

Impact of COVID-19 on International Wine Trade



Rafael del Rey

Spanish Observatory of Wine Markets O^eM_v

Observatorio ESPAÑOL
del Mercado del VINO

OIV Mar, 2021

Some questions

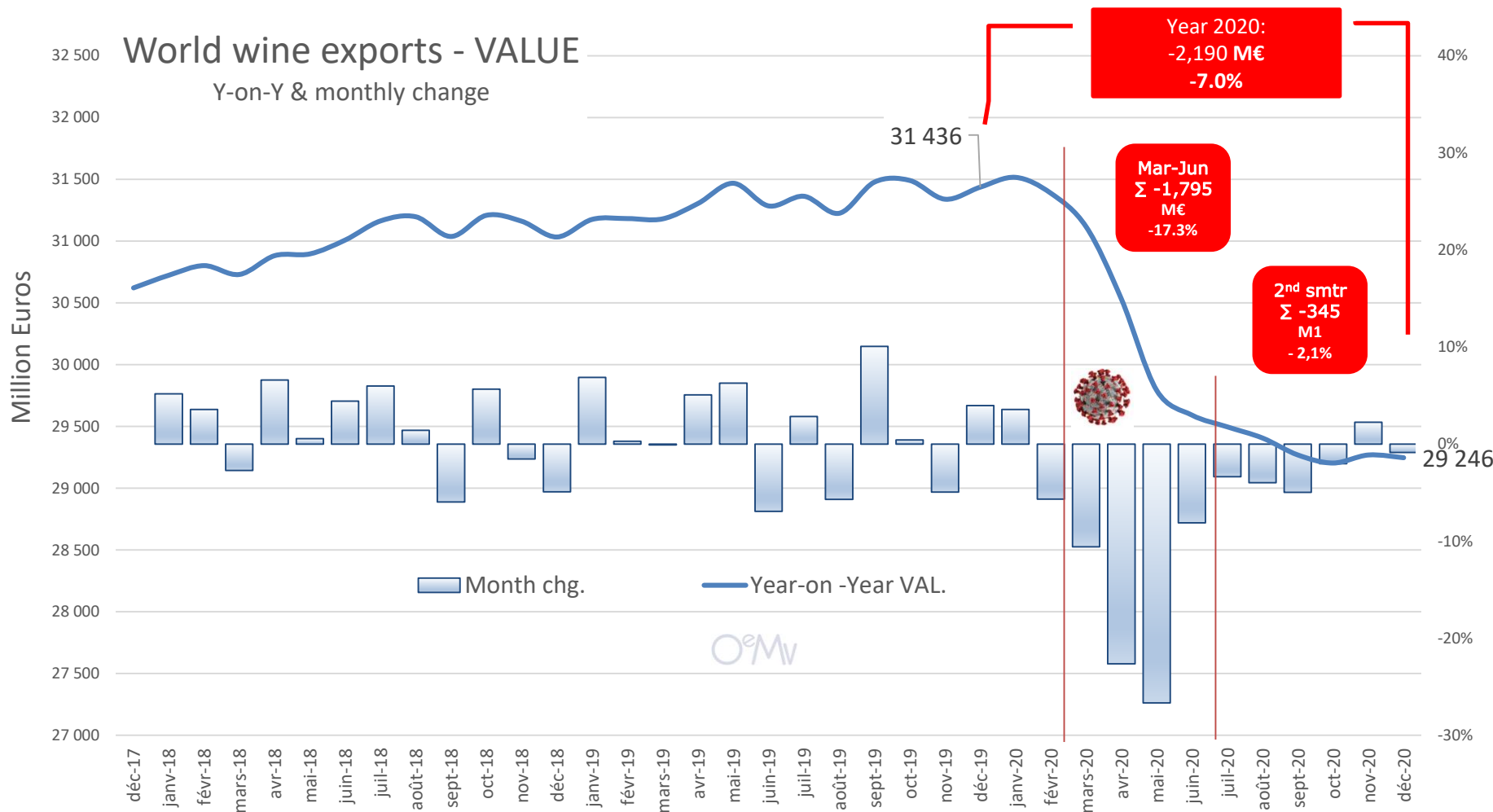
Has COVID-19 really impacted wine trade?

Which were the preceding trends and which the impacts of the new situation?

How has it affected wine trade, exporters, and importers? Similar to all?

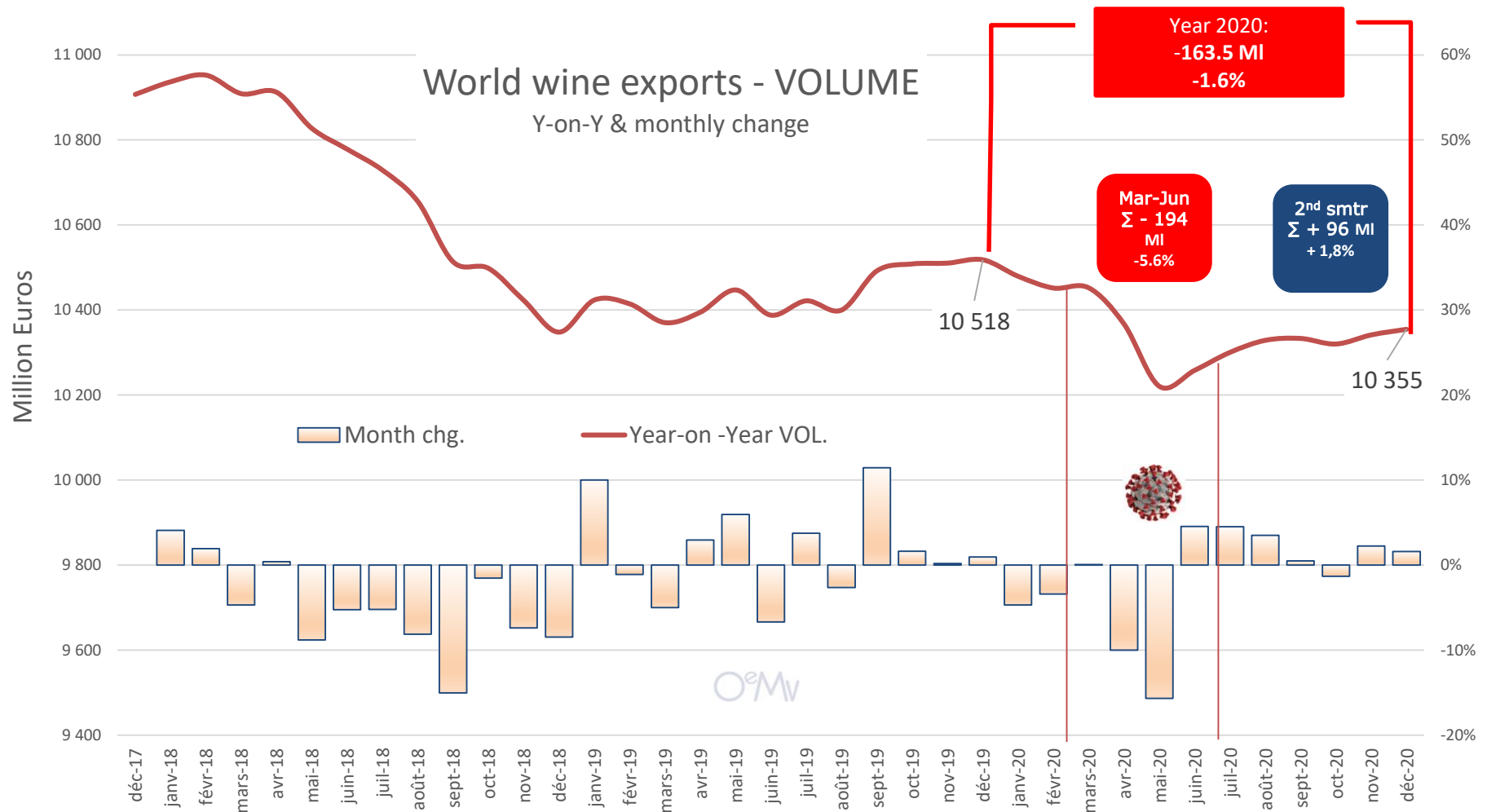
World Wine Exports - value

Wine exports, particularly in value terms, were progressing well until COVID-19 arrived.



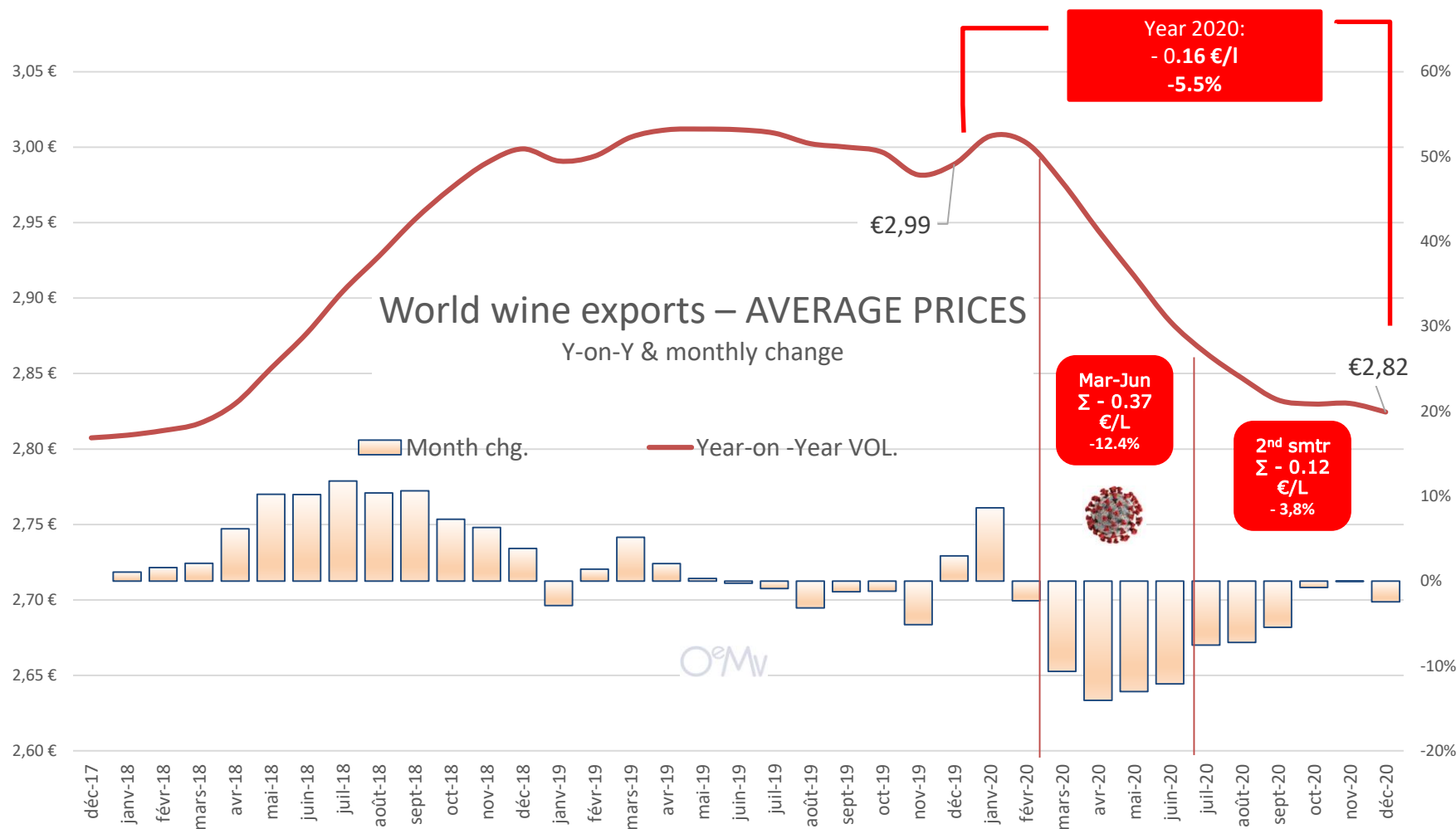
World Wine Exports - volume

In volume terms, however, wine exports were already declining in 2018, stable in 2019 and, yes, also affected by COVID-19 in 2020... but much less.



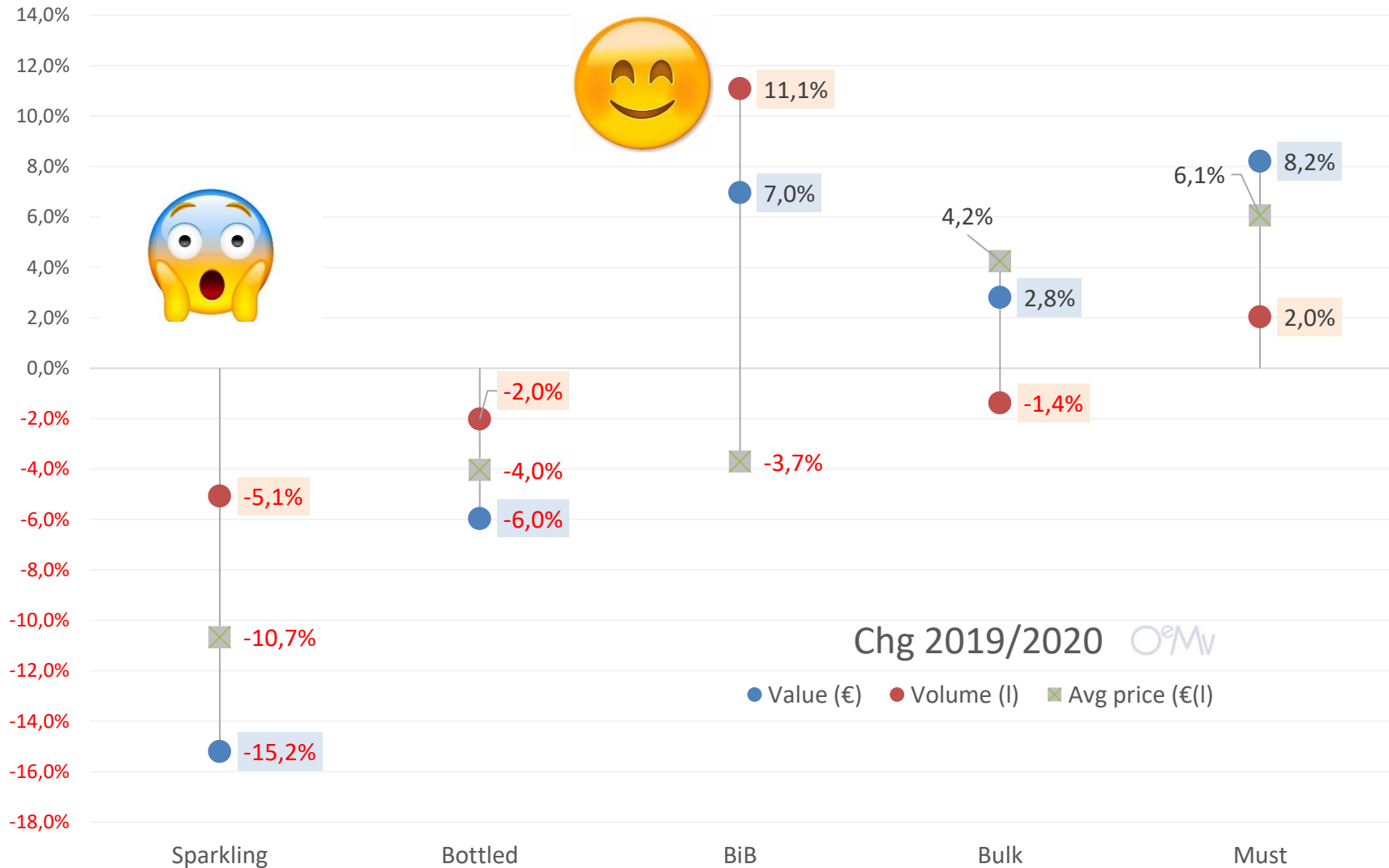
World Wine Exports – average prices

As mentioned, the difference lies on the evolution of average prices.

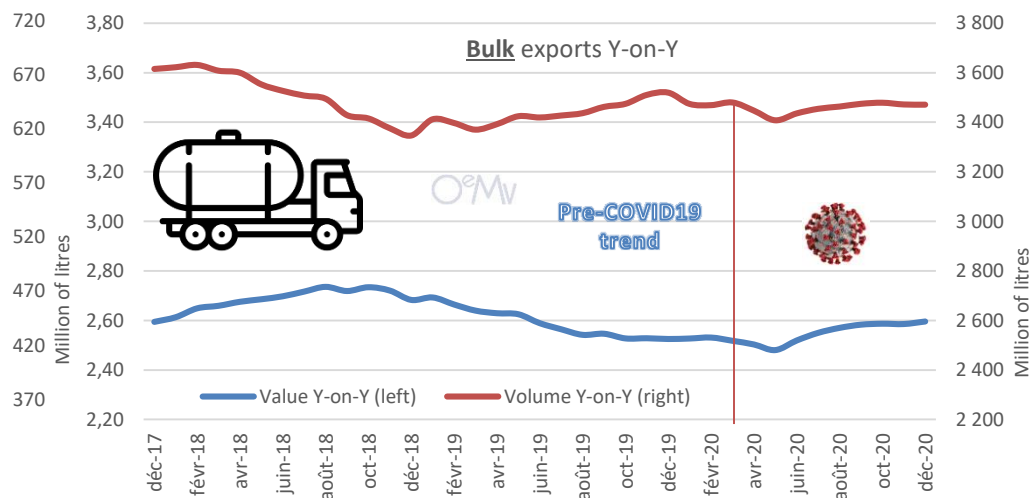
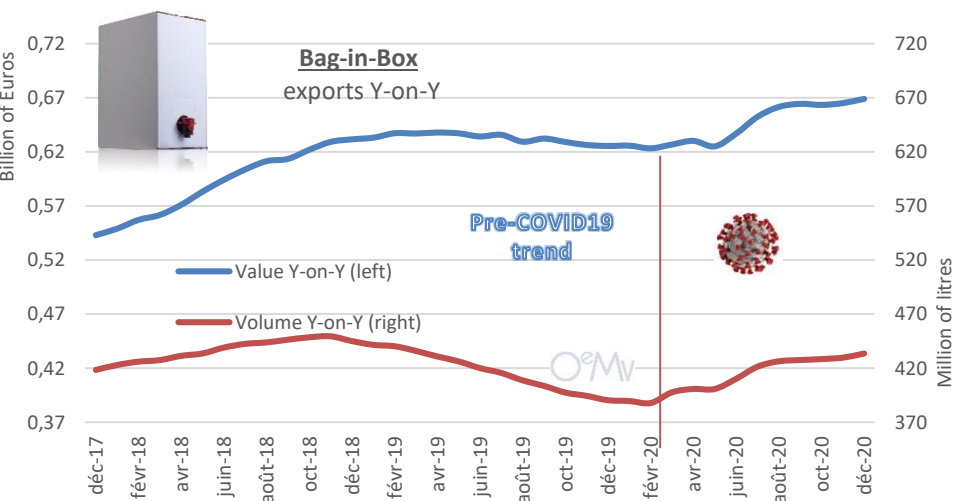
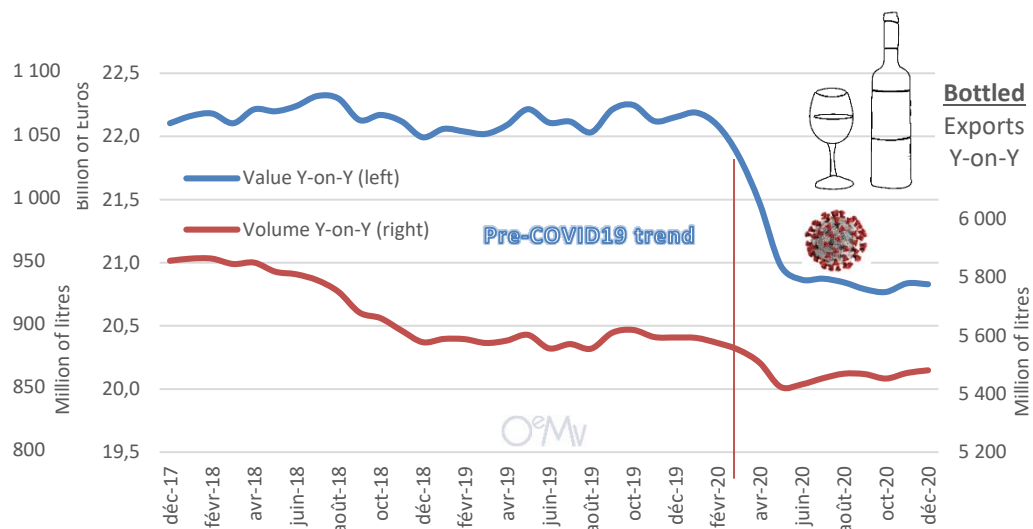
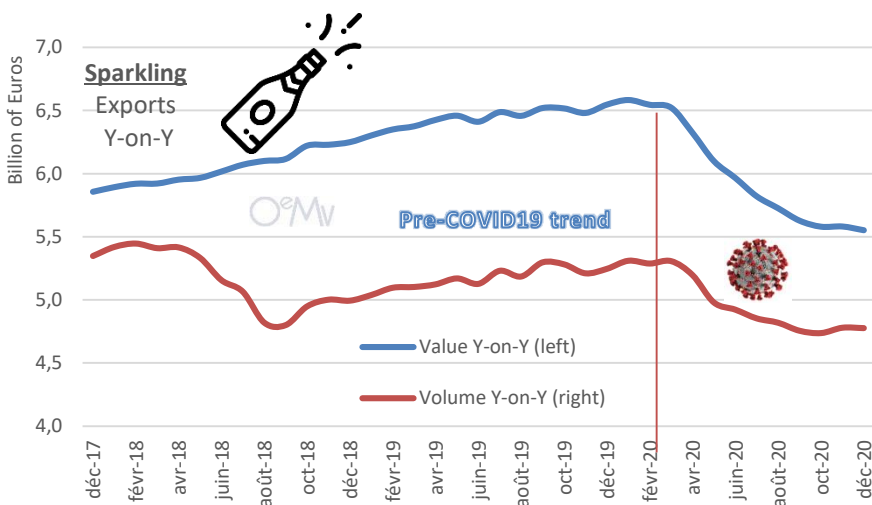


Wine exports by type

Actually, sparkling – wine to celebrate – has been the most badly affected.

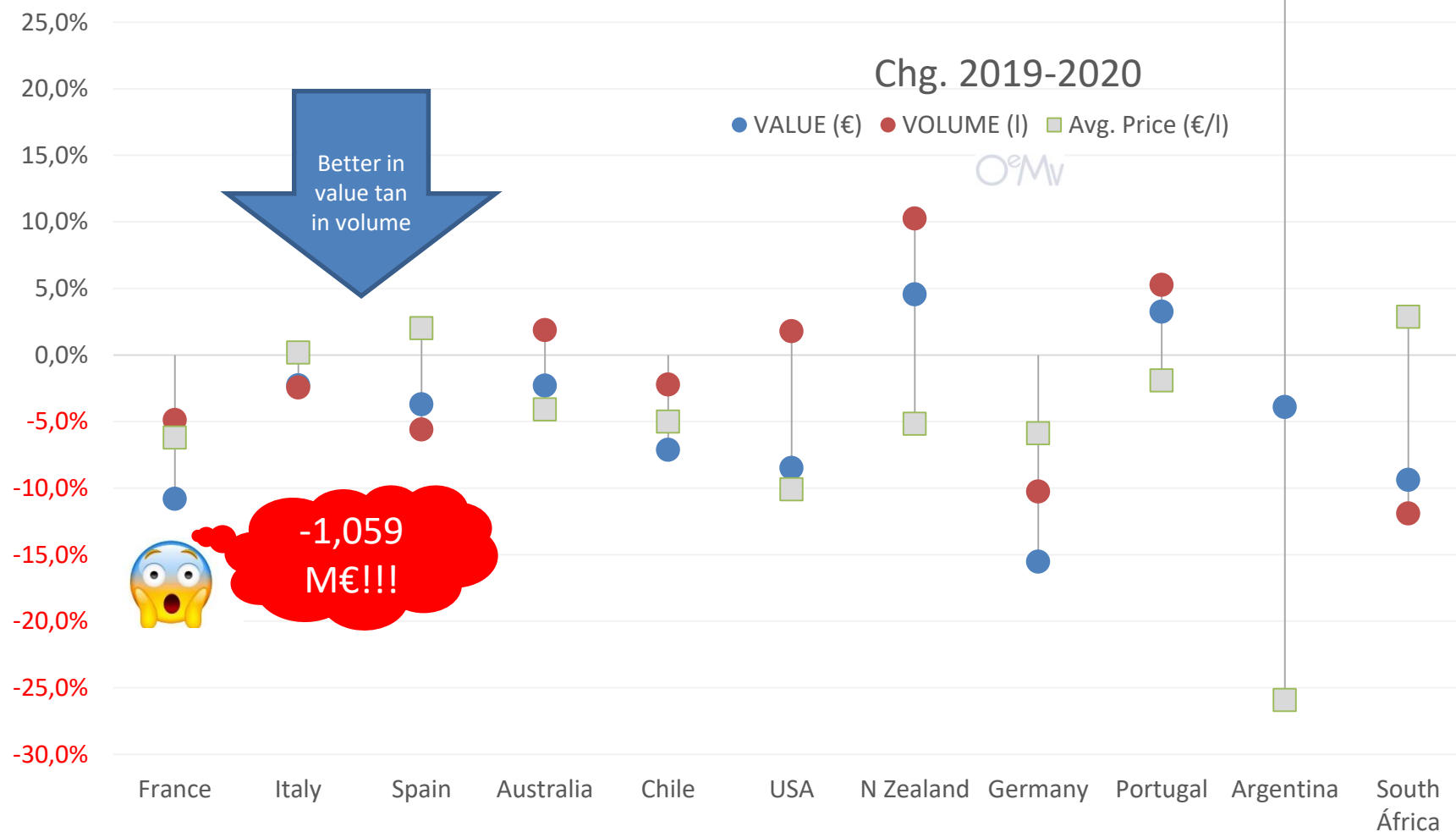


Wine exports by type

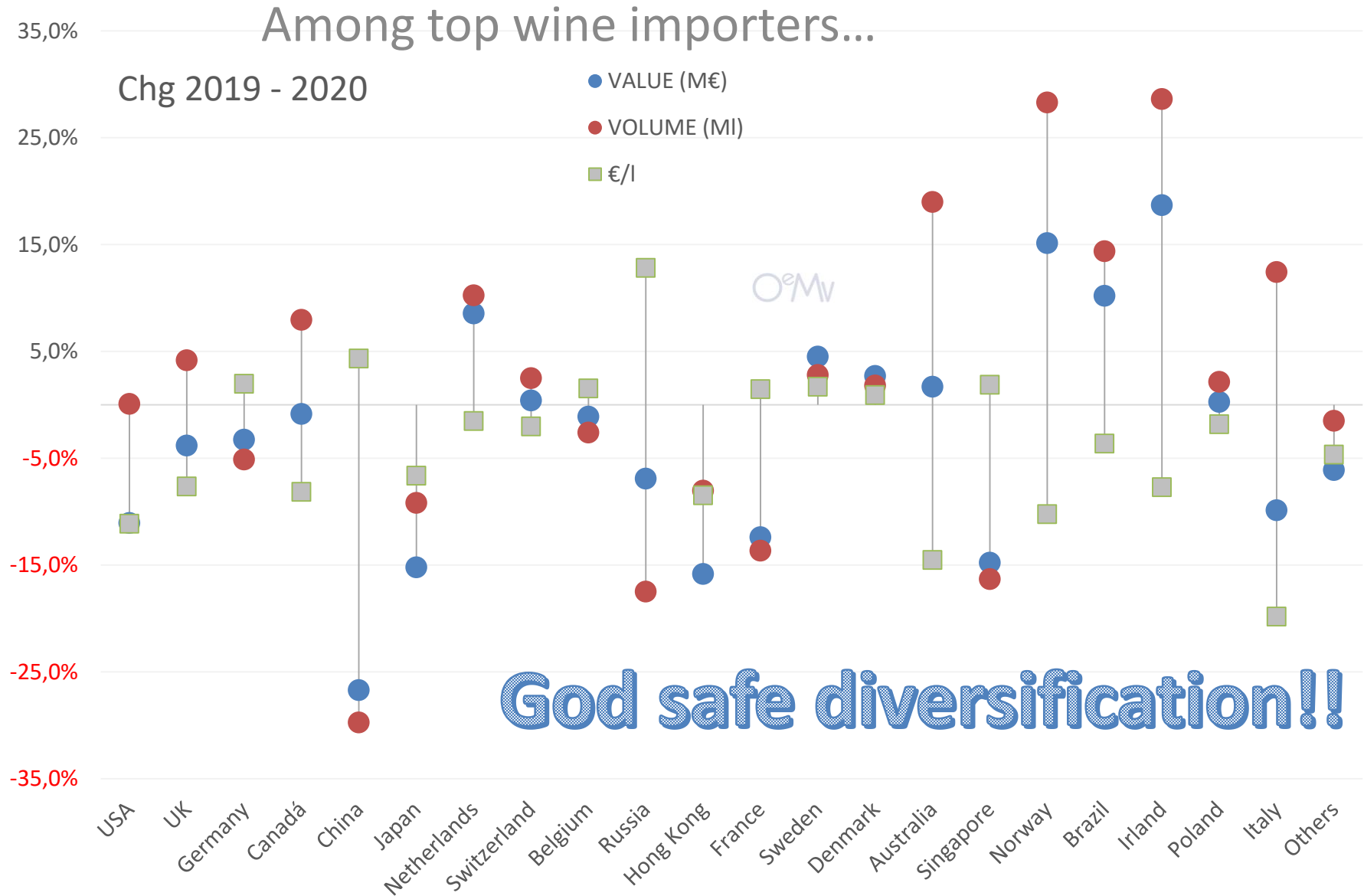


Wine exports by producer

Among top World producers...

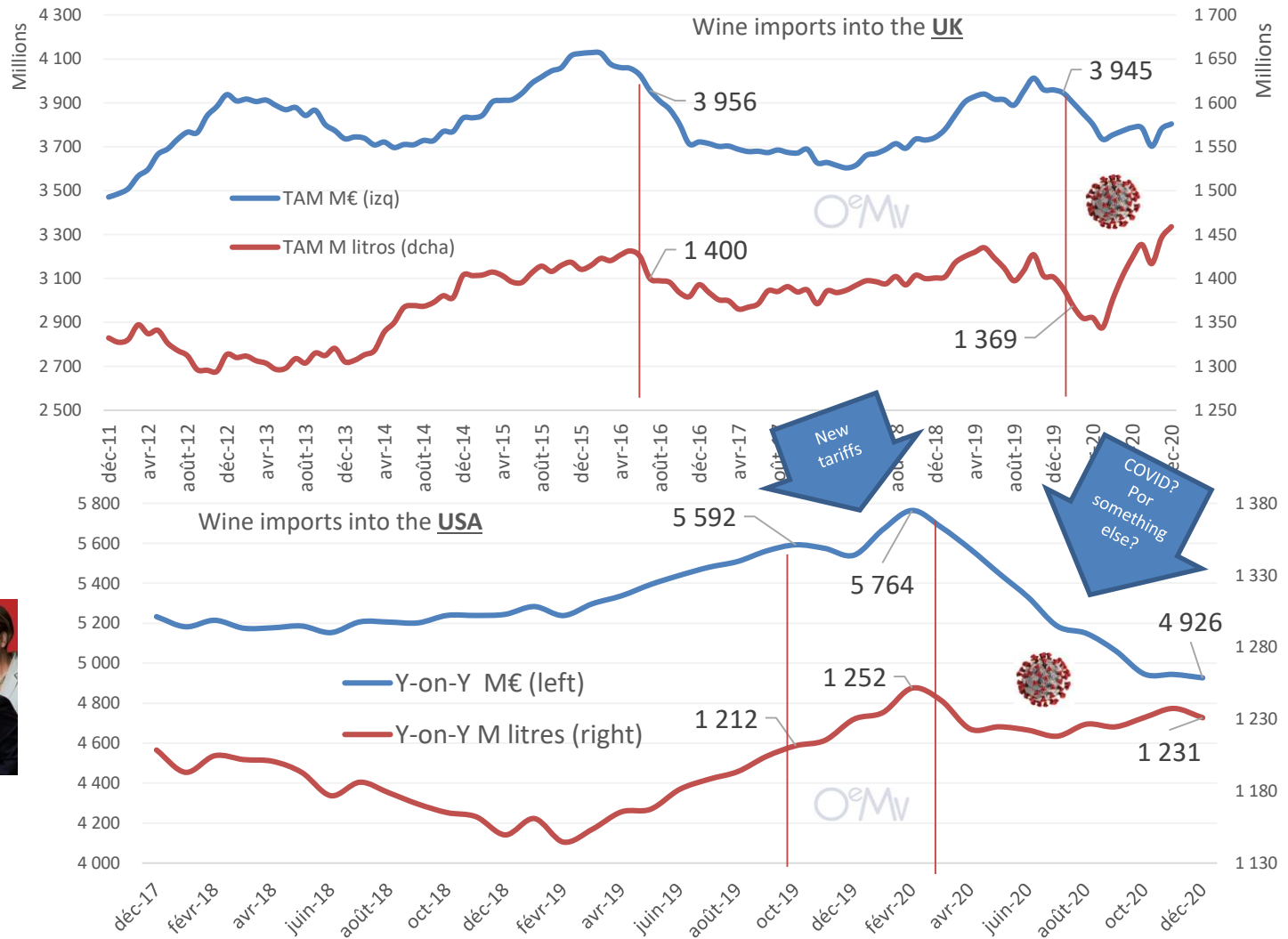


Wine export by market

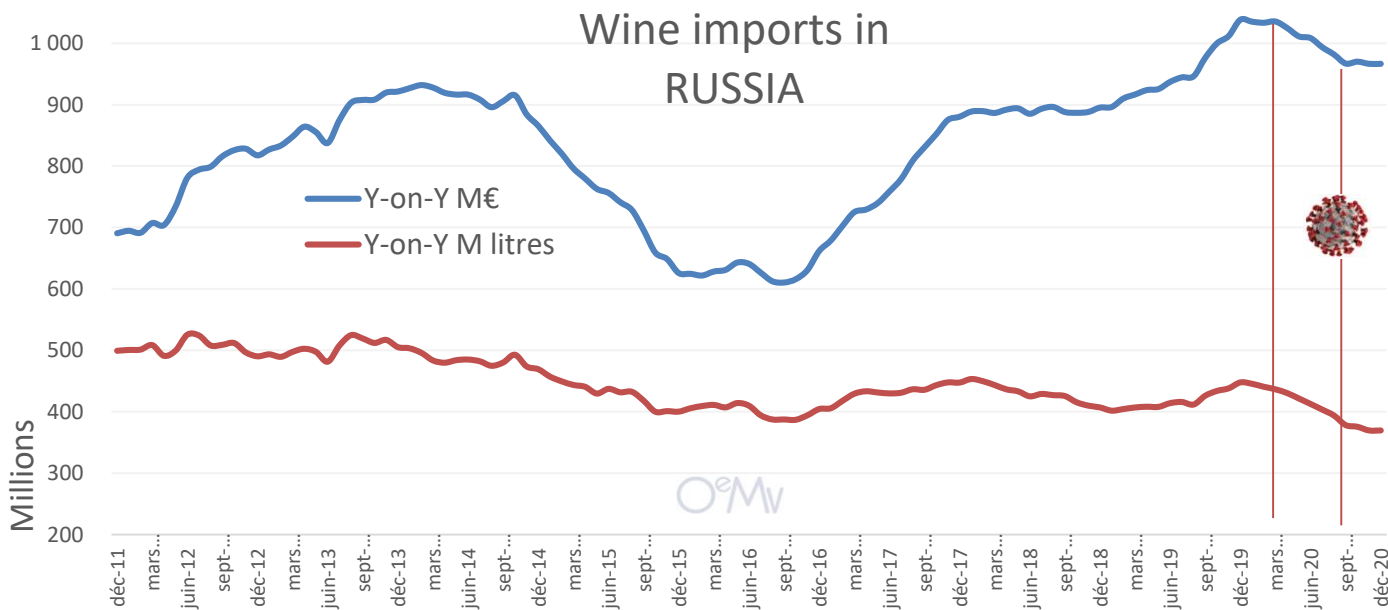
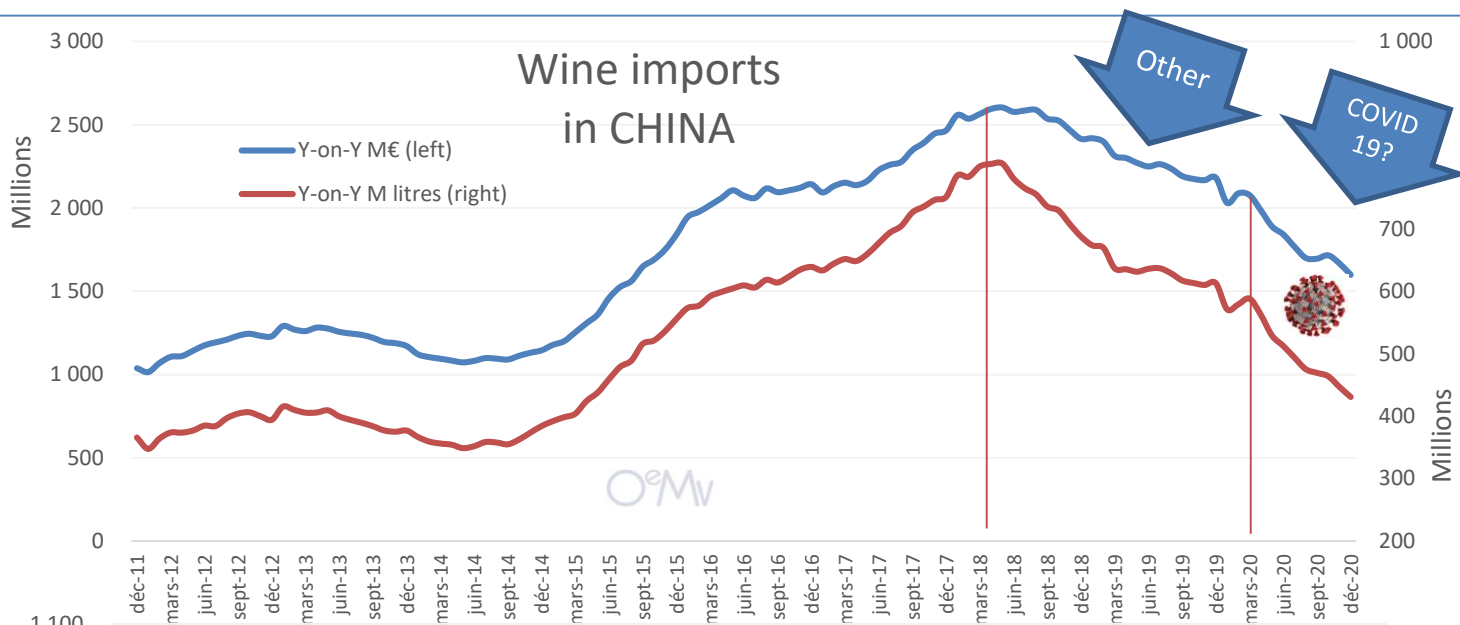


God safe diversification!!

All the above, despite other world challenges to wine trade in 2020... as we had previously and will keep on having in the future.



The four horsemen...



- ❖ Wine is exported to 269 **destinations** in the world (2020)...
- ❖ ... which show great differences on their wine **importing behaviour**, even during such a challenging year as 2020.
- ❖ 2020 is necessarily associated to COVID-19, and YES, the pandemic affected wine trade, specially during the **lockdown period** (March to June). In those 4 months:
 - ❖ Turnover decreased by 17.3% and 1,795 M€
 - ❖ Volume fell less: by “*only*” 5.6% and 194 million litres
- ❖ However, the second semester was much better, despite still suffering widespread restrictions (up in volume by 1.8%), which led to a “*bad-but-not-catastrophic*” **year** ending with a -7% in Euros (-2.2 billion €) and -1.6% in litres (1.6 Mhl)
- ❖ COVID-19 has affected, thus, **more the value** of exported wine than its volume (= more on-trade than off-trade sales).
- ❖ And it is not alone. **Other challenges** also affect wine trade.
- ❖ **Value**, has hit particularly exports of sparkling wine deeply felt in France, but also bottled wines (“*no year to celebrate*” → *sociability* of wine harmed by the pandemic)
- ❖ **Volume**, is more influenced by variations of crops (availability), prices and the increasing trend of importing in bulk to bottled and distribute locally.



Diversification is the great lesson to learn from this year



Resilience has characterized wine trade during the crisis



Other challenges require attention from stakeholders

Thank
you

Rafael del Rey

Spanish Observatory of Wine Markets