

## State of the International Wine Markets in 2023.

### The wine market at a crossroads: Temporary or structural challenges?

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34 **Abstract**

35 The global wine trade experienced a decline in volume and value in 2023 due to reduced real incomes,  
36 post-pandemic overstocking, and shifting consumer preferences. Non-sparkling red wines were more  
37 affected than sparkling wines, white wines and wines in bag-in-box formats, with notable declines in  
38 non-sparkling bottled wine imports across major markets. Despite this, an exceptionally low wine  
39 harvest in 2023 prevented a global oversupply. Regionally, some countries and appellations face an  
40 imbalance where grape supply exceeds demand due to misalignment with current consumption  
41 trends.

42 The critical question for the wine sector is whether these declines are due to temporary factors,  
43 structural changes, or a combination of both. Excessive inventories accumulated in the post-pandemic  
44 period suggest a temporary decline in trade. However, there are growing concerns about changing  
45 consumption habits, particularly among younger consumers in Europe and the US. The relative  
46 influence of these factors remains uncertain.

47 Premium wines still enjoy demand among traditional aficionados, but there is a clear shift in  
48 consumer preferences towards more refreshing products, including white wines, sparkling wines, and  
49 low-alcohol wines. To address these challenges, the wine industry must innovate and adapt its  
50 regulatory framework to support consumer-oriented innovation and diversified portfolios. The global  
51 wine industry is at a pivotal transition point, requiring a strategic response to evolving consumer  
52 preferences to maintain its market position.

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54 **Key words:** global wine trade, wine consumption trends, industry strategies.

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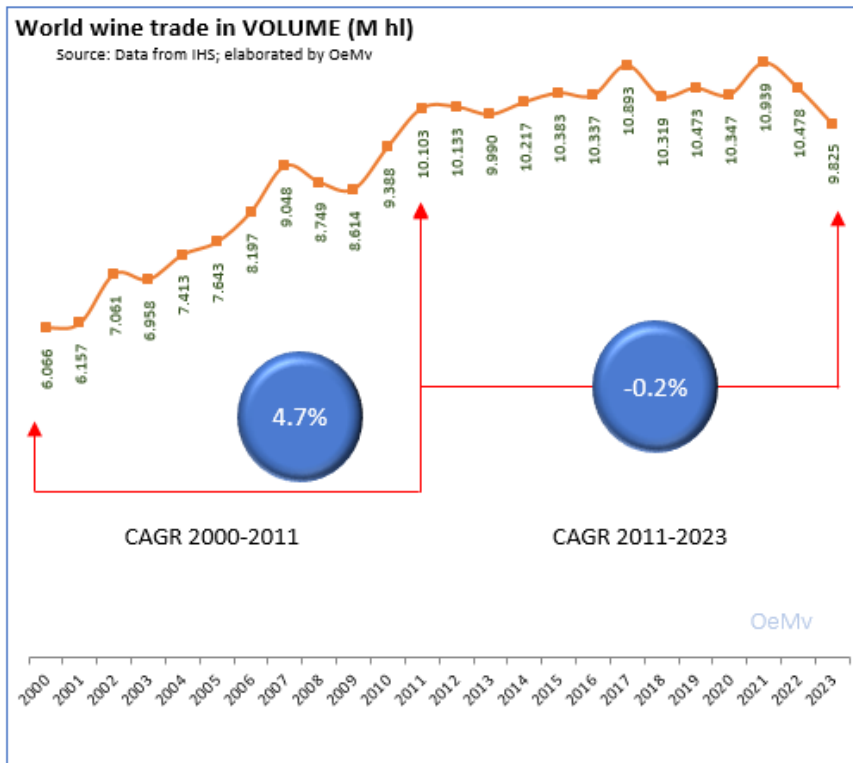
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## 60 **1. Scope and objective of the discussion paper**

61 The objective of this discussion paper is to bridge the gap between academic research and industry-  
62 relevant insights and trends in the global wine market. Building upon the foundational discussion by  
63 Del Rey and Loose [1], this paper offers a comprehensive analysis of the global wine trade's  
64 development in 2023, examining both volume and value across various product categories and key  
65 markets. In the second chapter, we provide an in-depth analysis of these trends, highlighting  
66 significant shifts and emerging patterns. The third chapter delves into the underlying factors  
67 contributing to the current decline in global wine trade, exploring product trends and market  
68 polarisation. Finally, we discuss the implications of our findings and propose specific strategic  
69 recommendations for the industry to foster and sustain wine consumption across different product  
70 categories. This paper aims to provide actionable insights that can inform industry strategies.

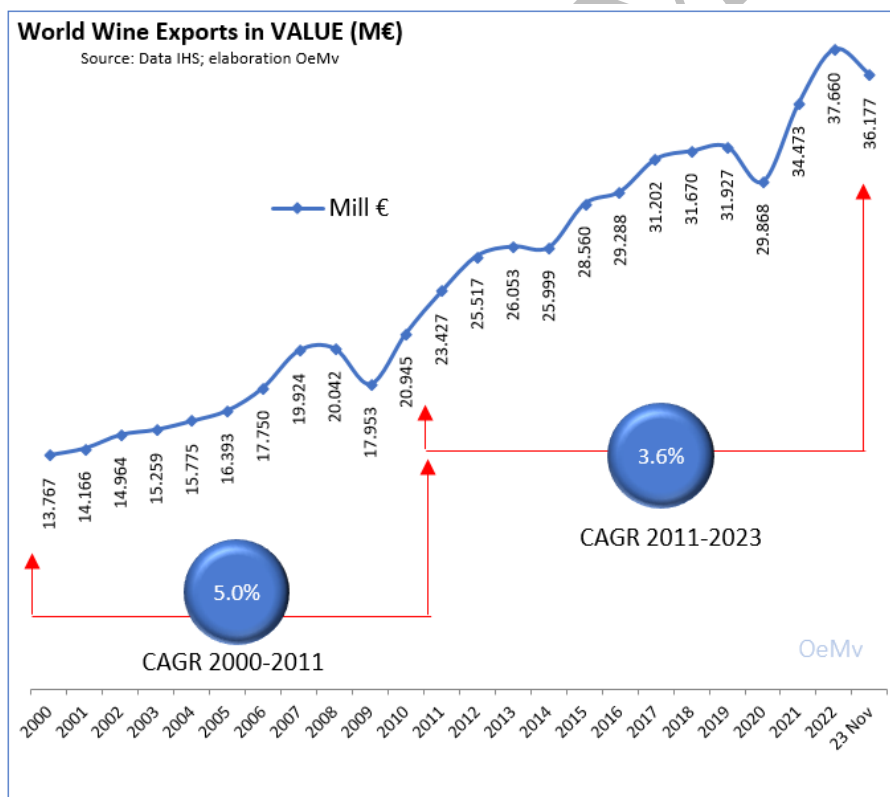
## 72 **2. World wine trade in 2023**

73 In 2023, the global wine trade experienced a notable decline. World wine exports decreased by 6.5%  
74 in volume, amounting to 98.3 million hectolitres, reflecting a loss of 12.9 million hectolitres over the  
75 past two years since the post-COVID peak in 2021 (*Figure 1*). In monetary terms, the trade recorded  
76 a negative growth rate of -4.6%, with total revenues falling by 1.8 billion euros to 36 billion euros  
77 from the previous year's peak of 37.8 billion euros (*Figure 2*). Given the significant international  
78 inflation rate of 6.8 percent in 2023 [2], the decline in real value terms was even more pronounced.  
79 This decline in volume follows over 13 years of relative stability, contrasting with the growth  
80 observed during the first decade of the century. The unexpected decrease in trade value in 2023  
81 disrupted a long-term premiumisation trend that had only been interrupted during the economic crises  
82 of 2009 and 2020 [1]. This cessation has raised concerns among professionals, companies, and  
83 institutions within the wine sector [3, 4]. The extent to which this decline is driven by temporary  
84 versus structural factors remains uncertain, necessitating further investigation into their respective  
85 influences. The third section of this paper will provide a detailed analysis of these factors.  
86 To gain a deeper understanding of the overall decline, an analysis of the evolution of various wine  
87 categories is essential. Subsequent sections will present the development trends of different wine  
88 categories, including sparkling wine, non-sparkling bottled wine, bag-in-box wine, and bulk wine.  
89 This categorical analysis may offer insights into the underlying causes of the observed downturn in  
90 the global wine trade.



93

94 *Figure 1 Development of world wine trade in volume 2000-2023, graphic based on data from [5],*  
 95 *obtained from GTA/HIS)*



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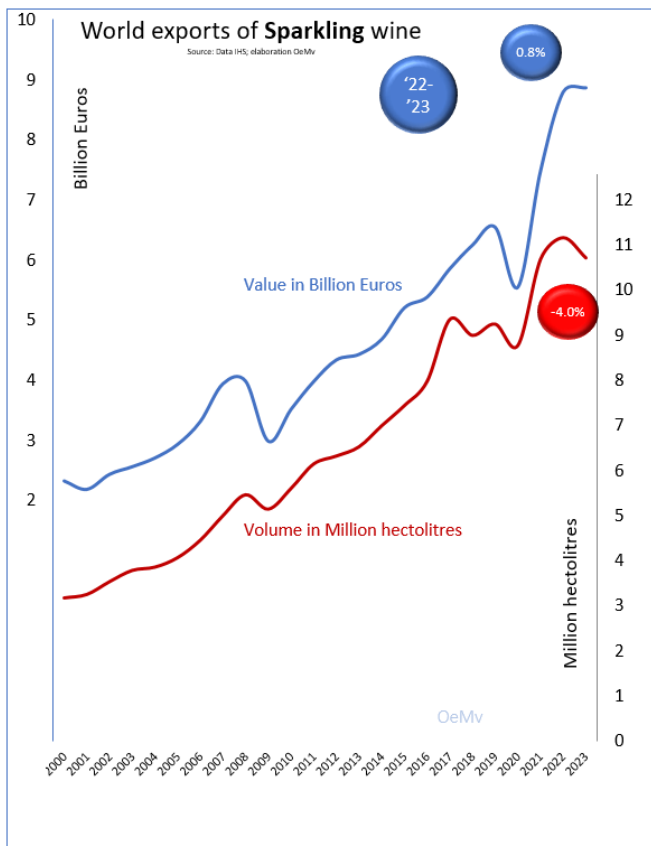
97 *Figure 2 Development of world wine trade in value 2000-2023, graphic based on data from [5],*  
 98 *obtained from GTA/HIS)*

## 99 2.1 Export of sparkling wine

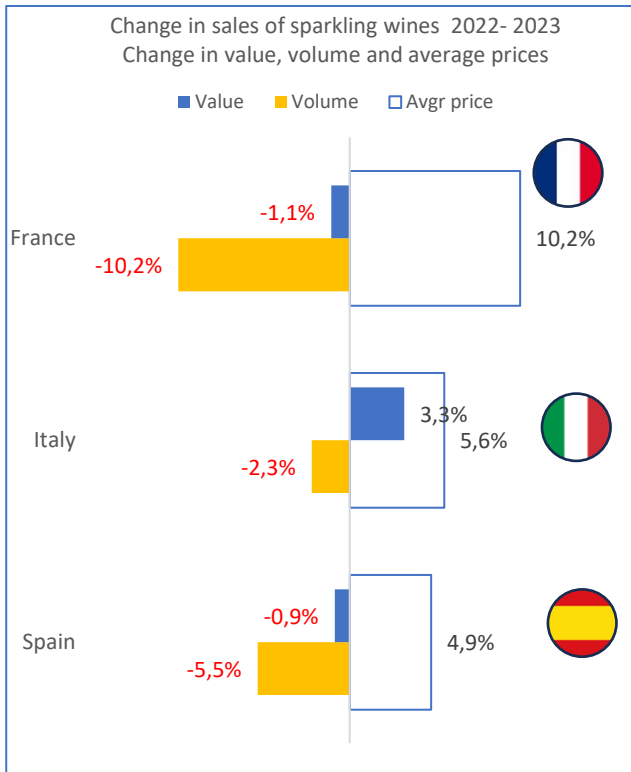
100 Sparkling wine has been the dominant category in the global wine trade in recent years, a trend that  
101 persisted in 2023, albeit at a slower rate (Figure 3). Following the robust post-COVID recovery in  
102 2021 and 2022, revenues from sparkling wine grew by 0.8% in 2023, reaching 8.9 billion euros, while  
103 volume declined by -4.0%, particularly in the second half of the year.

104 Export performance varied by origin (Figure 4). In 2023, Italian sparkling wine exports increased in  
105 value by 3.3%, whereas French and Spanish exports decreased by 1.1% and 0.9%, respectively.  
106 Notably, a substantial price increase of 10.2% for French sparkling wine led to a volume decline of  
107 10.2%. The price elasticity for Italian sparkling wine, predominantly Prosecco (73%), was weaker; a  
108 5.6% price increase resulted in a 2.3% volume reduction. Spanish sparkling wine, mainly Cava  
109 (79%), experienced the strongest price elasticity, with a 4.9% price increase leading to a 5.5% volume  
110 loss.

111 Italy leads in sparkling wine exports by volume, while France, despite exporting less, commands  
112 higher prices. Champagne accounts for 91% of French export value but only 58% of the volume.  
113 Thus, although sparkling wine remains the most prominent category in the global wine trade, Italy  
114 emerges as the primary volume driver of this segment.



115  
116 *Figure 3 Global export of sparkling wine by value and volume 2000-2023, graphic based on data*  
117 *from [5], obtained from GTA/HIS)*



118

119 *Figure 4 Sparkling wine: change in sales value, volume and average prices by country of origin,*  
 120 *graphic based on data from [5], obtained from GTA/HIS)*

121 **2.2 Non-sparkling bottled wine**

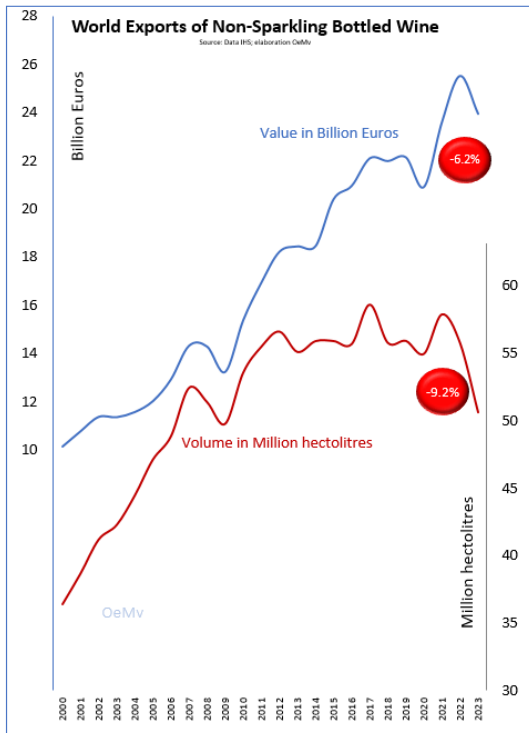
122 The category of non-sparkling wine, encompassing still, fortified, and semi-sparkling wines,  
 123 experienced a significant decline in 2023. Following a robust post-COVID recovery, the trade saw a  
 124 decrease of 5.3% in value (1.4 billion euros) and 7.6% in volume (4 million hectolitres), resulting in  
 125 a trade value of 24 billion euros and a volume of 51 million hectolitres (Figure 5). This marks the  
 126 first interruption in the previously consistent increase in trade value, aside from the crises in 2009  
 127 and 2020.

128 Despite this, the trend of nominal price increases remained stable. The average value rose by 2.6% to  
 129 a record 4.69 euros per litre, 12 cents above 2022 and 2 euros higher than 2009, mainly driven by  
 130 rising production costs (inflation) [1]. However, the substantial volume decline led to an overall drop  
 131 in trade value in 2023.

132 The significant decline in global exports in 2023 was primarily due to reduced imports across most  
 133 markets (Figure 6). Among the top 23 import destinations, only Sweden, Singapore, Macao, and  
 134 Ireland showed growth. In 19 of these markets, imports of non-sparkling bottled wines fell, with the  
 135 largest declines seen in South Korea, China, Australia, India, and Canada.

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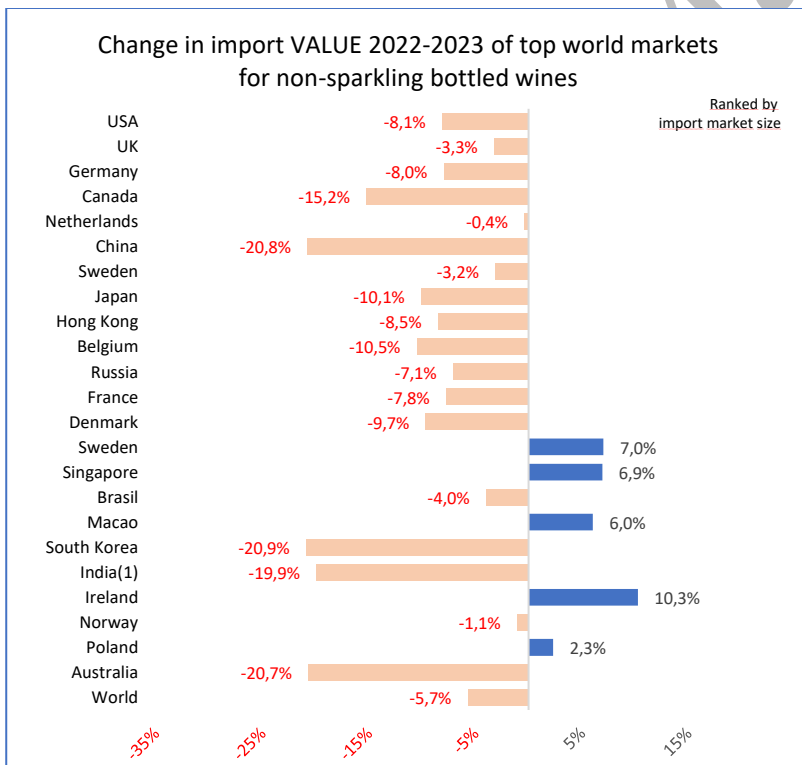


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Figure 5 Global export of non-sparkling bottled wine by value and volume 2000-2023, graphic based on data from [5], obtained from GTA/HIS)



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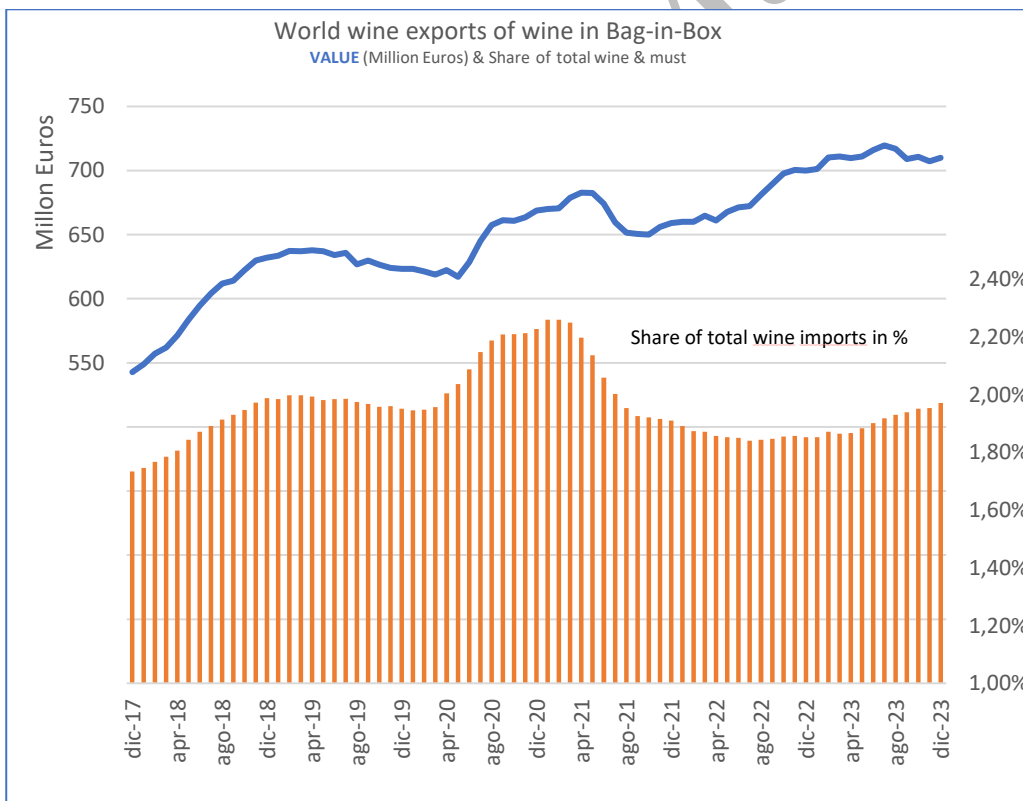
Figure 6 Change in import value of non-sparkling bottled wine 2023 vs. 2022 by import market, graphic based on data from [5], obtained from GTA/HIS)<sup>1</sup>

<sup>1</sup> Official figures for wine imports in India indicate a striking increase of over 1,600% in 2023. However, this may be an error, and therefore, Indian imports are substituted in this graphic by declared exports of all countries to India.

144 **2.3 Bag-in-Box wine**

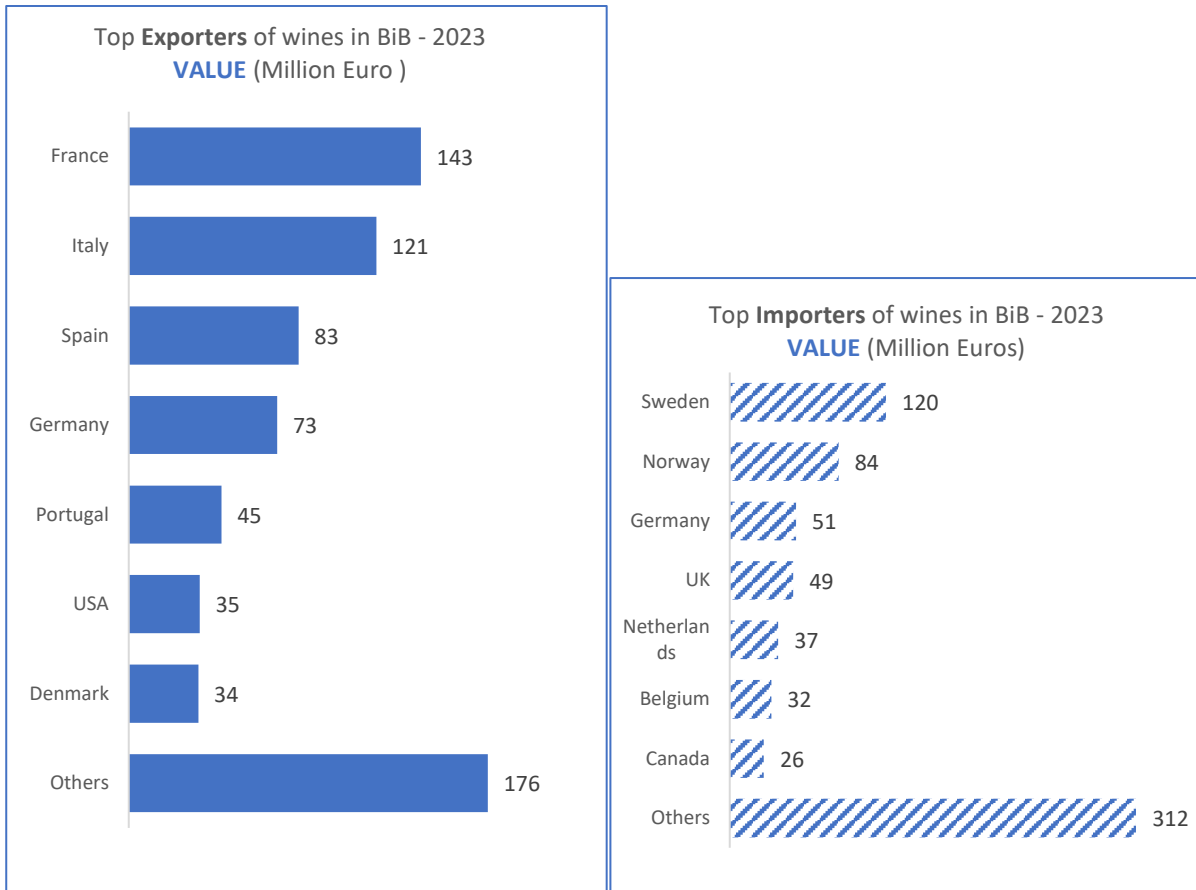
145 Wines in "bag-in-box" (BiB) represent a small but growing segment of the global wine trade,  
146 accounting for 2% of the total trade value and 3.8% of the total volume, compared to over two-thirds  
147 and 52% respectively for non-sparkling bottled wines. In 2023, BiB wine exports reached 3.7 million  
148 hectolitres, valued at 707 million euros. Despite a volume decrease of 2.4%, BiB export value grew  
149 by 0.9% due to a 3.5% increase in average prices, reaching 1.89 €/l. Since its official recognition in  
150 2017, BiB has first shown consistent growth in value, driven initially by increased home consumption  
151 during the pandemic, and then stabilized towards the end of 2022. Due to the decline in wine sales  
152 overall, the BiB's share increased in 2023.

153 BiB exports are highly concentrated, with three-quarters handled by six major exporters: France,  
154 Italy, Spain, Germany, Portugal, Denmark, and the USA. Similarly, 56% of BiB imports are  
155 concentrated in six key markets: Sweden, Norway, Germany, the United Kingdom, the Netherlands,  
156 Belgium, and Canada. Once seen as a niche for Nordic markets, BiB is expanding to other regions  
157 less focused on traditional wine consumption. Alongside trends in new packaging formats like cans  
158 and PET bottles [6], as well as shifts towards fresher and sweeter flavors and lighter wines, the  
159 evolution of BiB sales provides valuable insights into changing global wine consumption patterns.



160  
161 *Figure 7 World wine exports of wine in Bag-in-Box, graphic based on data from [5], obtained from*  
162 *GTA/HIS*





163

164 *Figure 8 Top exporters and importers of wines in Bag-in-Box for 2023, graphic based on data from*  
 165 *[5], obtained from GTA/HIS*

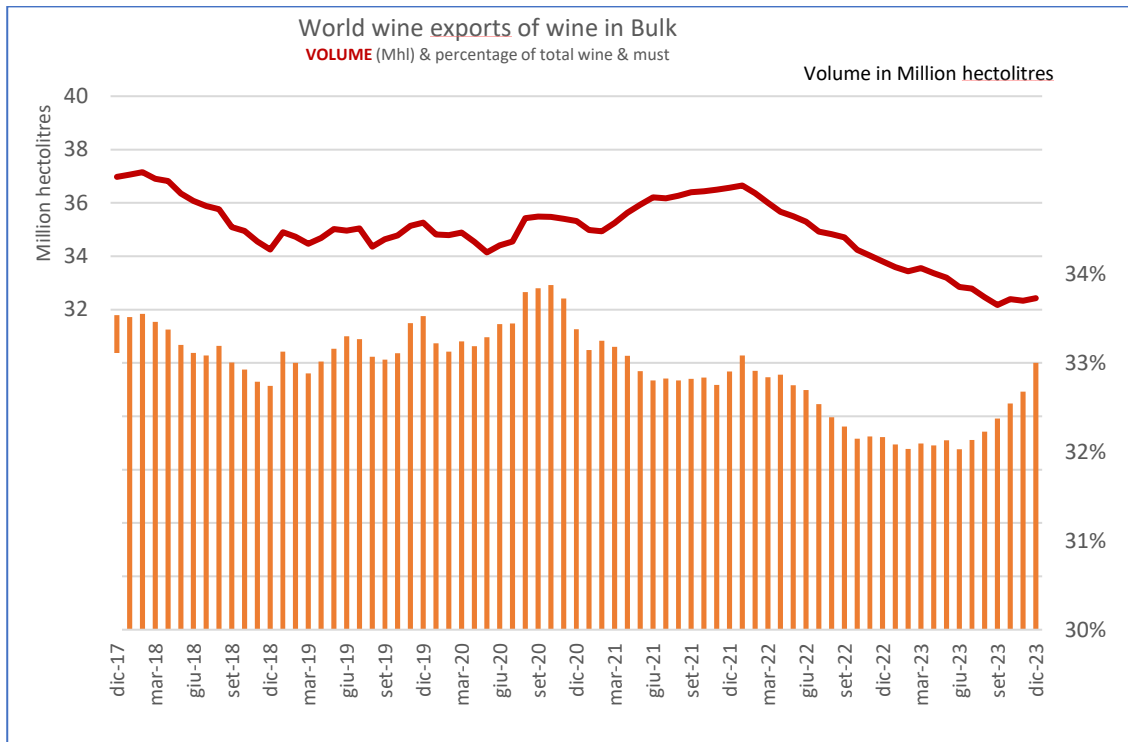
166 **2.4 Bulk wine**

167 World trade of bulk wine represents roughly one-third of total wine trade by volume but only 6.6%  
 168 by value, given its low average price of 0.73 euros per liter at the end of 2023. This price is  
 169 significantly cheaper than the average price for all wines (3.66 €/l), bottled wines (4.69 €/l), and Bag-  
 170 in-Box wines (1.89 €/l).

171 The drivers for bulk wine trade differ from those for regular consumption. A significant portion of  
 172 bulk wine trade occurs among producers to balance yearly crop variations or to replace domestic  
 173 consumption in low-price segments. Countries like Italy, France, and Germany import large  
 174 quantities of cheap bulk wine, especially when local production is low. These imports help supply  
 175 popular domestic segments with lower-cost wine, allowing more expensive domestic production to  
 176 be sold in more profitable markets abroad. The high imports of Spanish bulk wine during the low  
 177 harvest in Italy or the high imports of Spanish bulk wine by French distributors are key examples of  
 178 this type. This intra-producer trade, typically at low prices, depends on wine availability and crop  
 179 levels, but could shift if lower-cost producers start shipping directly to final markets instead of

180 through foreign distributors.

181



182

183 *Figure 9 Development of world wine exports of bulk wine 2017-2023, graphic based on data from*  
184 *[5], obtained from GTA/HIS*

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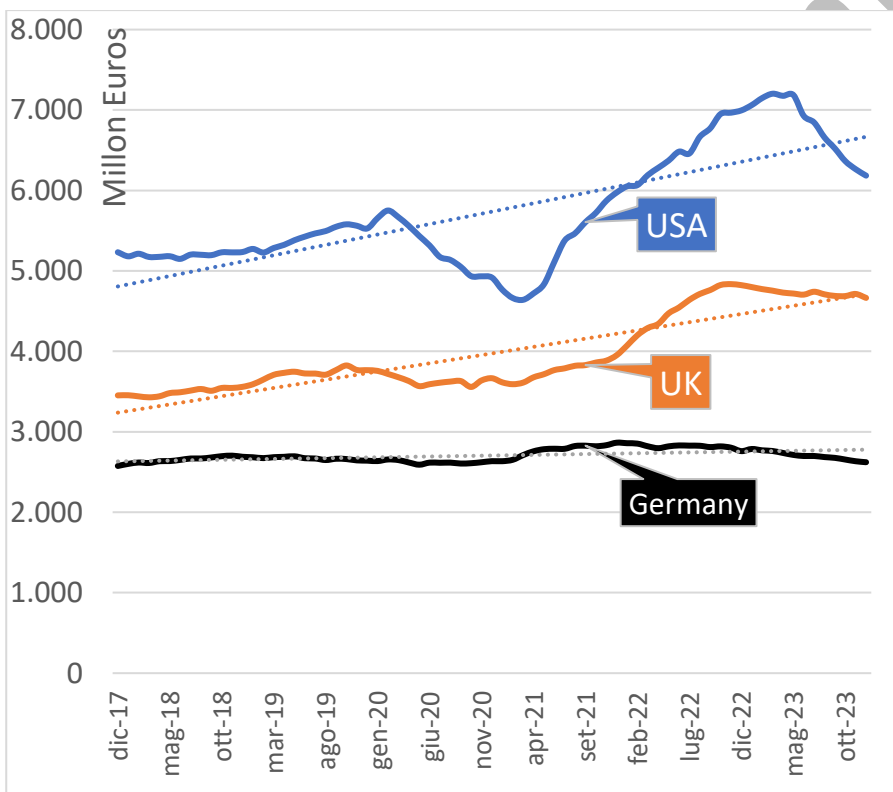
186 Conversely, there is a distinct segment of bulk wine trade characterized by different actors, higher  
187 prices, and different motivations. The reduction of transport costs over long distances and the  
188 reduction of carbon dioxide emissions are key factors here. New Zealand exemplifies this with high-  
189 quality bulk wine exports at an average price of 2.70 €/l, totaling over 1 million hectoliters. Major  
190 destinations include Australia (37%), the United Kingdom (28%), and the USA (25%), which  
191 collectively account for nearly 90% of New Zealand's bulk wine exports. Australia serves as an  
192 intermediate hub for shipments to the UK and USA. Efficient bottling facilities in the UK and USA  
193 provide competitive access to consumers and enhance sustainability.

194 France also exports a substantial amount of bulk wine (1.15 million hectoliters) at an average price  
195 of 1.54 €/l, more than double the world average. French bulk wine's top destinations are Germany  
196 (28%), Belgium (18%), and Switzerland (12.3%). These exports are likely driven by specific  
197 commercial relationships with local retail chains for direct distribution without further processing.

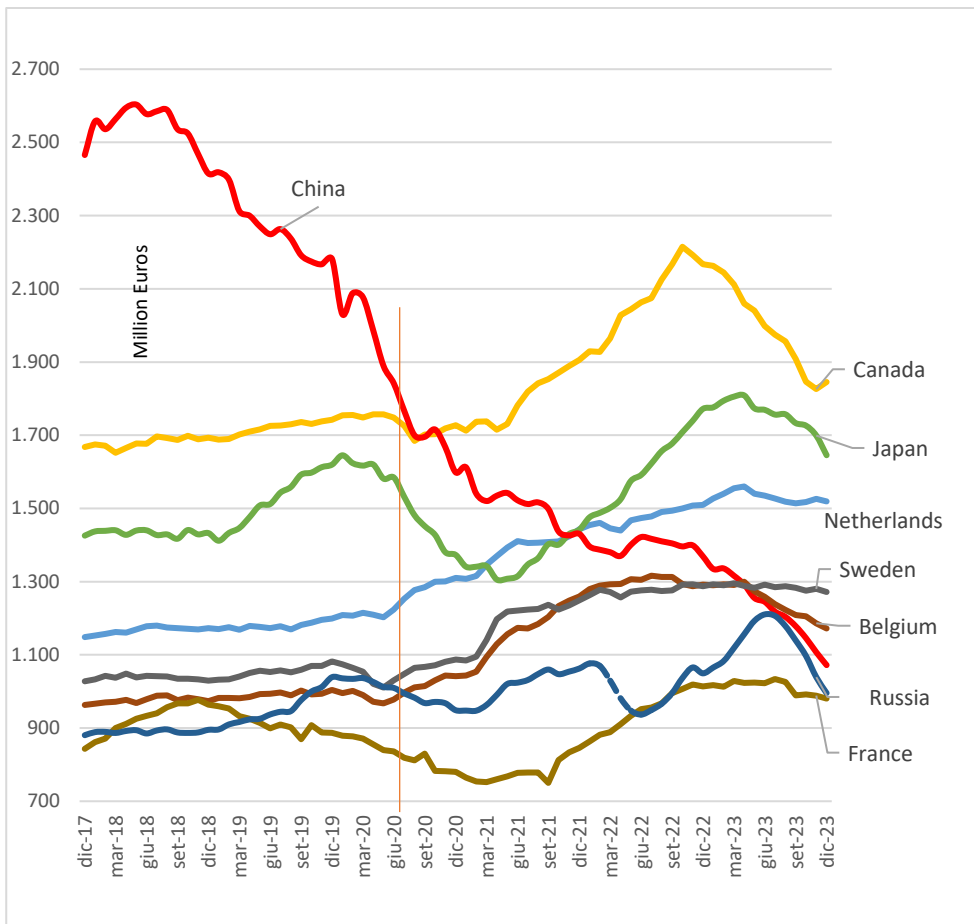
## 198 **2.5 Long-term development of import markets**

199 The long-term development of key global wine import markets was impacted variably by the 2023

200 downturn (Figures 7 and 8). The USA remains the most crucial import market for both sparkling and  
 201 non-sparkling wines, driven by a significant increase in domestic consumption by value. However,  
 202 the sharp recovery post-Covid-19 was abruptly halted in mid-2023 with a marked reduction in  
 203 imports. This shift in US wine consumption could be attributed at least partially to overstocking by  
 204 importers due to supply chain disruptions in 2021 and 2022 (Del Rey and Loose, 2023). The three-  
 205 tier system in the US, where importers, wholesalers, and retailers maintain separate stocks, likely  
 206 exacerbated this effect. McMillan [7] noted that significant stockpiles in US retail needed to be sold  
 207 off before new orders could be placed. Additionally, younger US consumers are more responsive to  
 208 health warnings about alcohol in the post-pandemic era and show a preference for other alcoholic  
 209 beverages [7, 8]. By the final quarter of 2023, the value of US wine imports had fallen below the  
 210 long-term trend, with new 2024 data needed to determine if this decline is temporary or indicative of  
 211 a structural shift.  
 212



213  
 214 *Figure 10 Top-3 import markets by import value in billion Euros – sparkling wine and non-sparkling*  
 215 *wine, graphic based on data from [5], obtained from GTA/HIS*



216

217 *Figure 11 Other major import markets by import value in billion Euros sparkling wine and non-*  
 218 *sparkling wine, graphic based on data from [5], obtained from GTA/HIS*

219

220 In contrast, the UK, the second-largest import market, experienced a more moderate recovery post-  
 221 Covid-19 and a less severe decline in 2023. Germany, however, has shown a steady downward trend  
 222 since 2021, largely due to economic challenges from the Russian-Ukrainian conflict. Figure 8  
 223 highlights declines in wine imports from other major markets. Canada, Japan, Belgium, China, and  
 224 Russia saw significant reductions in 2023, while the Netherlands, Sweden, and France remained more  
 225 stable. In Canada, reduced real incomes due to high inflation and mortgage interest rates led to  
 226 decreased discretionary spending, including on wine. The Netherlands' stability can be attributed to  
 227 its strategic role as a distribution hub for Europe.

228 China's wine imports continued their decline throughout 2023, a trend detailed by Del Rey & Loose  
 229 (2023). Since peaking in 2017 (2.5 billion euros and 7.5 million hectolitres), Chinese wine imports  
 230 have decreased in both value and volume, hitting a new low of 1.4 billion euros and 5 million  
 231 hectolitres—a loss of two-thirds in value and 56% in volume. Despite this, average prices increased  
 232 to over 4 euros per litre last year. The decline is likely due to a combination of slower economic  
 233 growth, the Covid-19 pandemic's impact, regulations on gifts to public officials, and waning interest

234 in Western habits. A reversal of this trend appears unlikely. Following the relaxation of import  
235 restrictions on China, Australia faces a significantly altered market landscape.

236

## 237 **2.6 Key exporters and summary**

238 From the producers' perspective, all top 11 wine-producing countries, except Germany, saw  
239 reductions in exports in 2023. The most significant declines were in Chile (-23% in value), the USA  
240 (-20%), Argentina (-20.6%), and Australia (-13%). Less severe reductions occurred in France (-  
241 1.8%), Spain (-2.6%), New Zealand (-5%), and Portugal (-1.2%), while Italy remained almost  
242 unchanged (-0.5%). Chile's case is particularly notable, with a double-digit decrease in both value  
243 and volume (-23% and -18% respectively). Exports to its 15 most important markets all declined,  
244 with significant drops in China (-33%), the UK (-19%), the US (-29%), Japan, and Canada.

245 In conclusion, the global wine trade in 2023 reflects trends consistent with previous years, such as  
246 stable or gradually declining export volumes, rising average nominal prices, and better performance  
247 of sparkling wines compared to non-sparkling wines. The growth in the relative volume share of bag-  
248 in-box wines also continues. EU export data indicates white wines outperformed reds and rosés.  
249 However, 2023 also saw a decline in both export volume and value, with the increase in average  
250 prices losing momentum and even sparkling wines stabilizing. Overall, the outlook for this year is  
251 more negative, with most markets showing declines, some more severe than others.

## 252 **3. Current challenges and shift in preferences**

253 Post-pandemic, the wine sector continues to face economic challenges on the supply side, albeit to a  
254 lesser extent. Concurrently, shifts in consumer preferences and reduced demand for wine have  
255 become evident, posing a risk of structural oversupply in the global wine market if strategic measures  
256 are not implemented.

257

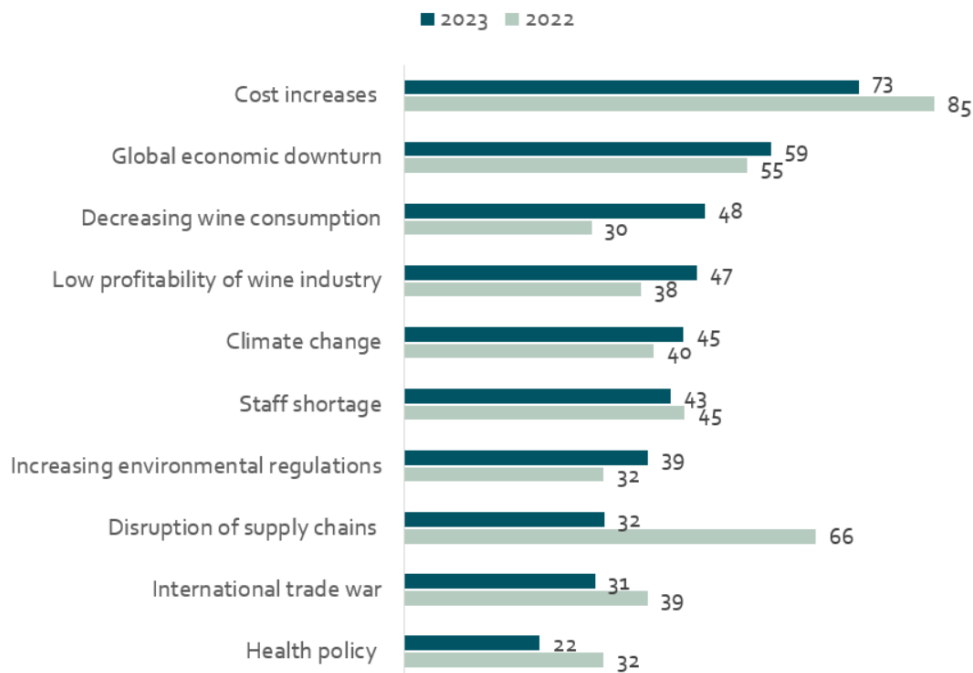
### 258 **3.1 Current challenges for the international wine sector**

259 Each year, the ProWein business survey identifies the current challenges and threats perceived by the  
260 industry (Figure 12). Since 2022, the cost pressure on the industry has slightly declined while  
261 concerns about the profitability have increased. This is attributed to the inability to raise prices  
262 proportionally with rising costs, leading to decreased profitability. Additionally, concerns about  
263 declining wine consumption have intensified, with half of industry experts anticipating a significant  
264 impact. Lastly, supply chains have normalized following the disruptions caused by the pandemic.

## What are the biggest threats and challenges for your company?

% who stated that the following threats and challenges to the wine industry will have a strong or very strong effect

(ProWein Business survey: 2023 n=2,018; 2022 n=2,455)



265

266 *Figure 12 Threats and Challenges to the wine industry [9]*

267

### 268 **3.2 Decline of World Wine Trade in 2023: Temporary or Structural Factors?**

269 The decline in world wine trade in 2023 stems from a mix of temporary and structural factors.

270 Understanding these is crucial for determining appropriate responses. Temporary issues, such as the  
271 uncertain global context, eroded purchasing power, and geopolitical tensions, may correct over time  
272 [9]. However, long-term trends indicate a structural decline in consumption and shifts in wine

273 preferences. The decrease in US and Canadian wine imports in late 2023, along with stabilized UK  
274 imports and a decline in Russia, partly relate to post-pandemic overstocking and slower economic

275 growth. If these are the main causes, companies might need to wait for new import needs to replenish  
276 inventories. In this case, measures like the EU Commission's crisis distillation and green harvest  
277 programs may suffice until economic conditions improve.

278 The European Wine Market Observatory [3] and industry experts [9] identify three primary factors  
279 contributing to the decline in wine consumption (Figure 13):

280 1. Inflation and Economic Downturn: Reduced disposable incomes have led to lower wine  
281 consumption. The impact of this factor may diminish with economic recovery.

282 2. Health Concerns and Societal Changes: Increased awareness of health issues has resulted in  
283 reduced alcohol consumption, expected to be a long-term trend.

284 3. Changing Preferences: Consumers are increasingly favouring other alcoholic beverages, such

285 as beer and spirits, over wine.

286 Consumer preferences are shifting towards beverages other than wine, heightening market

287 competition. For instance, in France, beer's market share increased from 15% to 25%, while wine's

288 share of total alcohol consumption declined from 49% to 41% between 2000 and 2022 [10]. Industry

289 experts acknowledge the success of other alcoholic beverages in attracting young consumers with

290 innovative offerings (Figures 15 and 16). While the total volume of pure alcohol consumed is

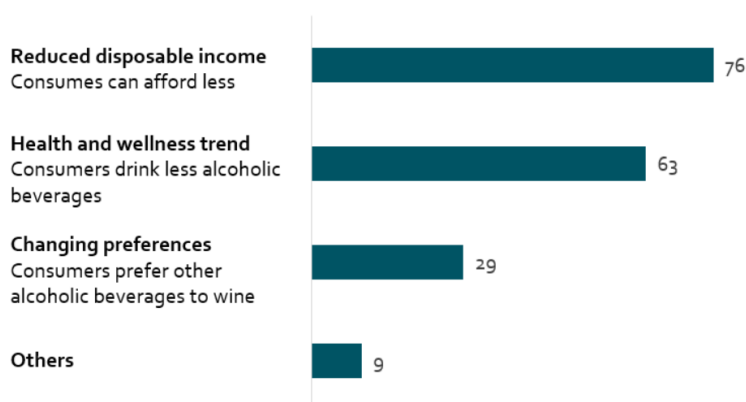
291 declining in many countries, wine is losing disproportionately to beer and spirits. In this context of

292 intensified competition, the pricing and substantial marketing investments by the beverage industry

293 place wine at a competitive disadvantage (Figure 16).

What are the main reasons for falling wine consumption?

Percentage of all respondents, ProWein Business survey: n=2,018



294 *Figure 13 Reasons for falling wine consumption [9]*

295

### 296 **3.3 How to restore the long-term market balance?**

297 The decline in international wine consumption has been mitigated by a record low wine harvest of

298 237 million hectolitres in 2023, a 25 million hectolitre (9.6%) decrease from 2022 (OIV, 2024). This

299 coincidence between reduced demand and supply prevented global oversupply, which would have

300 led to sharp price declines for grapes and wines. However, industry experts warn of the risk of

301 structural oversupply, with 73% of wine producers perceiving an imbalance in the market, where

302 supply exceeds demand [9].

303 To restore market balance, the sector suggests reducing supply. Some industry experts advocate for

304 public support to abandon vineyards for products with falling demand, such as red wine. Reductions

305 in vineyards for traditional red wine production are already happening in Bordeaux, Australia, and

306 California [11].

307 The wine industry has yet to fully recognize the necessity and potential of enhanced marketing

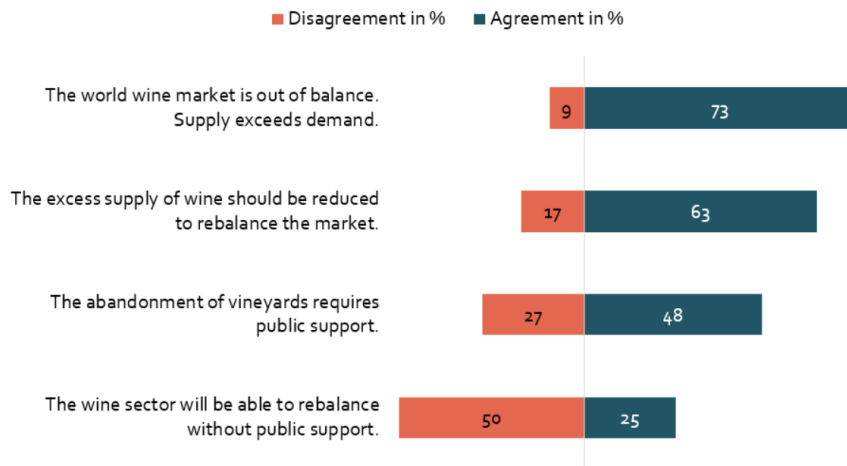
308 strategies, especially those targeting younger consumers (Figure 15). Additionally, reducing

309 production costs has not yet been seen as a significant opportunity by wine producers.

310

### Agreement with statements on the balance of the wine market

ProWein Business survey: producers n=932



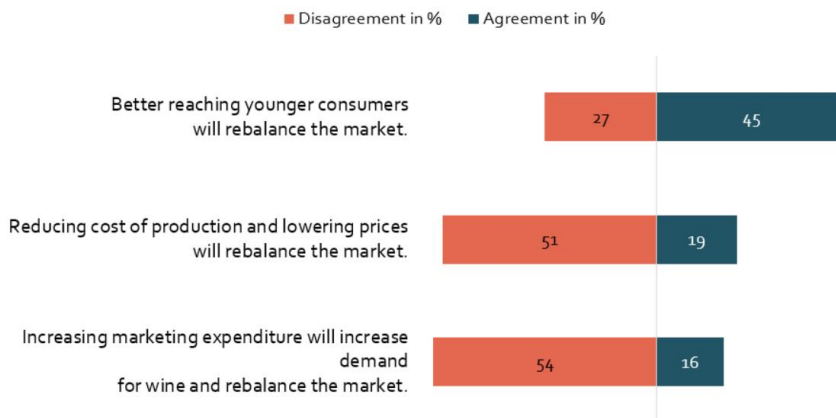
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312 *Figure 14 Producer perception of the balance of the wine market [9]*

313

### Agreement with statements on measures to rebalance the wine market

ProWein Business survey: producers, n=932



314

315 *Figure 15 Measures to regain balance in the wine market [9]*

316

### 317 **3.4 Future marketing of wine**

318 In addition to reducing vineyards, companies may need to adapt their portfolios to better align with  
 319 new consumer preferences, potentially requiring institutional support. Wine must become more  
 320 accessible and attractive to consumers by closely following demand trends and identifying key  
 321 elements appreciated by new consumers, such as freshness and sweetness. Simultaneously, there is  
 322 potential for premium and exclusive marketing strategies targeting wealthy aficionados who enjoy  
 323 famous traditional wines. The industry recognizes the need to better reach young consumers, who are  
 324 more likely to be influenced by other alcoholic beverages (Figure 16).



## Agreement with statements on future measures to market wine

ProWein Business survey: All producers and trade, n=2,018



325

326 *Figure 16 Producer and trade perceptions about future marketing strategies [9]*

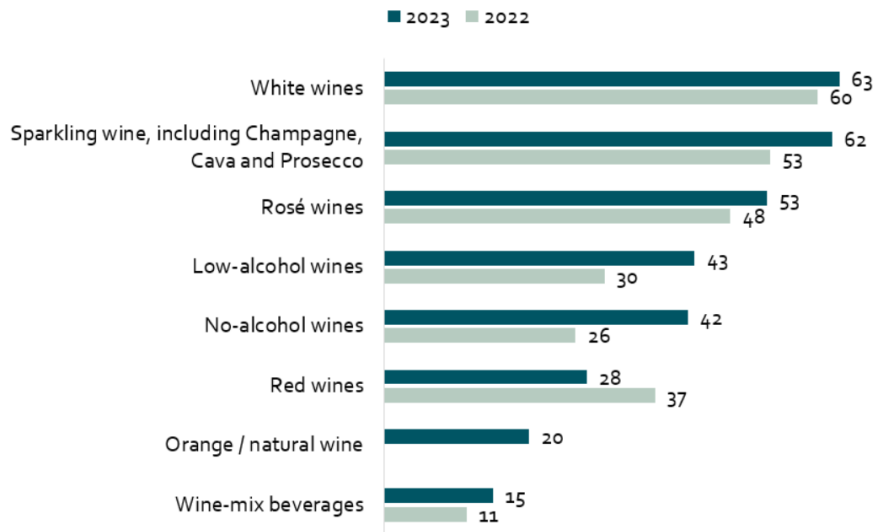
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### 328 **3.5 Product trends**

329 There is a clear trend towards more refreshing products, including white and sparkling wines. The  
330 performance of low- and no-alcohol wines is also expected to improve, albeit from a low absolute  
331 base [12]. Conversely, traditional red wines are anticipated to decline further in popularity (Figure  
332 17). However, market data indicate a differentiation within red wines into two distinct categories:  
333 traditional red wines and fruity, strong red wines with residual sugar. Orange and natural wines  
334 remain limited to a niche market. Finally, wine-mix beverages are expected to experience a modest  
335 increase in popularity.

## Which wine types do you expect to perform well in the future?

ProWein Business survey: Producers and trade in % (2023 n=2,018; 2022 n=2,455)



336

337 *Figure 17 Expected development of product categories [9]*

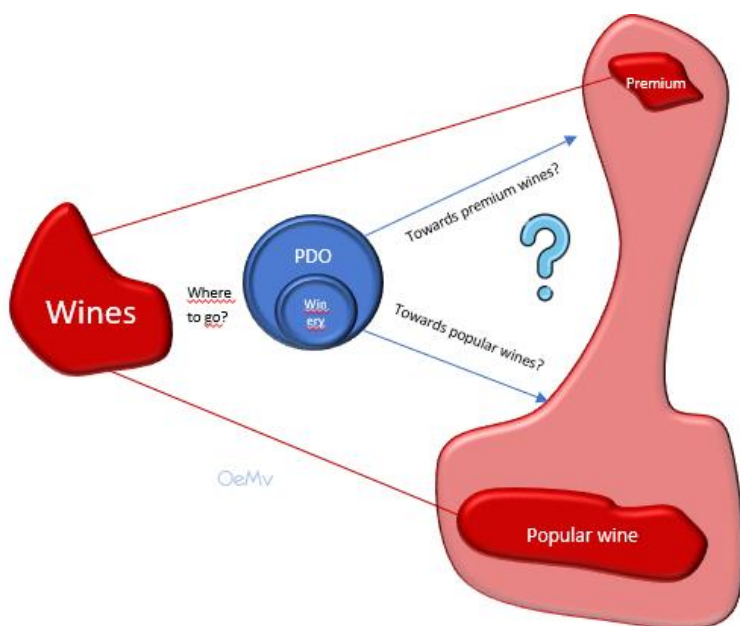
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### 339 **4. What can we do about it? – Strategic industry response**

340 This article has demonstrated a moderate negative trend in world wine trade in 2023, impacting most  
341 producers, markets, and wine categories, particularly in volume but also in value. Exceptions include  
342 the better performance of sparkling and white wines as well as bag-in-box wines over red wines. As  
343 discussed in Chapter 3, the key question for the wine industry is whether this decline is a short-term  
344 downturn or part of a longer-term trend linked to a decrease in global wine consumption and potential  
345 image issues. Correctly assessing these phenomena and developing effective strategies will be crucial  
346 for the survival of firms and regions in the wine industry.

347 Assuming the polarization hypothesis by Del Rey & Loose (2023) is accurate, there is potential  
348 growth for both super-premium wines and popular, fresh wines. The challenge lies with traditional  
349 wines, primarily reds from traditional regions, which are becoming less appreciated by high-level  
350 aficionados and cannot easily be converted into fresh, inexpensive, mostly white and sweeter wines.  
351 Without stable or growing consumption, these traditional wines may need publicly-supported  
352 distillation and grubbing-up schemes.

353 This situation is a significant concern for private professionals, firms, regional and national  
354 institutions, and particularly EU Commission officials [3], who must define new public policies.  
355 Whether this issue is temporary or indicative of a long-term trend will determine the necessary policy  
356 measures.



357 *Figure 18 Polarisation of wines [5]*

358

359 Based on the current analysis of the wine sector, three key strategies can be pursued. The advantage  
 360 is that these strategies are complementary and can be implemented together, depending on the grower,  
 361 company, region, or country involved. These strategies are:

- 362 1. Fostering traditional consumption of more traditional wines.
- 363 2. Enhancing and promoting new types of wines and their communication to appeal to new  
 364 consumers.
- 365 3. Reinventing the wine product to attract consumers who are further removed from traditional  
 366 wines.

367 Efforts in all three areas can help reverse declining consumption and attract new consumers. These  
 368 approaches are not mutually exclusive. The crucial point is to acknowledge the increasing diversity  
 369 of consumers in the wine industry and to understand and engage with these consumers better for long-  
 370 term survival.

371

#### 372 **4.1 Fostering traditional consumption**

373 The wine industry should not concede that wine is becoming unfashionable. While wine consumption  
 374 may be changing or declining, there is potential for a revival. This potential exists among classic  
 375 aficionados who enjoy super-premium wines from traditional, often expensive regions, as well as  
 376 traditional consumers of more popular wines that accompany regular meals.

377 However, there is increasing concern, particularly in the USA but also in Europe, about the health  
 378 effects of regular wine consumption as part of the broader negative perception of alcohol. Despite

379 this, scientific evidence supports the beneficial effects of moderate wine consumption for  
380 cardiovascular health. Wine has been compatible with a healthy lifestyle for thousands of years. Yet,  
381 there is pressure against wine due to its alcohol content and campaigns highlighting potential cancer  
382 risks [13]. This has particularly influenced new generations, who may oppose alcohol consumption  
383 entirely or opt to reduce their intake.

384 Health concerns, especially post-COVID, are a major driver of consumption patterns worldwide.  
385 Alongside health, environmental sustainability is a crucial factor. Wine, more than any other  
386 beverage, is deeply connected to the land and rural societies. This connection, while true, requires  
387 more effective communication to highlight its environmental, social, and economic benefits,  
388 especially in rural areas. Other industries, such as McDonald's with its "big good" campaign,  
389 effectively use their connection to the land in their marketing efforts.

390 Increasing global wine consumption, including traditional wines, is feasible. While health benefits  
391 may not be the primary argument, sustainability can be a compelling factor. A concerted effort is  
392 needed to highlight the strong connection between wine consumption and the rural environment.

393

#### 394 ***4.2 Promoting new types of wine – adapting regulation***

395 Recent trends in international wine trade indicate a preference for whites over reds, sparkling over  
396 non-sparkling, and fresher, lighter, sweeter wines over traditional varieties. To meet this growing  
397 demand, it makes sense to shift some supply accordingly. Many companies have been doing this for  
398 years, though with some resistance from traditional producers.

399 The wine industry often exhibits a conservative bias, particularly in regions with stringent regulations,  
400 such as Europe. These regulations include limitations on closures, container types, labelling, grape  
401 varieties, and wine styles. Most European wine production occurs under "protected designation of  
402 origin" (PDO) or "protected geographical indication" (PGI). Particularly detailed production  
403 regulations for PDO wines are difficult to change and require consensus among growers, producers,  
404 and distributors, who may not all be aligned with recent market trends.

405 This rigid regulatory system can hinder the adaptation of wines to new consumer trends. However,  
406 companies are responding by diversifying their portfolios. Wine producers, even small family-owned  
407 firms, are compelled by the market to manage a variety of brands and wine categories. For medium  
408 to large producers, managing a diverse portfolio is crucial for success. If market demands are diverse,  
409 the supply must diversify as well. Companies may balance producing wines under protected  
410 indications for certain markets with other wines for different segments.

411 The key issue is whether consumers and distributors will continue to prioritize origin over price or  
412 other factors. Maintaining traditional wine-making practices and regional identities can be reasonable

413 and beneficial. Consistency and recognized quality linked to collective names often drive success.  
414 However, flexibility is also necessary in regions without such protections, where stakeholders wish  
415 to adapt to new trends.

416 Wine companies often include wines from both traditional and flexible regions in their portfolios,  
417 adapting quickly to market changes. The challenge lies with the regions themselves: should they adapt  
418 or remain consistent with their traditions?

419 Recognizing that global wine consumers may have different preferences is essential for producers to  
420 follow new consumption trends. This understanding necessitates changes in regulatory systems and  
421 company practices to produce wines that better meet diverse consumer preferences. Successful  
422 distributors adapting to new demands provide valuable examples for the industry to follow.

423

#### 424 ***4.3 Reinventing Wine and Wine-related products for a new segment of consumption***

425 In addition to traditional and new types of wine, some wine-related products are being reinvented to  
426 attract new consumers. Examples include traditional sangria and the more recent "tinto de verano"  
427 (summer red) from Spain, low-alcohol "wine" or partially fermented must similar to frizzante, canned  
428 wines, and modernized fortified wine drinks like Taylor's "portonic" or Gonzalez Byass' "Croft  
429 Twist." The rising popularity of spritz, with its various combinations, also illustrates a successful  
430 beverage appealing to new consumers and new consumption opportunities.

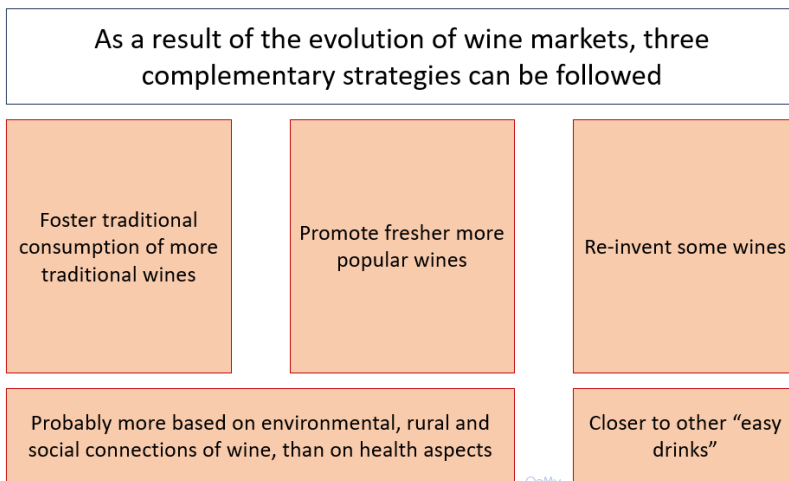
431 For these innovative products to succeed, companies need to test new offerings, and regulations  
432 should facilitate this process. It is essential to enable producers and consumers to follow market trends  
433 dynamically without misleading consumers. While the wine sector understands traditional wine  
434 products and their adaptation to new trends, the development of reinvented wines or wine-based  
435 products holds significant potential to attract new consumers or retain traditional ones for different  
436 occasions.

437 The wine business is likely to be a blend of traditional wines, new wines, and reinvented wine-based  
438 products, tailored to the market segments each company or region aims to target.



439  
440  
441

Figure 19 Innovative product trends [5]



442  
443  
444

Figure 20 Future strategies [5]

## 5. Conclusion

446 The global wine market is characterized by diverse consumer segments and varying consumption  
447 patterns. While some negative trends are evident, such as declining sales of traditional red wines from  
448 established regions, there are positive trends in premium and super-premium wines, fresher and  
449 lighter wines, and innovations in cocktails, containers, labels and closures. There is also growing  
450 interest in no- and low-alcohol wines.

451 Demographic shifts are influencing wine consumption, with declining sales among traditional  
452 consumers but increasing interest in regions like Latin America and Africa. To address these changes,  
453 two primary strategies are essential: (i) fostering traditional wine consumption, leveraging the  
454 connection to rural heritage rather than health benefits, and (ii) promoting and facilitating wines that  
455 align with new consumer trends. A third strategy (iii) involves the radical reinvention of wine

456 products, including wine-based drinks and cocktails, which could become significant market  
457 segments.

458 The main questions concern the relative size and future evolution of these three segments. Traditional  
459 wines, including premium and non-premium, currently dominate the market. Modern, fresher wines  
460 are growing but still represent a smaller segment, while new wine-based drinks are emerging and  
461 could expand rapidly. It is crucial for growers, companies, regions, and institutions to monitor these  
462 transformations closely to maintain a profitable and sustainable wine industry. Flexibility and  
463 regulatory freedom, including the acceptance of partially fermented must as a new product, are vital  
464 for the industry's relevance. If the industry does not finally start to look at the problem from the  
465 consumer perspective, it will not stay relevant for consumers.

466 The cessation of the long-term premiumisation trend has raised concerns about whether the decline  
467 is due to temporary or structural factors. Future data on the wine trade in 2024 will be crucial to  
468 understanding these dynamics. Monitoring market trends is more important than ever to enhance  
469 future wine sales and sustain the industry's growth.

470

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