

Let's retrace the 2023 of wine: the events that marked it

scritto da Emanuele Fiorio | 26 Gennaio 2024



In the vast international wine world, few names possess Jancis Robinson's authority. Her perspective, through prices analysis, the impacts of climate change and the challenges the wine industry is facing provides an **insight into the current state of the global wine industry**.

This year was characterized by a general inflation and a **prices increase of the most popular wines**. These price rises come at a time when **wine consumption is declining in key markets such as the US and UK**.

The **widespread trend towards moderation** (or abstinence), cannabis, the growth of distillates and RTDs is influencing the sector. Furthermore, according to Robinson, in this difficult economic period, it becomes clear that wine is a discretionary purchase.

Even those who can afford Domaine de la Romanée-Conti wines have stopped buying wine at the rate they did a few years ago. The Liv-ex collectible wine price index peaked in 2022 and has been steadily declining since then, with Champagne and Burgundy recording the steepest drops. Now that interest rates have risen, wine is no longer as attractive as an investment.

Wine consumption is steadily decreasing in the main wine producing countries in Europe, but now the situation is really serious. The French's consumption of red wine is almost equal to that of rosé, which is having catastrophic effects on regions such as the Rhône and Bordeaux. As we have seen, the **French government was forced to guarantee subsidies for farmers willing to uproot the vines**. The problem is particularly acute in Entre-Deux-Mers and northern Médoc, where there was a massive conversion from mixed agriculture to viticulture at the end of the last century.

Extreme climate events: a difficult year for winemakers

Winemakers around the world are getting used to **increasingly hotter summers, earlier harvests, increases in forest fires and long-term concerns about water availability**.

This not only in California, but also in Burgundy, where some famous producers wonder if they will be able to produce wine in 20 years. However, 2023 was marked by **rain and floods**, which proved fatal in Romagna and Hawke's Bay, New Zealand.

Much of Europe saw heavy rainfall during the growing season, causing botrytis so widespread that some organic producers were tempted to return to using fungicides. Last but not least, the humid climate has transformed many vineyards into jungles, especially those managed through inter-row grassing aimed at guaranteeing a certain biodiversity.

Global challenges: crisis in Silicon Valley and collapse of Australian exports

Another major difficulty in the world of wine, according to Robinson, was the [collapse of Silicon Valley Bank in March 2023](#). While wine was not as important as technology to SVB, it was vital to U.S. producers, especially in the wine-growing state par excellence, California. Although it was rescued by First Citizens Bank, **the failure shook confidence throughout the industry**.

Another important wine industry is also going through a difficult period, exports of Australian wine (once enviable) are in decline. As I reported in November last year, there are concrete possibilities starting from April 2024 of a [suspension of tariffs and a truce with China](#).

In the meantime, the Australians have negotiated a trade agreement with India and now Australia represents the main exporter of wine to India, with a 42% share of the 10 million bottles imported.

Sustainability and new agreements: a light at the end of the tunnel

Awareness of the need to save our planet is increasing in the world of wine. More and more wine bottlers realize that [wine's largest carbon footprint is the production and transportation of glass bottles](#).

In October 2023, a group of retailers announced a **major deal to reduce the average weight of wine bottles** from 75cl to [420g by the end of 2026](#). The powerful Scandinavian monopolies are already on board, as are Laithwaites, Lidl GB, Naked Wines UK, Naked Wines USA, The Wine Society, Virgin Wines, Waitrose and Whole Foods Market.

In essence, the world of wine is going through a period of turmoil characterized by inflation, extreme climatic events,

geopolitical crises and contraction in demand. However, **there is light at the end of the tunnel**, environmental awareness is growing and manufacturers are actually taking steps to reduce environmental impact. In a rapidly changing world, **the ability to adapt and adopt sustainable practices could be the key to the future of the wine industry**.