State of the International Wine Markets in 2025: Contracting Trade, Fading Premiumisation and the Reconfiguration of the United States Market

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Abstract

In 2025 global wine trade declined in value, volume and average price. A similar combination occurred in 2020, but the current downturn has lasted longer and coincides with a sustained fall in consumption. Rising average prices, which carried the value of world wine trade through the past decade, no longer offset lower volumes, a pattern consistent with fading premiumisation. Combining global trade statistics with the ProWein Business Survey 2026 (n = 1,002), this paper examines where the contraction originates and how the sector responds. Both sources point to weak demand as the main constraint. Industry experts rank cost pressure, weak purchasing power, health concerns and alcohol policy well above trade restrictions. In the United States, declared import values fell much more than volumes after the higher tariff on European wine took effect, partly because of the weaker dollar, and volumes followed in 2026. 41% of respondents expect exports to shift away from the United States, while 15% of exporters to the United States report having redirected exports so far. The destinations that are still growing remain small, so reallocation is likely to appear in trade statistics only gradually.

Keywords: global wine trade, tariffs, premiumisation, export diversification, industry expectations.

1. World Wine Trade in 2025

In 2025, global trade in wine and must declined on all three dimensions. Export value fell by 6.3% to €33,774 million, export volume by 4.7% to 94.8 million hectolitres, and the average export price by 1.7% to €3.56 per litre [1]. This was the third consecutive year of falling export revenues. Value, volume and average price last declined together in 2020. Unlike that episode, the current decline follows two years of falling value and is not linked to an exceptional external event. The combination matters more than either figure on its own: for most of the past decade, falling volumes were offset by rising average prices, so that the value of world wine trade continued to grow [2, 3]. This mechanism no longer operates. Average export prices peaked in 2023 and declined in 2024 and 2025, so the sector now trades less wine at lower average prices. The average price is the ratio of total value to total volume. It falls when individual wines are sold at lower prices, when the composition of trade shifts towards cheaper wines, and, for values converted into euros, when the euro appreciates. During 2025 the euro rose by 13.1% against the US dollar [4]. The decline is therefore consistent with a fading premiumisation trend but does not establish it on its own. It does show that higher average prices no longer compensate for lost volume.

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These aggregate figures nevertheless conceal substantial differences across product categories, supplying countries and destination markets. Identifying those differences is essential both to locate where the main problems lie and to distinguish structural change from temporary adjustment, which in turn determines which strategies are appropriate. The paper combines two data sources that are unique to the wine sector and complementary in nature. Long-term global trade statistics, elaborated for this paper and in large part not previously published [1], record realised transactions and therefore describe what has happened. Values reported in national currencies were converted into euros at monthly average exchange rates provided by S&P Global [1]. Figures for earlier years may differ slightly from those in previous editions of this series [2, 3], because reporting countries revise their statistics. All years shown here come from the same data extraction and are comparable with each other. The ProWein Business Survey, conducted annually by Hochschule Geisenheim University on behalf of ProWein [5], records the perceptions and expectations of experts along the entire supply chain and therefore describes the conditions under which the transactions of the coming years will be decided. Sections 1 and 2 present the trade evidence, Section 3 the survey evidence, and Section 4 draws the two together.

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1.1 Declining wine consumption drives a contraction of global wine trade

The contraction of world wine trade coincides with a contraction of world wine consumption, which is its most plausible main driver. According to OIV estimates, global consumption fell from 236 million hectolitres in 2019 to 208 million hectolitres in 2025, a loss of 28 million hectolitres or 11.9% (Figure 1) [6]. The decline is not confined to a single region or to the pandemic period; it has continued, and accelerated, in every year since 2021.

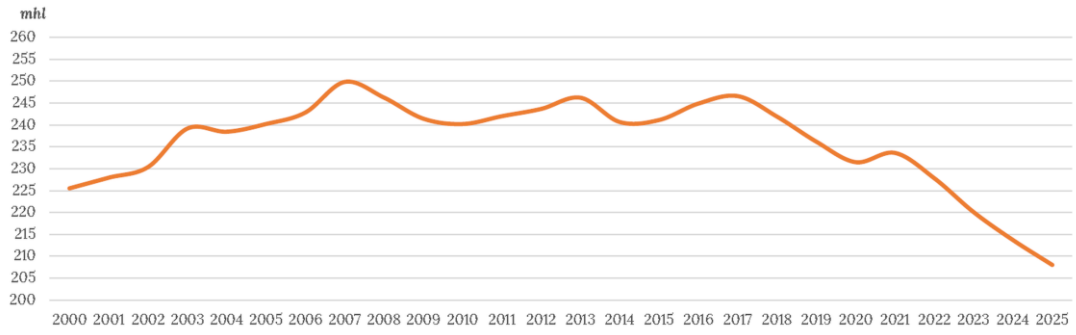


Figure 1. Evolution of world wine consumption, 2000 to 2025, in million hectolitres. Source: OIV [6].

The decisive difference from earlier periods of falling consumption lies in the geography of demand. In the 1990s and in the early years of this century, volumes no longer consumed in the

traditional producing countries were absorbed by growing markets elsewhere, and world trade expanded even as domestic consumption in Europe declined. That compensating mechanism is no longer operating. Consumption lost in the established markets is not being recovered elsewhere, and world wine trade has therefore entered a recession of its own. Earlier national boom-and-bust cycles were out of step across countries, whereas the current downturn affects all major producing countries at the same time [7]. Since 2019, world wine exports have lost 11.8 million hectolitres, falling from 106.6 to 94.8 million hectolitres, a decline of 11.1% (Figure 2).

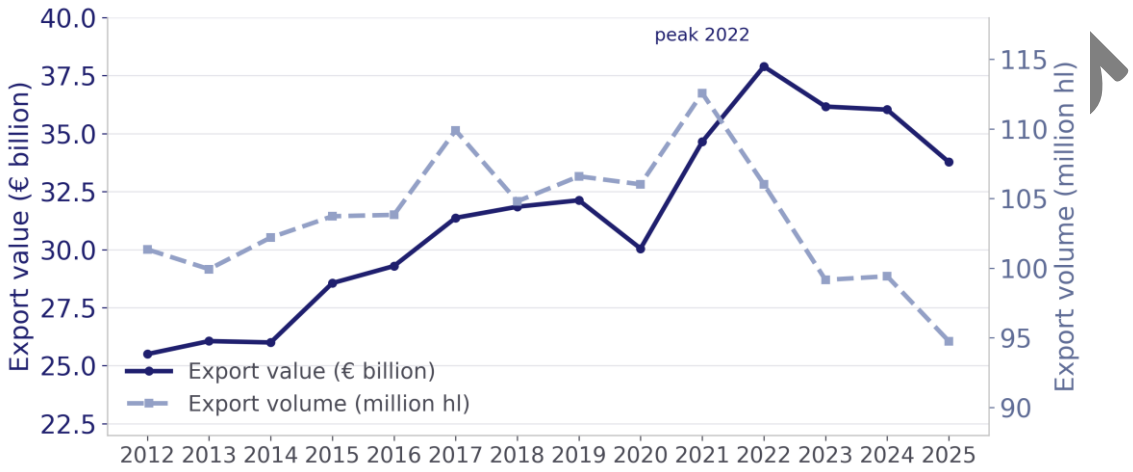


Figure 2. Value and volume of world trade in wine and must, 2012 to 2025. Export value in € billion (left axis) and export volume in million hectolitres (right axis). Based on data from [1].

Figure 2 shows that the decline in traded volume, interrupted only briefly in 2024, resumed in 2025. The stabilisation of 2024 is best read as a temporary effect rather than a recovery: it was driven to a considerable extent by anticipatory shipments to the United States ahead of the tariffs that were expected, and subsequently imposed, in 2025 [2, 8]. Section 3.2.2 confirms this mechanism at firm level. Export value has fallen more slowly than volume, but its decline steepened in 2025, because average prices in euros were no longer rising. Value has now fallen for three consecutive years, from the post-pandemic peak of €37,891 million in 2022 to €33,774 million in 2025.

1.2 Average export prices and signs of fading premiumisation

The development of average export prices is shown in Figure 3. Between 2012 and 2022 the average price of traded wine rose from €2.52 to €3.57 per litre. Over the full period there have been three episodes of decline. The first was a single year in 2014 (from €2.61 to €2.54). The second covered 2019 and the pandemic year 2020 (from €3.04 to €3.01 and then €2.83). The

third is the current phase, in which prices fell in both 2024 and 2025 after peaking at €3.65 in 2023. The first two episodes were short and were followed by a rapid return to the upward path. Whether the present decline will be reversed in the same way cannot yet be judged, and it is this question that will determine the value of world wine trade over the coming years.

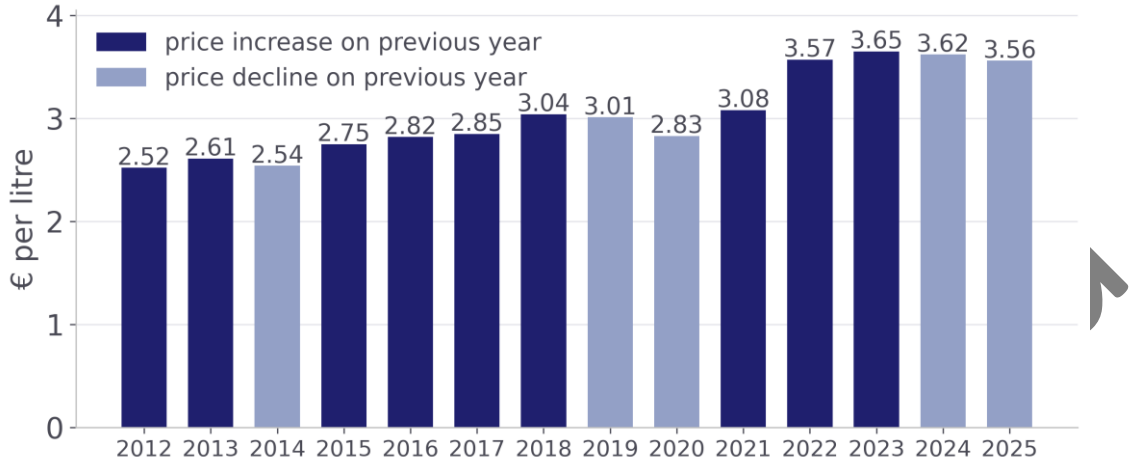


Figure 3. Average price of traded wine and must, 2012 to 2025, in € per litre. Bars in light shading mark years in which the average price fell relative to the previous year. Based on data from [1].

The current episode differs from its predecessors. The declines of 2014 and 2019 were small, and the decline of 2020 coincided with an exceptional event. The present one coincides with a sustained contraction of demand. If average prices do not recover, the sector faces a deflationary configuration in which falling volumes are no longer compensated but amplified in value terms. For producers this is a materially different environment from the one that prevailed until 2022, and it requires a different set of strategies.

Taking a longer view, world wine exports have risen by 7.7% in value since 2017 (the year of a major break in the official statistics) but fallen by 13.8% in volume, implying a 24.9% increase in the average export price. Up to 2022 this pattern was consistent with premiumisation, with fewer litres sold at higher prices and turnover nevertheless rising [3], although inflation and shifts in product mix also contributed. Exchange rates worked in the opposite direction. Between the end of 2016 and the end of 2025 the euro appreciated by 11.5% against the US dollar, 13.4% against the Canadian dollar and 49% against the Japanese yen [4], which lowers the euro value of trade invoiced in these currencies. Since 2022 the same decomposition no longer holds, and the value gain accumulated over the period has been progressively eroded.

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1.3 Changes by product category

The decline is distributed very unevenly across categories (Figure 4). Still bottled wine remains by far the largest, with €22,289 million of exports in 2025, followed by sparkling wine at €8,229 million, bulk wine at €2,469 million, bag-in-box at €666 million and must at €122 million.

Since 2017 sparkling wine has clearly led the market, increasing its export value by 40.2% and, uniquely among the categories, its volume as well, by 23.2%. Bag-in-box grew by 22.5% in value and still bottled wine was flat at 0.4%, while bulk wine lost 7.0%; in volume every other category contracted by between 15% and 19%. The implied price movements are instructive: sparkling wine achieved its growth with a price increase of some 14%, whereas still bottled wine raised its average price by roughly 23% and yet barely maintained its export value. Sparkling wine grew by selling more, still bottled wine defended revenue by charging more, and only the first strategy expanded the category. The main driver of growth has therefore been affordable sparkling wine, above all Prosecco [9].

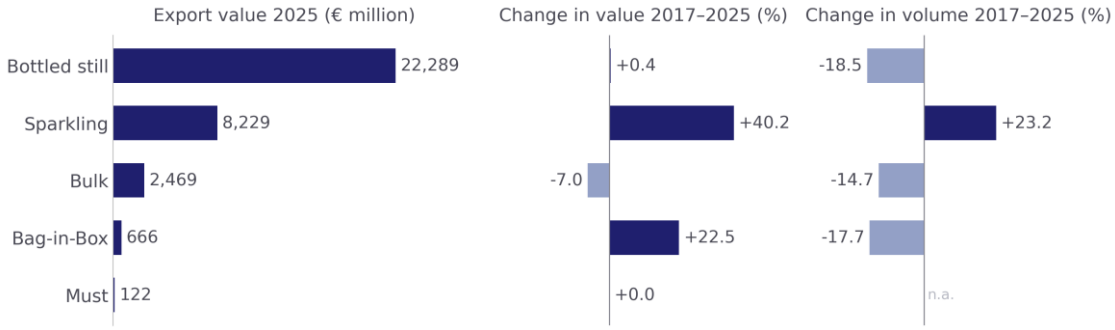


Figure 4. World wine exports by product category: export value in 2025 (€ million) and change in value and volume between 2017 and 2025 (%). Volume change for must not available. Based on data from [1].

In 2025, however, every category declined in both value and volume (Figure 5), sparkling wine and bag-in-box somewhat less than still bottled and bulk wine. Sparkling wine's share of world wine trade has consequently risen to 24.5% of value and 11.3% of volume, while still bottled wine has led the decline.

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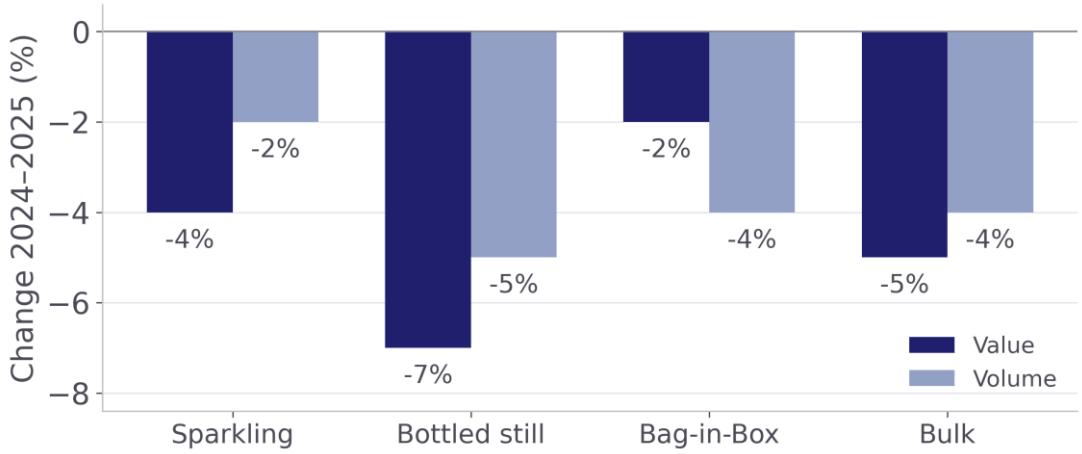


Figure 5. Change in world wine exports by product category between 2024 and 2025, in %. For each category the left bar shows the change in value and the right bar the change in volume. Based on data from [1].

Figure 5 also shows the deflationary tendency at category level. For sparkling and still bottled wine, value fell more sharply than volume, implying lower average prices. Bag-in-box showed the reverse, and bulk wine prices held steady as value and volume moved in parallel. Price erosion in 2025 was thus concentrated in the packaged categories that generate most of the sector's value, while smaller recent harvests limited bulk supply and shielded the commodity segments. Within each category, lower average prices may also reflect a shift towards cheaper wines and, for exports invoiced outside the euro area, exchange rate effects.

1.4 Changes by wine colour

Within still wine, the subcategories have developed very differently. The figures by colour refer only to exports from European Union countries, whose tariff codes distinguish colour; the dataset is therefore narrower than the global aggregate but sufficiently large to be representative of the still wine trade [2].

Over the eight years since 2017 the trend has been clearly more favourable for white wine than for red and rosé, although red wine still accounts for the larger share of sales (Figure 6). In value, exports of white bottled still wine grew by 37.7%, against 6.3% for red and rosé. In volume, white wine gained 2.8% while red and rosé lost more than a quarter of their sales, at −25.6%.

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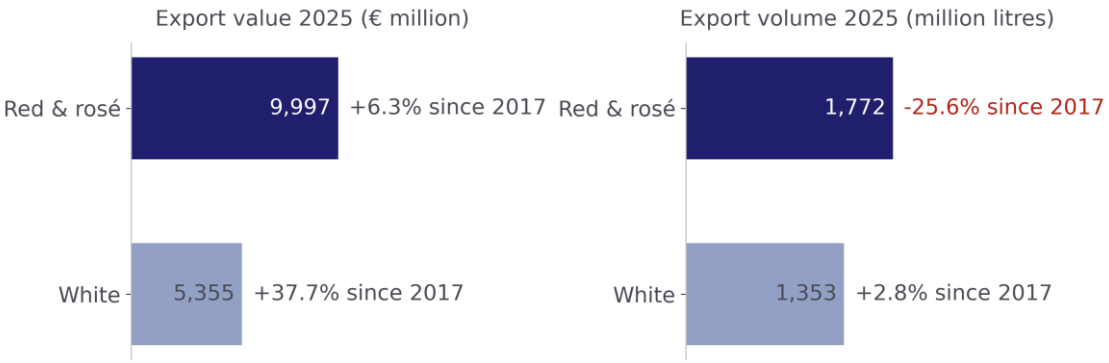


Figure 6. Exports of bottled still wine from EU countries by colour: value (€ million) and volume (million litres) in 2025, with the change since 2017. Based on data from [1].

This relative advantage was confirmed in 2025 (Figure 7). Red and rosé bottled wines from the European Union declined by 7.0% in value and 7.8% in volume, while white wines fell by only 1.8% and 2.8% respectively. Both subcategories raised their average price by approximately 1%, so that the difference between them is one of quantity demanded rather than of pricing.

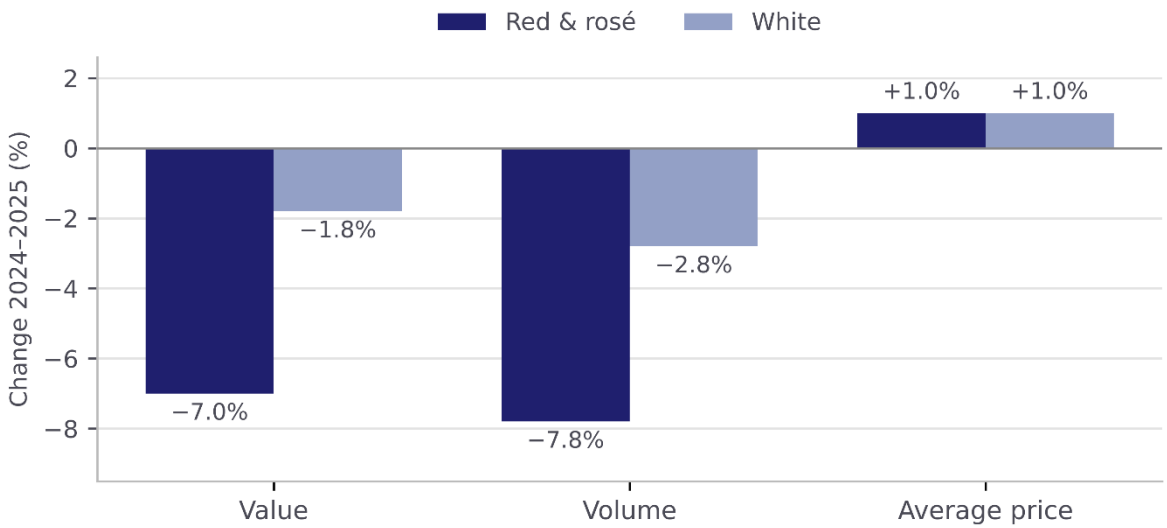


Figure 7. Change in EU exports of non-sparkling bottled wine by colour between 2024 and 2025, in %, for value, volume and average price. Based on data from [1].

Taken together, recent developments have favoured sparkling wine over still wine and, within still wine, white over red and rosé. What the more successful categories have in common is that they are fresher and more accessible than traditional red wines, a shift that is consistent with the growth of no- and low-alcohol products and of wine-based beverages documented in the consumer literature [10, 11]. Anderson [7] also links the decline of red wine to changing fashion, higher alcohol levels and the contraction of the Chinese market. Because the pattern

has now persisted for several years and is visible in both the long-term and the annual comparison, it is better described as a structural shift in demand than as a cyclical fluctuation.

2. Insights into Export and Import Markets

2.1 Development of key exporters

All nineteen leading wine-exporting countries recorded lower export revenues in 2025, and all except Portugal and New Zealand also exported smaller volumes. The three largest exporters – France, Italy and Spain – recorded comparatively moderate declines (Table 1).

Table 1. Export performance of the three leading wine exporters in 2025 and over the period 2017 to 2025. Based on data from [1].

	Export value 2025 (€ million)	**Value 2024–25 (%)**	**Value 2017–25 (%)**	**Volume 2024–25 (%)**	**Volume 2017–25 (%)**	**Avg. price 2024–25 (%)**
France	11,193	−4.4	+23.0	−2.0	−15.8	−2.5
Italy	7,778	−3.7	+29.8	−2.0	−2.4	−1.8
Spain	2,980	−4.1	+2.7	−3.4	−16.0	−0.7

In 2025 the three countries met the same conditions with different strategies. Their category shipments to main markets suggest that France cut prices to limit falling bottled wine sales, recording the sharpest drop in average price (−2.5%); that Italy held its position at broadly stable prices; and that Spain moved part of its portfolio, notably sparkling wine, upmarket at the cost of steeper volume losses.

The contraction of 2025 was driven above all by the New World producers. Australia, Chile and Argentina each recorded double-digit declines in export value, and the United States fell furthest of all: its tougher trade policy appears to have depressed not only its wine imports but also its exports, most plausibly through retaliation by affected trading partners (Section 2.3.2; [8]).

Over the longer term, Figure 8 shows a marked divergence. Since 2017 France has increased its export value by some 23% and Italy by close to 30%, while Spain has grown by only 2.7%. Over these eight years the two leading exporters together added more than €3,800 million in a market that grew by only €2,400 million, capturing the entire net increase and more. At the other extreme, the United States lost 42% of its export revenue in euro terms, a decline already under way and then sharply exacerbated by the collapse of 2025, while Chile, Argentina and

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Australia each lost between 22% and 25%. Figure 8 also shows the growing weight of intermediaries: Belgium, whose declared exports have more than tripled, together with the Netherlands and Denmark.

These value gains were not matched in volume. All of the five largest exporters shipped less in 2025 than in 2017, several of them substantially. Italy's was the only modest decline (−2.4%), and among the major producers only Portugal and New Zealand increased their volumes. The gains therefore rested on rising prices. With average prices now falling (Figure 3), the same pattern is unlikely to produce comparable gains in the coming years.

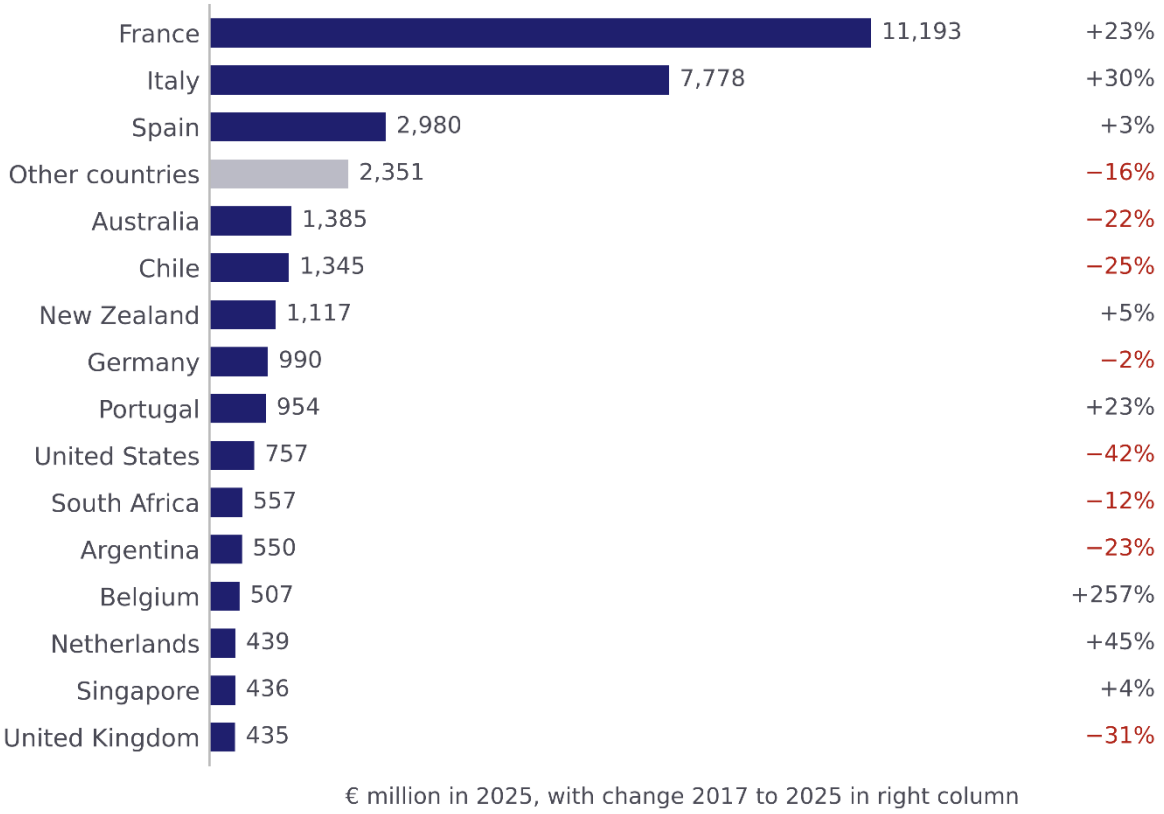


Figure 8. Leading wine-exporting countries by export value in 2025 (€ million), with the change between 2017 and 2025. Negative changes in red. Based on data from [1].

2.2 Insights into major import markets

Among importing countries, the divergence in 2025 was even more pronounced than among exporters. Seven of the nineteen largest markets increased their import volumes, led by Belgium, Sweden and Portugal, each with growth above 7%. The sharpest contractions were in China (−26.7%), Russia (−20.7%) and Latvia (−19.8%), followed by the Netherlands (−12.4%) and Italy (−10.2%), where the decline mainly reflects weaker demand for imported bulk wine.

In the United States, import volume fell moderately in 2025 (−2.0%), while import value in euros fell much more (−11.6%). The euro appreciated by 13.1% against the US dollar during 2025 [4], so a considerable part of the value decline in euros reflects the exchange rate. The decline deepened to −25% in the first half of 2026. The trade dispute also depressed import value into Canada (−12%).

Figure 9 shows that two developments dominate the longer-term picture. The first is the sharp contraction of the Asian markets once expected to drive the growth of world wine trade: since 2017, import value has fallen by 49% in China and by 45% in Hong Kong, while Russia's imports have declined by 10% [2, 12]. The second, less frequently noted, is a broad diversification of destinations. Most other major markets grew in value over the period, among them the United Kingdom (+25%), the Netherlands (+29%), Sweden (+36%), and Belgium and Denmark (+22% each). The largest absolute gain, however, came from the residual group of smaller markets, whose imports rose by 27% to €8,024 million in 2025. Although the fifteen largest importers still account for 76% of declared imports, wine is now imported by 155 reporting markets, and these smaller destinations have contributed most to the growth in export value.

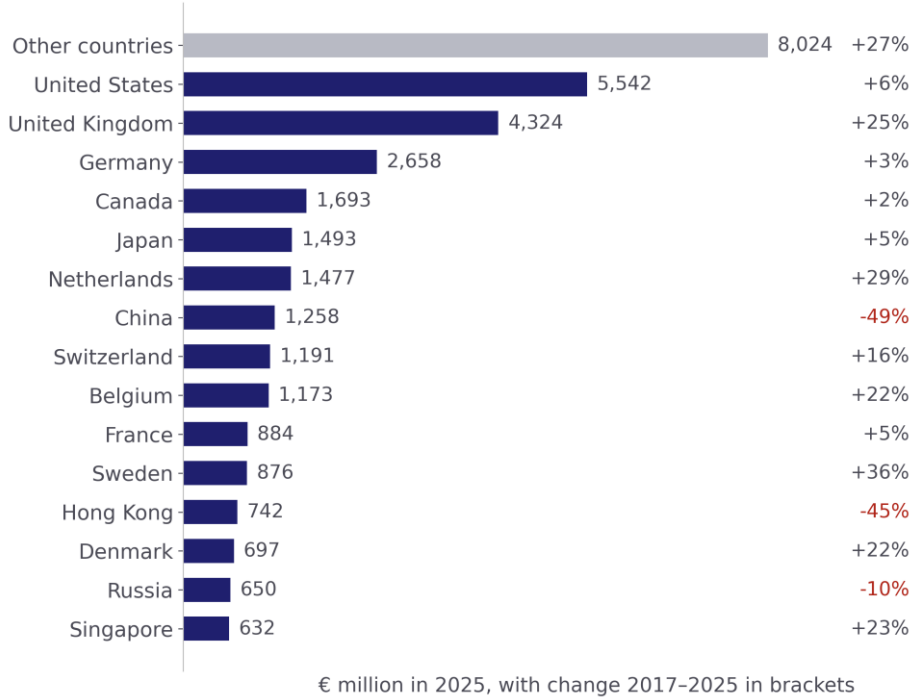


Figure 9. Leading wine-importing countries by import value in 2025 (€ million), with the change between 2017 and 2025. Negative changes in red. Based on data from [1].

This shift towards a larger number of smaller destinations is among the more consequential developments of the period. It reduces exporters' exposure to any single market but raises their distribution costs, since serving many small markets requires more importer relationships, more registrations and more commercial effort per litre sold than serving a few large ones. This long-term trend predates the tariffs of 2025. The strategies reported in the survey (Section 3.3) indicate that exporters intend to continue it, but the trade data do not show how much of the past growth came from exporters' strategies and how much from demand in the destination markets.

In volume terms the picture is considerably weaker. Only four of the fifteen main destinations imported more wine in 2025 than in 2017, and among the twenty-seven largest markets only Brazil, Côte d'Ivoire and Spain recorded growth of more than 30%. Most of the others imported less wine at the end of the period than at the beginning, with the steepest declines in China, Russia and France.

2.3 Key issues in leading import markets

Exporters declare shipments to 276 destinations, but trade is highly concentrated: the 23 markets that each account for more than 1% of world export value together represent more than 86% of world wine trade in both value and volume. The following sections examine four of these markets that were particularly affected by developments in 2025 (the United States, Canada, Russia and China) and then turn to the emerging destinations in Africa, which stand out for growth rather than contraction.

2.3.1 United States: import values fell more than volumes after the tariff increase

After months of uncertainty and repeatedly revised tariff announcements, a 15% tariff on wine and most other goods from the European Union was set in July 2025 and applied from 7 August 2025 [13, 14]. In the last five months of the year, U.S. wine imports fell by 32.1% in value but by only 7.9% in volume compared with the same period of 2024. Values are expressed in euros. The euro was stronger against the US dollar in August to December 2025 than a year earlier, so part of the value decline reflects the exchange rate. For comparison, the corresponding declines in the five months after the outbreak of the COVID-19 pandemic were 23.4% and 6.2%. By both measures, the decline after the tariff exceeded the initial impact of the pandemic.

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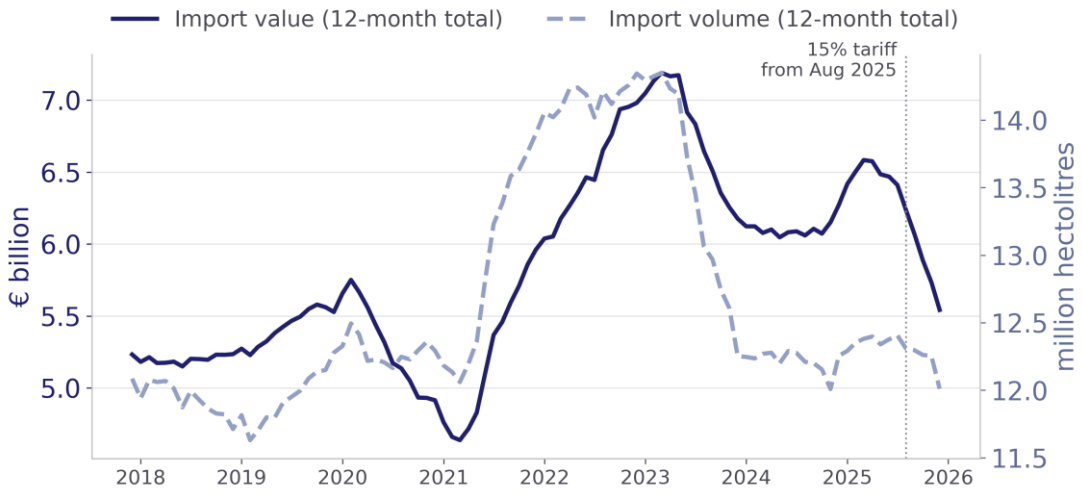


Figure 10. Imports of wine and must into the United States, rolling twelve-month totals, December 2017 to December 2025. Import value in € billion (left axis) and import volume in million hectolitres (right axis). Based on data from [1].

Figure 10 shows a pattern characteristic of shocks in this market: value reacts far more strongly than volume. This was the case in 2020, when the pandemic compressed import value while volumes held up, and it is the case again in 2025. In both episodes much of the adjustment appeared in declared value per litre and less in shipments. The average declared value per litre fell by 26.3% in the last five months of the year, most markedly for French wine. This figure combines changes in the prices charged by exporters, shifts in the product mix and the depreciation of the US dollar against the euro, which the trade data cannot separate. An equivalent reduction in exporters' prices cannot be inferred from it. In 2025 the decline therefore appeared mainly in value per litre, with the quantity effect following later. Data for the first half of 2026 show both still sharply down, by 16.8% in volume and 25.2% in value. The combination of higher tariffs and weaker U.S. demand points to a persistent decline in imports that is likely to extend through the rest of 2026.

2.3.2 Canada: retaliation created opportunities for other suppliers

U.S. wine exports to Canada fell by 61.5% in 2025. The decline reflects retaliation rather than general commercial turbulence: in response to U.S. tariffs on Canadian goods, most provincial liquor boards delisted U.S. wines, and this administrative exclusion was reinforced by a marked shift in Canadian consumer preference away from U.S. products. In absolute terms, U.S. exports to Canada fell by C$452.8 million (equivalent to €287 million) and 39.5 million litres (Figure 11).

Other suppliers filled most of the volume vacated by U.S. wines. Shipments to Canada rose by 8.1 million litres from Chile, 7.5 million from France, 3.5 million from New Zealand, 3.4

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million from Spain, 3.3 million from Australia, 2.9 million from Italy and 2.6 million from Argentina. In relative terms, Chile (+25.8%), New Zealand (+24.9%) and Argentina (+23.6%) grew fastest. Canada thus offers the clearest illustration in the 2025 data of the indirect effects of tariff policy: the losses of the country imposing tariffs are not confined to its own import market but extend to its exports, and the resulting reallocation benefits mainly third-country suppliers rather than the domestic industry of either party [8].

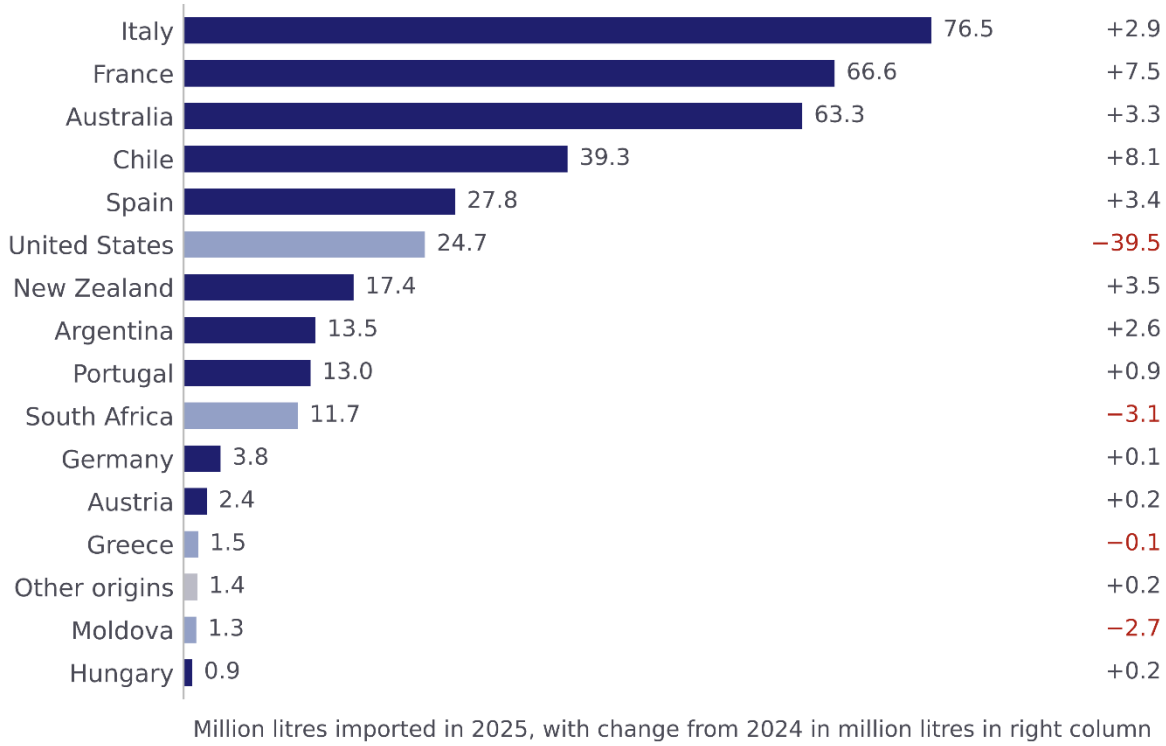


Figure 11. Wine imports into Canada by country of origin in 2025, in million litres, with the change on 2024 in million litres. Negative changes in red. Based on data from [1].

2.3.3 Russia: continued decline with stabilisation in the second half of 2025

The war in Ukraine and the condition of the Russian economy have had substantial effects on wine exports to Russia. Because Russia no longer publishes its own trade data, these exports can only be observed as declared by the exporting countries. Shipments fell immediately after the outbreak of the war, between February and August 2022, rebounded sharply until July 2023, and have declined since. In 2025, exports to Russia fell by 20.7% in volume and 21.6% in value (Figure 12).

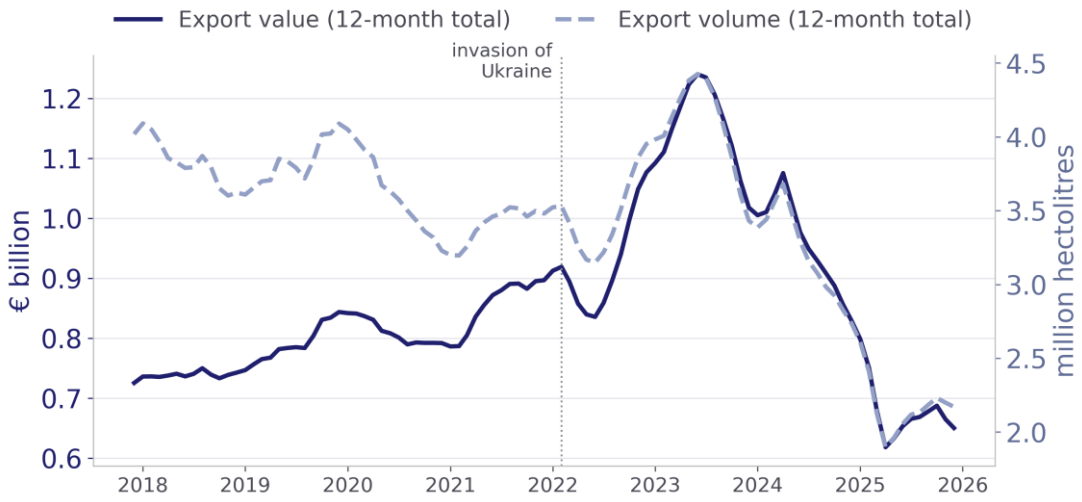


Figure 12. Declared exports of wine and must to Russia, rolling twelve-month totals, December 2017 to December 2025. Export value in € billion (left axis) and export volume in million hectolitres (right axis). Based on data from [1].

In the second half of 2025, shipments stabilised at approximately 2.2 million hectolitres and €650 million. This stabilisation should not be read as a turning point. Russia currently benefits from higher energy revenues following the oil price shock caused by the war involving Iran in 2026, which may temporarily support its capacity to import wine, while the economic burden of the war in Ukraine and the sanctions regime persists. Since these forces work in opposite directions and neither is predictable, Russia remains one of the principal sources of uncertainty in the outlook for world wine trade rather than a market with an identifiable trend.

2.3.4 China: the 2024 rebound proved temporary

The 2025 data show that the recovery of Chinese wine imports in 2024, after several years of continuous decline, was only temporary (Figure 13). The removal in March 2024 of the tariffs that had long restricted Australian wine had seemed to mark the start of a lasting recovery [12]. In 2025, however, Australian export volume declined moderately, Chilean volume fell by 43.7%, and those from France and Spain each fell by 28.7%. Among the thirteen largest suppliers, only New Zealand, Georgia and Germany increased their exports to China.

Overall, Chinese wine imports fell by 14.6% in value and 26.7% in volume in 2025, while the average price rose by 16.5% to €6.07 per litre. China is therefore importing considerably less wine than in previous years, but at markedly higher prices, and it remains a relevant destination for premium products. The longer-term development of the Chinese market and its prospects are analysed in detail in [2] and are not repeated here.

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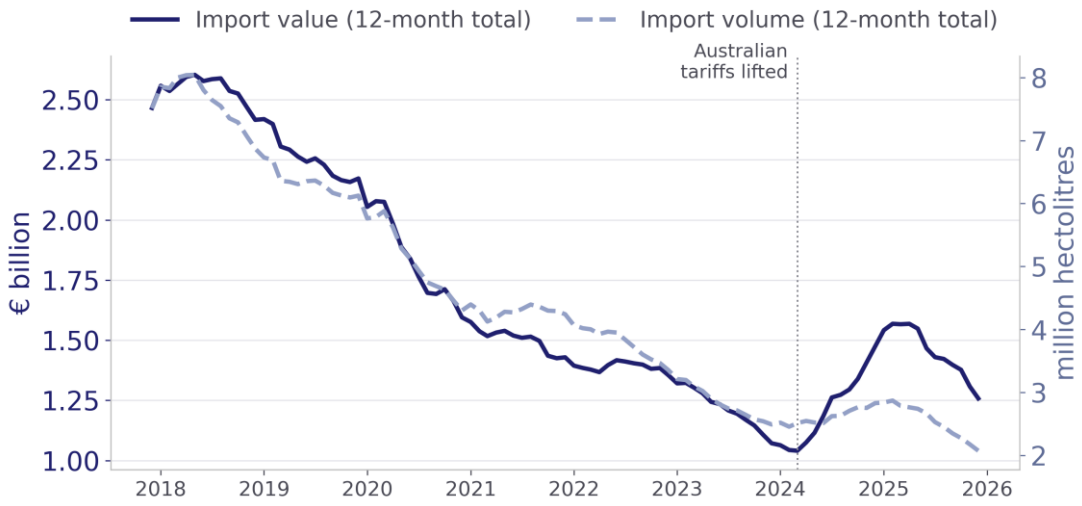


Figure 13. Imports of wine and must into China, rolling twelve-month totals, December 2017 to December 2025. Import value in € billion (left axis) and import volume in million hectolitres (right axis). Based on data from [1].

2.3.5 Smaller but promising markets in Latin America and Africa

Against the generally negative trend of 2025, several smaller destinations developed positively. In Latin America, wine imports grew by 34.4% in value between 2017 and 2025, despite a slight decline in the final year and a fall in volume over the period as a whole. This exceeds both the 20.1% growth recorded by the European Union and the rates of around 20% observed in other European countries. Mexico, the Dominican Republic, Colombia and Brazil are among the fastest-growing markets for wine consumption and imports.

For Africa, the figures are based on exports declared by supplying countries rather than on the importing countries' own statistics. On this basis, the value of wine shipped to Africa grew by 12.5% in 2025 and by more than 45% since 2017. This growth was driven more by prices, which rose by around 40% over the eight years, than by volumes. Figure 14 shows the distribution across markets. Growth has been particularly strong in Côte d'Ivoire, Angola, Nigeria, Cameroon and the Democratic Republic of the Congo, and more recently in Morocco. These markets show outstanding growth in relative terms, though not yet in absolute volumes. South Africa also receives substantial declared shipments, mainly from the United States and Australia. Among the leading suppliers, Spain and, to a lesser extent, Portugal and France appear to have benefited most from the expansion of African markets.

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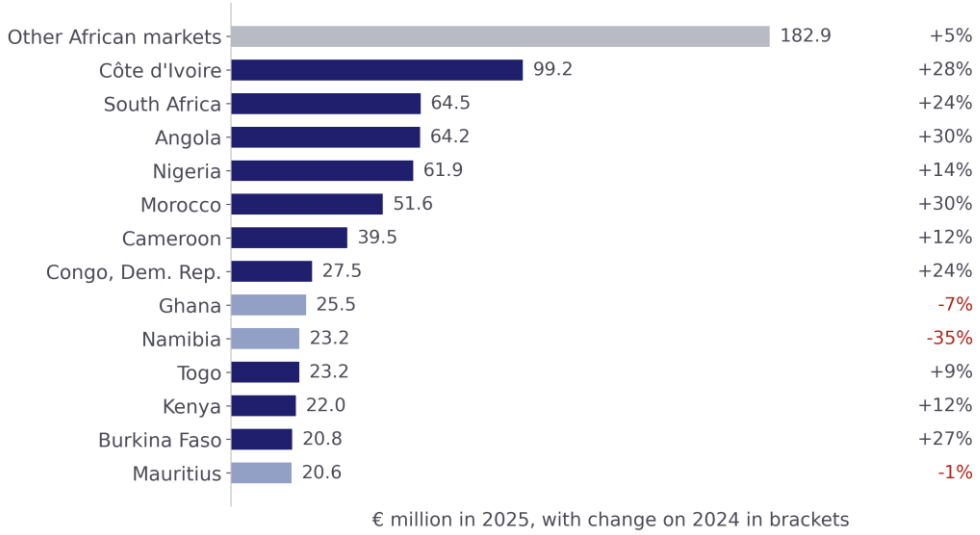


Figure 14. Declared world wine exports to African markets in 2025 (€ million), with the change on 2024. Negative changes in red. Based on data from [1].

For both regions, the main qualification is scale. Their growth rates are striking precisely because their absolute size is small, and the volumes involved cannot offset the losses in the established markets. Their significance lies less in the volume they absorb than in what they indicate about the direction of diversification, which is already visible in Figure 9 and consistent with the strategic responses reported in Section 3.3.

3. Industry Perceptions: Challenges, Frictions in the U.S. Market and Strategic Responses

Trade statistics describe the past, and in periods of policy discontinuity they are an imperfect guide to the near future because observed flows are shaped by anticipatory behaviour. Perceptions of risk are forward-looking: they govern listing decisions, inventory policy, market entry and exit, and investment in distribution relationships, and hence the trade flows of subsequent years. The evidence here is drawn from the ProWein Business Survey 2026 (n = 1,002) [5], conducted annually since 2017 by Hochschule Geisenheim University on behalf of ProWein among experts along the entire supply chain. The 2026 wave was fielded between 21 October and 27 November 2025. Questions on the effects of the U.S. tariffs (Figures 16 and 17) were answered by the 180 producers and exporters who ship wine to the United States, and the expectations for the U.S. market (Figure 18) by 518 respondents from all groups along the supply chain. Because the sample is a self-selected panel of industry professionals, the results are expert assessments rather than population estimates; their value lies in the consistency of the instrument over time, which permits comparison of rankings across waves [2, 3]. The 2026 wave also contained open-ended questions on strategic responses, analysed in Section 3.3.

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3.1 Persistent cost pressure and weak demand

At the beginning of 2026 the sector faced a set of challenges largely unchanged from the previous year. Respondents assessed the expected impact of nine potential threats on their own business; Figure 15 reports the share expecting a strong or very strong effect.

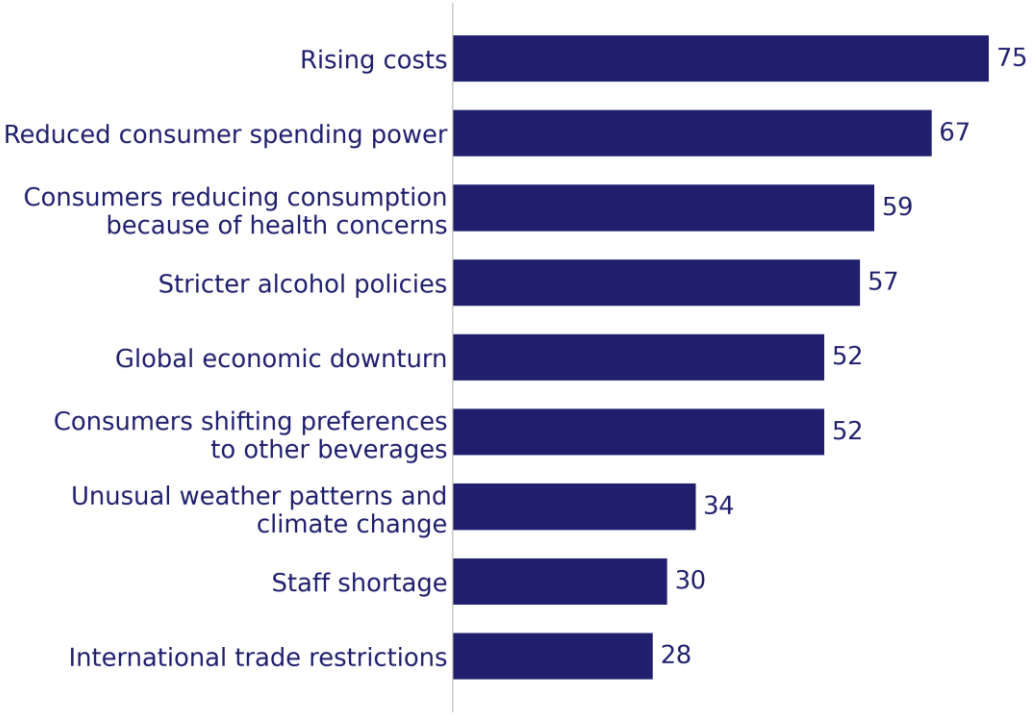


Figure 15. Expected impact of key threats and challenges on the own business. Share of respondents expecting a strong or very strong effect (4 and 5 on a five-point scale), in %, ProWein Business Survey 2026, n = 1,002 [5].

Rising costs (75%) and reduced consumer spending power (67%) again rank first and second, as in the 2025 wave [15]. Together they describe a classic margin squeeze: costs rise while income-driven demand contracts, so cost increases cannot be passed on without losing volume. A third consecutive year of this squeeze implies a cumulative erosion of profitability and of the capacity to invest in vineyards, brands and commercial capability.

The second cluster concerns demand itself. Reduced consumption for health reasons (59%) and stricter alcohol policies (57%) now rank above the global economic downturn (52%) and the shift of preferences towards other beverages (52%). Concern about alcohol policy has risen steadily since 2022 [2, 3, 15]. The distinction matters: cyclical weakness is reversible, whereas changing health attitudes and tighter regulation shift the demand curve itself. The sector's own assessment thus answers the question posed in the 2023 review, whether the challenges are temporary or structural, in favour of the structural reading [3, 7].

A third, less prominent cluster comprises weather and climate change (34%), staff shortages (30%) and trade restrictions (28%). The last rank of trade restrictions is surprising, since the survey followed the most disruptive episode in wine trade policy in two decades. Three explanations are plausible. Measured against the tariff of up to 200% threatened in March 2025, the 15% rate applied from August was widely perceived as relief. Trade restrictions affect only firms exporting to the United States, so the sample-wide share understates their severity for those exposed (Section 3.2). Finally, tariffs mainly redistribute trade between destinations and suppliers, whereas declining consumption reduces its total. On this reading, removing the tariffs would not by itself restore the sector's position. The ranking reflects perceived severity and does not quantify the contribution of tariffs and of demand to the decline in trade.

Producers and trade respondents rank the nine items similarly, with two exceptions. Trade respondents place more weight on the shift towards other beverages, consistent with their proximity to the point of sale [10, 11], while producers weight regulation and alcohol policy more heavily [5]. Each tier perceives most acutely the risks that materialise first at its own stage. Since consumer signals reach producers only with the lag of the order cycle, producers risk adjusting their portfolios later than the market requires.

3.2 New frictions in the U.S. import market

3.2.1 From announcement to implementation

The tariff episode of 2025 evolved in several stages. In March 2025, a duty of up to 200% on wine from the European Union was announced. Following repeated revisions, a rate of 15% was set for most goods of EU origin, wine included, and applied from 7 August 2025 [13, 14]. A sector-specific exemption for wine and spirits, sought by industry associations on both sides of the Atlantic, was not granted.

Three dimensions of this episode should be distinguished analytically.

- First, the level of the final tariff is moderate relative to the rates initially announced, yet substantial for a product category in which ex-works margins frequently fall below 15%.
- Second, and arguably of greater consequence, the volatility of policy announcements over a five-month period increased the option value of deferring irreversible commitments such as market entry, listing negotiations and brand investment [16]. This interpretation is consistent with the record level of the wine trade uncertainty index observed for 2025 [8].

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- Third, the three-tier structure of U.S. distribution amplifies the transmission of the tariff to retail prices, as the duty is successively marked up by importers, wholesalers and retailers [2]. In relative terms, this cascading effect falls most heavily on wines at lower price points, where the price elasticity of demand is highest.

3.2.2 Firm-level exposure and adjustment

Respondents exporting to the United States (n = 180) were asked how their business had been affected and how they had responded (Figure 16). Only 18% report no change, so more than four in five were affected within the first months of the new regime.

The most frequent consequence is a loss of export volume (48%), followed by a loss of export value (32%). The survey does not record whether respondents who reported lower export value also lowered prices or margins, so the two items are reported separately here. In Figure 17, 2% of exporters report bearing the duty in full and 26% report that the importer bears it in full. Whether the 26.3% fall in declared value per litre (Section 2.3.1) reflects concessions by some exporters, a shift in product mix or the exchange rate cannot be determined from either source.

Anticipatory stockpiling (23%) corroborates the inventory effect inferred in Section 1.1 [2, 17]: volumes recorded in 2024 and early 2025 overstate underlying consumption, and the correction is already visible in the first half of 2026 (Section 2.3.1). 22% adjusted their pricing for the U.S. market. The item does not record the direction or size of the adjustment.

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Figure 16. Effects of and responses to the U.S. import tariffs. Share of respondents in %, multiple responses possible, producers and exporters shipping to the United States, n = 180, ProWein Business Survey 2026 [5].

Only 15% diverted exports to other markets, and only 4% adjusted their product mix. Export relationships are market-specific investments (importer selection, label registration, listings, brand building) whose costs are largely sunk, so alternative destinations cannot be found quickly at comparable prices [18, 19]. Slow reallocation in the short run is therefore plausible. In Figure 18, 41% agree that producers will increasingly shift their exports to markets other than the United States. That item concerns producers in general and was answered by 518 respondents from all groups along the supply chain, whereas the 15% refer to measures taken by the respondent's own business among the 180 exporters to the United States. The difference suggests that diversification is more widely anticipated than currently reported. It does not show how many firms have been unable to implement their plans. The 17% who lost importer contracts deserve particular attention: severed relationships are not restored when a tariff is withdrawn, so barriers of limited duration can have persistent effects [19].

3.2.3 The incidence of the tariff

Figure 17 shows how respondents describe the arrangement with their importers. Among exporters to the United States, 47% share the cost, 26% report that the importer bears it in full and only 2% bear it themselves; 18% reached no agreement because the relationship was lost.

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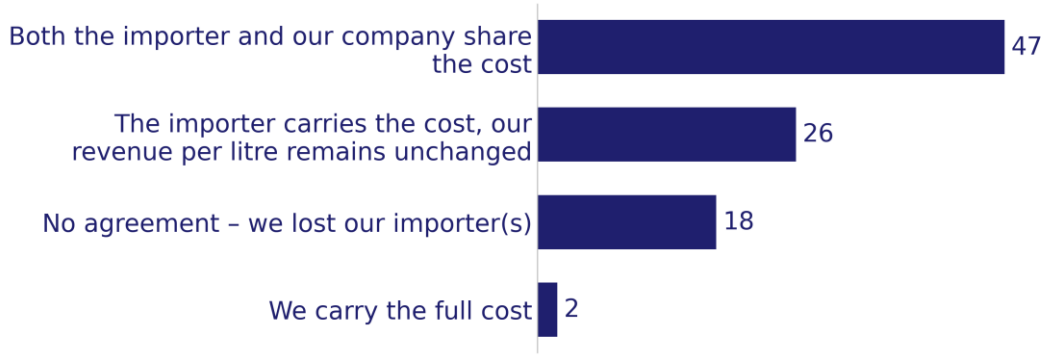


Figure 17. Allocation of the tariff burden between exporter and importer. Share of respondents in %, producers and exporters shipping to the United States, n = 180, ProWein Business Survey 2026 [5]. The remaining 7% gave other answers or open comments.

Three observations follow. First, in almost all continuing relationships respondents report that the importer bears the duty wholly or in part. A shared cost does not reveal the proportions borne by each side, and the survey does not show whether importers recover their costs through higher selling prices. The results therefore describe reported arrangements between trading partners and do not quantify the final distribution of the burden among exporters, intermediaries and consumers. For the tariff rounds of 2018 and 2019, studies of U.S. prices found near-complete pass-through [20, 21, 22]. The survey results are compatible with that evidence but do not test it. Second, the quarter of exporters whose importer bears the duty in full suggests differences in bargaining power. One plausible explanation is that suppliers of origin-specific wines that cannot be replaced at short notice are in a stronger position than suppliers of substitutable wines. If so, tariff incidence would depend on product differentiation, itself the outcome of long-run investment in brands and origins [9]. Third, the 18% without agreement are the most instructive category: standard incidence analysis considers only the intensive margin and therefore misses the cost of relationships that cease to exist.

3.2.4 Expected market developments to 2027

Figure 18 reports expectations for the U.S. market to 2027. Nearly half (49%) expect a noticeable rise in the retail price of imported wines, consistent with the cascading described above and with Figure 17.

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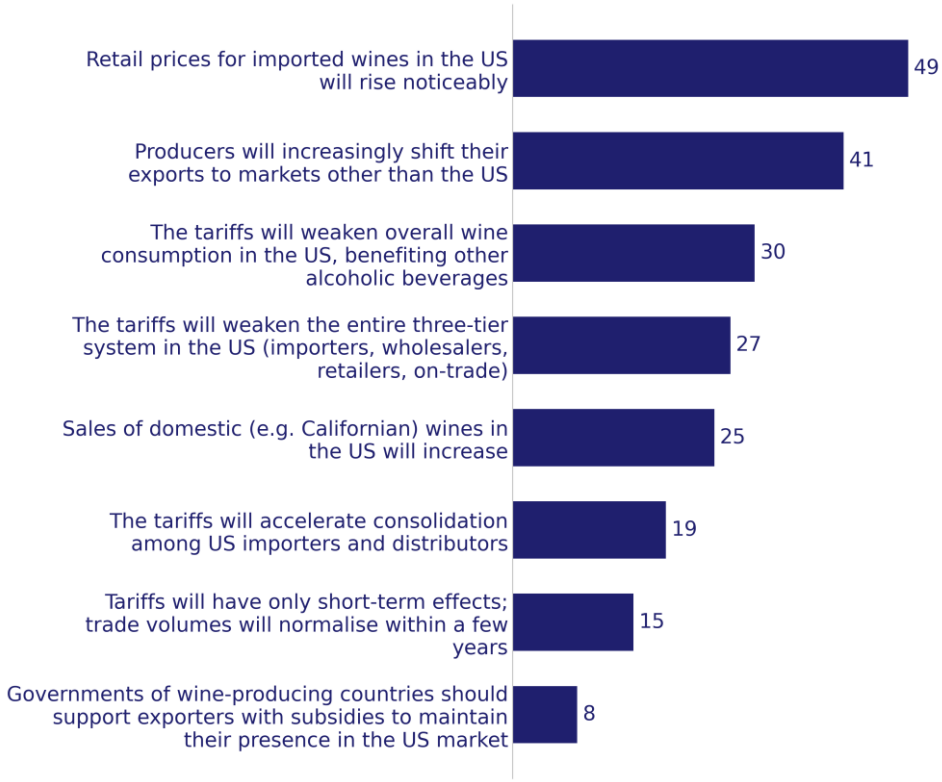


Figure 18. Expectations for the development of the U.S. wine market by 2027. Share of respondents agreeing with each statement in %, multiple responses possible, all respondent groups, n = 518, ProWein Business Survey 2026 [5].

Three items in Figure 18 are most revealing in combination. While 49% expect higher retail prices for imported wine, only 25% expect sales of domestic U.S. wine to increase, and 30% expect the tariffs to weaken overall U.S. wine consumption in favour of other alcoholic beverages. Respondents thus expect the protective rationale of the tariff, that demand diverted from imports accrues to domestic producers, largely to fail. Imported and domestic wines are imperfect substitutes [23], and substitution increasingly occurs between wine and other beverages rather than within wine [10, 11]. Where cross-category substitution dominates, an import tariff shrinks the wine category as a whole and harms the U.S. wine sector instead of protecting it.

Expectations for distribution point in the same direction. 27% expect the three-tier system to weaken and 19% expect faster consolidation among importers and distributors, plausibly because a duty marked up at every tier squeezes the middle tier, where margins are thinnest. Such consolidation raises entry barriers for small importers and for the small foreign producers who depend on them. Only 15% expect volumes to normalise within a few years. Respondents thus regard the new environment as persistent, and under irreversibility, persistent uncertainty

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depresses investment even without further tariff increases [16]. Finally, government subsidies to maintain exporters' presence in the U.S. market were selected by only 8%, the lowest share of all items. This shows limited support for this measure. It does not show that the remaining respondents oppose subsidies.

3.3 Beyond the U.S. market: strategic responses of the global wine sector

3.3.1 Data and approach

The 2026 wave also asked producers and exporters to describe in their own words how they assess the situation in the United States and which measures they are taking. Of the 180 producers and exporters shipping to the United States, 85 gave a substantive answer. The responses were coded inductively in two steps, with a large language model (ChatGPT, OpenAI, in the version available in January 2026) as support and the authors deciding on all codes, following current recommendations for human-in-the-loop use of such models in qualitative analysis [24, 25]. Statements on how respondents interpret the situation were first grouped into recurring narratives, which resulted in three interpretations. Statements on measures were then coded by named destinations, stated strategic logic and time horizon, and recurring combinations were condensed into five archetypes of reallocation. The model proposed initial codes and groupings. The first author checked every proposed code against the original responses, revised and merged categories and defined the final categories. The analysis is exploratory. The categories describe the range and relative prominence of strategic positions, not their frequency in the population.

3.3.2 Three interpretations of the situation

Three narratives dominate the open responses. They are not mutually exclusive, and each has distinct strategic implications.

Demand weakness rather than tariffs. Many respondents locate the primary problem not in the tariff but in a structural weakening of U.S. demand, and they expect the market to shrink, with intensified competition in the premium segments. Recovery is seen to depend on consumer demand rather than trade policy. The responses are accordingly defensive: protecting visibility, prioritising flagship wines and maintaining flexibility within existing distribution.

Political volatility as the binding constraint. A second narrative identifies unpredictability itself as the principal risk, since frequent changes in tariffs and import rules raise the cost of

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irreversible commitments. The result is a wait-and-see posture: firms hold existing positions, avoid new sunk investments and regard stability as the precondition for renewed engagement. This is the option-value argument of Section 3.2 in practitioners' terms, and it may contribute to the difference between the share expecting producers to shift exports (41%) and the share reporting that they have done so (15%).

Market adjustment rather than political intervention. A third group regards wine as a minor item in trade relations and considers the sector's political leverage overestimated. Negotiated compensation is rejected as unrealistic in favour of market-based adjustment through efficiency, portfolio optimisation and diversification. Respondents in this group ask policy makers above all for predictability. This matches the small share selecting export subsidies (8%), although that share alone does not indicate a general rejection of subsidies.

3.3.3 Five archetypes of geographic reallocation

These interpretations translate into concrete export strategies, and the sector is not pursuing a single dominant replacement for the United States. Five archetypes can be distinguished, differing less in destination than in risk profile, entry cost and time horizon (Table 2).

Table 2. Archetypes of export reallocation identified in the open responses of the ProWein Business Survey 2026 [5].

Archetype	Strategic logic	Principal destinations	Time horizon
Asia pivot	Substitution of U.S. volumes by structurally growing markets; acceptance of higher entry barriers	China, Japan, South Korea, Taiwan, Hong Kong, Singapore, South-East Asia	Long-term growth
Broad diversification	Portfolio-based risk management; avoidance of market concentration; incremental growth across several destinations	Europe, Asia, South America; global multi-market approach	Medium-term stabilisation
Intra-European rebalancing	Low entry barriers; regulatory and cultural proximity; fastest substitution of volumes	Eastern Europe, Scandinavia, Benelux, Germany, Poland, Czech Republic	Short- to medium-term adjustment
Americas outside the United States	Similar consumption patterns and trade structures; use of existing importer relationships; lower political risk	Canada, Brazil, selected Latin American markets	Medium-term stabilisation
Selective niche expansion	Importer-driven opportunities; small volumes at higher	Africa (incl. West Africa), Mauritius, Georgia	Opportunistic, exploratory

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Archetype	Strategic logic	Principal destinations	Time horizon
	uncertainty; complementary rather than substitutive		

Two articulated archetypes, broad diversification and intra-European rebalancing, are notable for what they are not: neither seeks to replace U.S. volumes with an equivalent single market. Intra-European rebalancing offers the fastest substitution, because entry costs are lowest and proximity greatest, but the European market is itself contracting. Gains there redistribute sales among suppliers rather than expand the market, with price pressure the likely consequence.

The Asia pivot promises structurally growing demand but requires long-term investment precisely when uncertainty raises the required return, and the Chinese experience since 2017 (Section 2.3.4) cautions against treating Asian growth as assured.

Reallocation towards the Americas outside the United States builds on existing importer relationships and is the least costly form of diversification for firms already active there. Canada in 2025 (Section 2.3.2) is the clearest realised instance, and the growth of Latin American markets (Section 2.3.5) supports this route. Selective niche expansion is opportunistic and complementary, although the growth of African markets (Section 2.3.5) shows that it is not merely aspirational.

3.3.4 Implications

Across all five archetypes, export reallocation is driven less by the search for a one-to-one replacement of the U.S. market than by diversification and risk management. Asia and Europe are the most important regions for adjustment, the Americas beyond the United States play a stabilising but secondary role, and Africa and Oceania remain marginal in volume. The sector's stated preference is to spread exposure rather than concentrate it in a single alternative destination. This is a rational response to the experience that dependence on one large market turns a political event into an existential risk. It continues the diversification of destinations visible in the trade data since 2017 (Figure 9), which predates the tariffs of 2025.

4. Discussion and Conclusions

The two sources used in this paper observe the same year from opposite ends of the causal chain: trade statistics record outcomes, the survey records perceptions and firm behaviour. Their analytical value lies chiefly in the points at which they converge.

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4.1 Demand is the most plausible main driver of the contraction

For the development of world wine trade, the decline in average export prices is at least as important as the tariff. Export value, volume and average price declined together in 2025, as they did in 2020. Unlike in 2020, the decline follows two years of falling value and coincides with a sustained contraction of consumption. Higher average prices no longer compensate for lower volumes (Sections 1.1 and 1.2). Part of the decline in prices measured in euros reflects the appreciation of the euro and possibly changes in product mix. The weakening of premiumisation is therefore an interpretation consistent with the data, which the aggregate average price alone does not establish. The survey supports this reading. Cost pressure and weak purchasing power head the list of threats, health concerns and alcohol policy rank above the business cycle, and trade restrictions rank last (Figure 15). Both sources point to the demand side as the main constraint and suggest that it is largely structural. The survey ranking reflects perceived severity, however, and does not measure the contribution of demand and tariffs to the decline. On this reading, removing the tariffs would not by itself restore the sector's position.

4.2 After the tariff, declared import values fell before volumes did

Combined, the two datasets clarify the U.S. adjustment more fully than either could alone. In the five months after the tariff took effect, import value in euros fell by 32.1% and volume by 7.9%, implying a 26.3% fall in declared value per litre (Section 2.3.1). This figure combines changes in exporters' prices, in product mix and in the euro/dollar exchange rate, which the trade data cannot separate. Price concessions by exporters are one possible explanation and remain a hypothesis. The survey describes how exporters and importers arranged the duty. 47% of exporters report sharing it with the importer, 26% report that the importer bears it in full and 2% bear it alone (Figure 17). These arrangements do not reveal the shares borne by each side or the final burden on consumers. They are compatible with the pass-through found for the U.S. tariff rounds of 2018 and 2019 [20, 21, 22].

Two implications follow. The 2025 figures understate the eventual volume effect, and because 23% of exporters stockpiled ahead of the tariffs, part of the subsequent decline reflects an inventory correction rather than a further deterioration of demand. The data for the first half of 2026 (−16.8% in volume, −25.2% in value) are consistent with both.

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4.3 Reallocation is more widely expected than reported

41% of respondents agree that producers will increasingly shift exports away from the United States, while 15% of exporters to the United States report having redirected exports already (Figures 16 and 18). The two items differ in content and in respondent base (518 respondents from all groups and 180 exporters to the United States), so their difference is no direct measure of a gap between the same firms' intentions and actions. It suggests that diversification is more widely anticipated than implemented so far, which is plausible given the cost and time required to build market-specific positions [18, 19].

In the trade data, Canada is the clearest case of a shift between suppliers in 2025, following the delisting of U.S. wines by most provincial liquor boards (Section 2.3.2). The growth of the smaller import markets (27% in value since 2017), of Latin American destinations (34%) and of African destinations (more than 45%) documents a longer-term diversification of destinations (Sections 2.2 and 2.3.5). It shows where exporters can find additional demand, but it predates the tariffs of 2025 and cannot be attributed to them.

The destinations named in the archetypes of Table 2 are growing in the trade statistics, but on a scale far below what would be needed to replace the United States. The constraint lies not only in the sunk costs of entry but in the simultaneous contraction of most established markets, while the destinations that are still growing remain too small to absorb the volume lost elsewhere. At sector level, a fallacy of composition applies. If many exporters redirect volumes into the same accessible destinations, the result is intensified competition and price pressure rather than restored margins. What is individually rational is collectively self-limiting, above all within Europe.

4.4 Polarisation continues, and price erosion has reached the packaged categories

Both sources support the polarisation hypothesis developed in earlier contributions to this series [2, 3]. It is also consistent with the divergence between premium and non-premium wine documented by Anderson [7]. Since 2017, sparkling wine has grown strongly in value and volume, while still bottled wine has stagnated in value and lost almost a fifth of its volume. White wine has outperformed red and rosé by a wide margin (Sections 1.3 and 1.4). The survey reports the same shift towards fresher, more accessible and lower-alcohol styles [10, 11], and identifies producers of traditional, mostly red wines with high production costs as those under greatest pressure [5].

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The 2025 data add one qualification. Price erosion is concentrated in sparkling and still bottled wine rather than in the commodity segments (Figure 5). Polarisation is therefore no longer only a question of which categories grow, but also of where margins are eroded.

4.5 What the sector asks of policy

Only 8% of respondents selected export subsidies as a measure, and one group of open responses regards politically negotiated compensation as unrealistic (Sections 3.2.4 and 3.3.2). This indicates limited demand for subsidies among respondents. It does not show a general rejection of subsidies or of government intervention. Recent analysis suggests that subsidies for distillation or exports can delay the adjustment of supply to lower demand [7]. What respondents ask for most clearly is predictability in trade policy and a regulatory framework flexible enough to permit rapid adaptation of products, packaging and market strategies [5]. The survey results support this priority. The most durable costs of 2025 lie less in the duty itself than in the loss of importer contracts reported by 17% of exporters and in the consolidation of the U.S. middle tier expected by 19%, both of which persist after a tariff is withdrawn [19].

4.6 Outlook and research agenda

For 2026, the evidence points to a further decline in traded volume: pre-tariff inventories must be worked off, the quantity response to the tariffs is only beginning, and consumption continues to fall. Whether the price decline proves to be a third short episode, comparable to those of 2014 and 2019–2020, or the beginning of a sustained deflationary phase is the most important open question for the value of world wine trade. Anderson [7] expects low prices to persist until surplus stocks are cleared and the least profitable vineyards are removed. The answer is likely to depend more on demand than on trade policy.

Three research questions follow.

- First, how large are the sunk costs of market-specific export investment, and how long is the lag between the intention to reallocate and its appearance in trade statistics?
- Second, how are margins affected in the destinations that receive redirected volumes?
- Third, which structural features of national wine sectors account for the persistent divergence in export performance documented in Section 2.1 [9]?

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673 Their relevance is greater in a contracting than in an expanding market, since the allocation of
674 declining volumes, rather than the distribution of growth, becomes the central economic
675 problem.

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