OIV
Organisation Internationale
de la Vigne et du Vin
Organisation Intergouvernementale

Tashkent, June, 6th, 2014

International market of wine and grapes: challenges and perspectives

Directeur General
Jean-Marie Aurand

- **OIV: objectives and missions**

- **Wine market: major trends in production, consumption and trade**

- **Grapes: market in development**

Objectives and missions

- Intergovernmental organisation of a scientific and technical nature involving 45 Member States and 12 Observers

- Missions
  - Establish standards for vine products (grapes, wine, spirits) on
    - Products definition
    - Oenological practices
    - Analytical methods,
    - Labeling
  - OIV standards are integrated in national or international regulations (EU, Codex Alimentarius)
  - Development of global statistics on surfaces, production, consumption, trade

Objectives and missions

- Study on the vitivinicultural sector and issues relating
  - climate change
  - innovation
  - biotechnologies
  - carbon footprint
  - Wine, Nutrition and Health
- Give its patronage for scientific symposia and wine competitions
- Involved in training through its Master in Marketing
- Cooperate with other international intergovernmental and non-governmental Organisations

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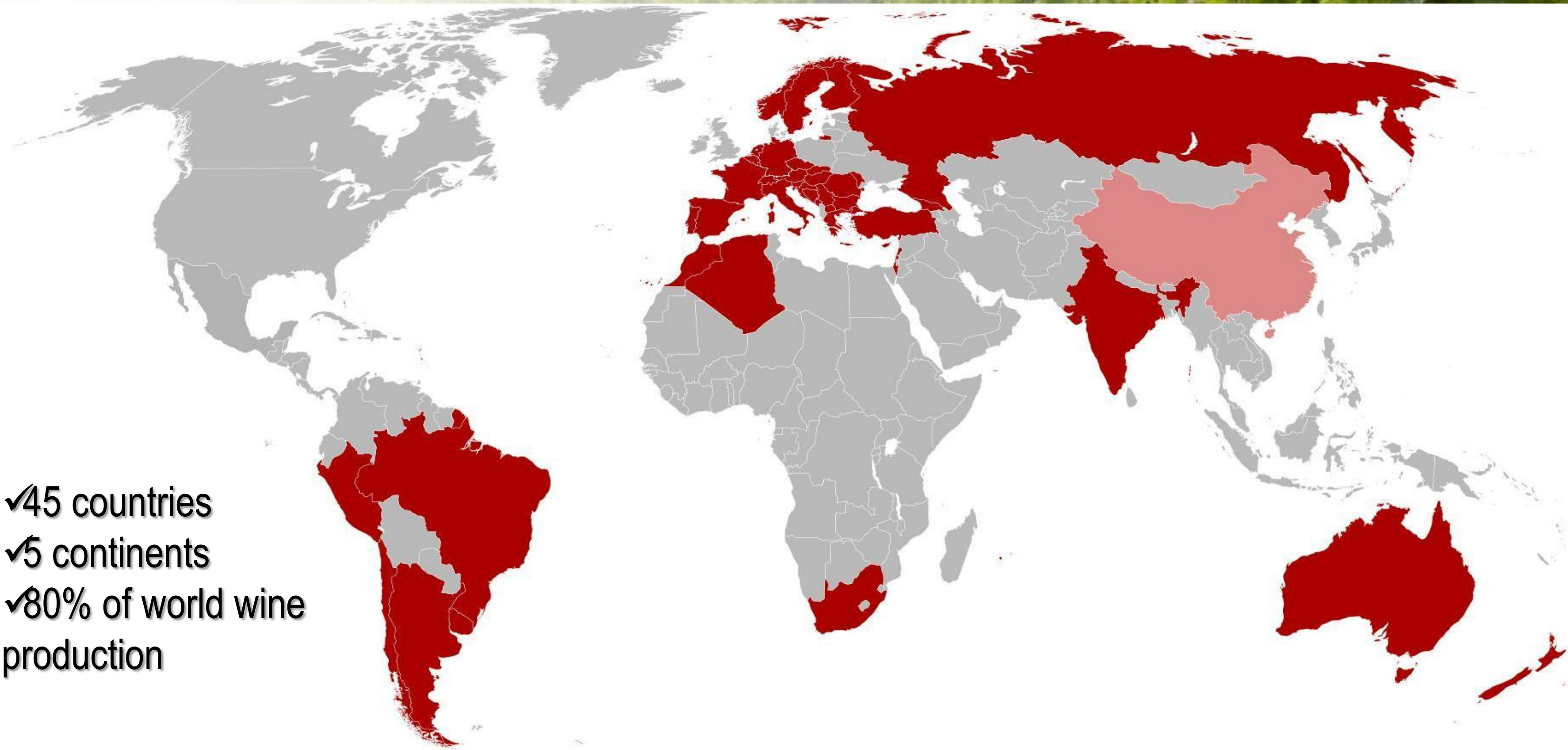
45 Members States

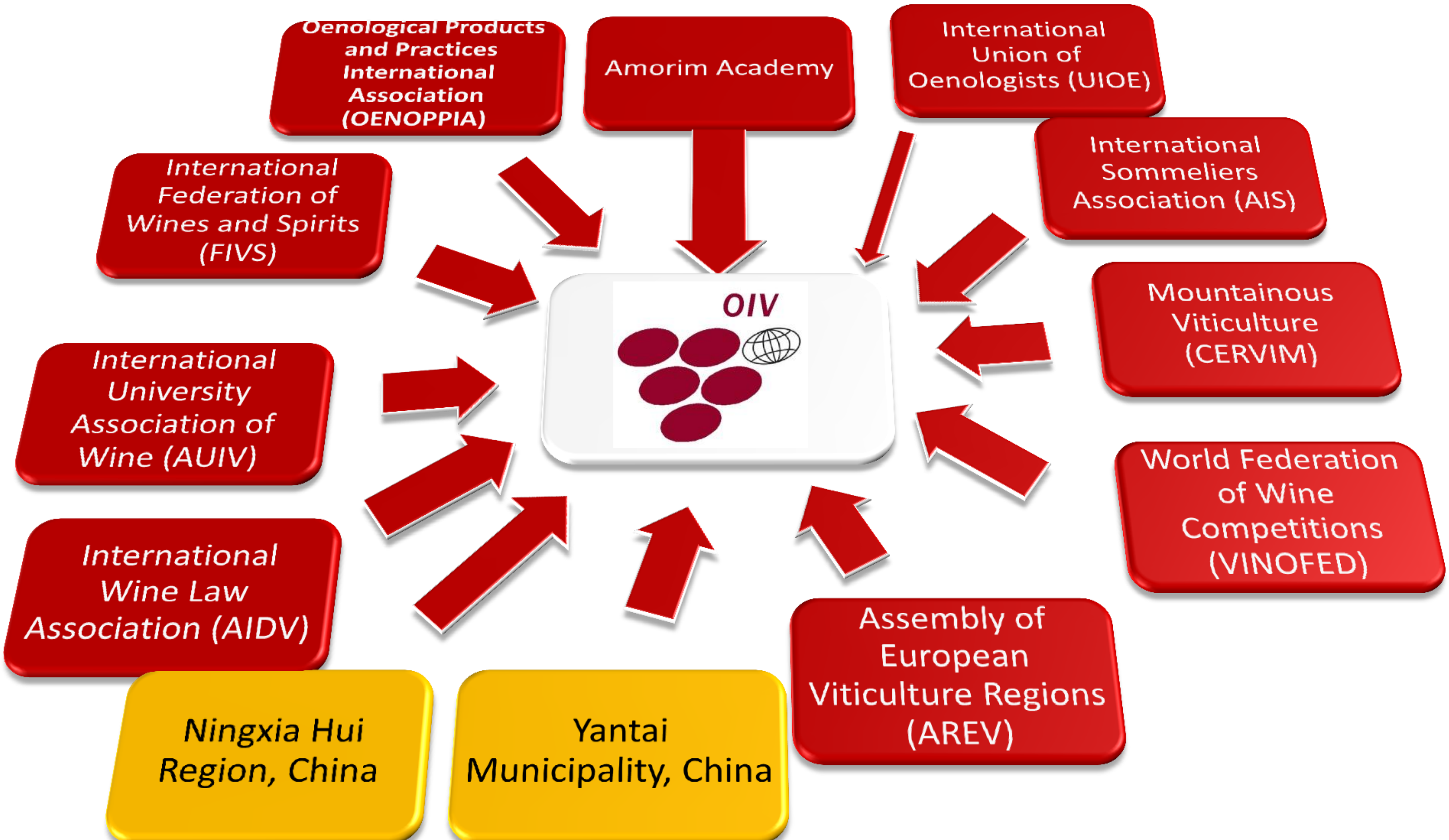


✓45 countries
✓5 continents
✓80% of world wine production

MEMBERS: Algeria, Argentina, Australia, Austria, Azerbaijan, Belgium, Brazil, Bulgaria, Czech Republic, Chile, Croatia, Cyprus, Finland, France, FYROM, Georgia, Germany, Greece, Hungary, India, Israel, Italy, Lebanon, Luxemburg, Malta, Morocco, Moldavia, Montenegro, Netherlands, New Zealand, Norway, Peru, Portugal, Romania, Russia, Serbia, Slovakia, Slovenia, Spain, South Africa, Sweden, Switzerland, Turkey, Uruguay.

OBSERVERS: Municipality of Yantai (China); Ningxia Hui Autonomous region (China).

Observers


Oenological Products and Practices International Association (OENOPPIA)
Amorim Academy
International Union of Oenologists (UIOE)
International Sommeliers Association (AIS)
International Federation of Wines and Spirits (FIVS)
OIV
Mountainous Viticulture (CERVIM)
International University Association of Wine (AUIV)
World Federation of Wine Competitions (VINOFED)
International Wine Law Association (AIDV)
Assembly of European Viticulture Regions (AREV)
Ningxia Hui Region, China
Yantai Municipality, China

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Intergovernmental Organisations

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CODEX ALIMENTARIUS

World Health Organisation
WHO

Food and Agriculture Organisation of the United Nations
FAO

International Union for the Protection of New Varieties of Plants - UPOV

World Trade Organisation
WTO

World Intellectual Property Organisation
WIPO

International Centre for Advanced Mediterranean Agronomic Studies
CIHEAM

International Organisation of Legal Metrology
OIML

European Union
EU

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OIV Standards

OIV

- Oenological practices
- Specification of oenological products
- Methods of analysis
- OIV Guidelines
- Synonyms of grape varieties

DIRECT
70% of World Production of Wine

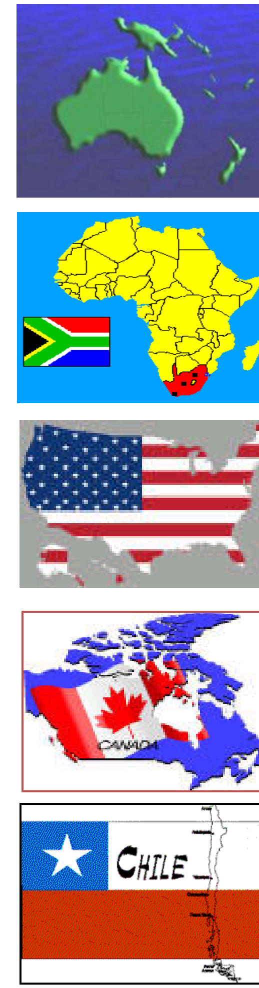
europa

MERCOSUR

REGULATION
GB15037-2006

IMPLICIT
25% of world production of wine

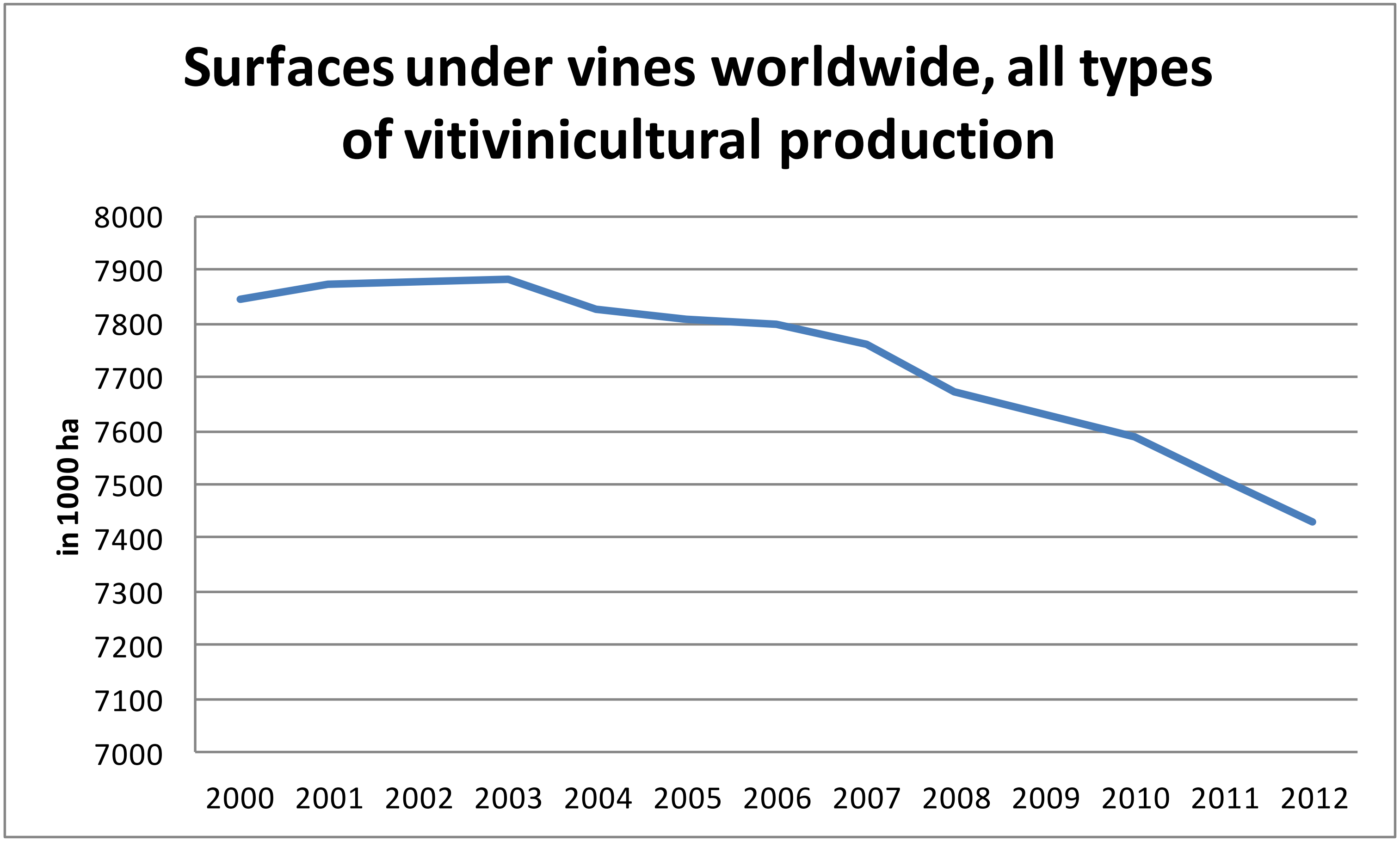
Bilateral or multilateral trade agreements



Wine market: major tendencies in 2013-14

- production
- consumption
- trade

Surfaces under vines



Uzbekistan: 127 000 hectares
17th rank in the world

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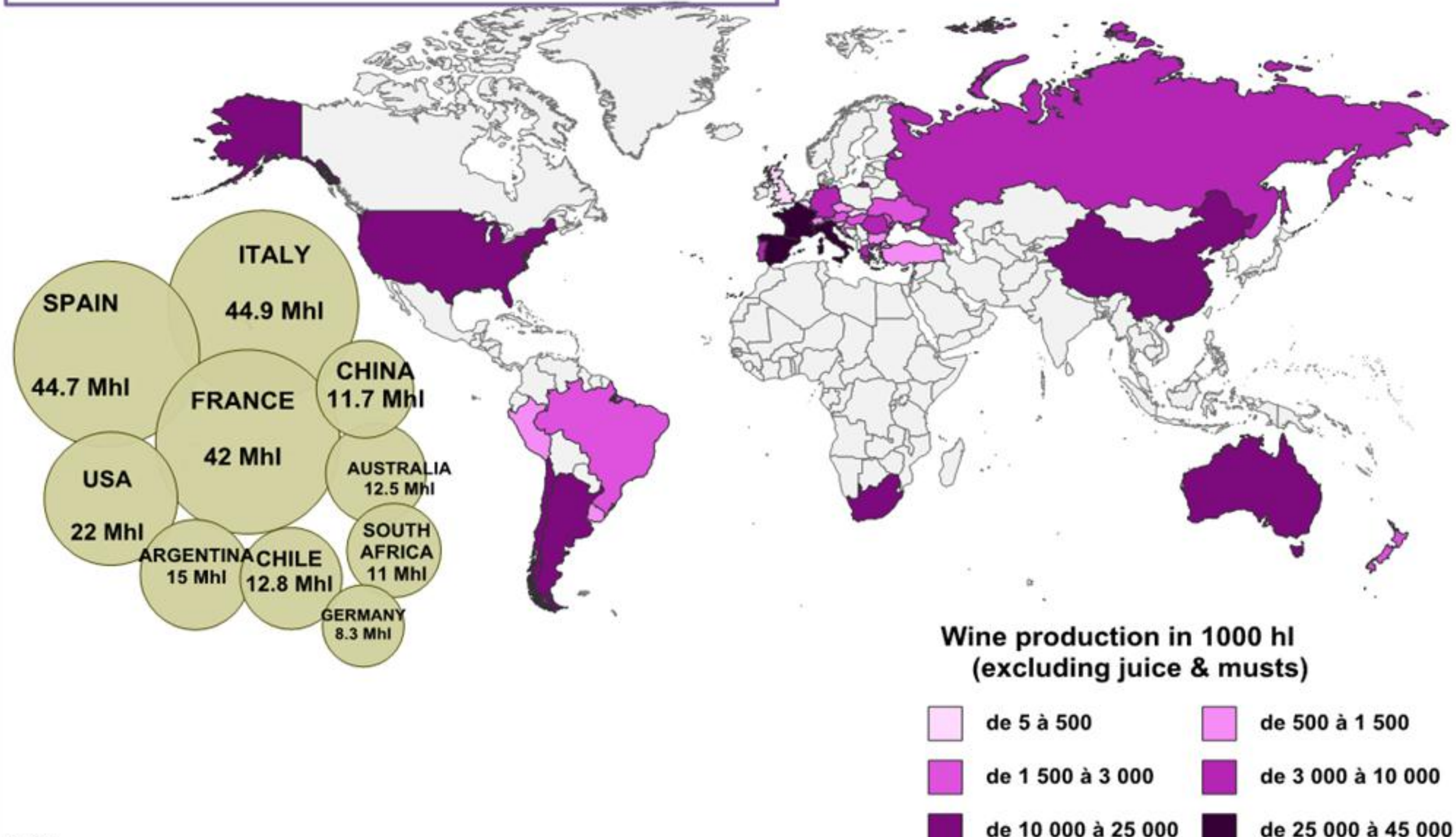
Wine production in 2013

2013 world wine production 278.6 Miohl
+9.4% over the low 2012 production.
Record production level in Spain, South Africa, Chile and New Zeland.



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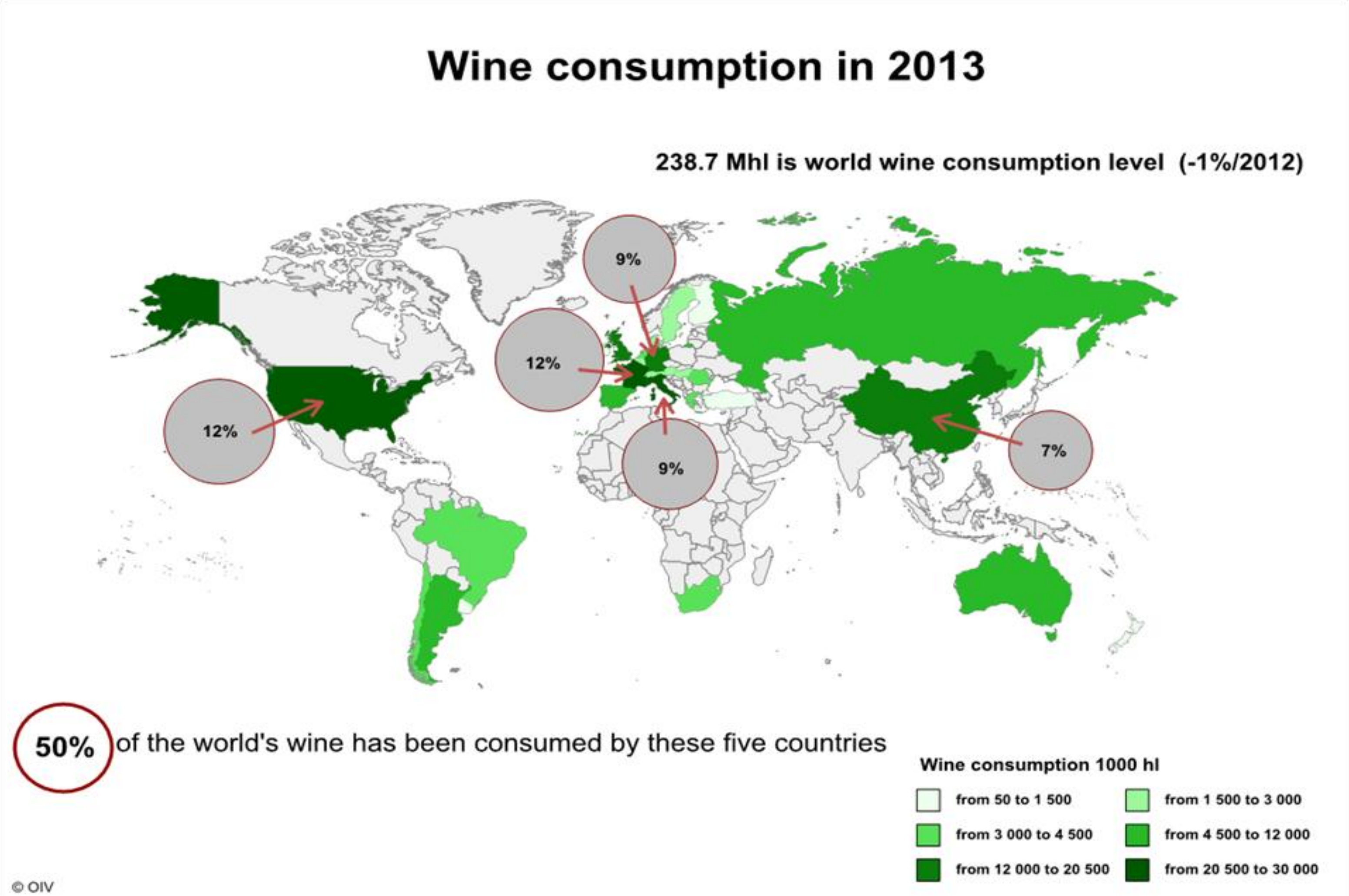
Wine consumption in 2013



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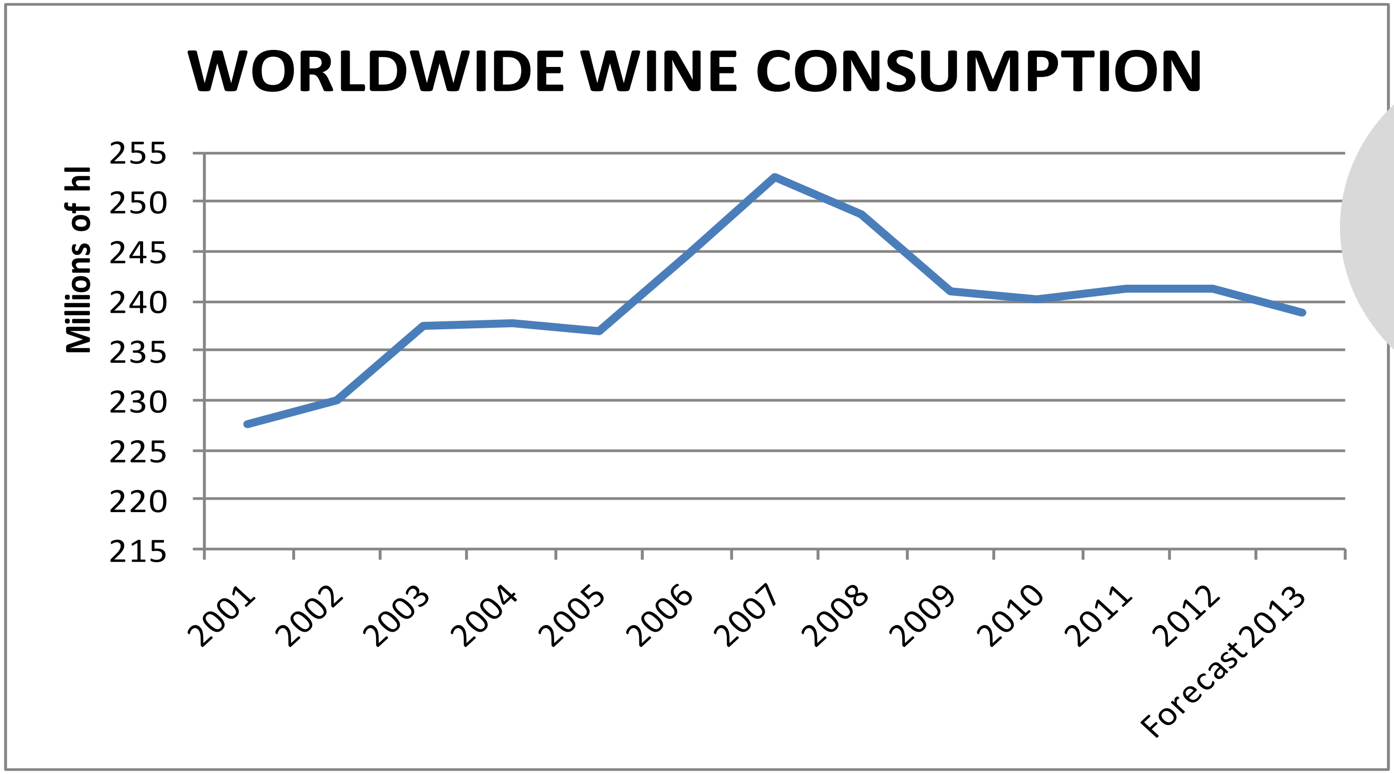
Wine consumption in 2013



238.7 M hl of wine consumed worldwide in 2013
- 2.5 Mhl compared to 2012

The expected recovery from financial crisis is still slow to emerge

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Wine consumption in 2013

Moi hl	**Forecast 2013**	**Diff. 13/12**
USA	29.1	0,5%
France	28.1	-6,9%
ITALY	21.7	-3,7%
GERMANY	20.3	1,5%
CHINA	16 .8*	-3,8%
UK	12 .7	-0,5%
RUSSIAN FEDERATION	10.5	1,0%
ARGENTINA	10.3	2,8%
SPAIN	9.1	-2,2%
AUSTRALIA	5 .2	-2,0%

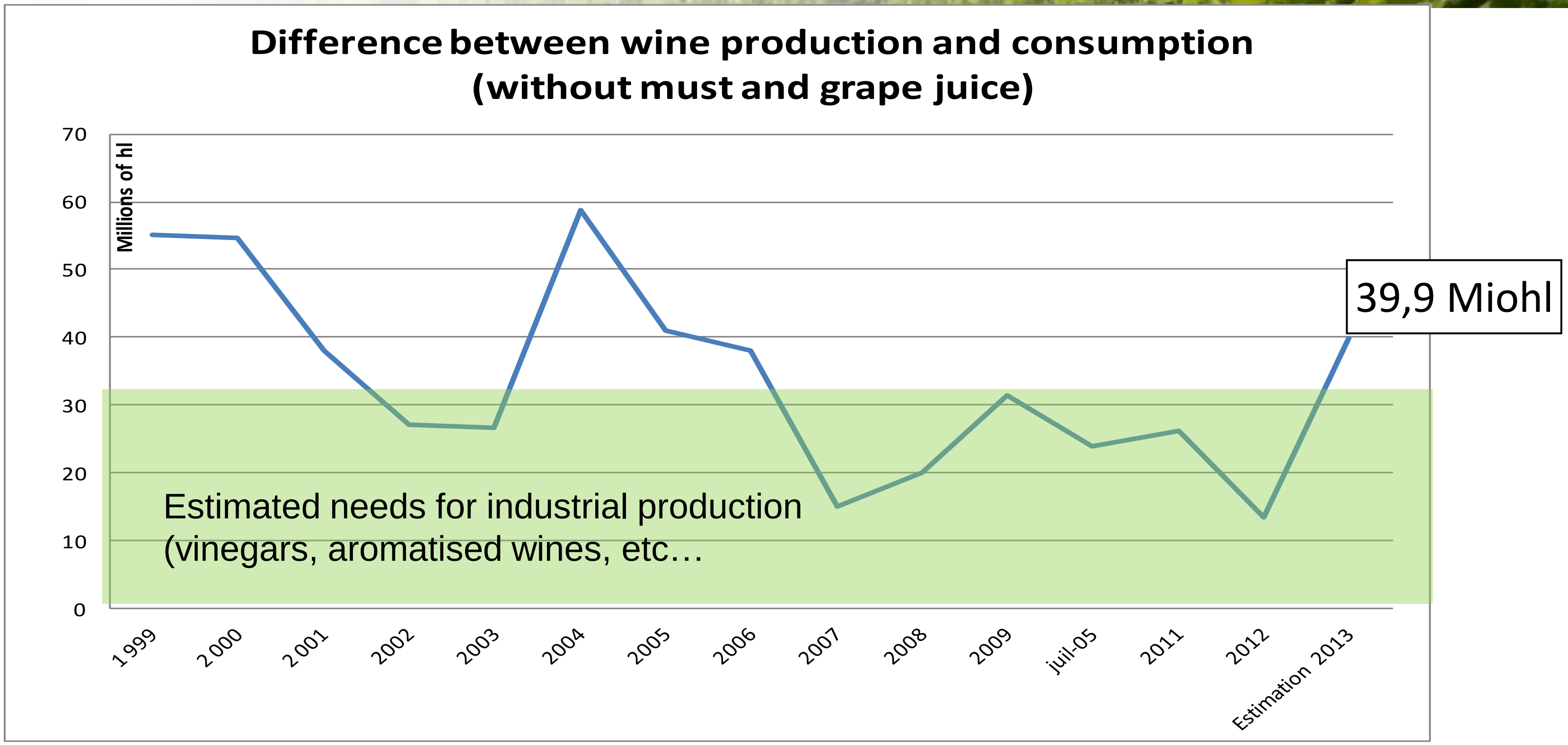
➢**The United States (with 29.1 Mhl)** of wine consumed become the first domestic market
➢**Wine consumption in China declined** - 3.8% between 2012 and 2013 (17.5 Mhl)
➢**Europe** confirms the trend of previous years, consumption in traditional consumer countries continued to decline between 2012 and 2013:

- France: - 2.1 million hl (28.1 million hl)
- Italy: - 0.8 million hl (21.7 million hl)
- Spain: - 0.2 million hl (9.1 million hl)
- Stable trend in Portugal (4.5 million hl) and UK (12.7 million hl)
- Germany (20.3 million hl), slight increase.

➢Consumption increase in **Argentina, Chile and Brazil**, and South Africa compared to 2012

* Consumption estimated as: « Production + Import – export »

Equilibrium production - consumption



The difference betweeb production and consumption in 2013 is estimated at 39,9 Mhl

The good level of global production in 2013 and slight decrease in consumption, should allow for the first time since 2006 to meet the needs of wine for industrial uses (brandy, vinegar, vermouth ...)

International trade

*in collaboration with Spanish Observatory of Wine Markets (OeMv)

NOTE: Les données sur le commerce mondial sont extraites de GTA, qui les collecte au sein de l'administration officielle dans plus de 80 pays. Tous les pays ne sont donc pas inclus.

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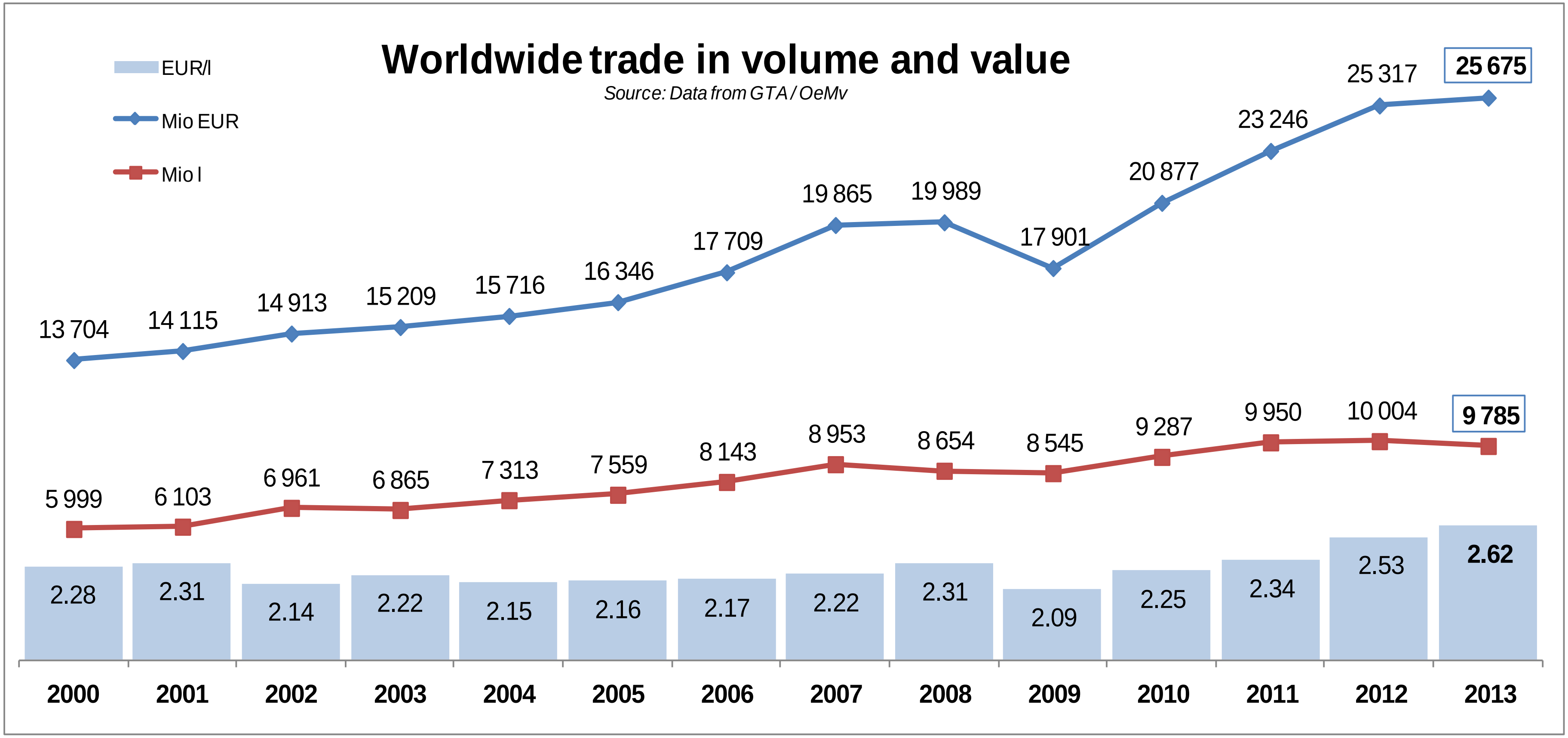
International trade



In 2013, worldwide wine trade decreased of 2,2 % in volume (98 Mhl in 2013); nevertheless, the increase of prices allowed the increase of turnover of 1,5 % (25,7 Bill EUR in 2013)

Trends by type of product

The major reduction in wine trade throughout the year is attributable **to the bottled wine** (2 Mhl out of a total of 2.2 Mhl).

Sparkling wines were the only category in progress in terms of volume, +3.4%. The least expensive products, such as **bulk wine and wines packages in containers of more than 2 l**, showed a significant increase in prices.

Exportations by type of product

Source: GTA, OeMv

VALUE (million €)	2012	2013	Var. (Mill EUR)	Var %
Sparkling	4 331.8	4 373.7	41.8	1.0%
Bottled	18 172.5	18 290.1	117.6	0.6%
Bulk &>2l	2 812.7	3 011.2	198.5	7.1%
World total	**25 317.0**	**25 674.9**	**357.9**	**1.4%**

VOLUME (Mill L)	2012	2013	Var. (Mill L)	Var %
Sparkling	628.2	649.8	21.6	3.4%
Bottled	5 627.6	5 426.1	-201.5	-3.6%
Bulk &>2l	3 748.6	3 709.5	-39.1	-1.0%
World total	**10 004.5**	**9 785.4**	**-219.0**	**-2.2%**

PRICES (Euros/l)	2012	2013	Var. euros	Var %
Sparkling	6.90	6.73	-0.16	-2.4%
Bottled	3.23	3.37	0.14	4.4%
Bulk &>2l	0.75	0.81	0.06	8.2%
World total	**2.53**	**2.62**	**0.09**	**3.7%**

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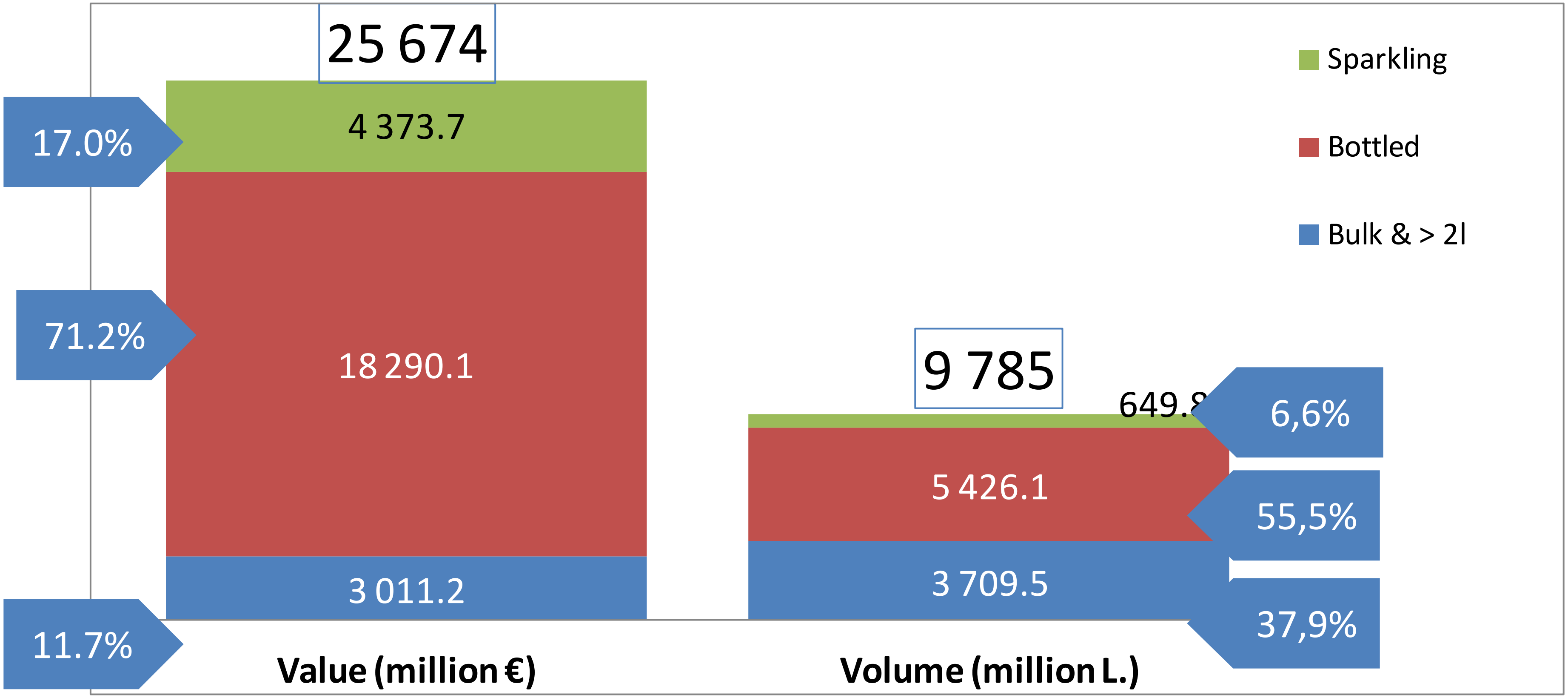
Trends by type of product



Bottled wines and sparkling wines occupy the most important share of the worlwide wine trade in terms of value: 71 % of total exportations totales for still wines and 17% for sparkling wines

Major exporters

Major wine exporters

	Mill. €			Mill l		
	2012	**2013**	**Diff.**	**2012**	**2013**	**Diff.**
A. Decrease in terms of volume and value						
Australia	1 521	1 337	-12.1%	735	711	-3.2%
Argentina	711	658	-7.5%	365	316	-13.5%
France	7 840	7 812	-0.4%	1 497	1 453	-3.0%
B. Increase in value but decrease in volume						
Spain	2 424	2 467	1.8%	2 122	1 769	-16.6%
Italy	4 660	5 005	7.4%	2 123	2 032	-4.3%
New Zealand	768	773	0.7%	176	176	-0.1%
Portugal	704	724	2.9%	337	306	-9.4%
C. Increase in terms of volume and value						
South Africa	566	619	9.3%	413	554	34.3%
Germany	979	999	2.1%	397	403	1.3%
Chili	1 388	1 409	1.6%	752	884	17.6%
USA	1 077	1 174	9.0%	401	414	3.5%
Total	**25 318**	**25 675**	**1.5%**	**10 004**	**9 785**	**-2.2%**

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Major importers

13 importers shared in 2013 77.4% of the total value and 76.4% of the volume imported.

Among them :

- USA remains the world biggesrtwine importer (in terms of value), before the **UK**, where the value of imports declined by 5,2 % last year;
- 6 countries import for more than 1 billion EUROS each
- Only 3 countries buy more than 10 Mhl;

Wine Imports	VALUE Mill EUR	Var. 2012-13 % EUR		VOLUME Mill l.	Var. 2012-13 % l
USA	3 946.8	0.3%	Germany	1 500.2	-1.7%
UK	3 731.9	-5.2%	Royame King	1 303.2	-0.7%
Germany	2 514.5	3.8%	USA	1 096.6	-6.0%
Canada	1 523.7	-1.1%	France	524.1	-11.0%
China	1 170.7	-4.8%	Russia	492.2	1.6%
Japan	1 155.8	-4.0%	China	376.6	-4.4%
Netherlands	881.7	-0.6%	Canada	372.9	-1.0%
Switzerland	949.2	2.9%	Netherlands	366.7	3.0%
Russia	911.8	11.9%	Belgium	314.0	0.2%
Belgium	975.8	1.5%	Japan	263.2	2.4%
Denmark	545.5	7.6%	Sweden	207.7	2.0%
France	648.3	3.6%	Denmark	201.7	7.0%
Sweden	590.4	7.9%	Switzerland	182.8	-2.9%
Other count.	5 698.5	4.1%	Other count.	2 217.2	4.0%
TOTAL IMP.	25 244.5	1.0%	TOTAL IMP.	9 419.2	-0.7%

- ➢ France, USA, China and Switzerland have seen the largest decrease in the volume imported, while Denemark, Netherlands and Sweden have shown the most important growth in terms of value imported

Major groups of importers (value)

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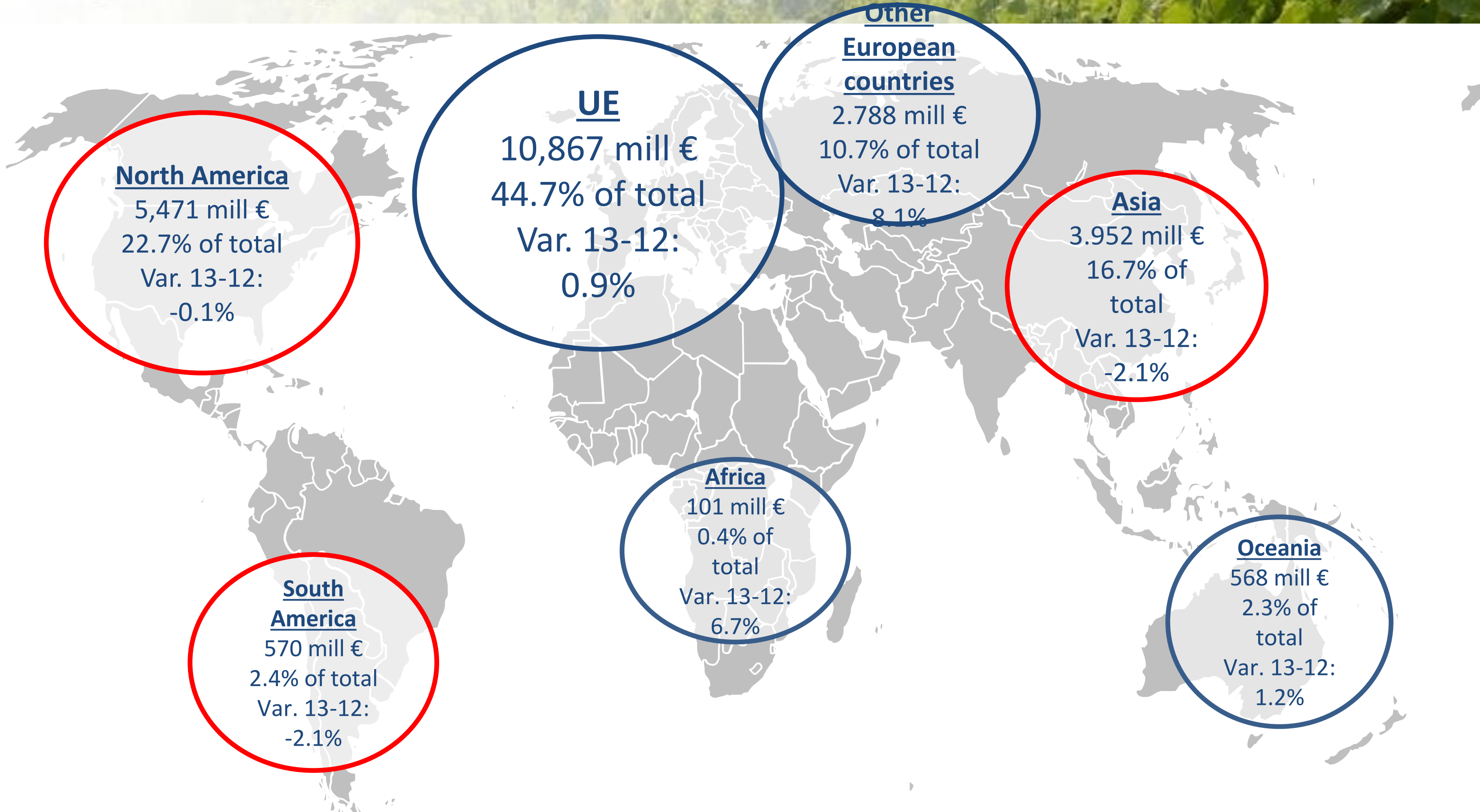

Value (en Euros): major increases are observed in Africa and non EU-members european countries, even if they represent only 4 % and 10.7 % of total imports.
EU and Oceania remain stable, while North and South american countries have shonw a slight decrease.

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Major trends observed

- **278.6 Mhl** (without juice and must), the worldwide production of wine in 2013 has increased by 24 Miohl in comparaison with 2012.

- This level of production as well as a slight decrease in consumption (238.7 Miohl)will allow to reach market equilibrium and to renew the industrial stocks

- **The USA, with 29.1 Mhl** wine consummed become the first market for wine

- **Exportations decreased in volume** en 2013 (-2.2%/2012) consequence of the low production level in 2012. Nevertheless, **exports value increased by 1.5%** (total **25.7 billions of euros)**

- **More and more globalised market:** 40% of produced wine is exported, while it was 20% ten years ago

Some elements about the market of raisins and table grapes

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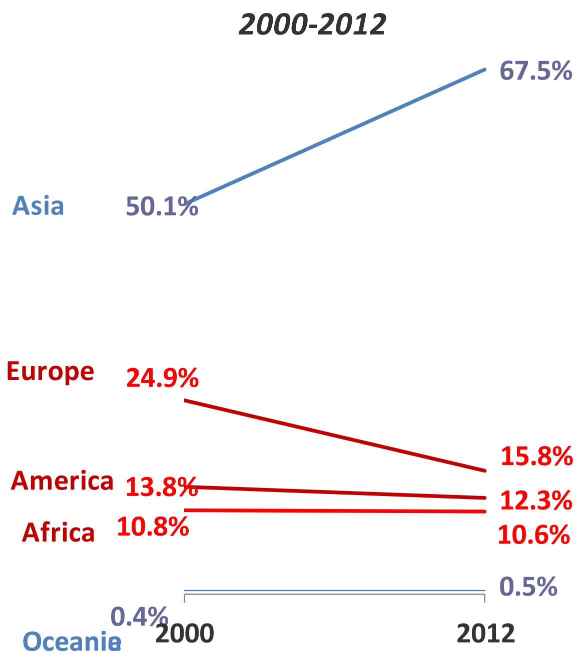
Production de raisins destinés a la consommation humaine

Geographical evolution of table grapes production



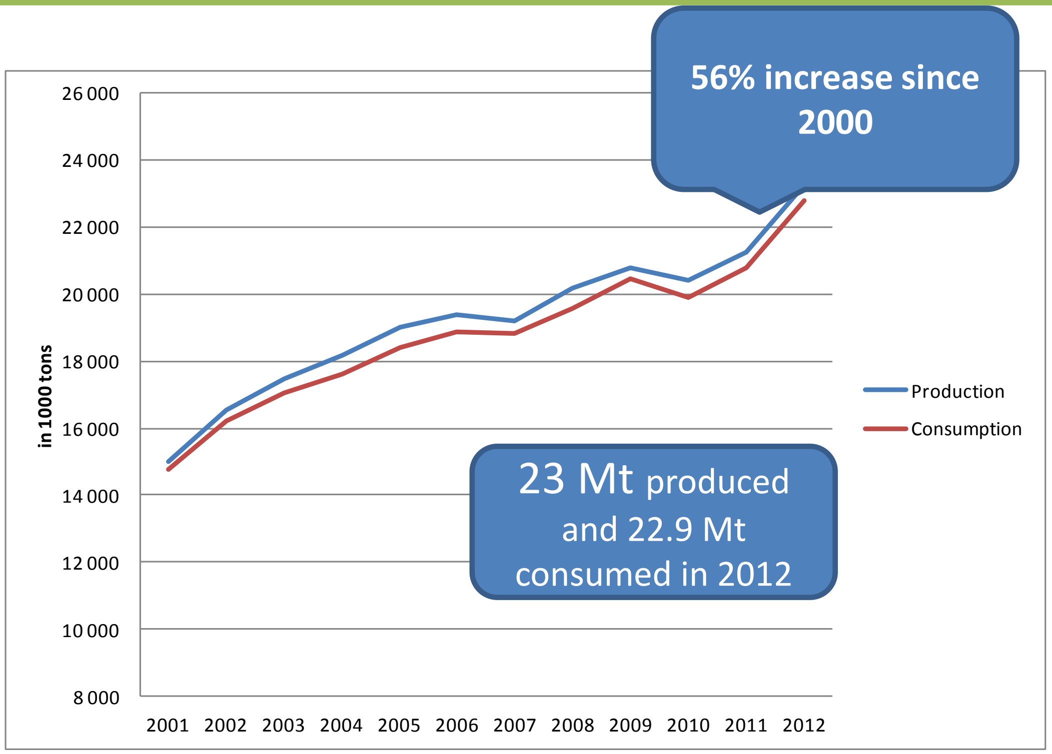


Table grapes production **is incerasing** since 2000: **23 millions of tons in 2012** (+56.6%/2000)
In 2012, **22.9 millions of tons** of table grapes were consumed (+2%/2011): China is the largest consumer, with 7 millions of tons (31% of the total consumption)

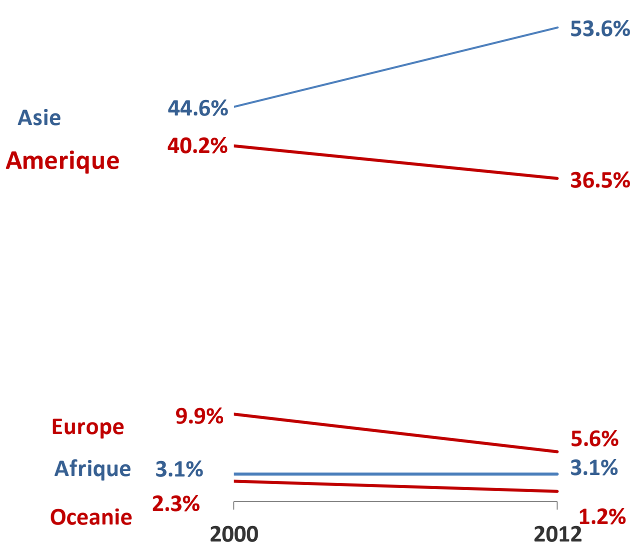
Source: OIV

Dried grapes: total production and consumption

1,2 Mt produced
1,3 Mt consumed (2012)

Evolution géographique de la production

2000-2012

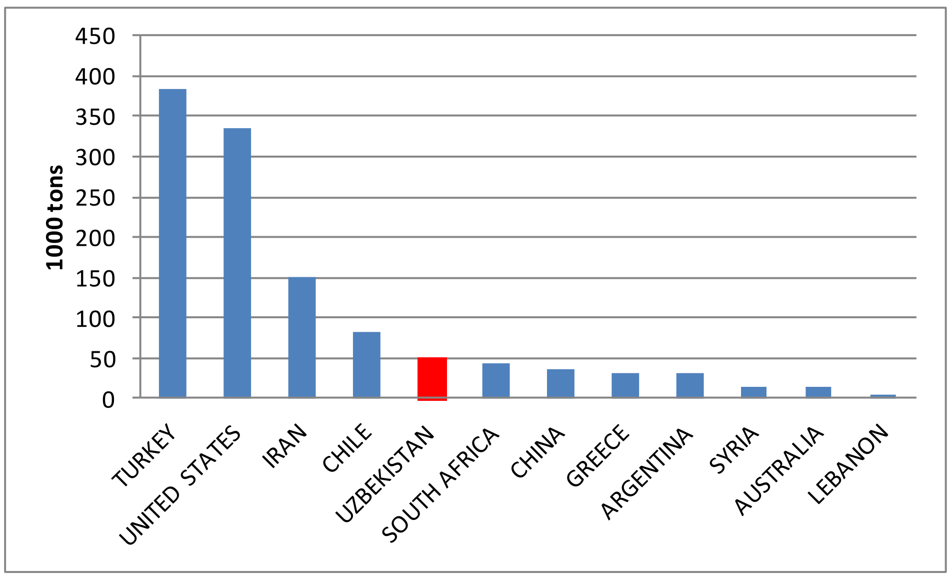


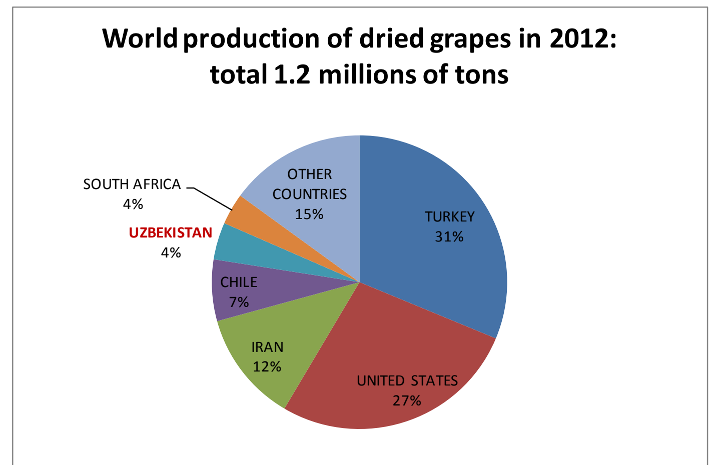
Two continents are dominating the production of dried grapes: **Asia** (**53.6% of total production in 2012)**, and **America (36.5%)**

Source: OIV

Dried grapes

Turkey is the biggest producer (400 thousands of tons in 2012);
Important decrease of production in **USA (-26%)** and **Greece (-63%)** since 2000
Uzbekistan is the 5th world biggest producer of dried grapes





The first 6 producers represent 85% of total production

Source: OIV

Conclusion: place of Uzbekistan in the world vitivinicultural market

	Unit	2012	Estimation 2013	% of total world (2012)	Rank in the world (2012)
PRODUCTION					
Total surface under vines	1000 ha	127,1	133,0	1.70%	17
Total grape production	1000 t	1 204,6	1 204,6	0.10%	16
Dried grapes	1000 t	50,0	56,0	4.10%	5
Wine	1000 hl	354,80	370,0	0.10%	36
EXPORT					
table grapes	1000 t	118,9	71,3	3%	11
dried grapes	1000 t	35,9	38,7	4.20%	6

- One of the major producer of dried grapes (5th after Turkey, USA, Iran and Chile)
- Important player in the table grapes market (6th exporter after Turkey, Iran, USA, Chile and Chine
- Important potential for the development of wine market (17 rank for surfaces under vines

Thank you for your attention

ecodroit@oiv.int

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