European Economic and Social Committee

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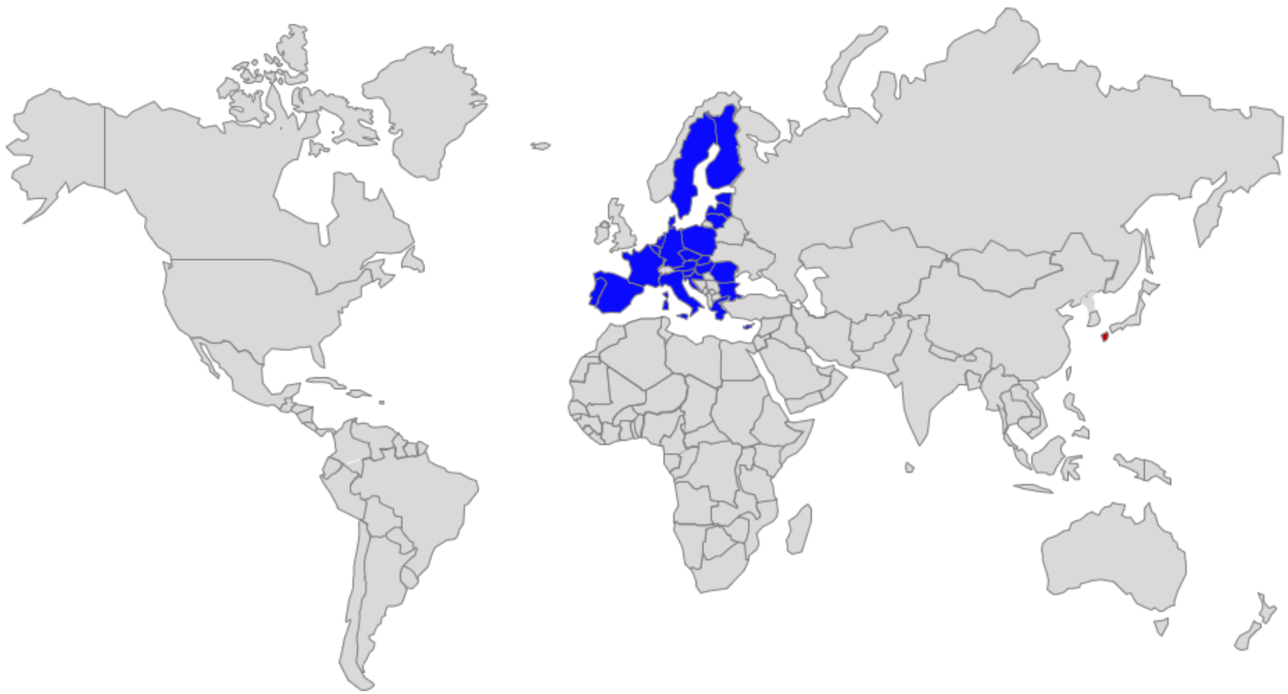

A brief view on wine markets and the EU wine policy package

Rafael del Rey

Del Rey Analysts of Wine Markets DelReyAWM.com

European Economic and Social Committee – May 20th 2025

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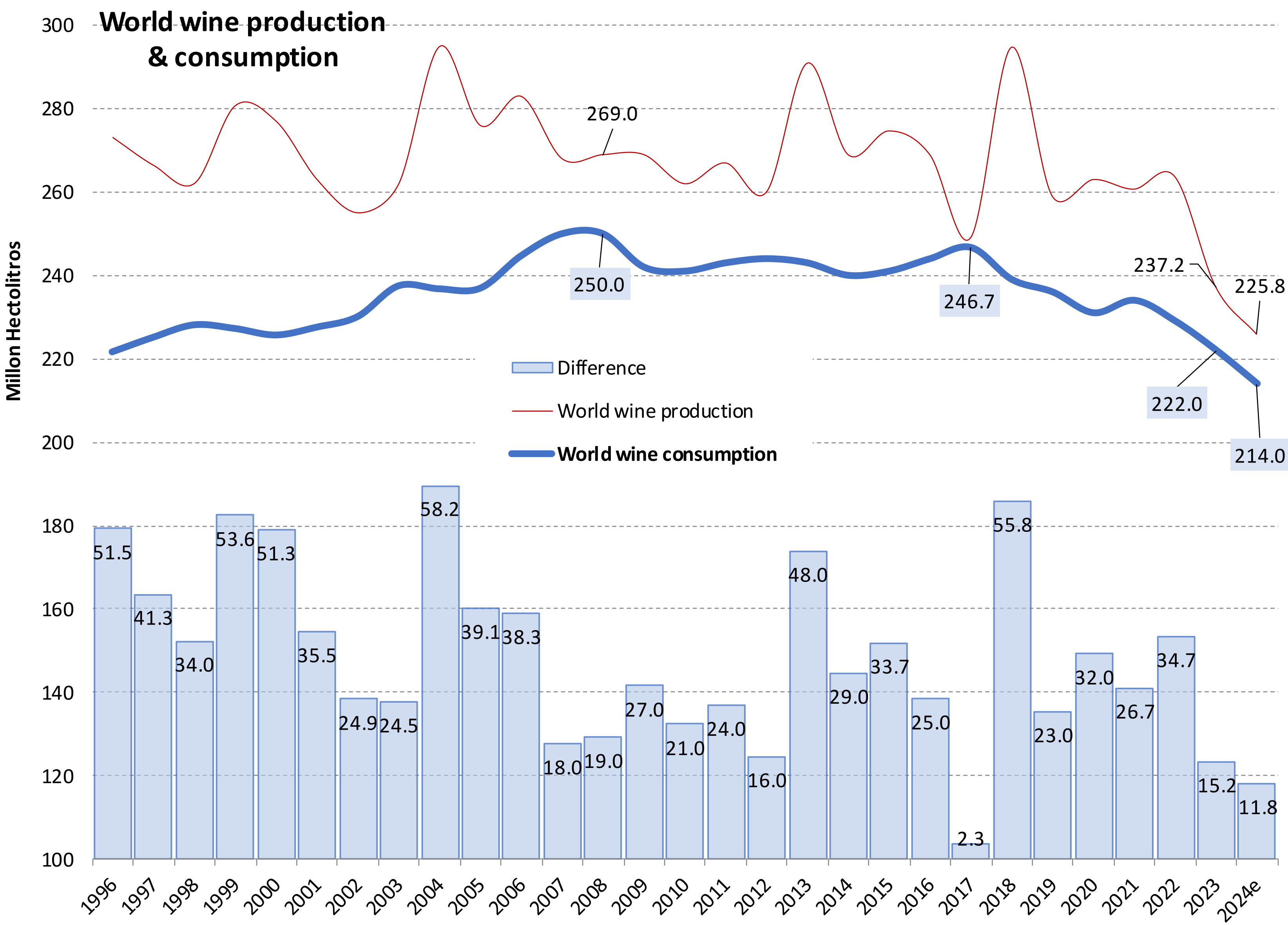
World wine production

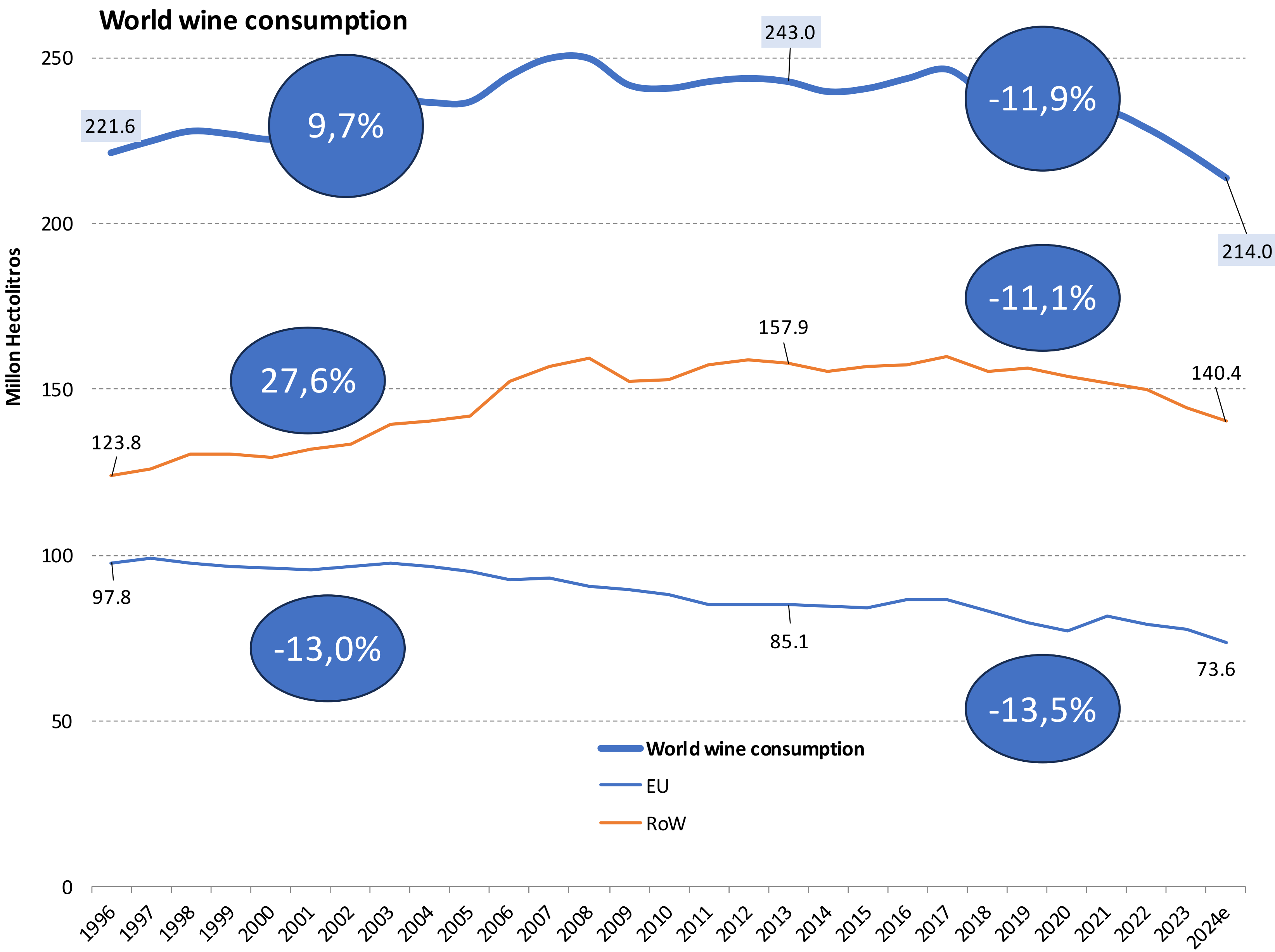


Wine consumption is declining, particularly since 2017, but…

… also wine production – very erratic - has decreas-ed in recent years…

… what leads to relatively small differences between production and consumption.

World wine production



The change has come from outside the EU.

While up to 2013 the rest of the world compensated decreasing wine consumption in the – current – EU countries, since then

(i) the EU has maintained its decline but

(ii) third countries changed their global trend.

Recent evolution of international wine markets

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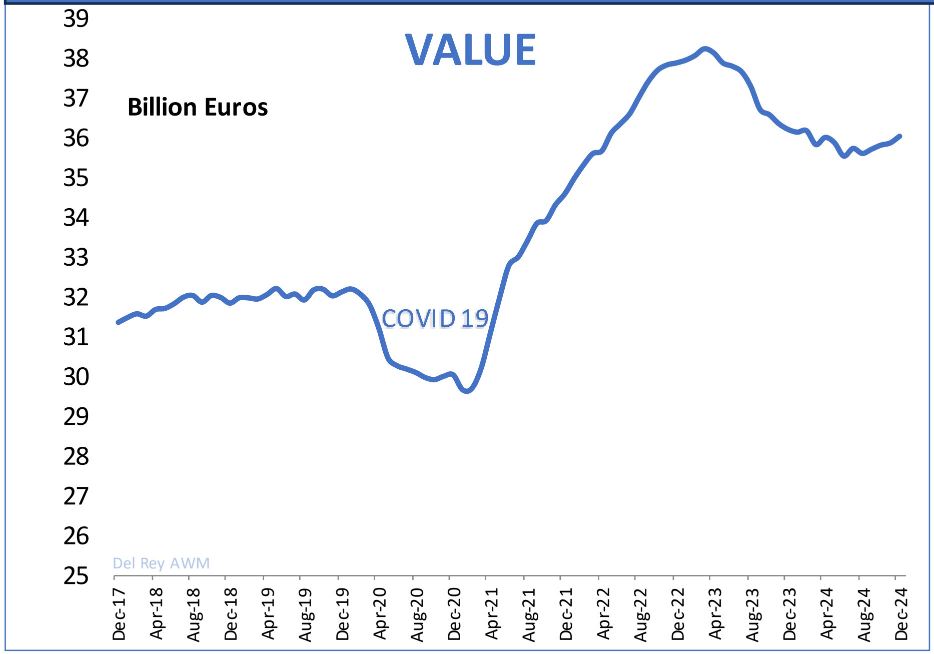
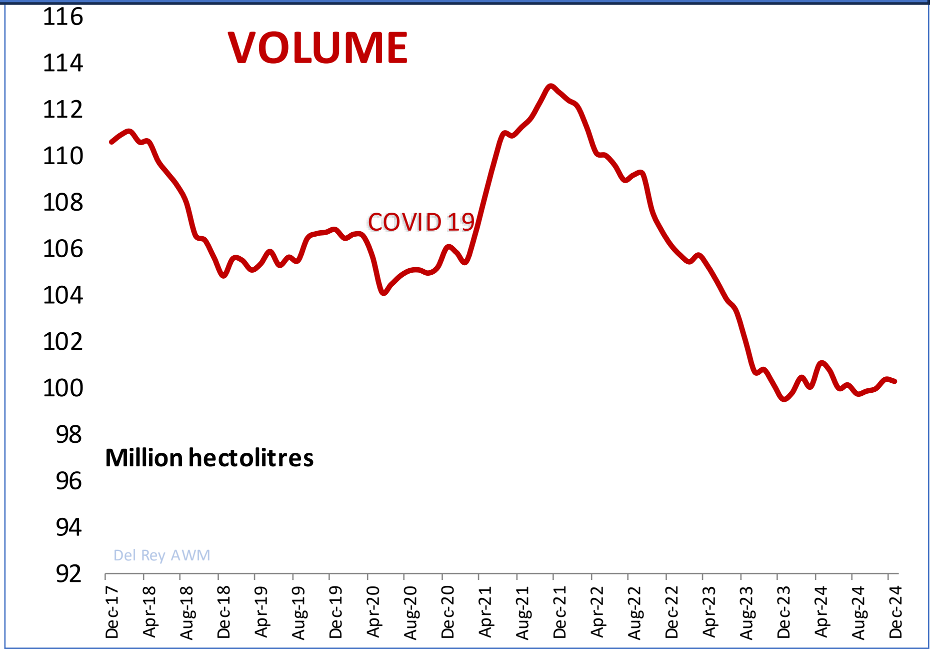
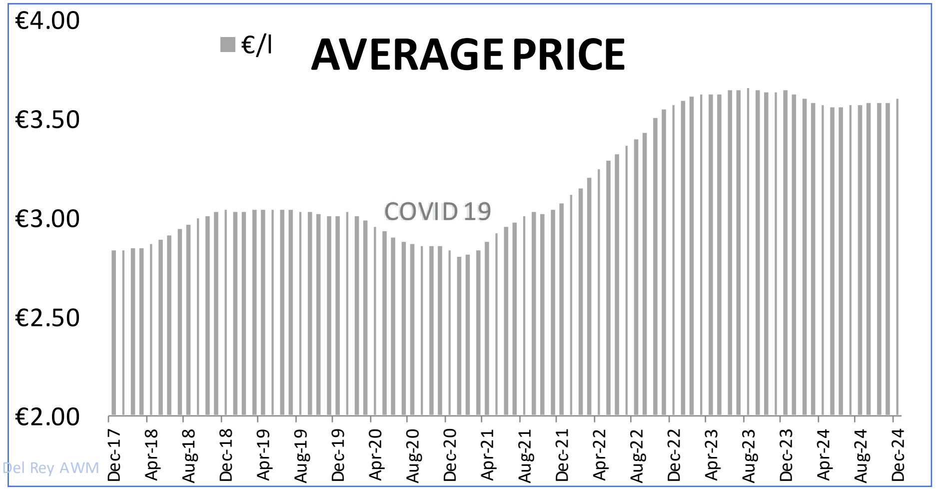
World Exports of Wine & Must

Source; Data S&P; elaboration Del Rey AWM







Accordingly, international wine trade slowed in volume terms, while increasing average prices.

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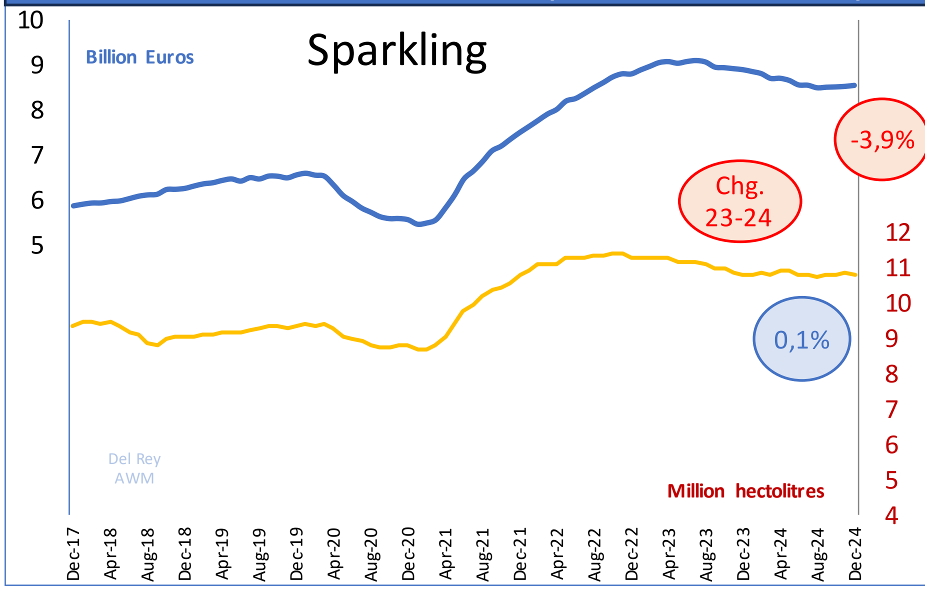
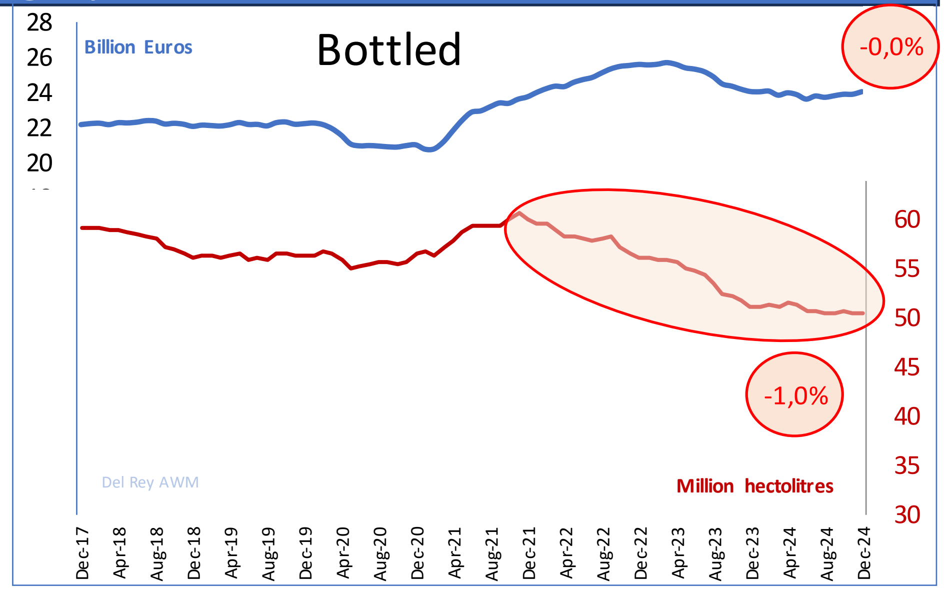
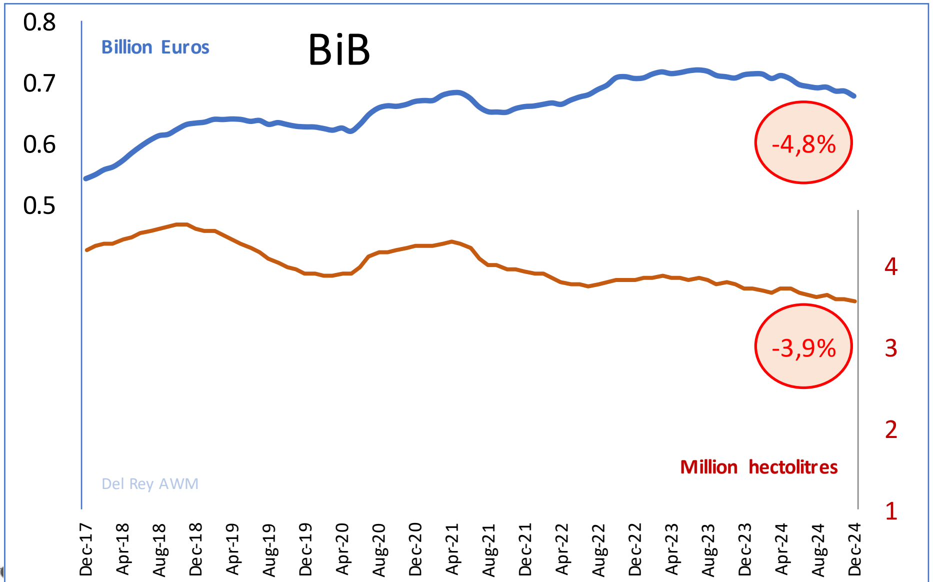
Not all wines equally

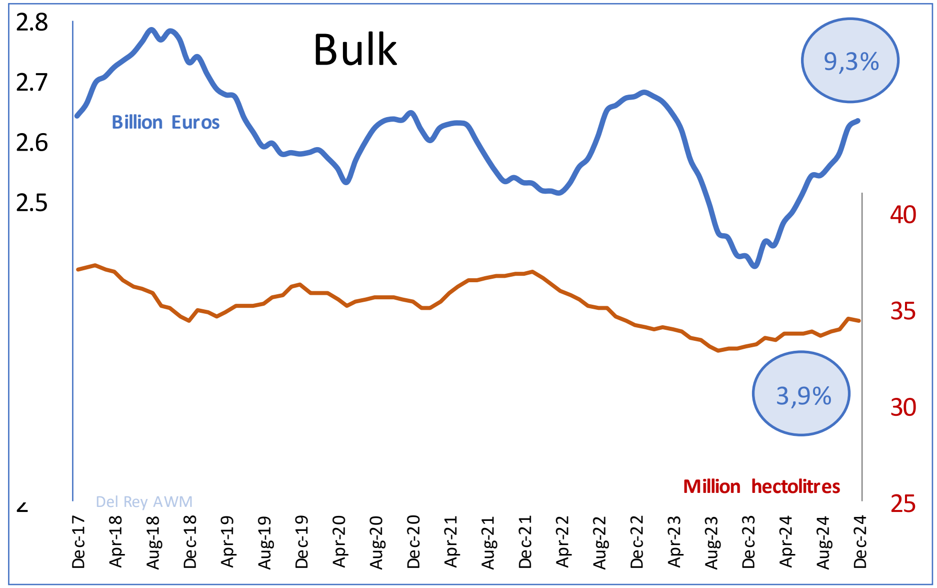
World Exports of Wine by Category

Source; Data S&P; elaboration Del Rey AWM









Not all colours follow the same path

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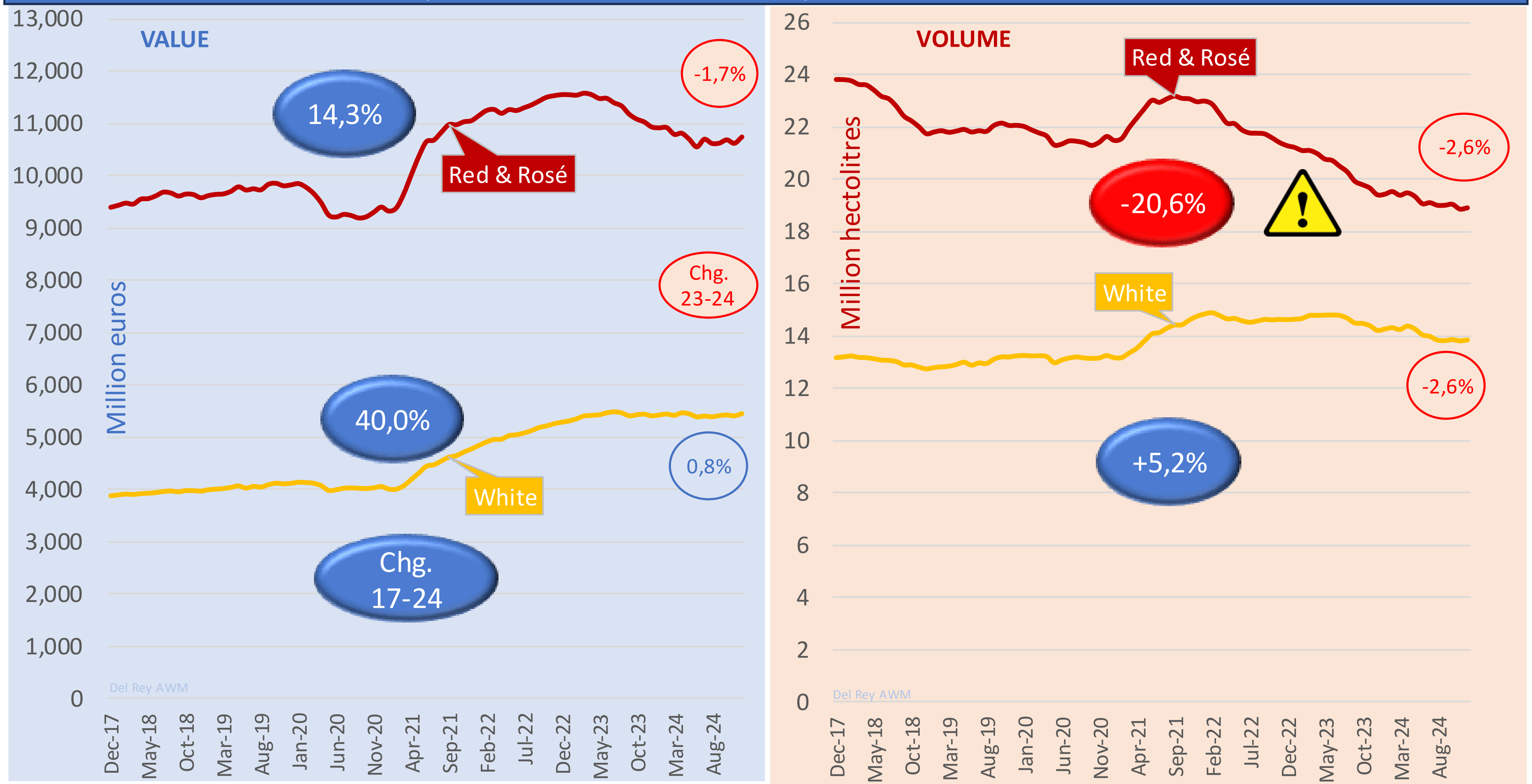
EU world exports of bottled wines by colour

Source; Data HIS; elaboration Del Rey AWM



By colour, the difference between whites and reds & rosés grew in 2024 among EU exports of bottled wines in value.

Stability of whites around €5.5 billion (+0.8%) opposes to a new 1.7% decline of R&R bottled wines to €10.7 bl.

In volume, both colours show a 2.6% negative rate, continuing the crisis of R&R that results in a -20.6% fall in eight years.

Nor all top wine exporters

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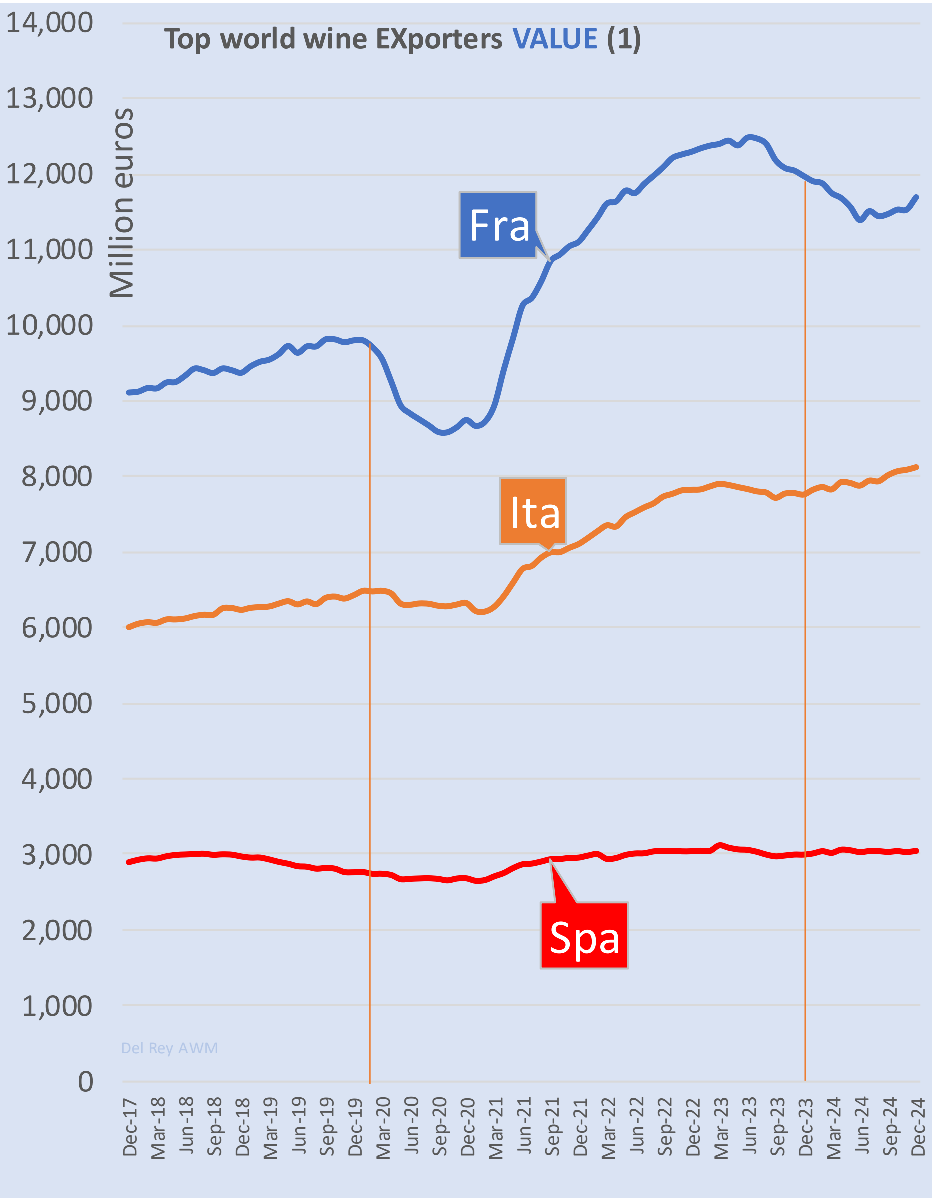
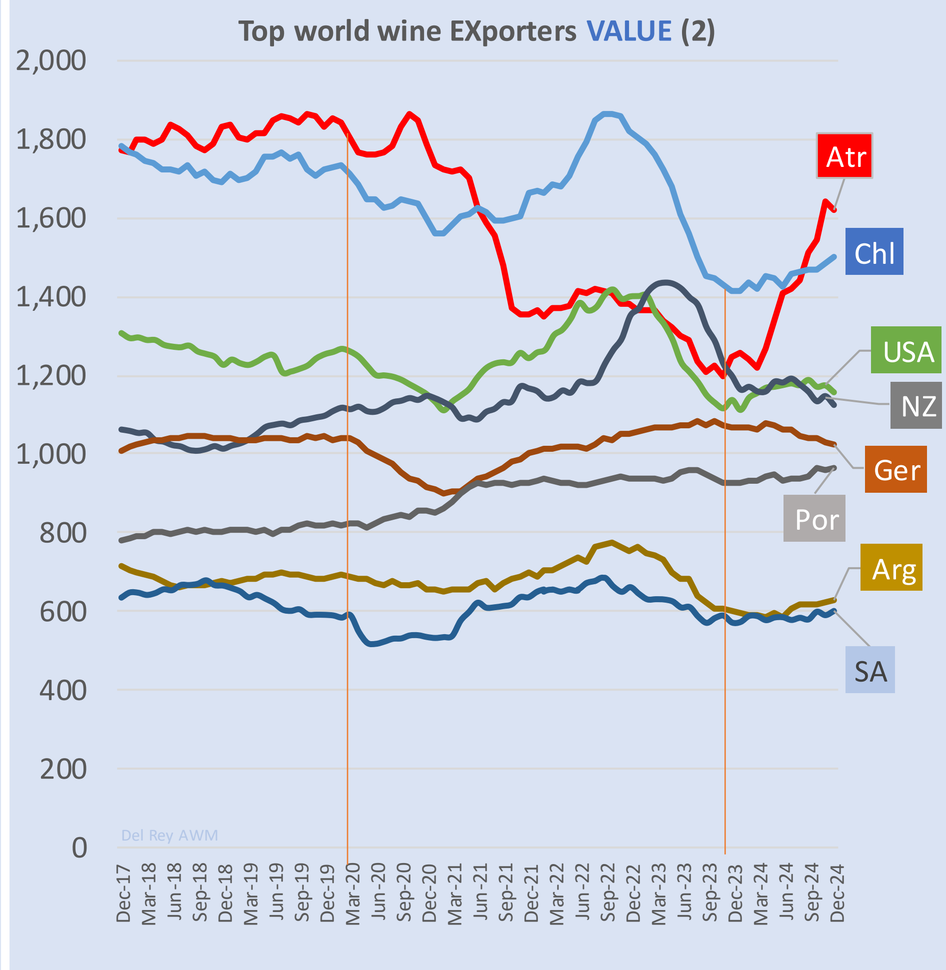


Among top world wine exporters, decline of French exports by 2.4% in euros contrasts with healthy growth of Italy's (4.7%) and small increase of Spanish shipments (1.6%).
Among smaller exporters, the recovery of Australian wine exports after Chinese lifting of deterrent tariffs and the growth of Chile contrast with decline of US and NZ's sales.



Nor all the key markets in the same way

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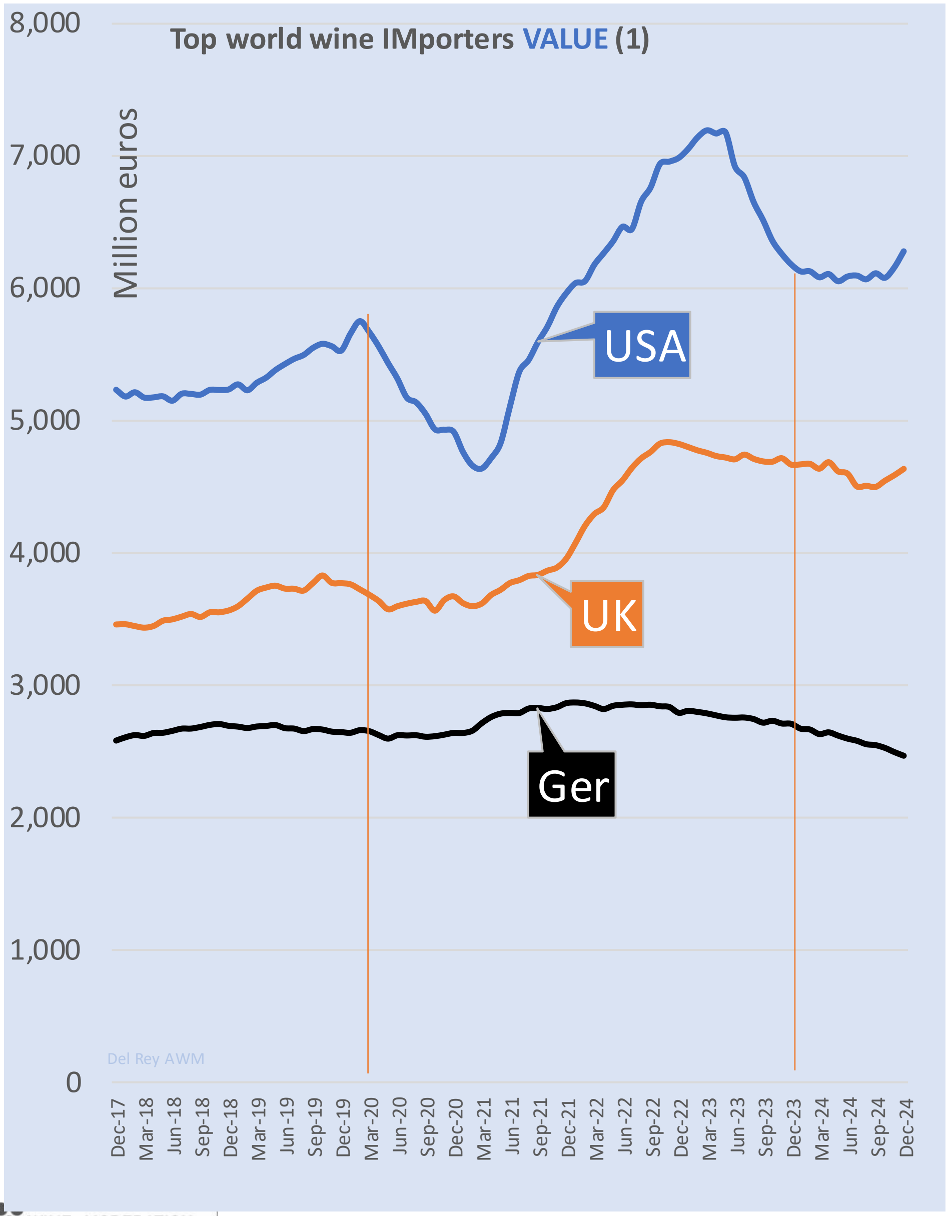
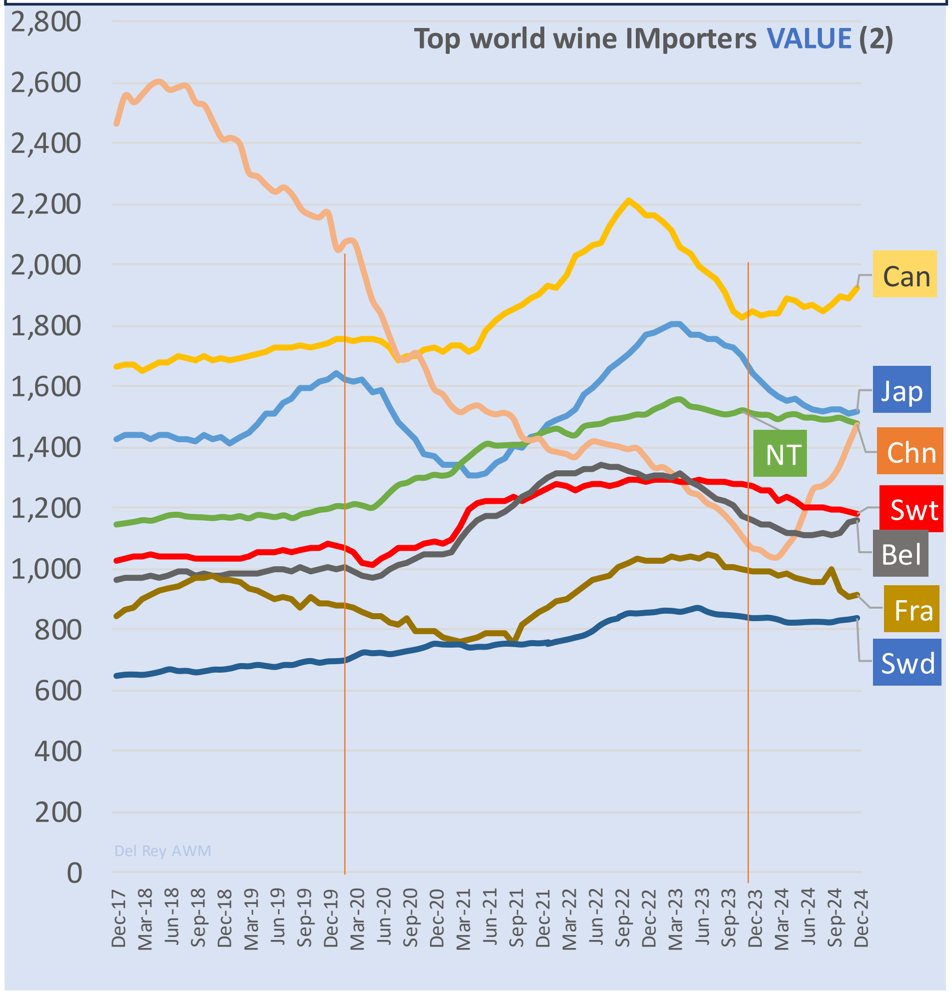


Among top three wine markets, the US recovered imports (+1.6%) after a very negative 2023, UK remains stable around €4.6 bl (-0.7%) and Germany falls to €2.5 bl (-9.1%).
China's 37.6% growth and Canada's +4.2% oppose to declines in other major markets such as Japan, Netherlands and Switzerland.



What is happening? Hypothesis

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POLARIZATION: At least two big segments of the market perform quite well:

- The upper segment
- The "popular" segment
- The problem is in the middle

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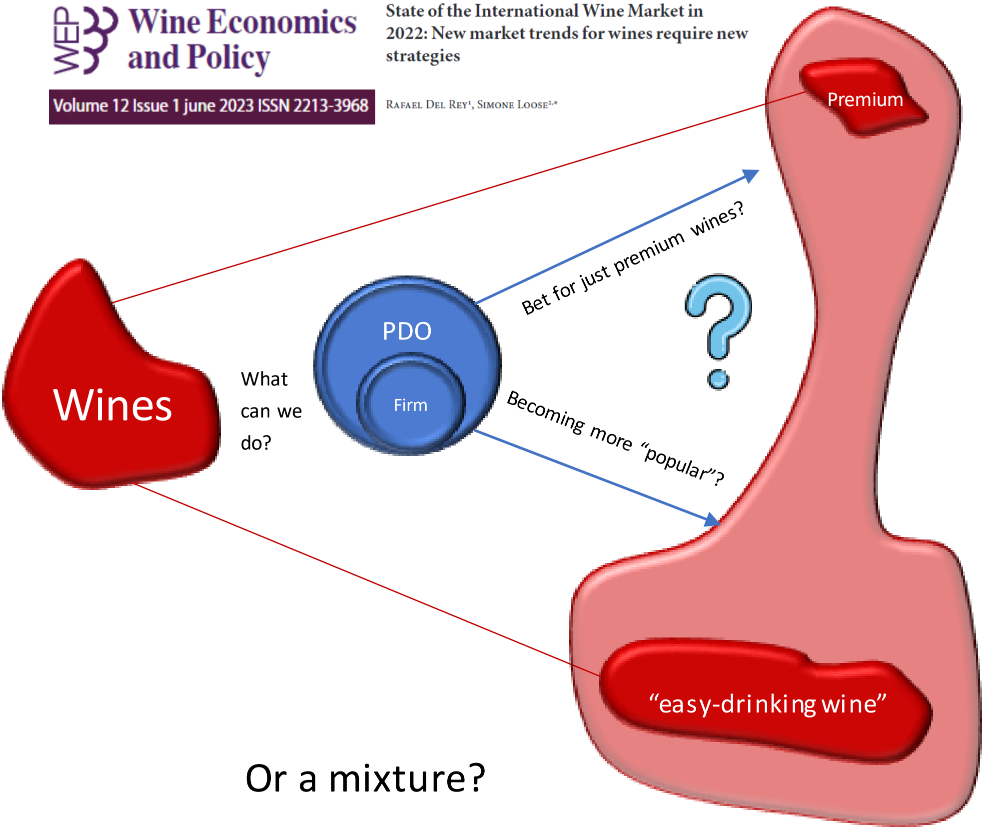
State of the International Wine Market in 2022: New market trends for wines require new strategies

Rafael Del Rey[1], Simone Loose[2,*]



Or a mixture?

How do we manage it?

By the way, others are also working on it

In wine	In other drinks	In other sectors

Expansión 8 Oct 23

Se potencia la polarización en el negocio

Una de las tendencias cada vez más presente en el negocio hotelero español es la polarización entre activos, con un cada vez mayor protagonismo de las categorías de lujo y súperlujo, que han demostrado ser más resilientes a los cambios de ciclo, y cierto predominio del 'low cost'.

The EU wine package

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Restore / maintain equilibrium

Reducing supply:

- Surplus prevention
  - Grubbing-up
  - Green harvesting
- Planting flexibility
- Climate support

Enhancing demand:

- Marketing rules
- Harmonised labelling
- Boosted wine tourism
- Extended promotion

Regulation

Budget

Market trends require strategies

As a result of the evolution of wine markets, three complementary strategies can be followed

Foster traditional consumption of more traditional wines	Promote fresher more popular wines	Re-invent some wines
Probably more based on environmental, rural and social connections of wine, than on health aspects		Closer to other “easy drinks”

Strategies require policies

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As a result of the evolution of wine markets, three complem... owed

(1) Promoting wine (to third as well as EU countries; alone or together with other products; all wines; with enough flexibility to allow for small companies to use the measures)

Foster traditional consumption of more traditional wines

e-invent some wines

Probably more based on environmental, rural and social connections of wine, than on health aspects

Closer to other "easy drinks"

Strategies require policies

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As a result of the evolution of wine markets, three
tegies can be followed

(2) Fostering flexible regulation to adapt portfolios to changing market conditions

Foster traditional consumption of more traditional wines	Promote fresher more popular wines	Re-invent some wines
Probably more based on environmental, rural and social connections of wine, than on health aspects		Closer to other "easy drinks"

Strategies require policies

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As a result of the evolutio[...]
complementary strat[...]

(3) Promoting a flexible regulatory framework for innovation in new wines and wine-based products, adapted to new consumption trends

Foster traditional consumption of more traditional wines	Promote fresher more popular wines	Re-invent some wines

Probably more based on environmental, rural and social connections of wine, than on health aspects	Closer to other "easy drinks"

Some comments and suggestion

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- ✓ General focus: To foster the EU wine sector

Yes we can

- ✓ Required legal flexibility to adapt to changing markets
  - ✓ Low and non-alcohol wines
  - ✓ And also partially fermented must

Most popular

Consumers will and already call it “wine”

- ✓ Much more flexible use – and simplified justification - of the promotion measure
- ✓ Support of wine tourism not restricted to PDO / PGI, nor to institutions and organisations
- ✓ Enhance the internal market, facilitating on-line /direct sales across countries

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Final consideration

The wine sector is deeply affected by changing consumers' trends, habits and by geopolitical factors, but…

… it has a future.

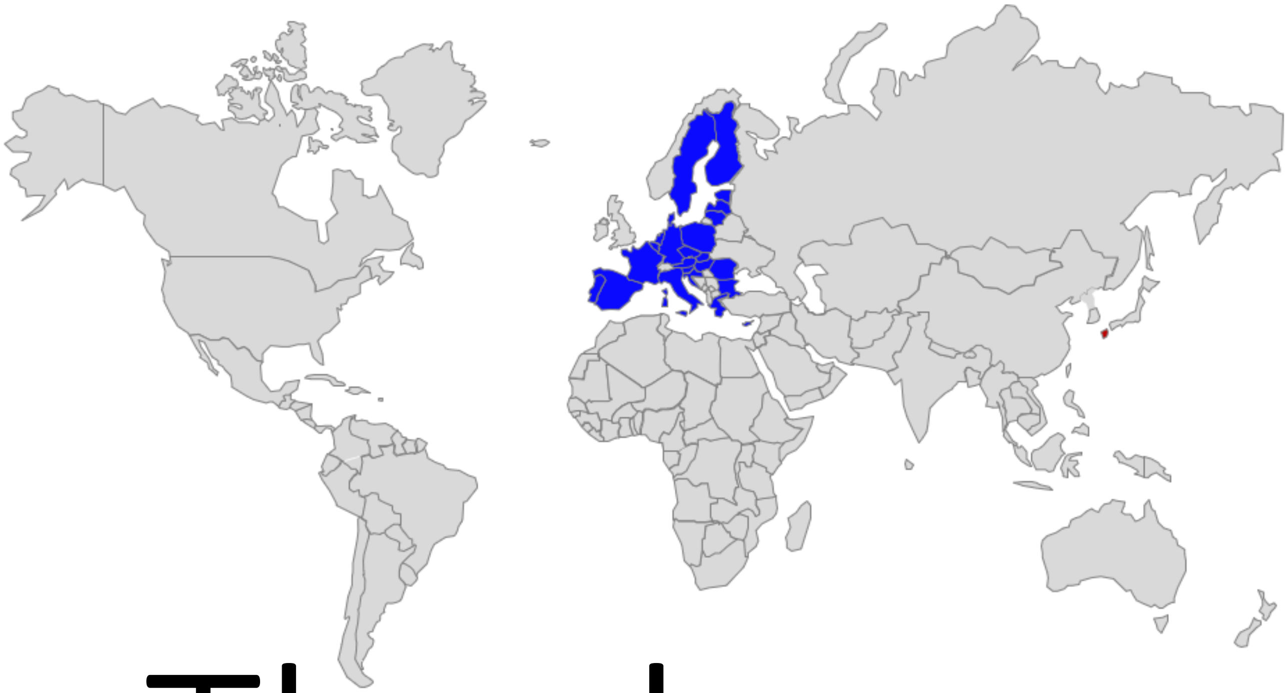
Probably different from what we know

Probably including new products, cocktails and combinations

Probably changing consumers' segments and nationalities

…

But wine has demonstrated to be extraordinarily resilient, as long as we let stakeholders to adapt to new circumstances.



Thank you

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