

Why shouldn't we feel optimistic about the world of wine?

scritto da Fabio Piccoli | 22 Dicembre 2023



An optimist is not someone who blindly believes everything will always go well; that's the realm of the foolish or naive. Instead, **an optimist is someone who believes that solutions can be found for every problem.**

The definition of an optimist perfectly encapsulates a **fundamental trait that every entrepreneur or manager should possess.** For these reasons, we must remain optimistic if we want to provide meaningful support for the development of wine businesses and the evolution of our wine sector.

Unfortunately, from the perspective of Wine Meridian, **there is a noticeable absence of optimistic entrepreneurs and managers.**

There is a pervasive **sense of concern**, which is understandable, but there's also an excessive amount of defeatism and, at times, even desperation, as if there were no solutions to the current challenges.

The most worrisome concern is linked to the decline in wine consumption, particularly evident in the past year. However, **focusing solely on this recent decline in wine consumption risks losing sight of the broader picture**, which necessarily encompasses a much more extended period.

Consider this: **when observing global consumption from 2000 to 2022, the current approximately 230 million hectoliters represent the average over the last two decades.** Consumption peaked between 2006 and 2008, reaching 250 million hectoliters, before declining to levels closer to the early years of this millennium.

The primary cause of this decline is attributed to the continued shift in consumption from traditionally producing countries like France, Italy, and Spain to the **so-called new consumer countries**.

The data

Despite a **decline** in wine consumption from 2000 to 2022—41% in Spain, 36% in France, and 27% in Italy—the same period witnessed an **increase** of 127% in the Czech Republic, 120% in Russia, 66% in Sweden, 30% in Japan, 27% in the USA, and 25% in Canada.

Countries experiencing growth in consumption started from significantly lower per capita consumption than the three major European producer countries. Simultaneously, this underscores the ample growth opportunities, considering that, globally, **wine continues to be somewhat of an overlooked gem among alcoholic beverages**.

These data alone should, at the very least, **alleviate concerns** and silence those who proclaim saturated markets.

Let's shift our focus to the United States

Considering the USA a saturated market is a challenging perspective. While the United States is the country with the highest quantity of consumed wine (34 million hectoliters), **per capita consumption is just slightly above 10 liters.**

Moreover, within the USA, although wine struggles to appeal to younger consumers aged 18 to 24, the generation between 25 and 34 years old, the Millennials, **has shown the most growth from 2010 to today, increasing from 32% to 48% as regular wine consumers** (according to a reputable analysis by IWSR).

In general, when looking at historical markets like **Germany and the United Kingdom**, per capita consumption ranges between 17 and 20 liters, indicating significant room for growth.

Not to mention Asian countries; even **Japan, considered the historic wine market in Asia, still has per capita consumption just slightly above 2 liters.** And, of course, there's China, which continues to lag in wine consumption and has even dropped well below one liter per capita in the last three years.

Therefore, the more pertinent question, in my opinion, isn't: "Does a decline in consumption mean saturated markets?". Rather: **"How can we make wine consumption appealing across different regions?"**.

Some solutions

To avoid sounding repetitive, if I were to assess the promotional efforts for Italian wine worldwide over the past

decade, **combining both institutional and company-driven initiatives**, I wouldn't be too harsh in saying that we fall short of sufficiency.

However, **this is an optimistic outlook** because it highlights the potential for improvement with a more effective promotion, starting with what is termed institutional promotion, which currently appears fragmented, disorderly, and mostly unchanged.

Shifting from consumption to market values over the past 23 years, optimism should increase. Particularly when considering that, in 2000, the value of international wine trade was just over 13 billion euros, while in 2022, it reached nearly 38 billion euros.

This figure nearly tripled due to volumes traded worldwide, which increased from 60 million hectoliters to almost 110 million last year.

If the loss of a few million hectoliters and euros this year prompts cries of tragedy, **it suggests not only a lack of optimism but also a significant short-sightedness.**

Short-sightedness is perilous because it obscures a clear view of reality, rendering managers and entrepreneurs incapable of devising the right strategies to tap into the potential of current and future markets.

Wishing all involved in the wine industry a peaceful Christmas and a 2024 filled with the right dose of optimism!