The current situation on the global wine market and the resulting challenges with a focus on the EU market demand

Head of Wine Business Study Programms

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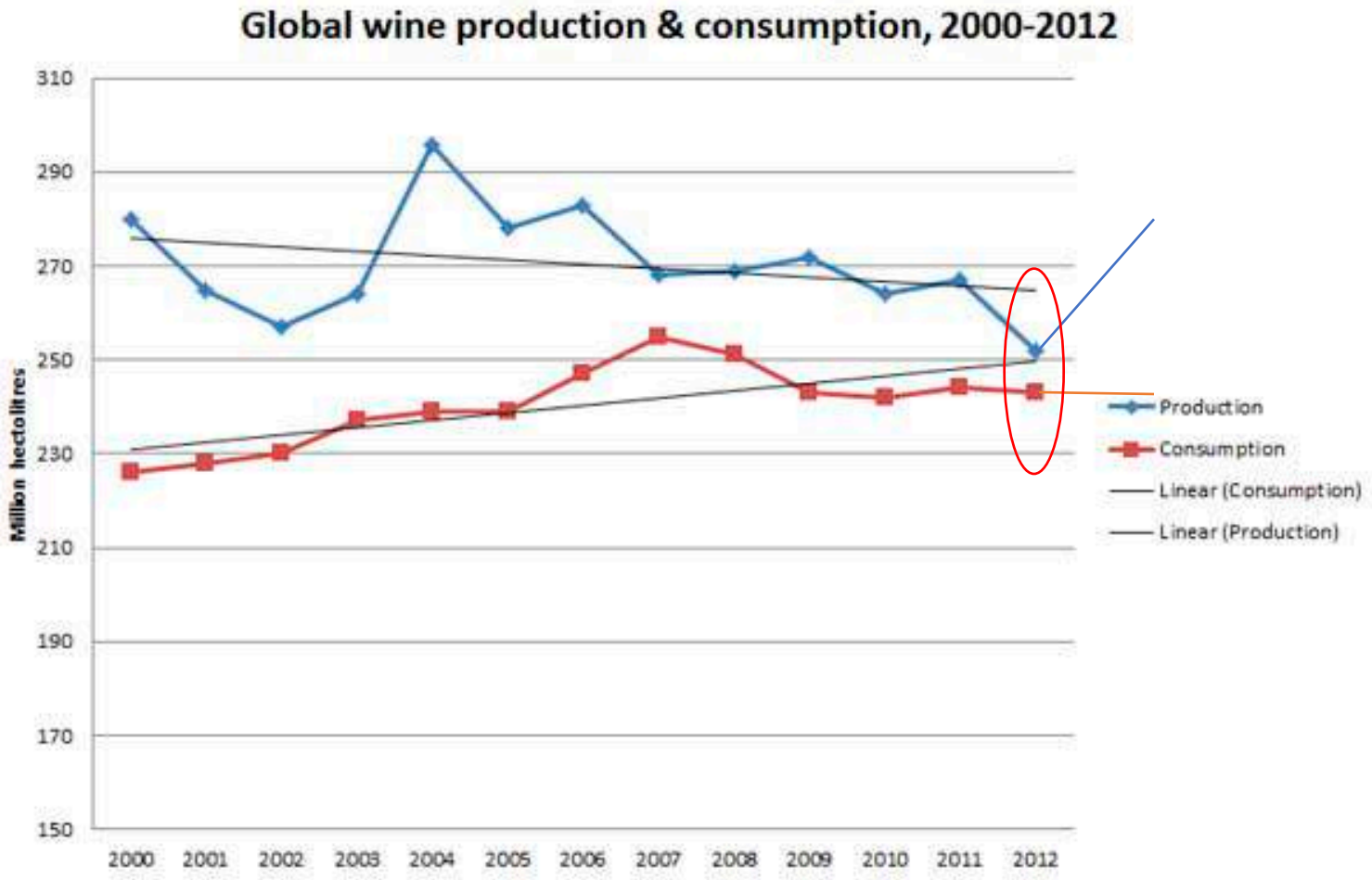
Wine Production & Consumption (global)



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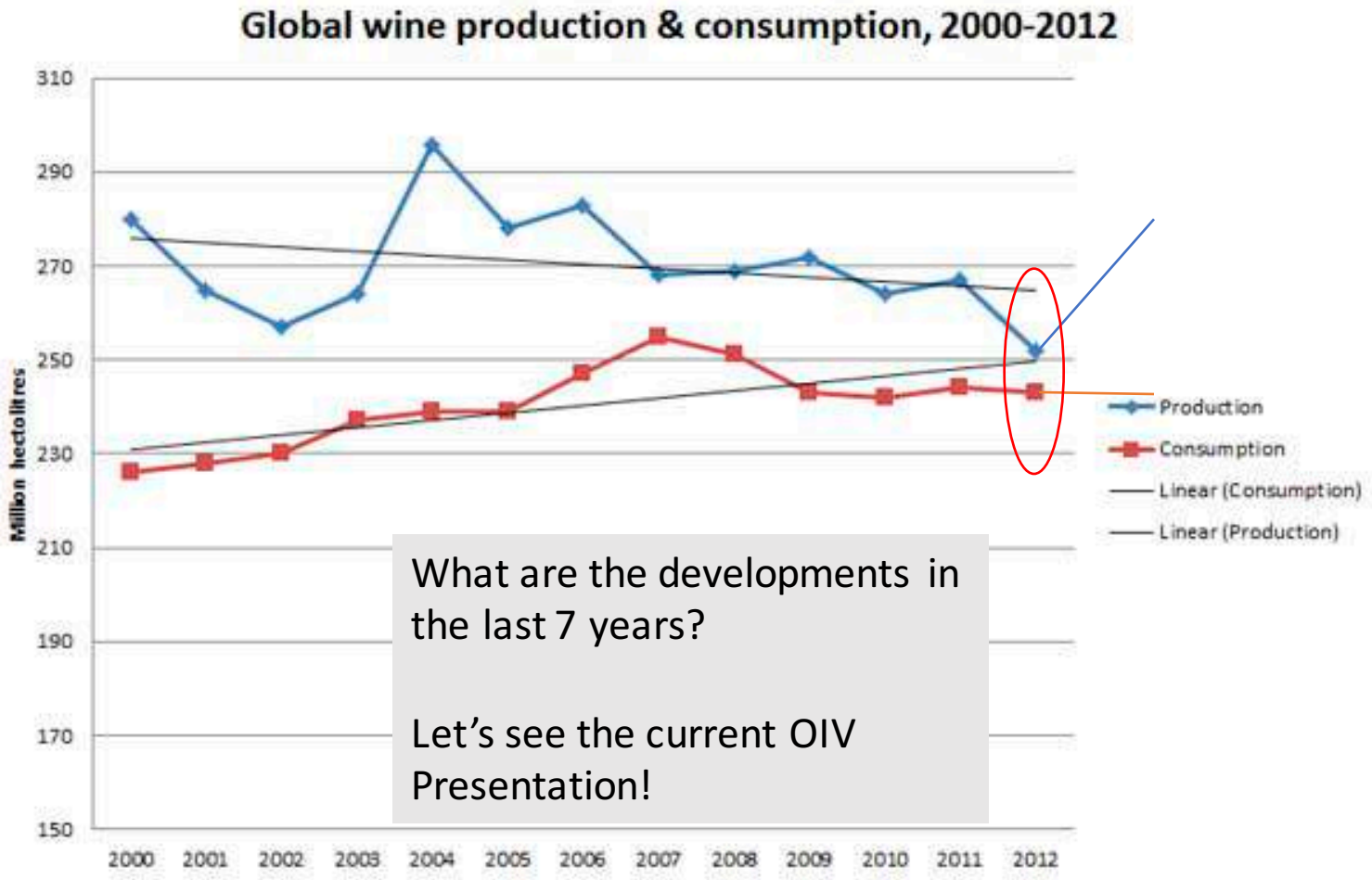
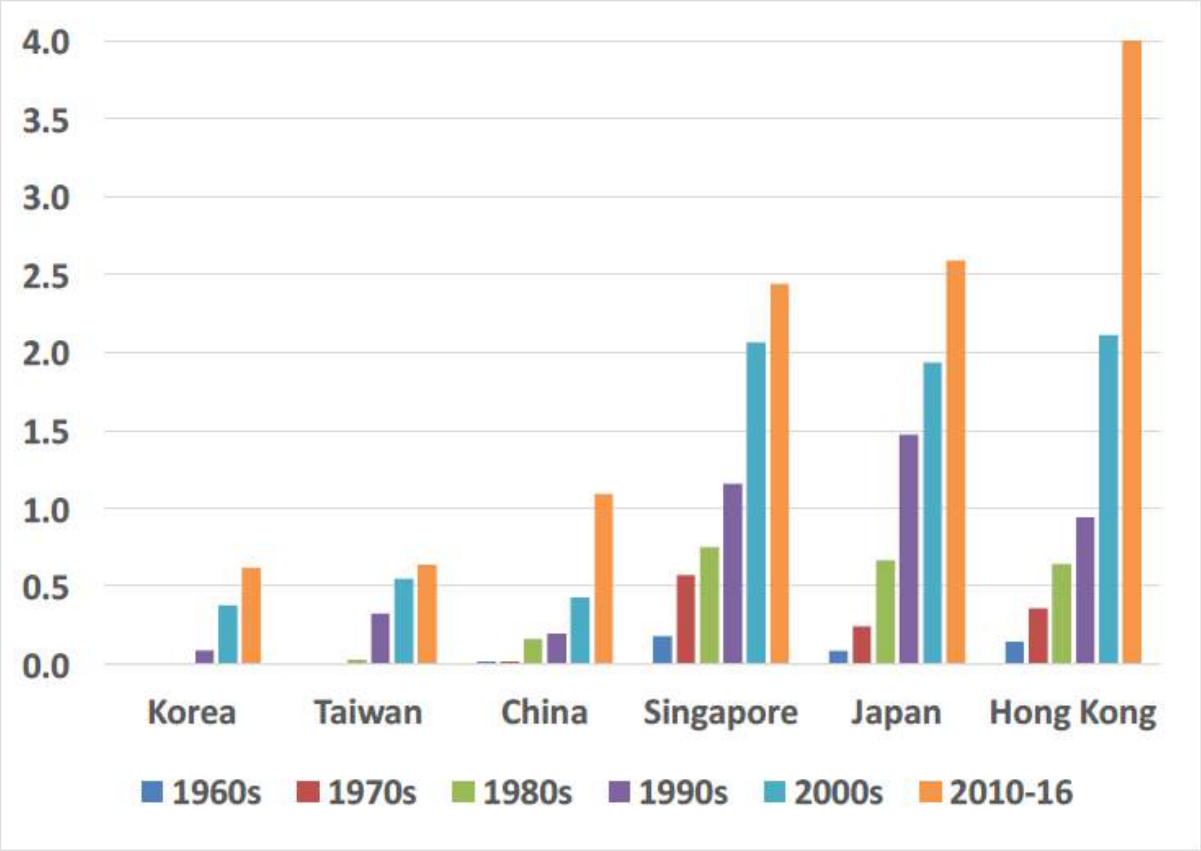


What are the developments in the last 7 years?

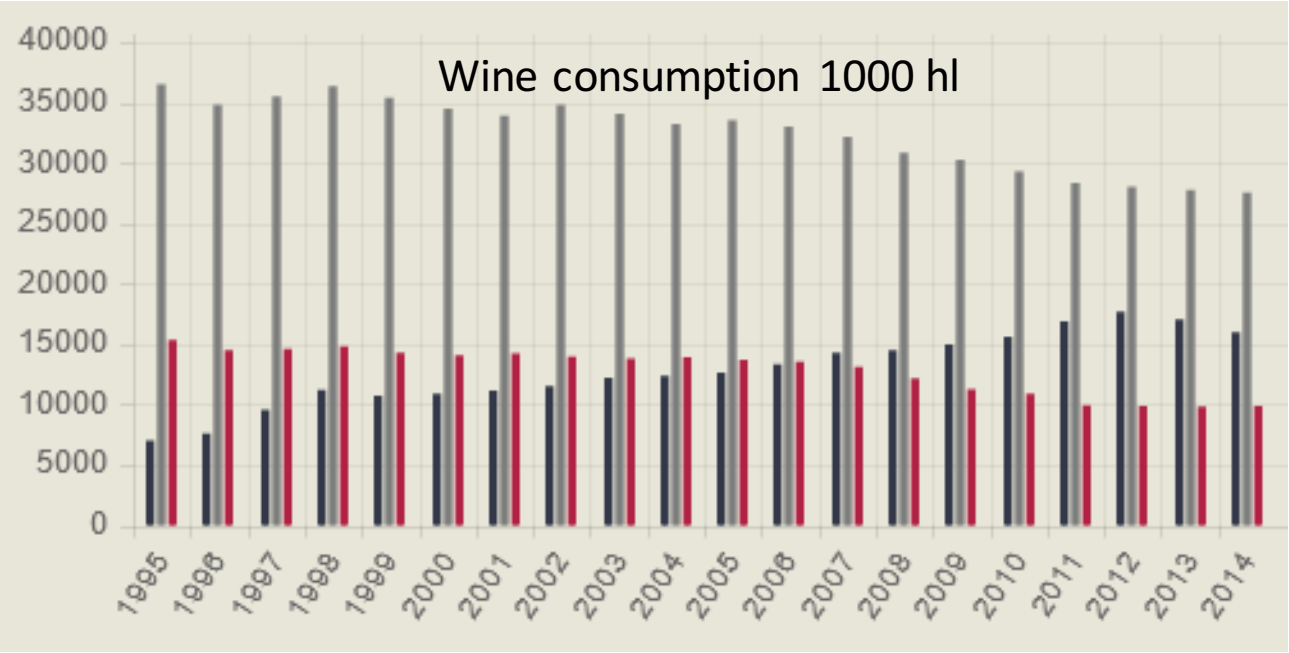
Let's see the current OIV Presentation!

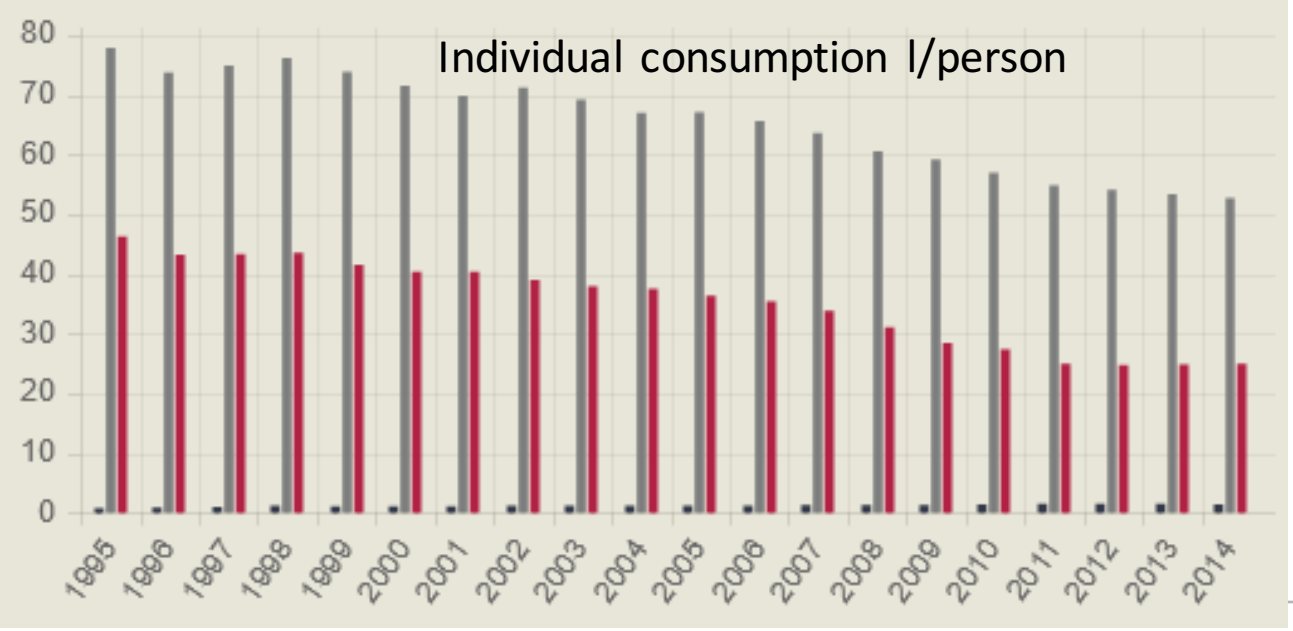
Wine consumption per capita in Asia

1960s to 2016, litres/year



Source: Anderson et al., 2017





China

France

Spain

Source: OIV, 2019

China – Sales of Wine by Category

Table 1 Sales of Wine by Category: Total Volume 2012-2017

million litres

	2012	2013	2014	2015	2016	2017
Fortified Wine and Vermouth	-	-	-	-	-	-
- Port	-	-	-	-	-	-
- Sherry	-	-	-	-	-	-
- Vermouth	-	-	-	-	-	-
- Other Fortified Wine	-	-	-	-	-	-
Non-Grape Wine	2,197.0	2,285.4	2,190.0	2,255.8	2,352.5	2,408.3
- Economy Rice Wine	587.1	600.4	546.3	498.2	455.4	418.1
- Lower Mid-Range Rice Wine	1,005.6	1,061.4	1,063.6	1,158.2	1,269.0	1,338.7
- Premium Rice Wine	204.7	205.0	167.0	161.5	163.1	165.1
- Upper Mid-Range Rice Wine	399.5	418.5	413.1	437.9	465.0	486.4
Sparkling Wine	5.5	8.0	12.2	11.4	10.8	11.1
- Champagne	1.1	1.2	1.2	0.9	0.9	0.8
- Other Sparkling Wine	4.4	6.8	11.0	10.4	10.0	10.3
Still Light Grape Wine	2,015.5	1,915.4	1,906.0	2,082.8	2,218.2	2,357.9
- Still Red Wine	1,523.1	1,396.7	1,394.2	1,533.6	1,636.6	1,743.4
- Still Rosé Wine	57.1	58.6	57.5	60.7	63.7	66.6
- Still White Wine	435.3	460.1	454.4	488.6	517.9	547.9
Wine	4,218.0	4,208.8	4,108.2	4,349.9	4,581.5	4,777.3

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Source: Euromonitor, 2019

China – impressions

CHANDON REPORTS SUCCESS WITH 'CHINA-ADAPTED' SPARKLING WINE

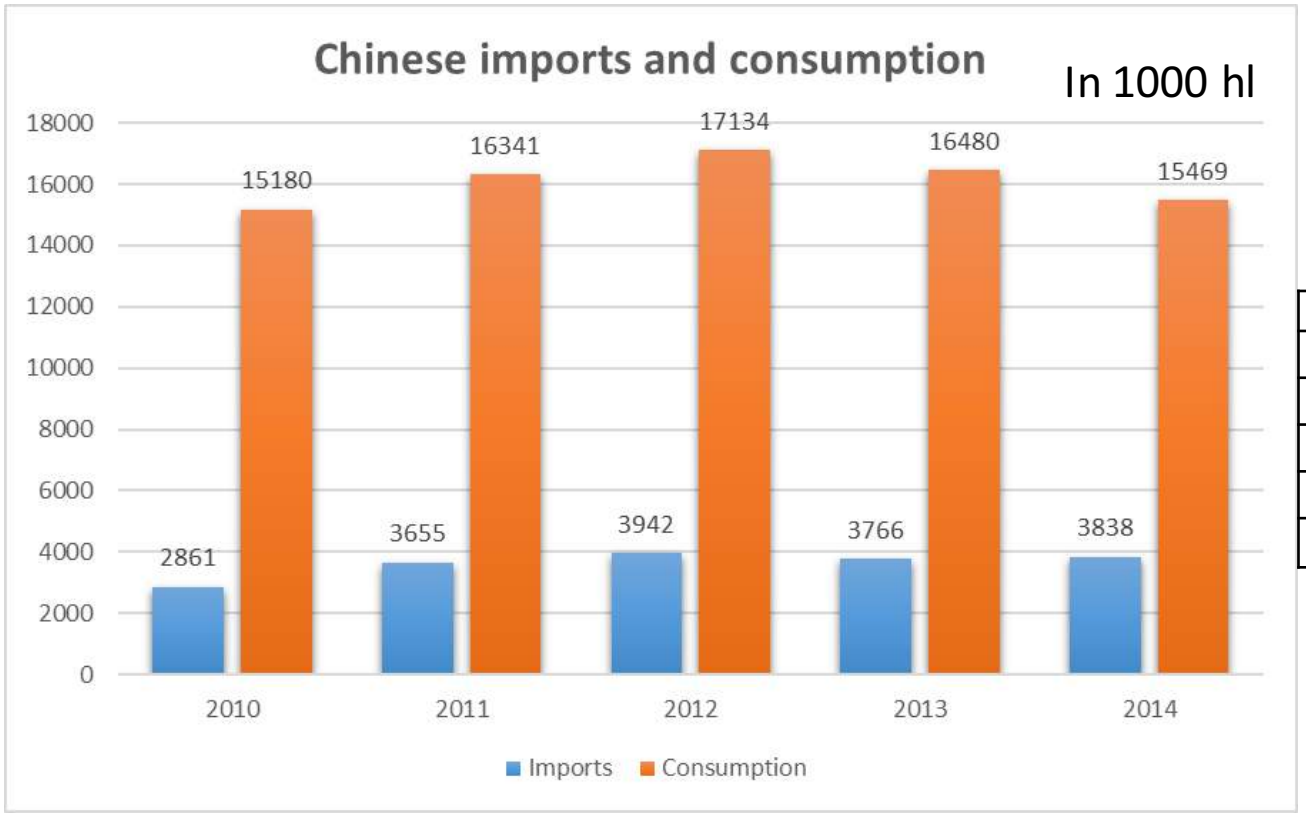
23rd April, 2019 by Natalie Wang

The fine-tuned sparkling wine Chandon China, Moet Hennessy's sparkling wine operation in Ningxia, has created just for the Chinese market has proven a success and claims to be the "first sparkling wine that can be enjoyed at room temperature," according to the brand's estate manager.

Compared with the winery's regular brut range with a dosage of 11g/l, Chandon Me's dosage stands at 45g/l, and it has been, according to Su, performing much better than the brut range, in the knowledge that Chinese drinkers in general prefer a higher level of sweetness.

Additionally, the wine can also be served at room temperature without ice buckets, a key feature of the bubbles the winery devised given the lack of adequate glassware and ice buckets in most local Chinese restaurants.

Source: https://www.thedrinksbusiness.com/2019/04/chandon-reports-success-with-china-adapted-sparkling-wine/, 2019



	Imports	Consumption	
2010	2861	15180	**19%**
2011	3655	16341	**22%**
2012	3942	17134	**23%**
2013	3766	16480	**23%**
2014	3838	15469	**25%**

Source: OIV, 2019

In 2014, 25 % of Chinese wine consumption was imported wine.

Summary

- Assumingly increasing world wine production
- Stable consumption
  - Decrease in Old World
  - Increase in new Wine Drinking Countries
- **Overproduction**
  - ‘intensive competition ’
  - ‘customers are setting the rules of the game’
    - retail
    - consumers

Romantic ideas of a Vintner

~~Romance of a Vintner~~

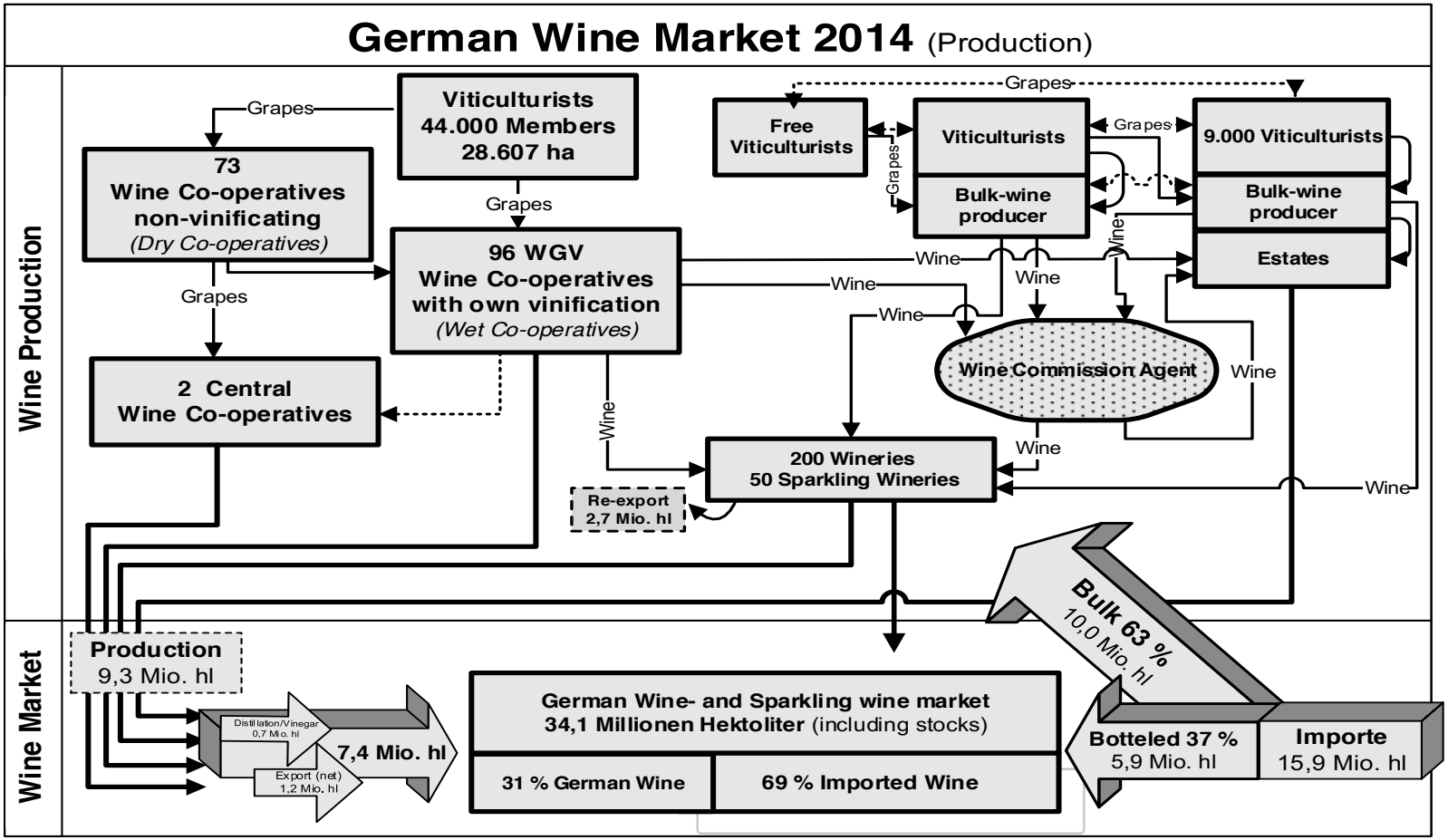
Center of Attention is the customer

MARKETING =
Thinking out of the perspective of the market / customer

What does this mean for the EU market?

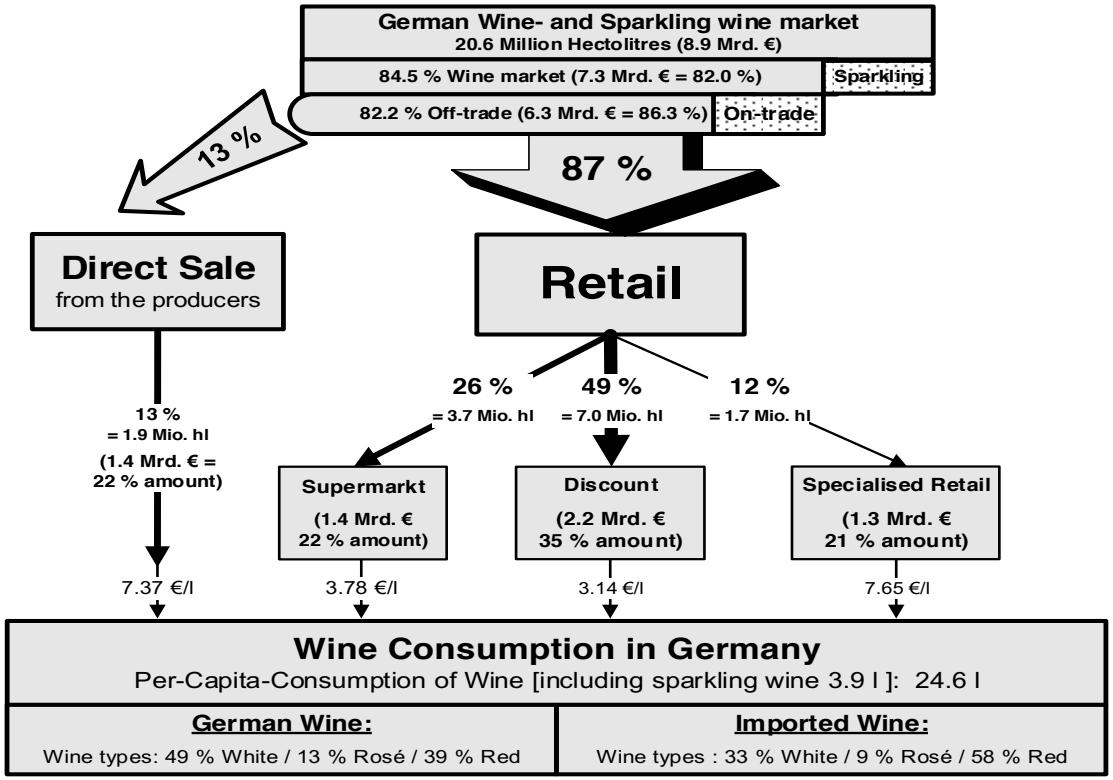
Germany is by volume the largest EU market

and overall a benchmark for developments on the Demand / Customer Side of the market!



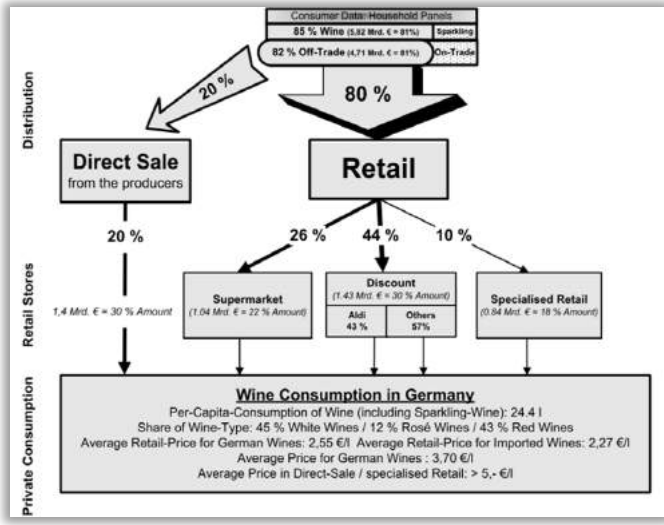
Source: own illustration and (partially) calculation on basis:
DWI, 2015, p. 14, 24, 25 (each year 2014); p. 29, 30 (each wine busines year 2013/2014; BVW 2015, p. 2 (year 2014); Destatis, 2013, p. 26 (year 2014 valid agricultural counting– 3-year mode); DRV, 2014 (wine business year 2013/2014).

German Wine Market 2014 (consumption)



Source: own illustration and (partially) calculation on basis: DWI, 2015, p. 32, 34, 36.

German Wine Market 2010



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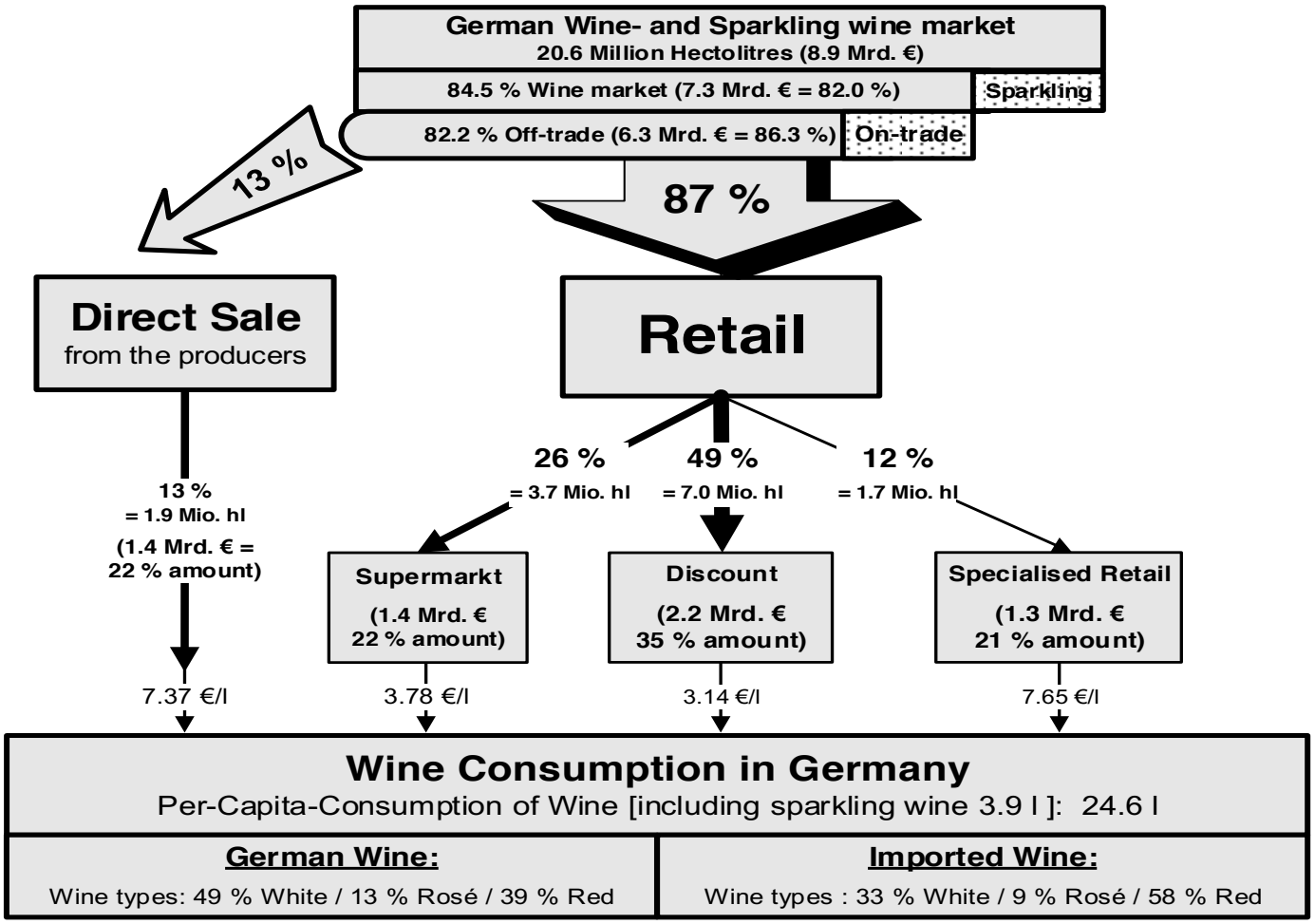

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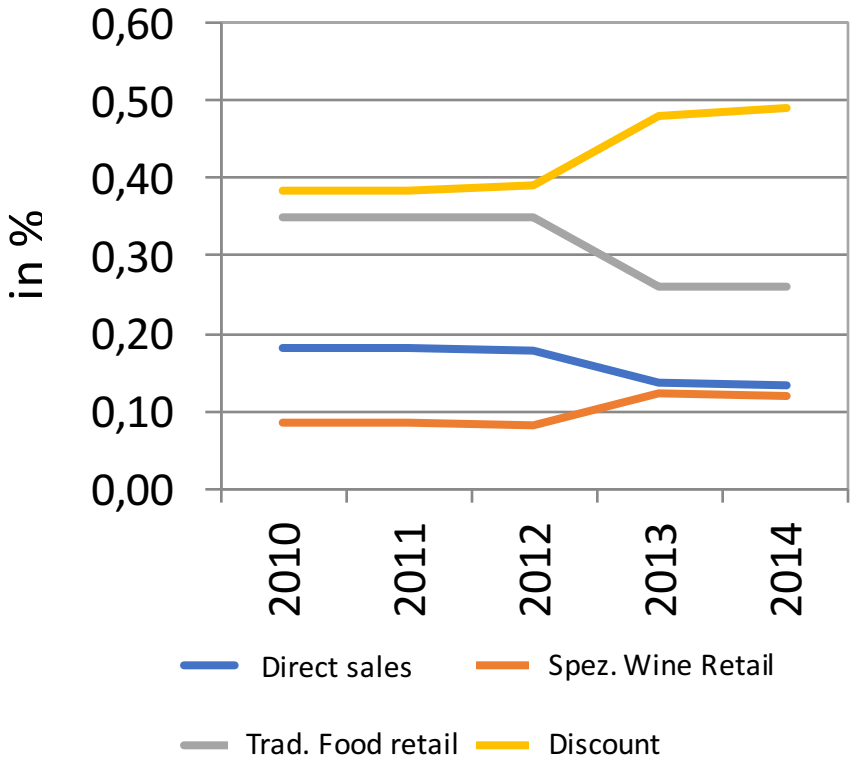
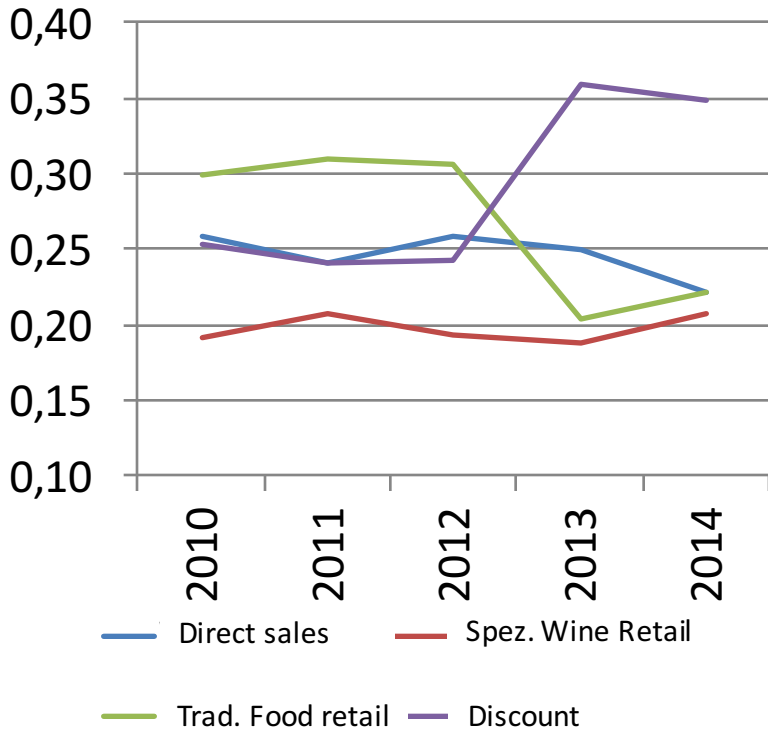
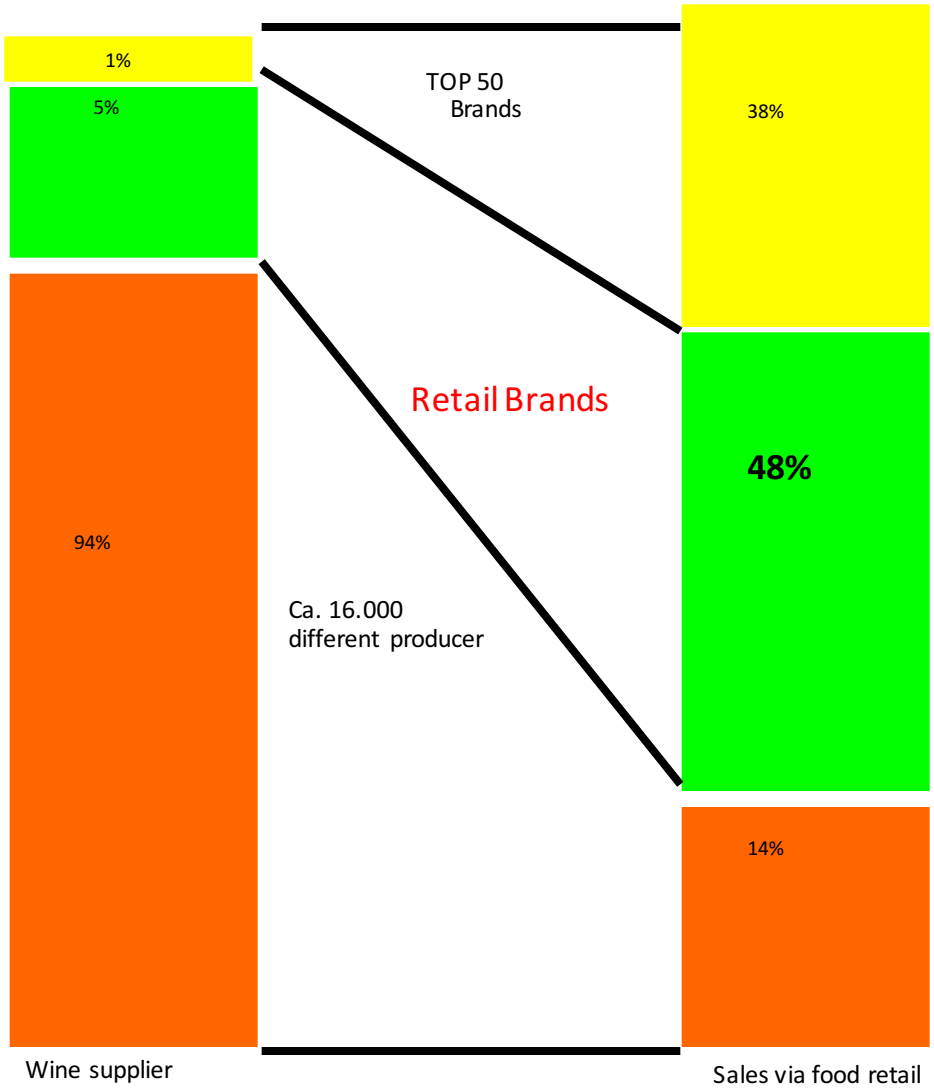
Sales developments in the German wine market





Source: DWI Statistik, different years

UK WINE CONSUMPTION



Quelle: Hallgarten Wines Ltd., GB, 2008

GERMANY – SPECIALIZED WINE RETAIL

- 4 576 Stores / outlets
  - 600 stores / outlets owned by 17 chains; increasing share!
  - 4 006 Individualists

Name	Number of outlets
Jacques‘ Weindepot	280
Vom Fass	152
Gallier Weinhandel	41
Weinland Mövenpick	14
Korkenzieher Weinhandel	11
Bacchus Wein der Welt	8
Badisches Weinhaus	4
Others (10 Chains)	90
Total (17 Chains)	**600**

What does this mean for the EU market?

Customer Orientation!

- Quality is a necessity – also logistic quality
- Retailer private labels are gaining importance
- Strong Brands are needed for differentiation

Need for market and customer orientated education programs

Thank you for your attention!

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