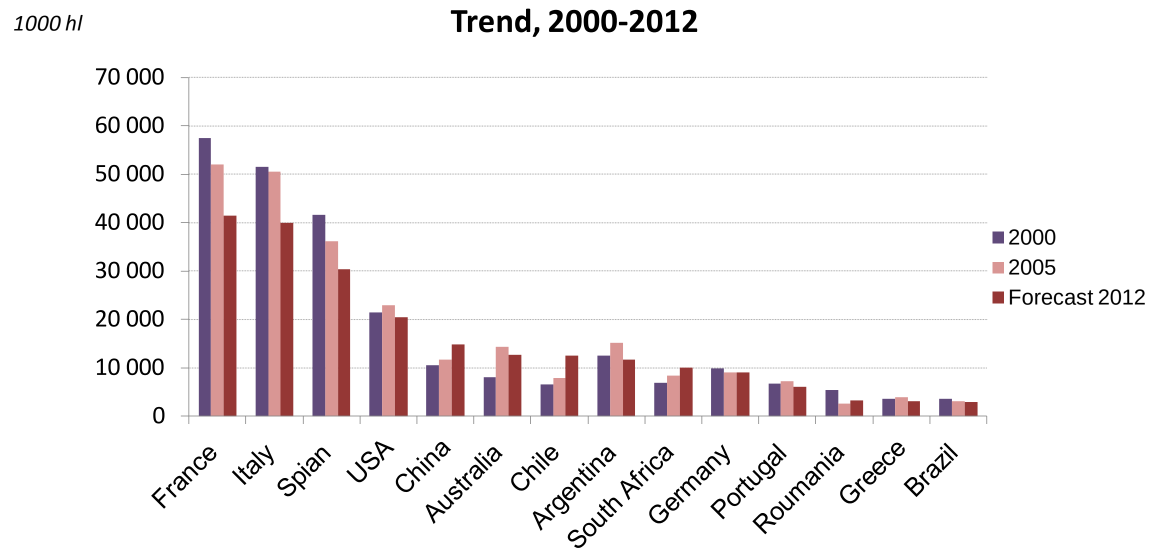
World production of wine

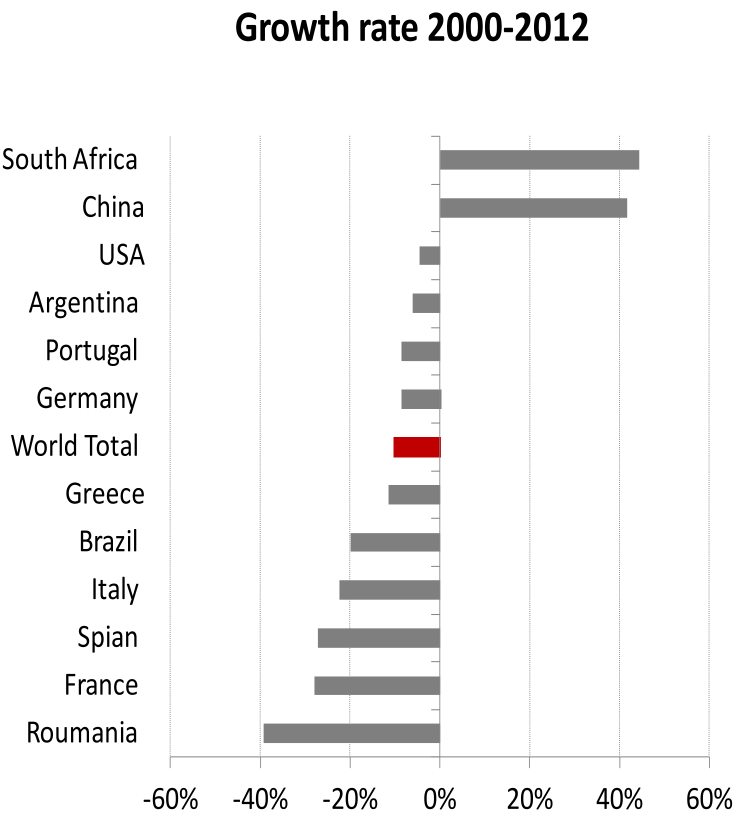


Source: OIV

World wine production in 2012 is estimated at **<u>251.7 Mhl</u>**.
This is a low level especially for Europe, caused by the reduction in vineyards and poor weather conditions: -6% in comparison with 2011.

Major wine producers





Within the EU, *production may be described as very low:*

- France: 41.4 Mhl (-18%/2011)
- Italy: 40 Mhl (-6%/2011)
- Spain: 30.3 Mhl (-9%/2011)

USA recorded a high level of wine production at 20.5 Mhl (+6.9%/2011).

In South America, **Chile** recorded a new production record reaching 12.6 Mhl (+20%/2011), **Argentina** recorded a markedly reduced wine production (11.8 Mhl, -24%/2011).

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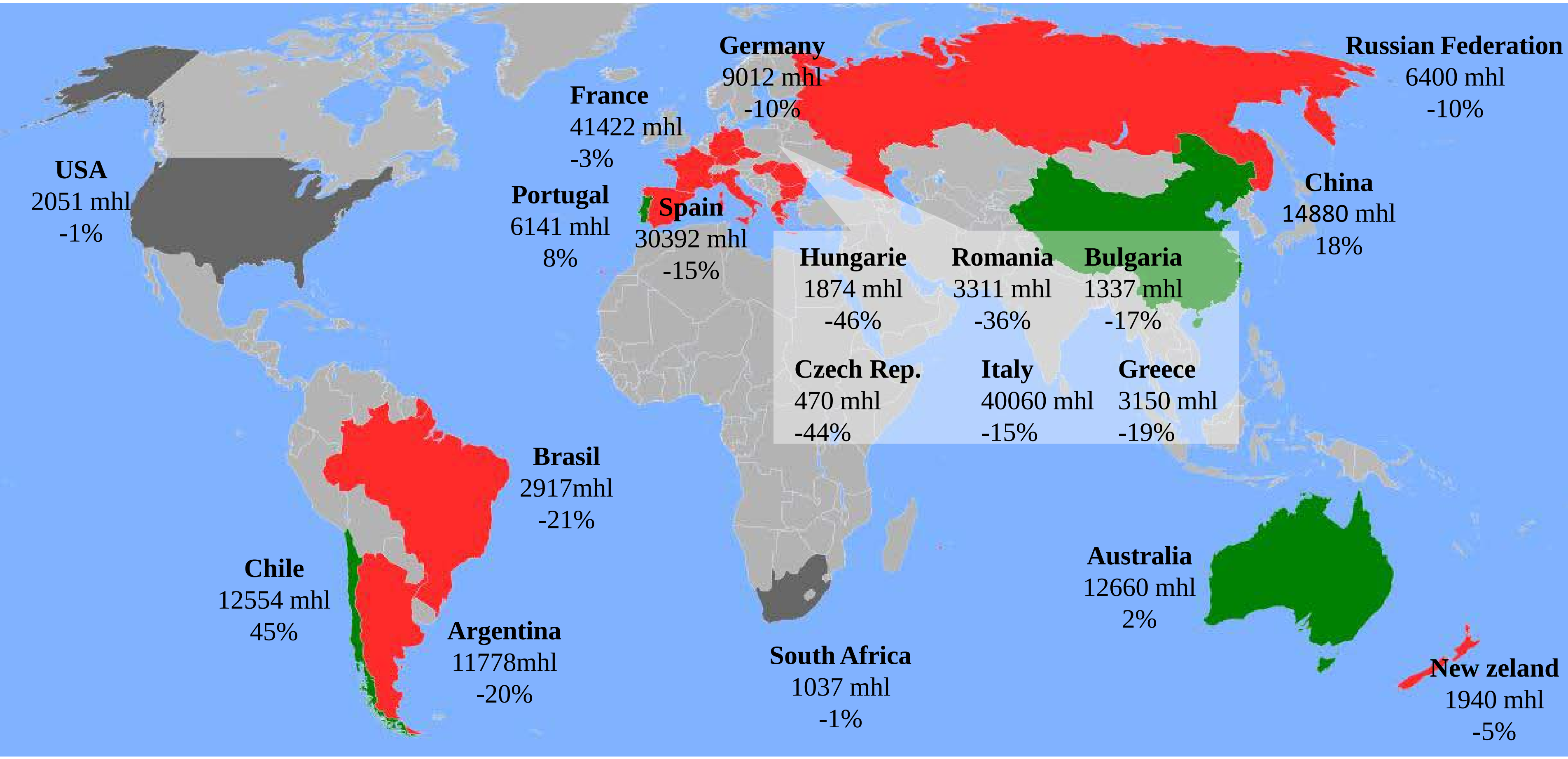
Production of wine in 2012

Evolution 2008-2012



Increase | Stability | Decrease

Source: OIV

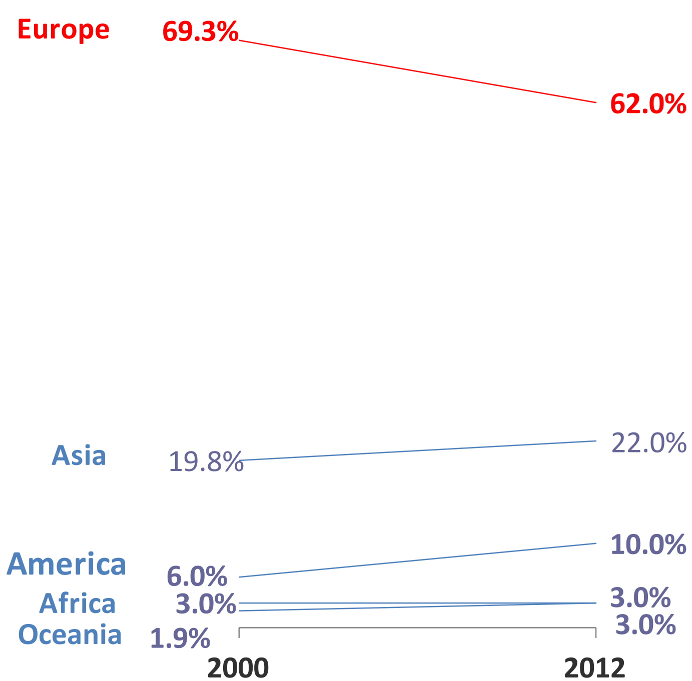
Wine consumption

- World consumption
- Major consumers

World consumption of wine

Continental evolution total wine consumption as % of world consumption

2000-2012

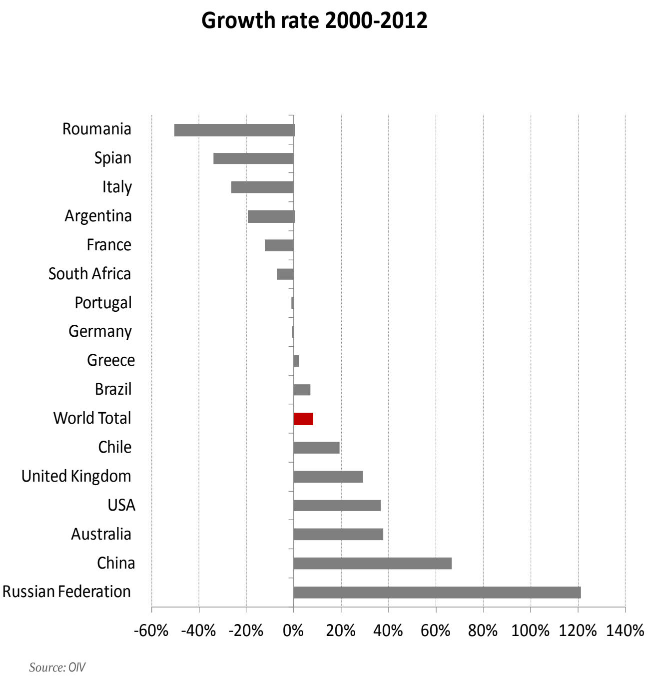


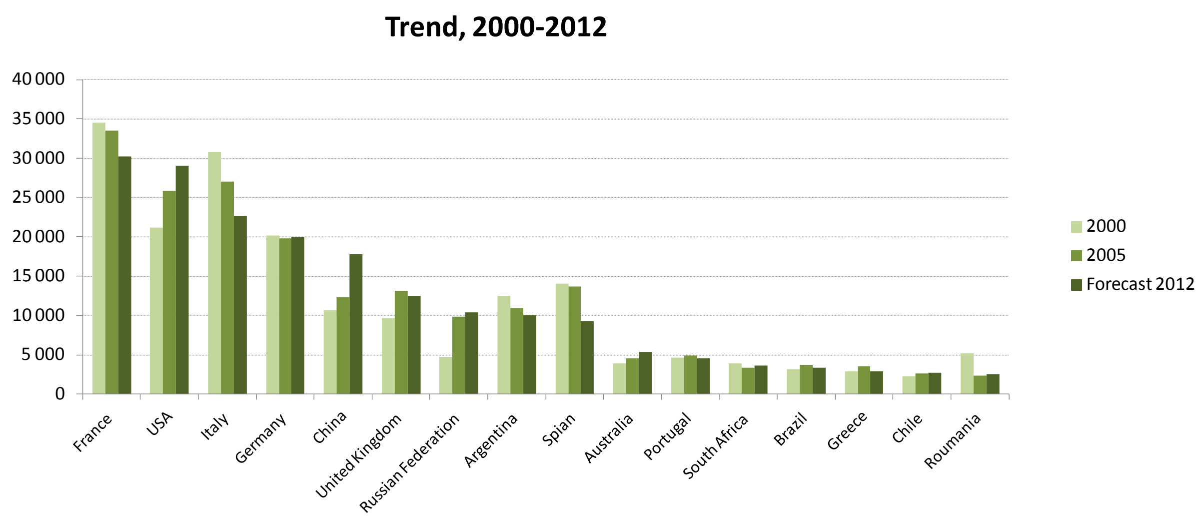
World wine Consumption

2012 world wine consumption rose to **243.2 Mhl**: a confirmed recovery of internal demand.

Source: OIV

Wine Consumption





Countries that are historically **big** producers and **consumers have reduced their level of consumption**:

- France (-12%/2000);
- Italy (-27%/2000);
- Spain (-34%/2000)

USA is becoming the largest internal market in the world in terms of volume, internal consumption: 29 Mhl in 2012 (+37%/2000).

Wine consumption is rising sharply in Asia: continued growth in China (+67%/2000).

Source: OIV

Focus on Wine trade*

- World wine trade: value & volume
- Top world Exportes
- 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.

International wine trade

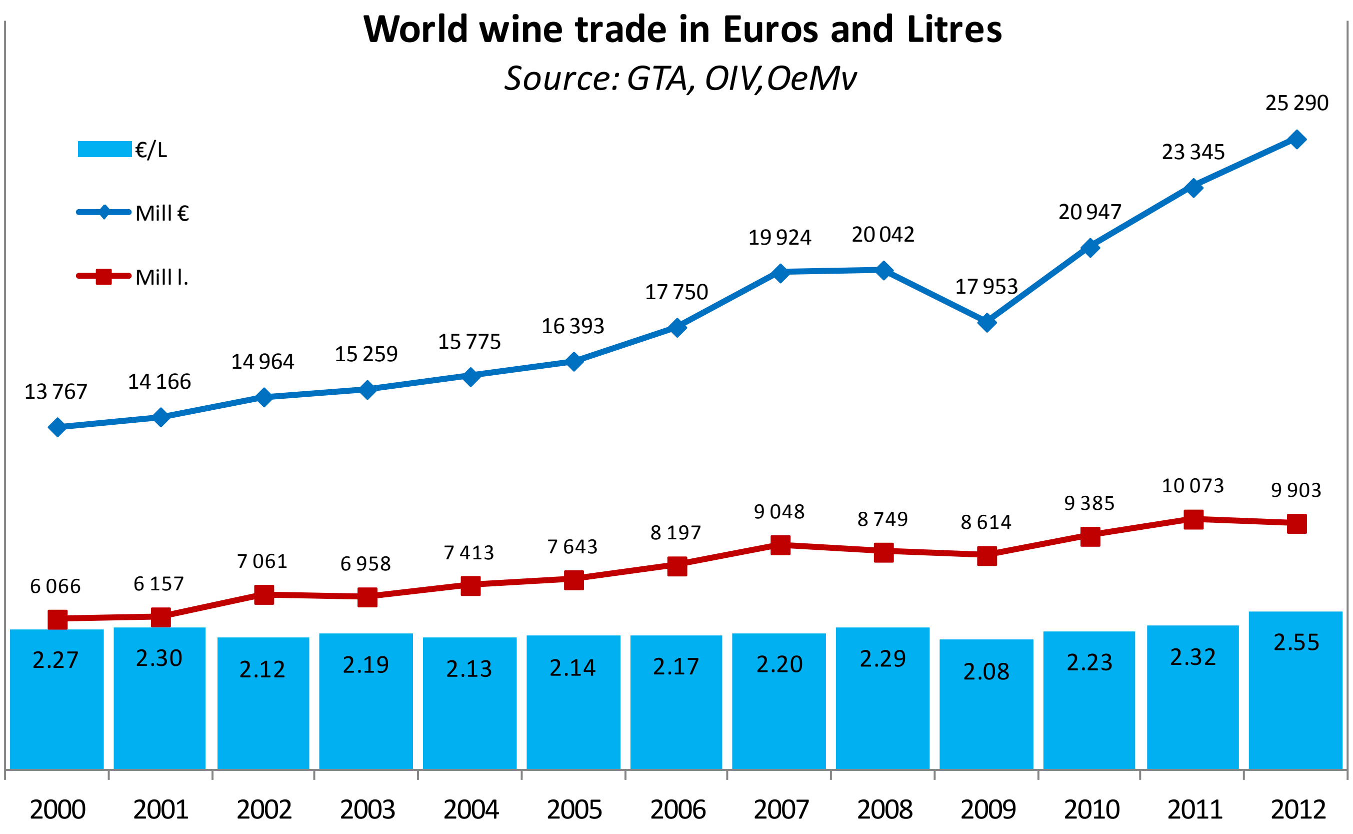
According to data officially provided to the OIV in 2012 :

- **world market**, considered as the sum of exports from all countries **reached 102.2 Mhl**

- **world import** stood at **97.9 Mhl**

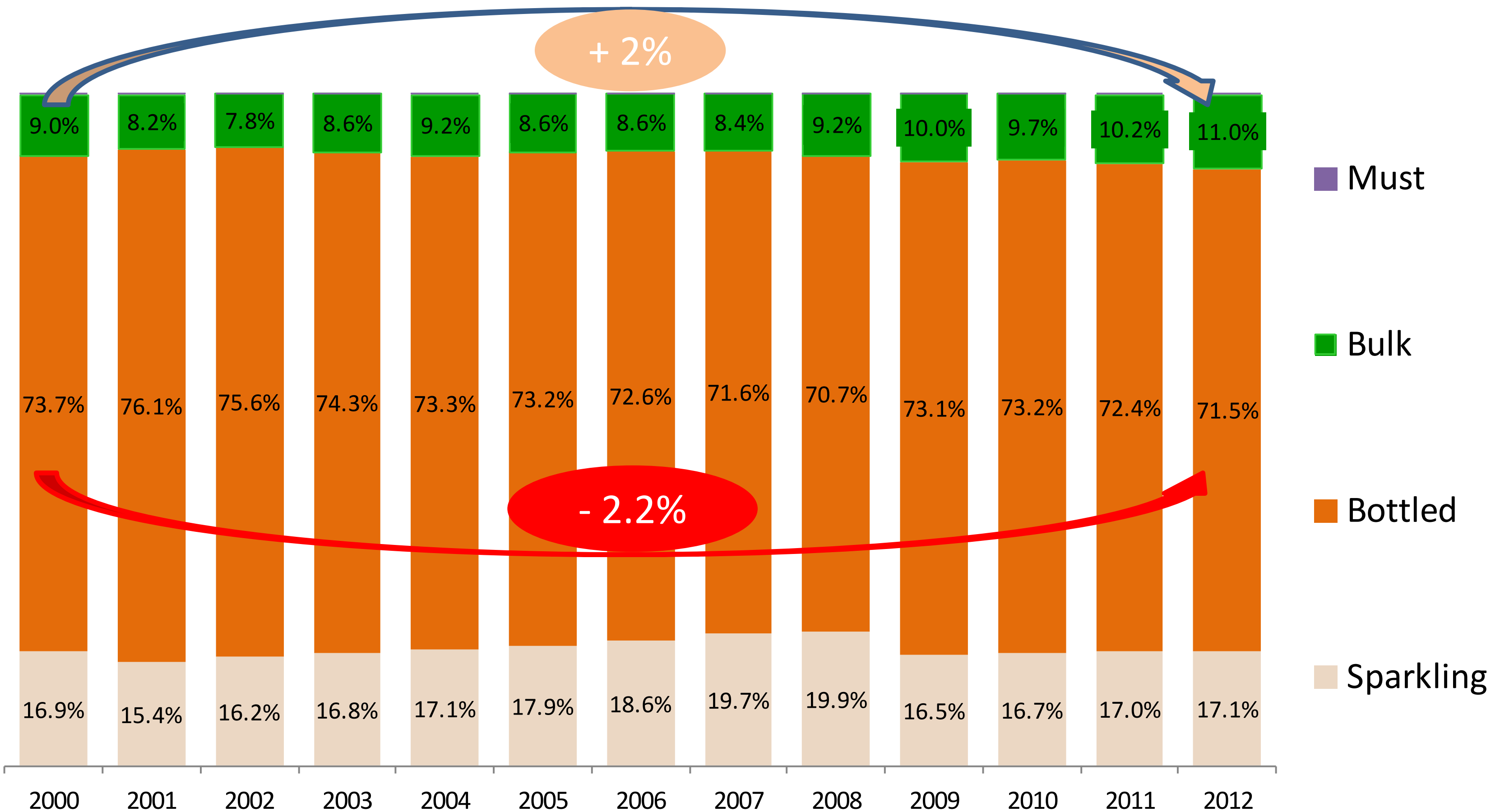
Data for the special focus on world trade are taken from GTA, representing more than 80 countries.

Less wine traded, though more expensive



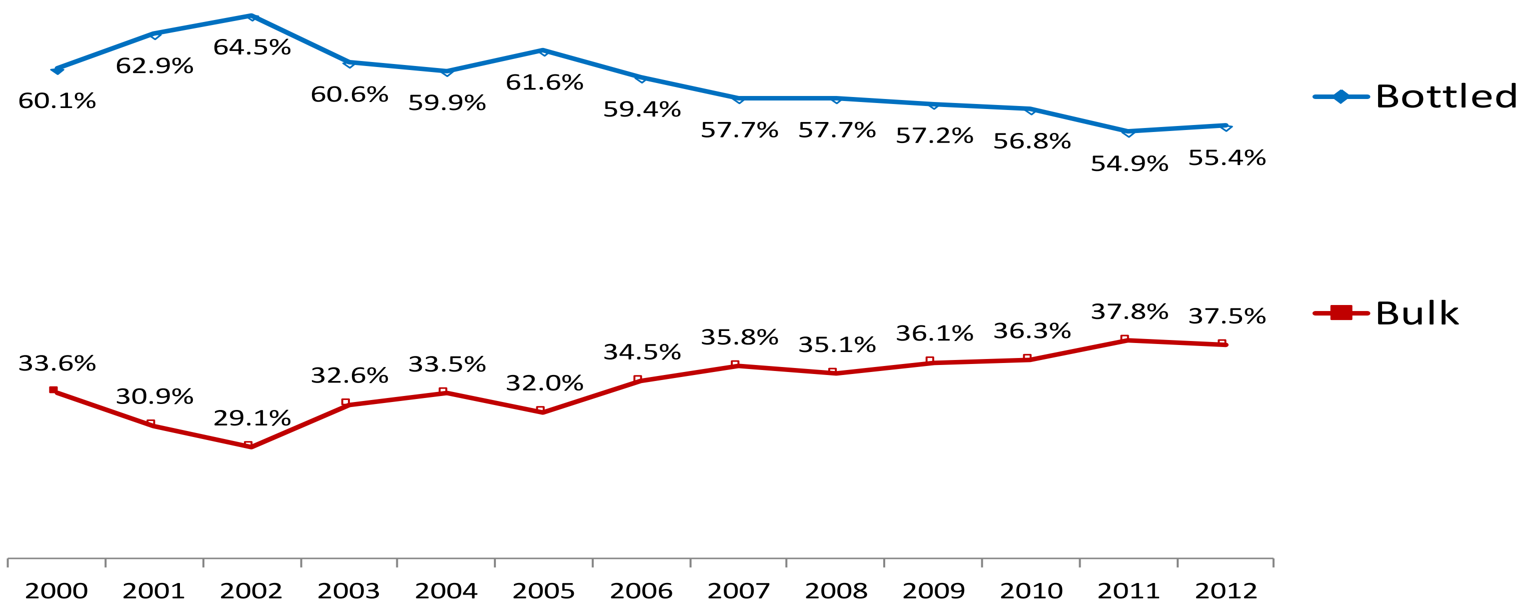
World trade of wine and must increased in 2012 by 8.3% in **value, up to 25.290 million Euros** (exporters' data) but fell by 1.7% in **volume, to 99 Mhl**, with average prices up by 10.2%

Changing the composition: value



In **value** terms, since the beginning of the Century, Sparkling remains with the same share (around 17% of total), whereas 2 percentage points are exchanged between bottled wine (less) and wine sold in bulk (more).

Bottled and bulk categories: volume



More clearly, in terms of **volume** where wine in bulk and containers above 2 l. are getting close to 38% of total market (up 3 percentage points since 2000), bottled wines reduce their share from 60% to 55% in the same period.

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Top world Exporters

Top wine world exporters

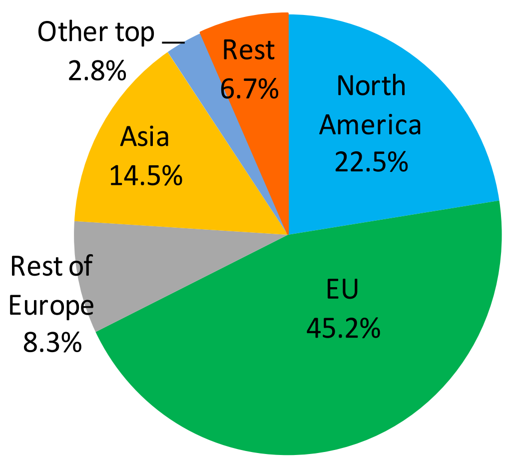
	Mill. €				Mill. l.				€/l			
	2011	**2012**	**Variation**		**2011**	**2012**	**Variation**		**2011**	**2012**	**Variation**	
France	7 194.1	7 836.6	8.9%		1 419.4	1 499.2	5.6%		5.07	5.23	3.1%	
Italy	4 404.7	4 690.6	6.5%		2 323.8	2 120.0	-8.8%		1.90	2.21	16.7%	
Spain	2 215.1	2 359.9	6.5%	7.2%	2 254.9	1 947.2	-13.6%	-6.2%	0.98	1.21	23.4%	14.4%
Germany	981.4	973.7	-0.8%		415.1	396.0	-4.6%		2.36	2.46	4.0%	
Portugal	657.8	707.5	7.6%		307.6	338.6	10.1%		2.14	2.09	-2.3%	
Australia	1 426.7	1 523.7	6.8%		720.5	734.9	2.0%		1.98	2.07	4.7%	
Chile	1 220.5	1 399.5	14.7%		666.6	751.7	12.8%		1.83	1.86	1.7%	
USA	966.7	1 077.4	11.5%		421.8	400.9	-5.0%	6.4%	2.29	2.69	17.3%	
New Zealand	646.5	767.0	18.6%	11.7%	168.1	175.8	4.6%		3.85	4.36	13.5%	5%
Argentina	610.1	711.3	16.6%		317.1	364.7	15.0%		1.92	1.95	1.4%	
South Africa	541.8	566.1	4.5%		375.2	412.8	10.0%		1.44	1.37	-5.0%	
Rest of the world	2 479.4	2 676.7	8.0%		682.4	761.6	11.6%		3.63	3.51	-3.3%	
WORLD TOTAL	**23 344.8**	**25 290.0**	**8.3%**		**10 072.6**	**9 903.3**	**-1.7%**		**2.32**	**2.55**	**10.2%**	

Top wine exporters account for almost 90% of total value and more than 92% of total volume. With **“traditional” producers growing in 2012 at a rate of 7.2% in Euros**, **versus 11.7% for “new” exporters.** However, sales for the traditional producers decreased by 6.2% in volume whereas that of “new” producers increased last year by 6.4%.Similarly, export average prices grew faster in the “old world” (14.4%) than in the “new” (5%).

Top world Importers

Top 26 world importers of wine in terms of value (2012) account for 93% of world imports, divided into 5 major areas.

World wine imports 2012: value



With different developments last year, North America, non-EU Europe and Asia were the most dynamic in €uros.

	2012 mill €	TOTAL "OLD"	TOTAL "NEW"	Other exporters	TOTAL WORLD import	% total world imports	Evolution in % 2011-12
EU	**United Kingdom**	2 712.9	1 157.7	73.1	3 943.74	15.8%	13.6%
EU	**Germany**	1 934.9	330.7	128.0	2 393.55	9.6%	0.6%
EU	**Netherlands**	572.0	199.8	101.2	872.97	3.5%	4.6%
EU	**Belgium**	823.8	68.5	71.9	964.18	3.9%	4.4%
EU	**France**	412.8	84.2	134.3	631.26	2.5%	1.5%
EU	**Sweden**	320.2	160.1	60.7	540.93	2.2%	5.9%
EU	**Denmark**	333.4	128.6	36.6	498.65	2.0%	-1.6%
EU	**Italy**	248.3	38.0	19.2	305.46	1.2%	2.5%
EU	**Austria**	187.9	15.2	4.5	207.55	0.8%	15.4%
EU	**Ireland**	111.0	113.6	22.6	247.15	1.0%	9.2%
EU	**Finland**	92.3	61.9	30.4	184.67	0.7%	5.1%
EU	**Poland**	123.0	20.8	35.4	179.16	0.7%	7.6%
EU	**Tchek Republic**	106.1	6.6	58.6	171.34	0.7%	4.0%
EU	**Lithuania**	141.1	4.0	18.1	163.21	0.7%	32.8%
EU	**TOP EU**	**8 119.6**	**2 389.7**	**794.5**	**11 303.81**	**45.2%**	**6.8%**
REST OF EUROPE	**Switzerland**	823.8	70.2	33.0	926.98	3.7%	8.3%
REST OF EUROPE	**Norway**	265.1	37.7	15.6	318.49	1.3%	10.4%
REST OF EUROPE	**Russia**	517.4	96.5	203.7	817.51	3.3%	18.4%
REST OF EUROPE	**TOP OTHER EURO**	1 606.3	204.4	252.3	**2 062.98**	**8.3%**	**12.4%**
	Other importers	1 026.1	437.9	206.4	1 670.3	6.7%	9.9%
	WORLD TOTAL	**17 110.6**	**6 325.2**	**1 559.4**	**24 995.2**	**100.0%**	**9.8%**

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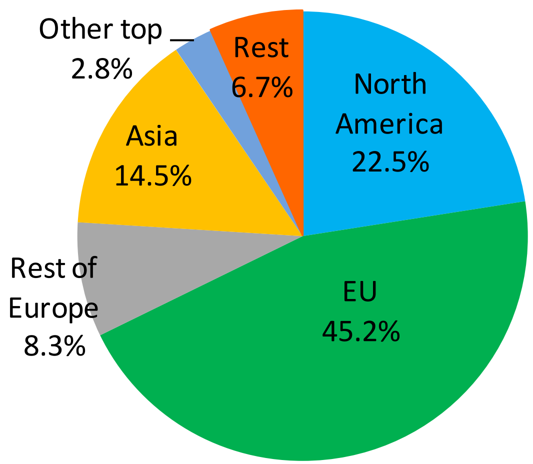
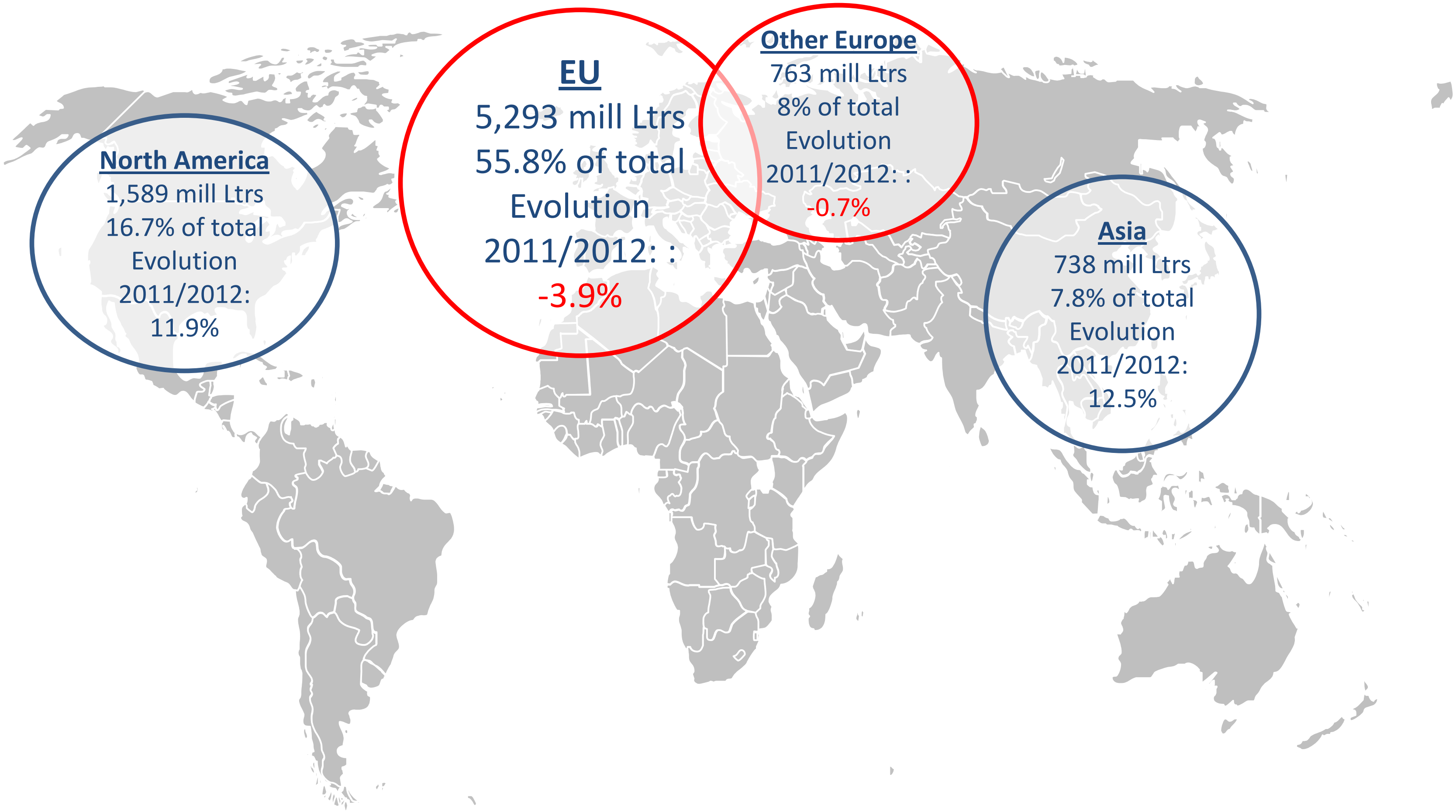


	2012 mill €	TOTAL "OLD"	TOTAL "NEW"	Other exporters	TOTAL WORLD import	% total world imports	Evolution in % 2011-12
NORTH AMERICA	USA	2 625.2	1 240.7	73.0	3 938.96	15.8%	13.8%
	Canada	793.5	731.3	15.3	1 540.16	6.2%	12.1%
	México	96.6	50.8	0.9	148.30	0.6%	9.9%
	N. AMERICA	**3 515.3**	**2 022.8**	**89.3**	**5 627.42**	**22.5%**	**13.2%**
ASIA	China	800.7	397.4	31.8	1 229.98	4.9%	18.5%
	Japan	937.7	276.9	10.6	1 225.15	4.9%	27.5%
	Hong Kong	517.3	144.6	145.0	806.97	3.2%	-10.9%
	Singapour	278.5	71.9	19.3	369.70	1.5%	7.4%
	TOP ASIA	**2 534.2**	**890.8**	**206.8**	**3 631.79**	**14.5%**	**11.8%**
OTHER MAJOR	Australia	205.0	253.3	6.3	464.52	1.9%	21.8%
	Brazil	104.1	126.4	3.9	234.36	0.9%	10.6%
	OTHER TOP	**309.1**	**379.7**	**10.1**	**698.88**	**2.8%**	**17.8%**
	Other importers	1 026.1	437.9	206.4	1 670.3	6.7%	9.9%
	WORLD TOTAL	**17 110.6**	**6 325.2**	**1 559.4**	**24 995.2**	**100.0%**	**9.8%**

With different developments last year, North America, non-EU Europe and Asia were the most dynamic in €uros.

Major groups (importers' perspective)



In regards to volume of imports, the EU remains the largest wine & must buyer despite a decrease in 2012, as opposed to North America and Asia.

Perspectives and trends

- Decline of surface areas (and production): will this trend continue?

- (Slight) recovery of world consumption: notably outside Europe, the evolution is a positive one although 2008 levels have not yet been met.

- Decrease in available volume of export resulting in a reduction from the bulk wine, particularly for European producers.

Thank you for your attention

Vielen Dank für Ihre Aufmerksamkeit

Grazie per la Loro attenzione

Gracias por su atención

Merci de votre attention