ASSOCIAÇÃO DAS EMPRESAS DE VINHO DO PORTO
AEVP

VINE & WINE PORTUGAL

WORKSHOP
Tendências de Consumo e Barreiras ao Comércio de Vinhos

ao Comércio de Vinhos

10 Julho 2024 – Vila Nova de Gaia

Projeto n.º C644866286-00000011
Cofinanciado por:
PRR Plano de Recuperação e Resiliência
REPÚBLICA PORTUGUESA
Financiado pela União Europeia NextGenerationEU

ceev Comité Européen des Entreprises Vins

PRR | REPÚBLICA PORTUGUESA | Financiado pela União Europeia NextGenerationEU | VINE & WINE | AEVP

WORKSHOP

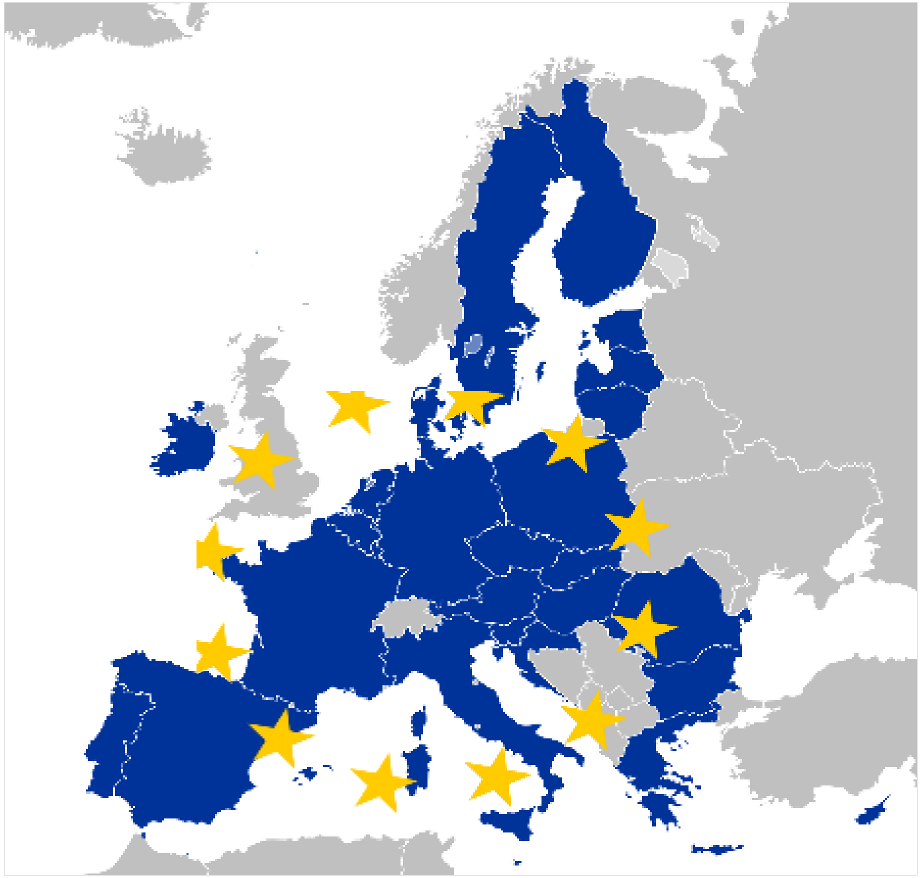
TENDÊNCIAS DO CONSUMO E BARREIRAS AO COMERCIO DE VINHOS

- 10 April 2024 -

Dr Ignacio Sánchez Recarte
CEEV Secretary General

WINE in MODERATION
CHOOSE | SHARE | CARE

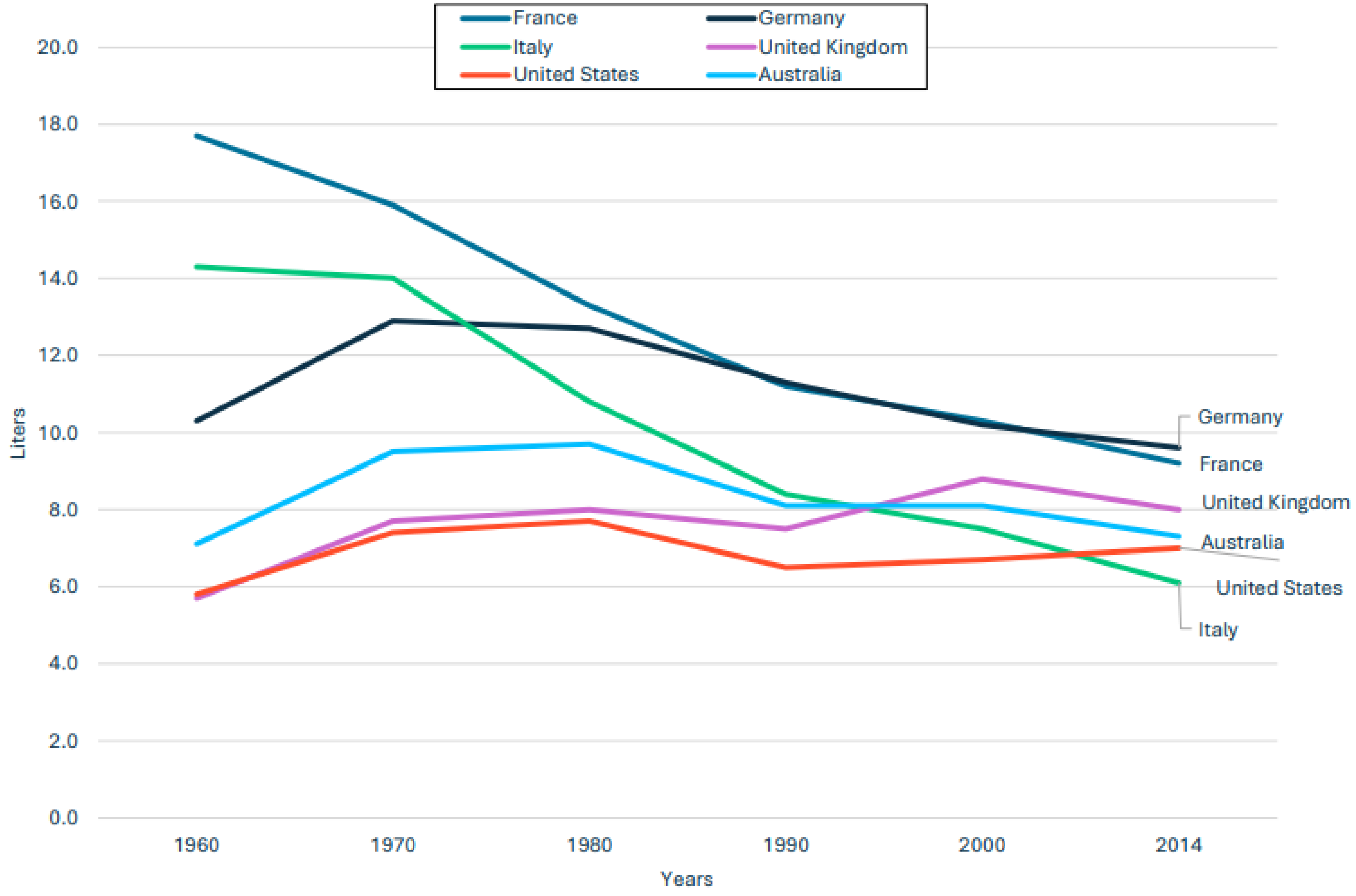
CEEV – Comitê Europeu de Companhias de Vinho



- Representa os produtores e comerciantes da UE de vinho e produtos vínicos aromatizados
- 25 associações nacionais de 12 países da UE + Suíça, Reino Unido e Ucrânia
- Um consórcio de 4 empresas vinícolas líderes da UE
- Os nossos associados produzem e comercializam a grande maioria dos vinhos com e sem IG

TENDÊNCIAS DO MERCADO

GLOBAL TREND – ALCOHOL CONSUMPTION



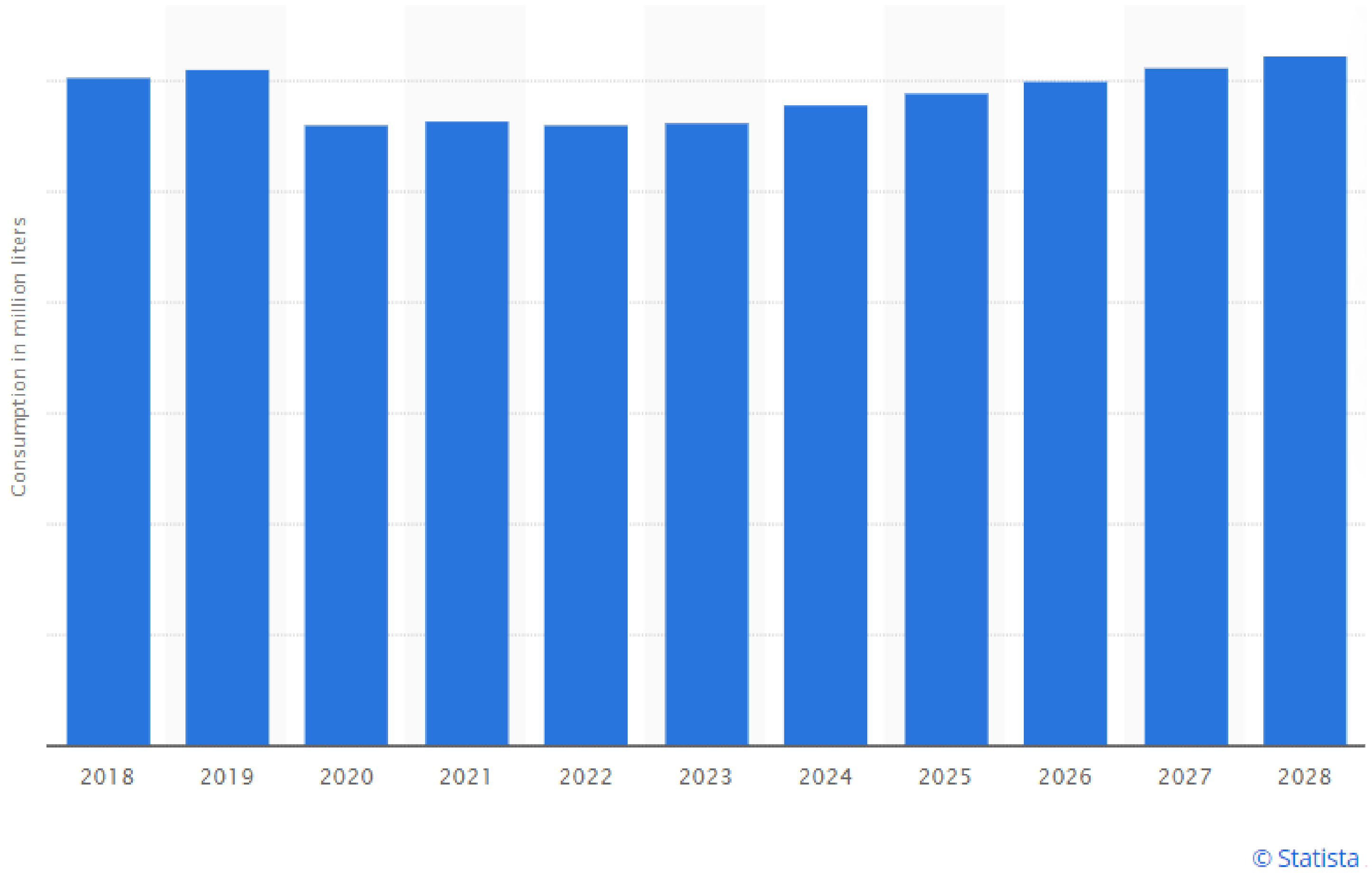
Note: Presented in total per capita, versus adult per capita

Indicative Countries Ethanol Per Capita Consumption 1960 -2014

Source: OurWorldinData.org

SILICON VALLEY BANK 2024 STATE OF THE WINE INDUSTRY

GLOBAL TREND – ALCOHOL CONSUMPTION



Volume of the alcoholic drinks market worldwide from 2018 to 2028
(in million litres)

Increase between 2024 and 2028 by in total 22.5 billion litres (+7.76%)

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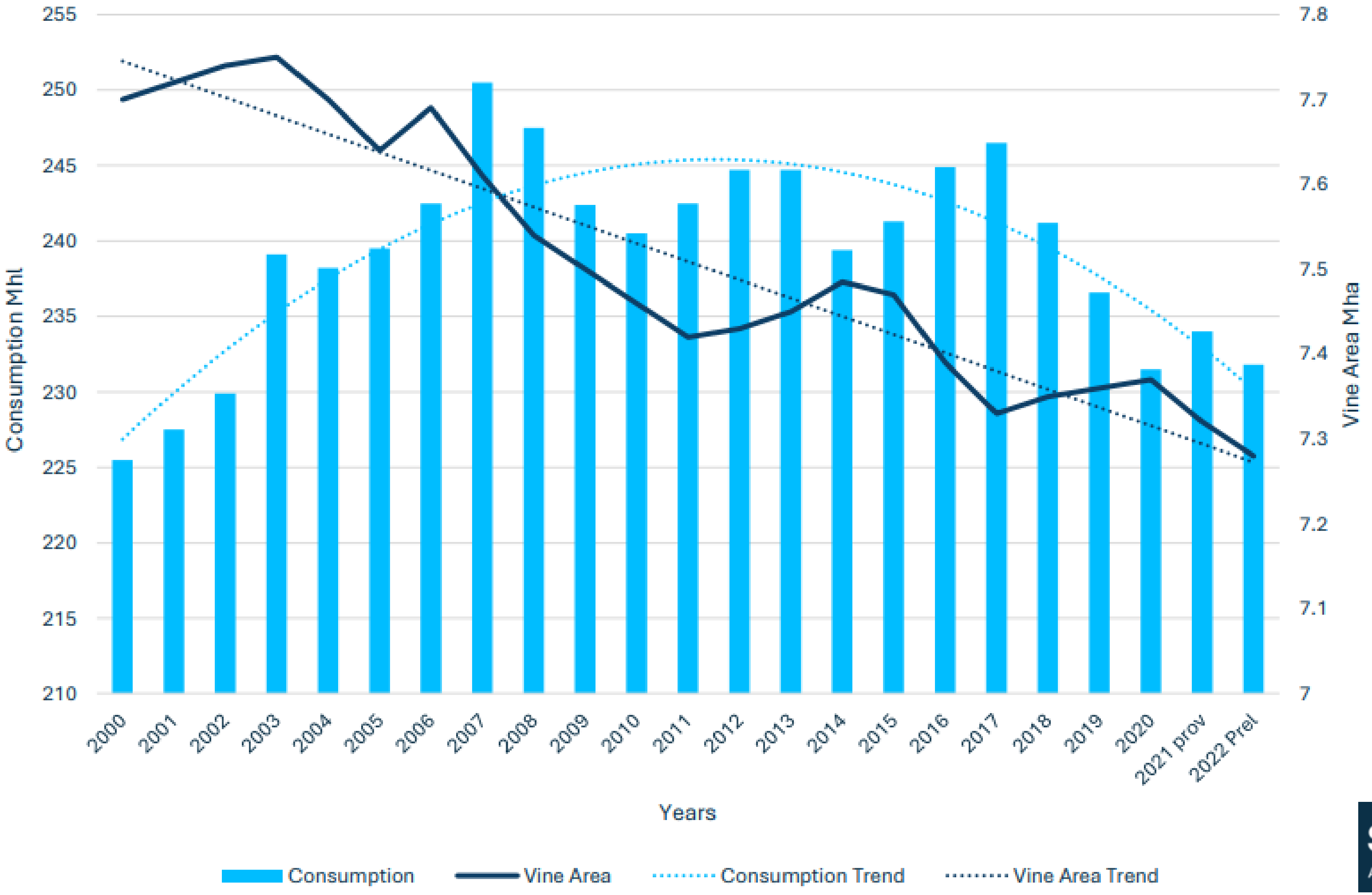
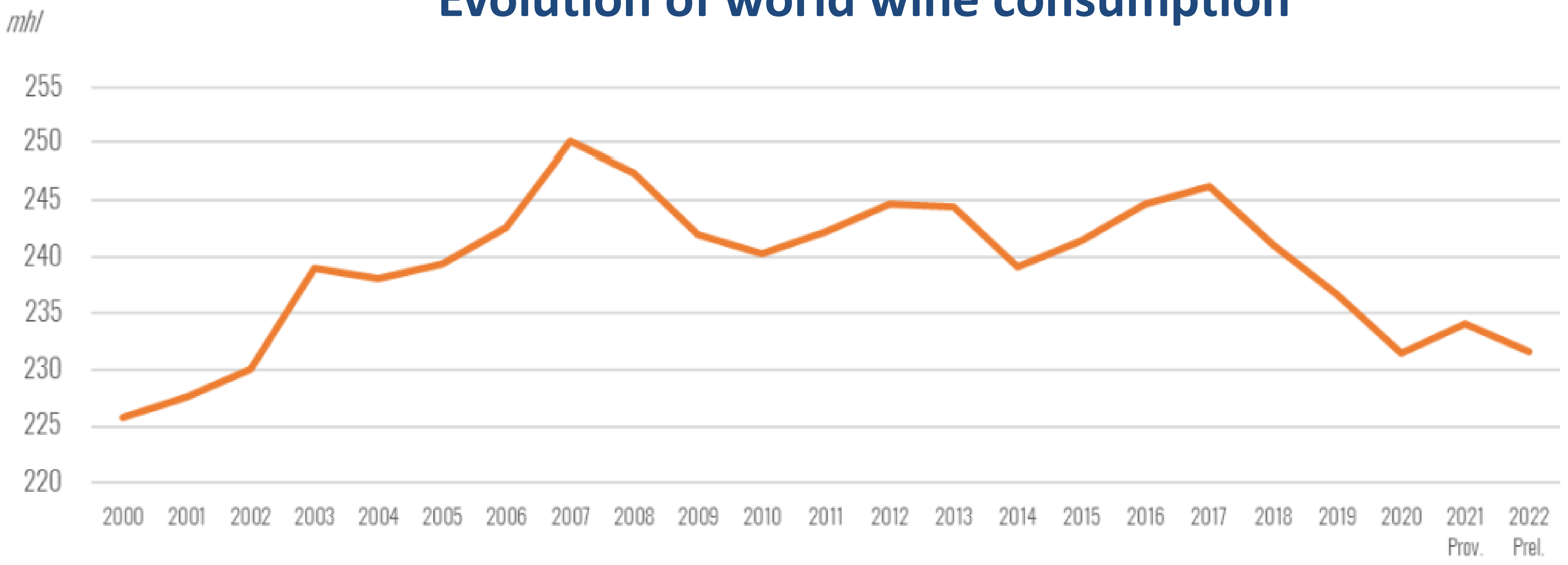
GLOBAL TREND – WINE CONSUMPTION



Annual Change in World Wine Consumption and Vine Acres 2000-2022

svb Silicon Valley Bank
A Division of First Citizens Bank

Evolution of world wine consumption



Source: OIV

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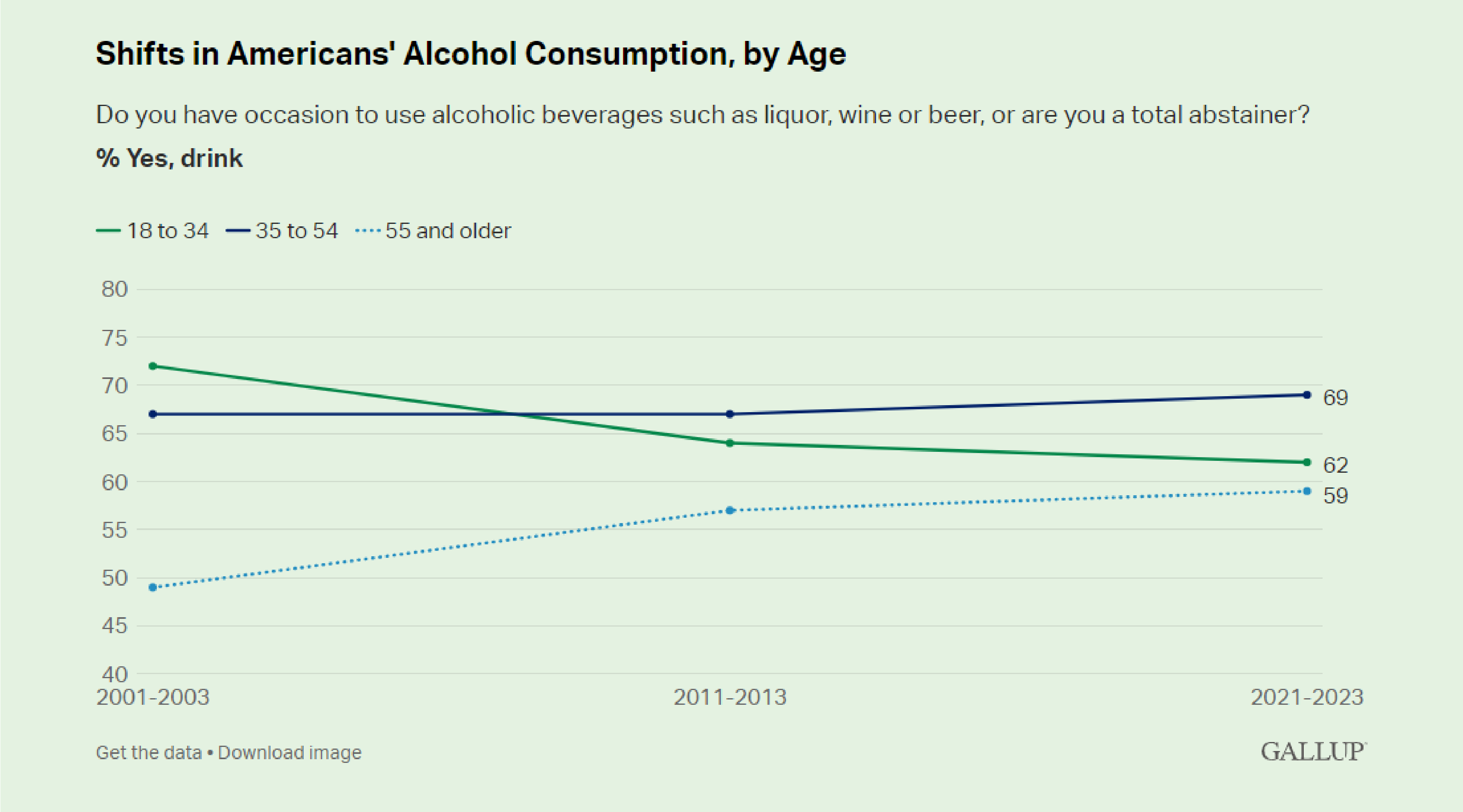
GLOBAL TREND – WINE CONSUMPTION

Top 10 Wine Consuming Countries
Ranked by Millions of 9L Cases

Rank	Market	2015	2020	2021	2022	Vol. Chg. 2015-2023
1	United States	324.0	344.5	340.0	329.1	5.1
2	France	303.3	257.8	276.7	281.1	-22.2
3	Italy	237.8	268.9	268.9	255.6	17.8
4	Germany	217.8	220.0	221.1	215.6	-2.2
5	United Kingdom	142.2	146.7	145.6	142.2	0.0
6	Russia	107.8	114.4	116.7	120.0	12.2
7	Spain	108.9	102.2	114.4	114.4	5.5
8	China	201.1	137.8	116.7	97.8	-103.3
9	Argentina	114.4	104.4	93.3	92.2	-22.2
10	Portugal	53.3	48.9	58.9	66.7	13.4

Source: Shanken Impact Data Bank, 2023


Shifts in Americans' Alcohol Consumption, by Age
Do you have occasion to use alcoholic beverages such as liquor, wine or beer, or are you a total abstainer?
% Yes, drink
18 to 34
35 to 54
55 and older
80
75
70
65
60
55
50
45
40
2001-2003
2011-2013
2021-2023
69
62
59
Get the data • Download image
GALLUP

Decline in Regular Drinking Among Younger Adults

Percentage who drank any kind of alcoholic beverage in the past seven days

	2001-2003	2011-2013	2021-2023	Trend	Change since 2001-2003
Drinkers					
18 to 34	67	64	61	67 61	–6
35 to 54	68	66	69	68 69	1
55 and older	63	67	69	63 69	6
U.S. adults					
18 to 34	49	41	38	49 38	–11
35 to 54	45	44	48	45 48	3
55 and older	31	38	40	31 40	9

Get the data • Download image

GALLUP

Young U.S. Adults Cut Back: Average 1.6 Fewer Drinks Per Week

Average number of alcoholic drinks consumed in past seven days (among drinkers)

	2001-2003	2011-2013	2021-2023	Trend	Change since 2001-2003
18 to 34	5.2	4.5	3.6	5.2 → 3.6	−1.6
35 to 54	3.9	3.8	3.8	3.9 → 3.8	−0.1
55 and older	3.9	3.7	4.0	3.9 → 4.0	0.1

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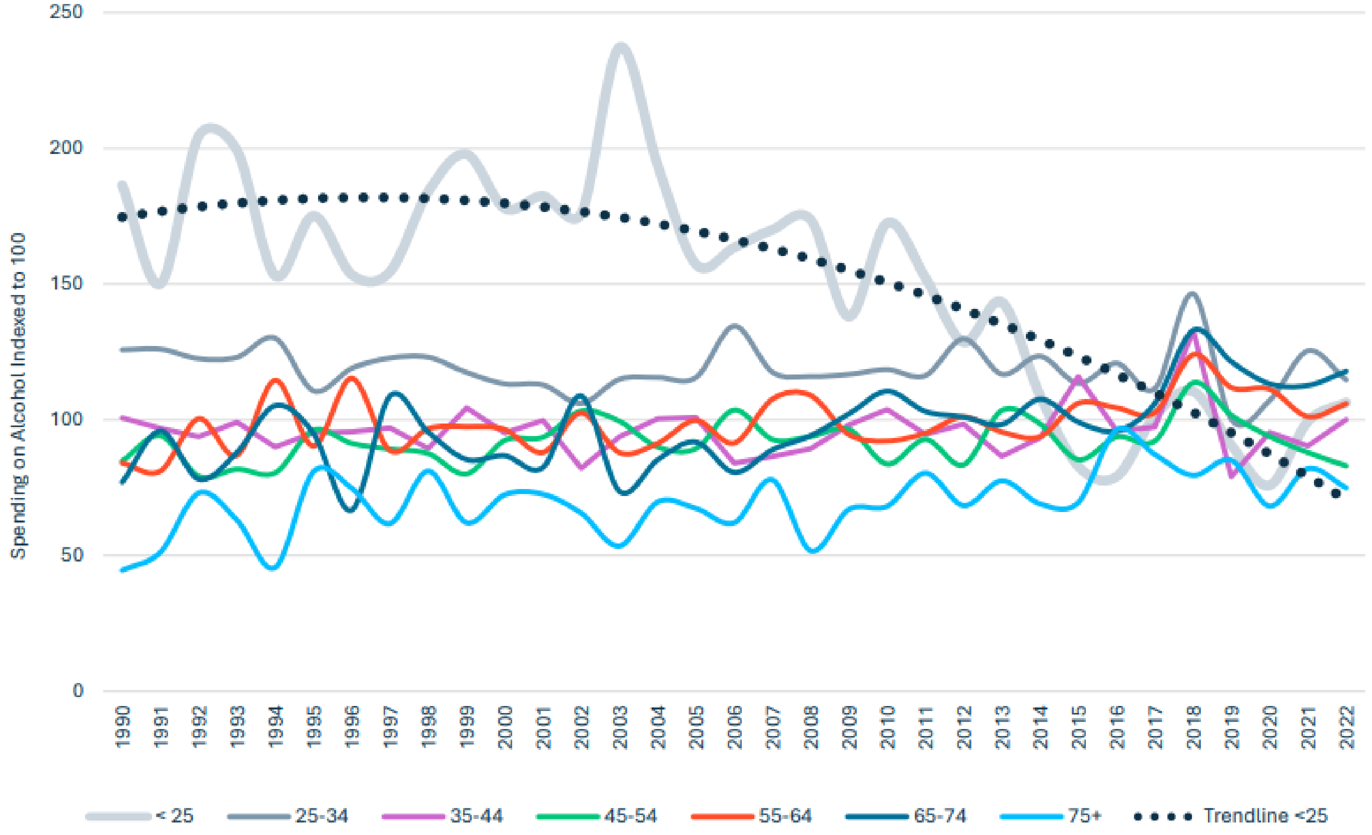
GALLUP

Alcohol Spending as a Percent of Income Indexed to 100



Source: Bureau of Labor Statistics, Consumer Expenditure Survey

SILICON VALLEY BANK 2024 STATE OF THE WINE INDUSTRY

- There is no clear trend for most age bands except the youngest. Starting around 2000, alcohol spending for consumers less than 25 began to shift relative spending away from alcohol to other goods and services.
- Separately, between 2012 and 2022, with those aged 19 – 30, monthly cannabis use increased from 16.6% to 28.8%, and hallucinogen use in the same time frame increased from 3.4% to 8.0%, while alcohol use declined from 68.4% to 67.5%.

Why Are Fewer US Young Adults Choosing Alcohol?

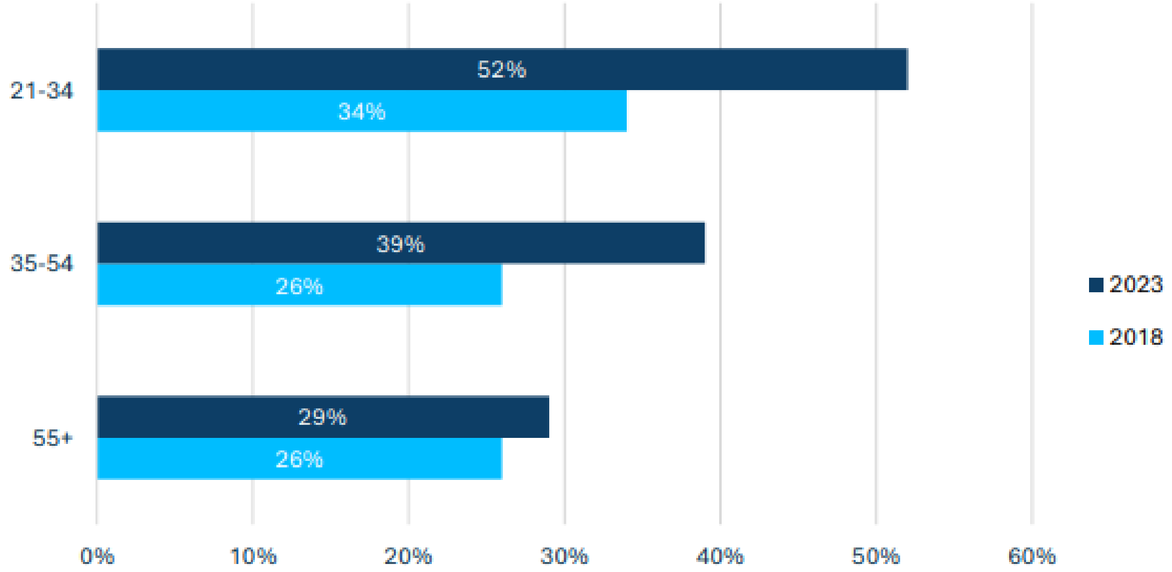
There could be several reasons why today's young adults are less likely to drink than the same age group a decade or two ago.

Demographics: The main reason for the decline in drinking among young adults may be the much greater diversification of their racial/ethnic makeup than has occurred among middle-aged and older adults.

- The percentage of 18- to 34-year-olds who are Black, Hispanic, Asian or another racial minority has nearly doubled over the past two decades, making up just under a third of the age group in Gallup's 2001-2003 data to about half of it today.
- Non-White Americans have persistently been less likely than White Americans to use alcohol, and this is seen across all age groups. In 2021-2023, there is a nine-point difference among the youngest group: 57% of non-White 18- to 34-year-olds drink, compared with 66% of White young adults.

Given this, the overall drinking rate among 18- to 34-year-olds has naturally fallen as the proportion who are non-White has increased.

Is Moderate Drinking Bad for your Health?



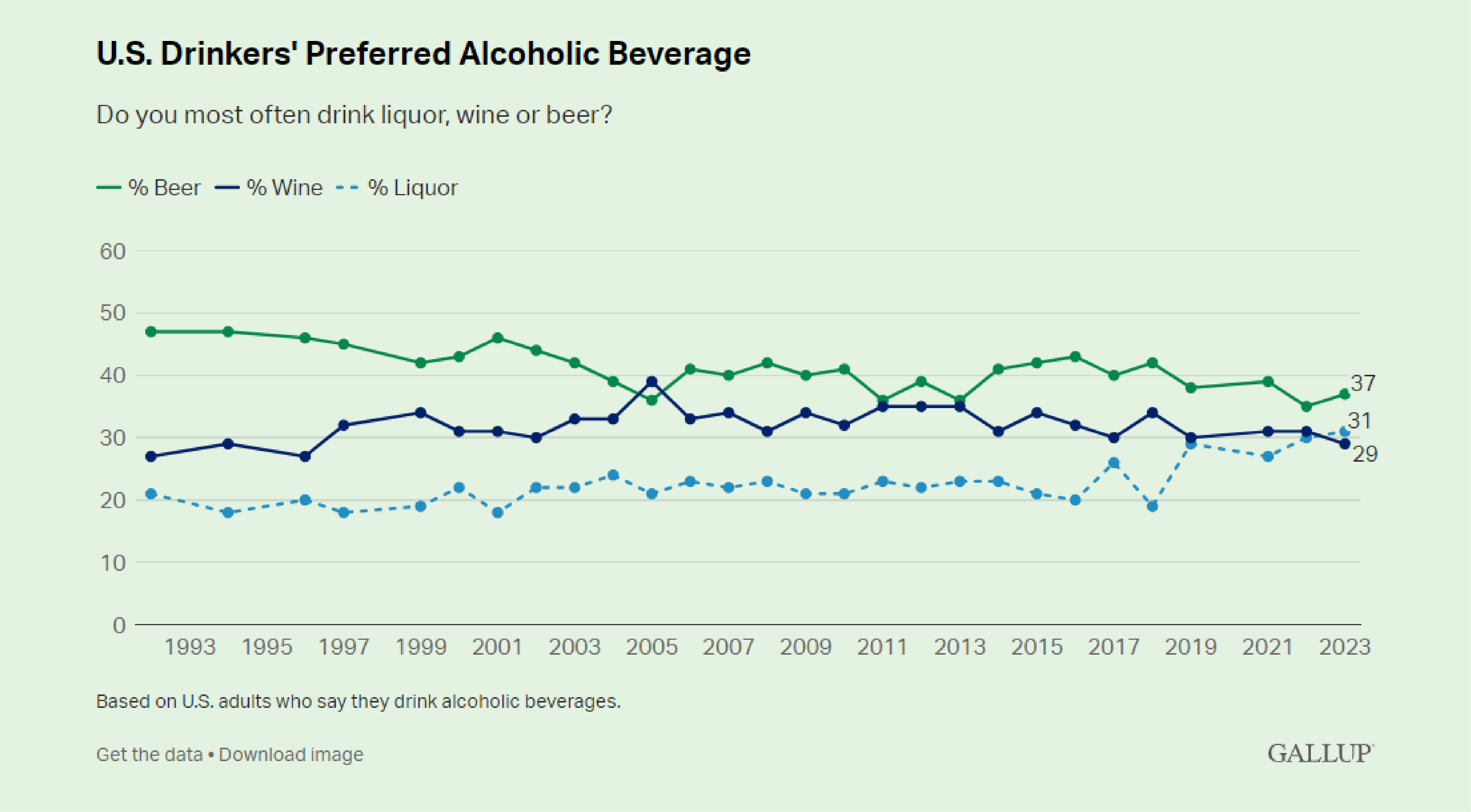
Health

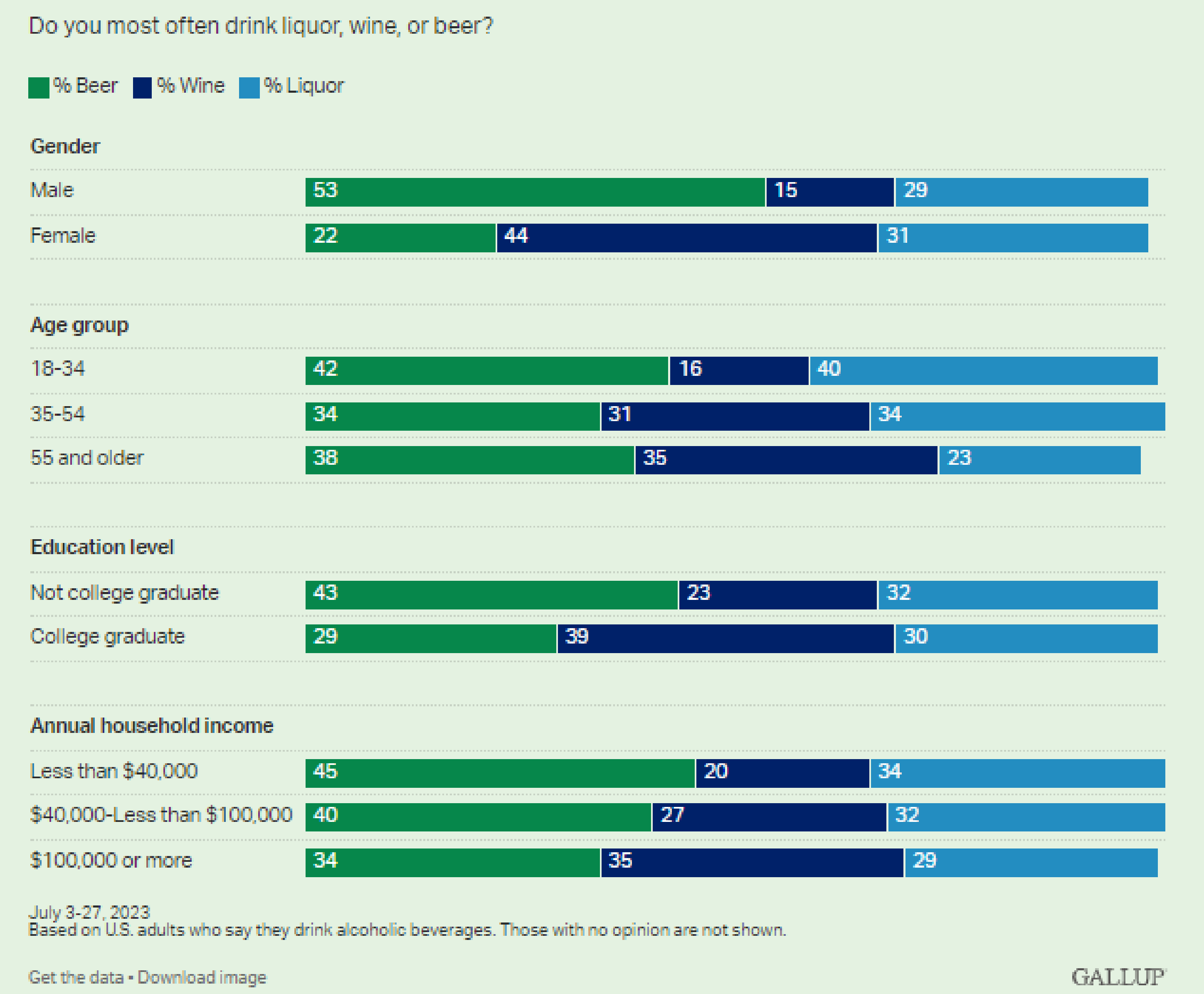
- The data represents one more piece of the demand puzzle that factors into low- and no-alcohol consumption, health, and abstinence.

Q: How harmful are alcohol and marijuana?

	Very harmful	Somewhat harmful	Not harmful
Alcohol	30%	50%	16%
Marijuana	23%	35%	40%

US MARKET

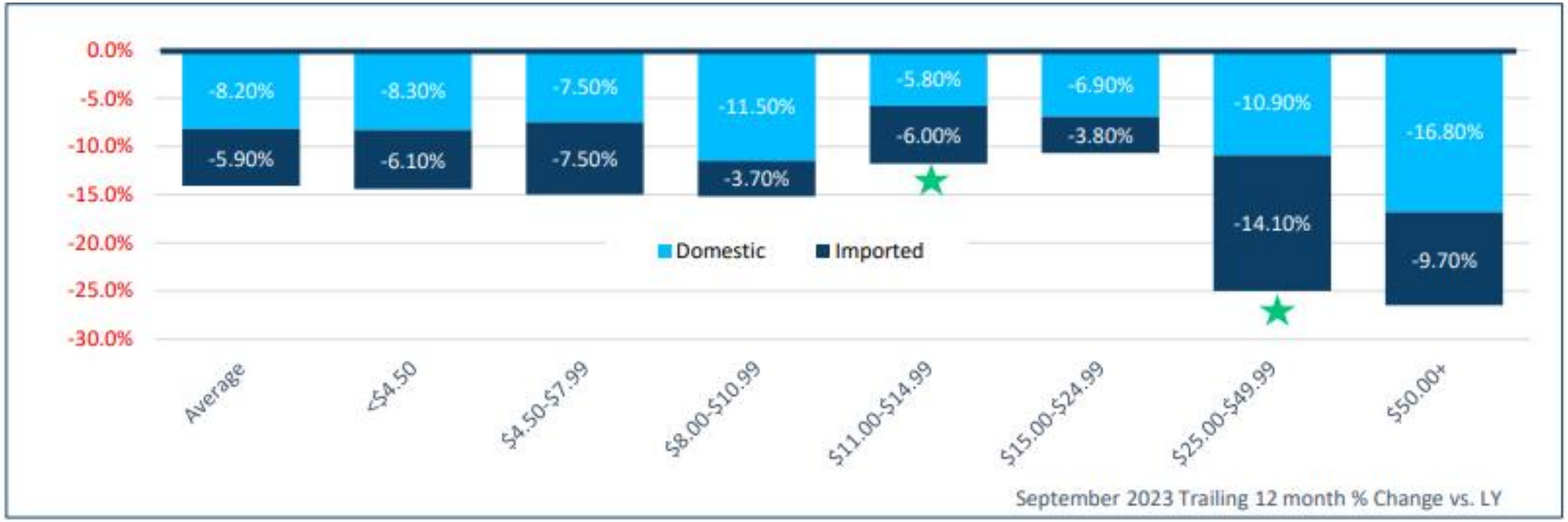

U.S. Drinkers' Preferred Alcoholic Beverage
Do you most often drink liquor, wine or beer?
% Beer
% Wine
% Liquor
60
50
40
30
20
10
0
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2021
2023
37
31
29
Based on U.S. adults who say they drink alcoholic beverages.
Get the data • Download image
GALLUP



US Drinkers' Preferred Alcoholic Beverage,

By Demographic Group

US Wine Market

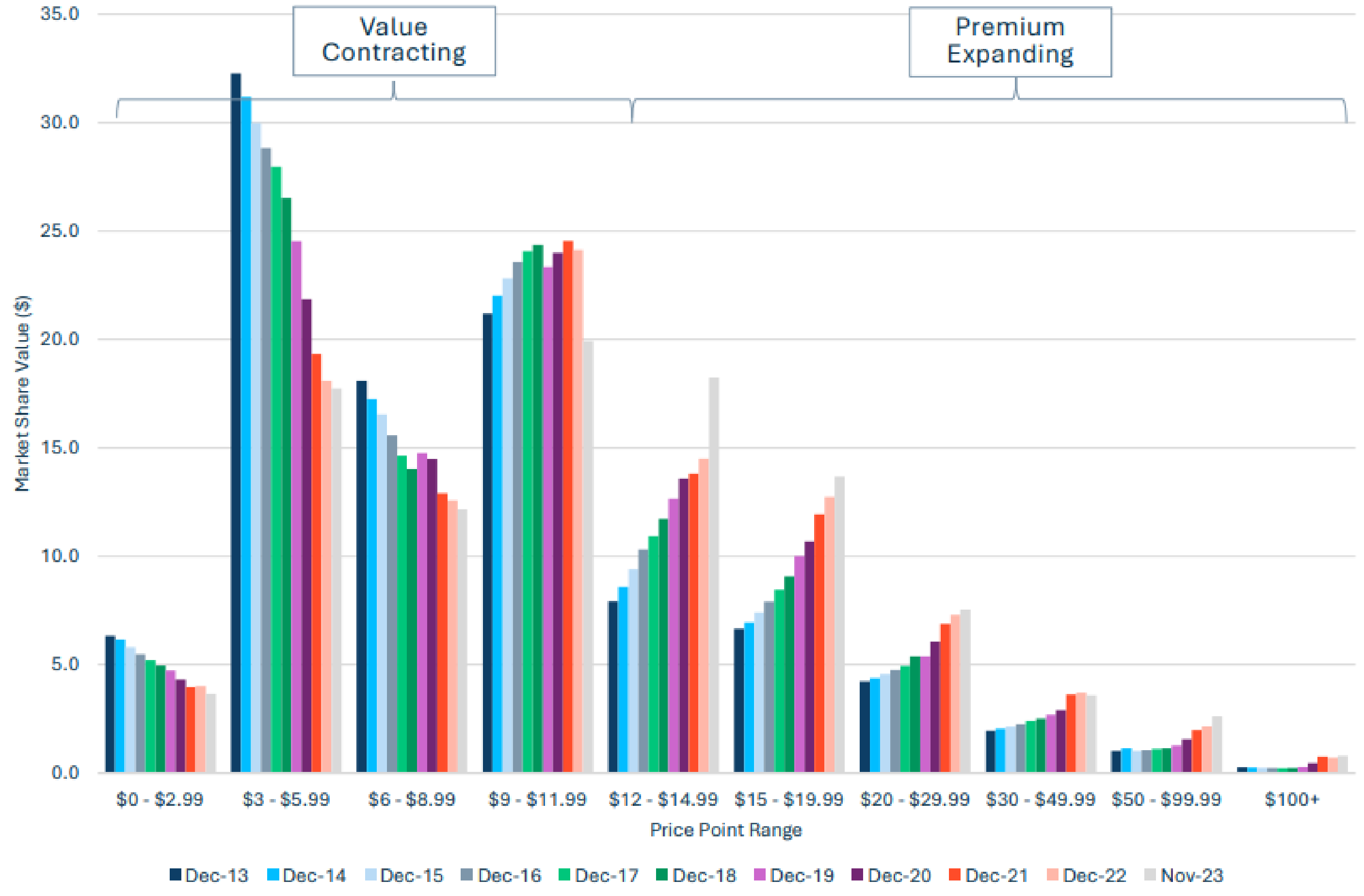


Sources: USDA, Foreign Agricultural Service - top & SipSource - bottom

SILICON VALLEY BANK 2024 STATE OF THE WINE INDUSTRY 42

US WINE MARKET

Annual off-Premise Value Share of Market by Price Range

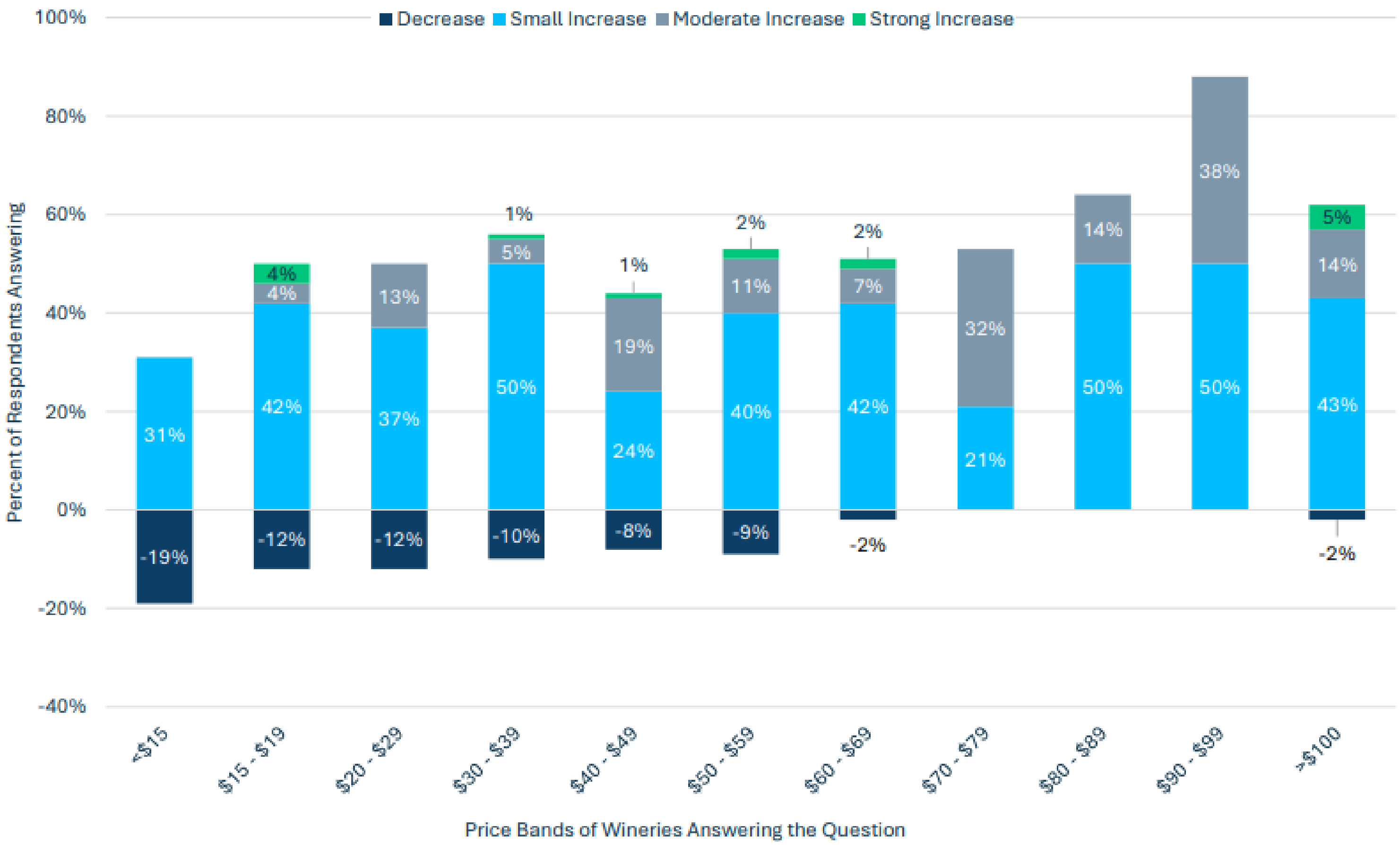


Source: NielsenIQ

SILICON VALLEY BANK 2024 STATE OF THE WINE INDUSTRY 19

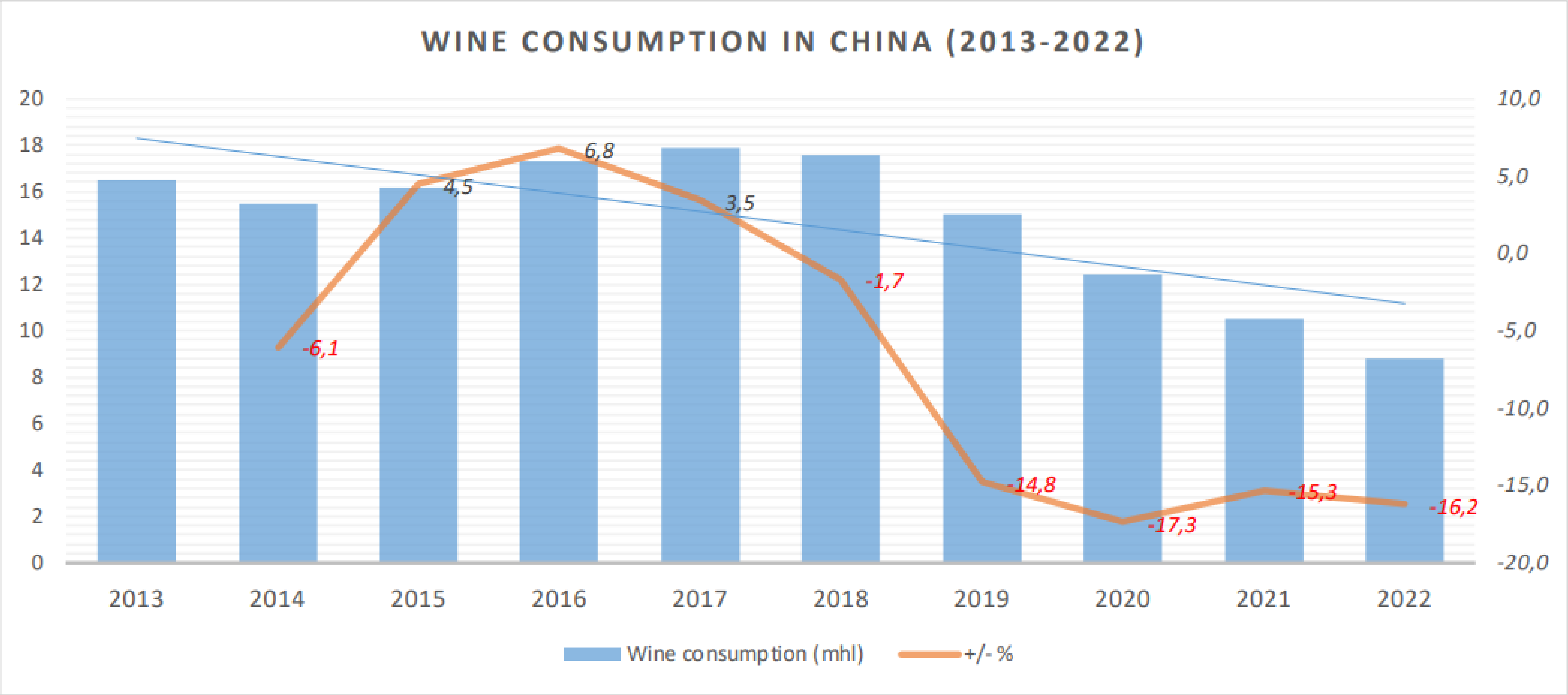
- In the middle of 2016, wine below $9 began to show value weakness. And in late 2017, those wines began to show persistent volume declines off-premise.
- Wines above $12 have been performing well but at a declining growth rate.
- While the premium wine trends are concerning, the current data on premium sales have too few data points to call those trends a permanent shift.
- The premium wine segment, by any measure, is better positioned in the category at present.

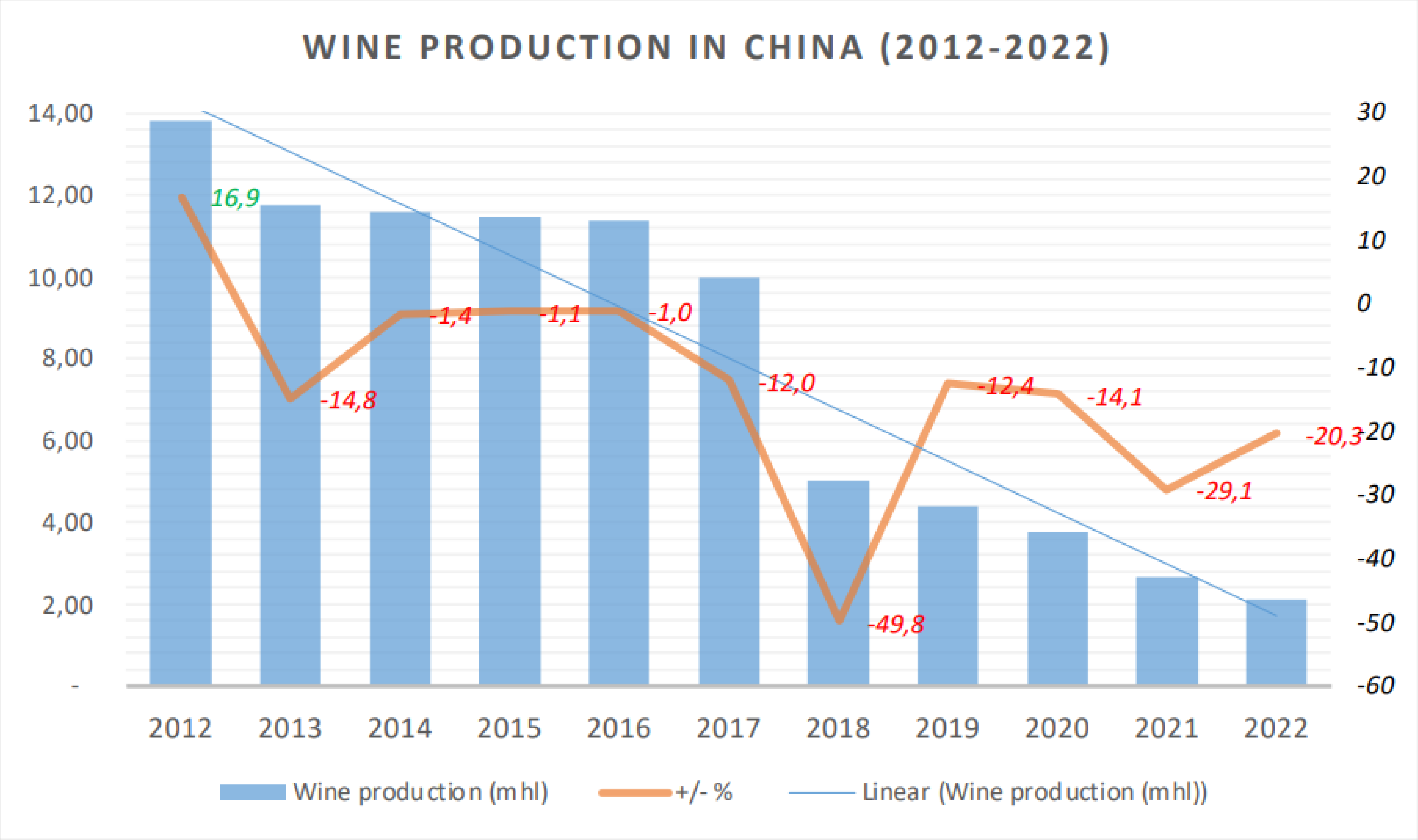
US MARKET



- It was easier to raise prices in the higher price bands and still retain volume gains. Wineries with lower average selling prices struggled to find increases in either value or volume.
- With cost increases from inflation and difficulty raising prices sufficiently to recover the higher costs, producers are pressured to find alternative methods to reduce costs or conserve cash.

CHINESE MARKET

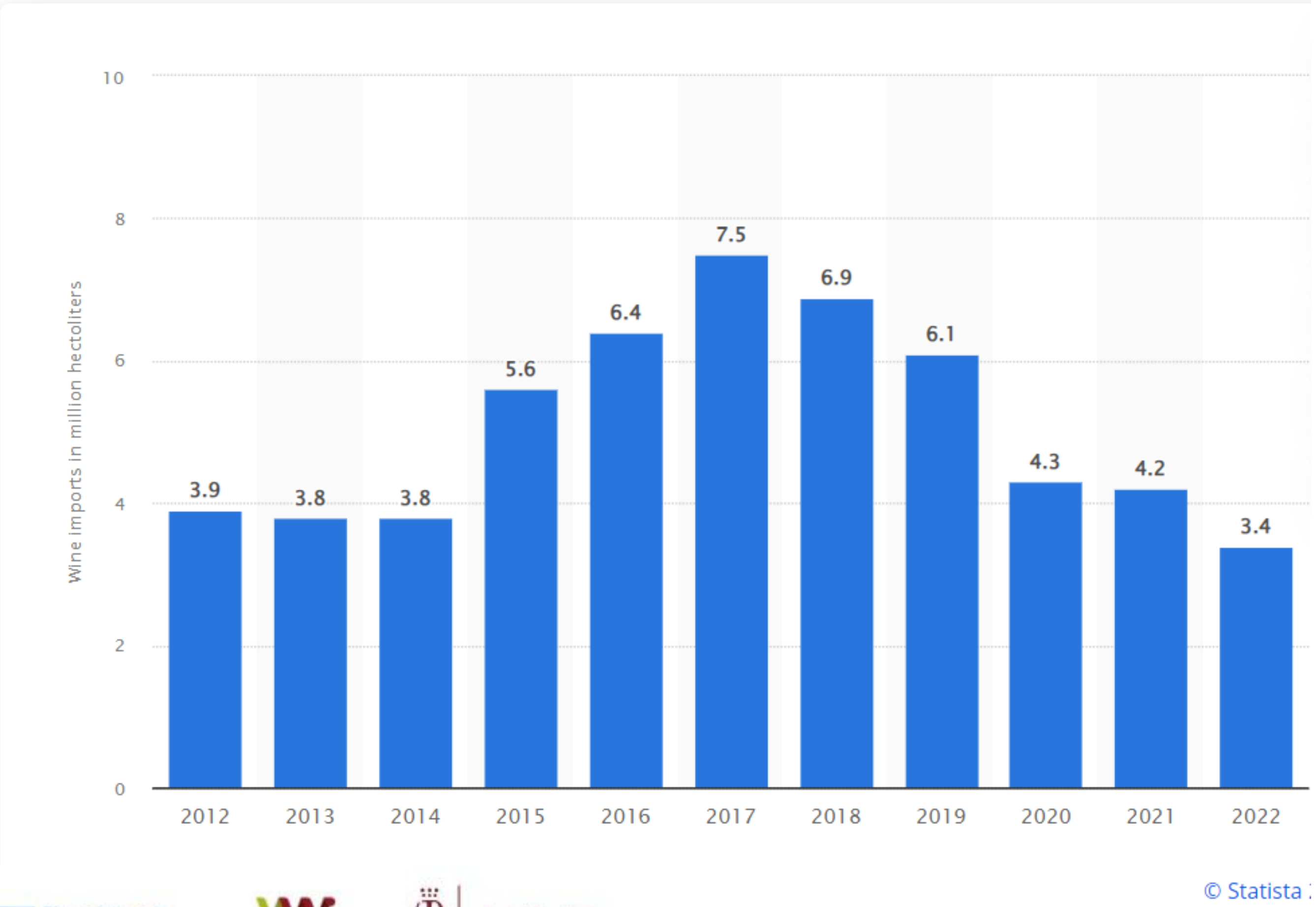



WINE PRODUCTION IN CHINA (2012-2022)
14,00
12,00
10,00
8,00
6,00
4,00
2,00
-
30
20
10
0
-10
-20
-30
-40
-50
-60
16,9
-14,8
-1,4
-1,1
-1,0
-12,0
-49,8
-12,4
-14,1
-29,1
-20,3
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Wine production (mhl)
+/- %
Linear (Wine production (mhl))

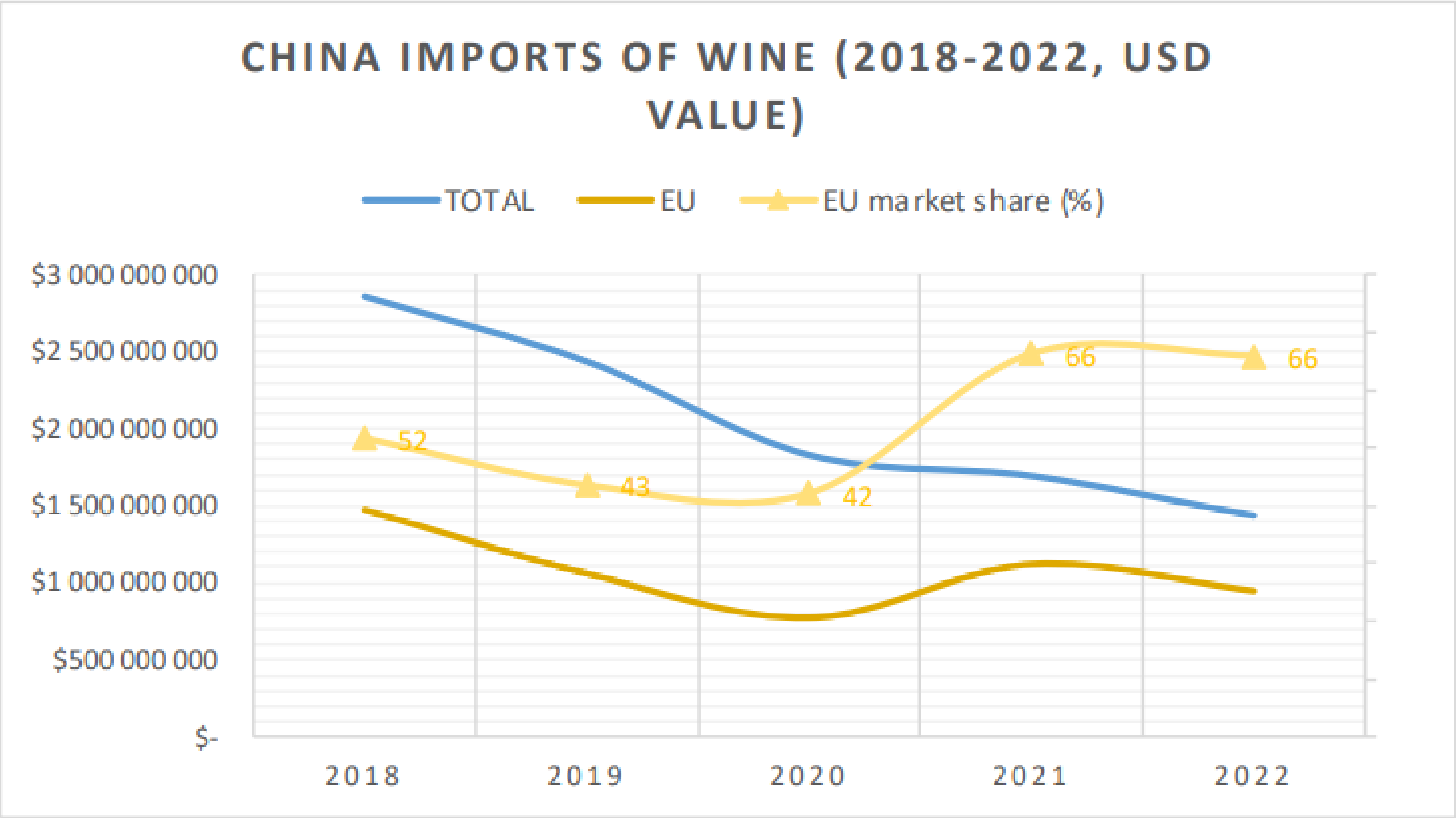
EVOLUTION OF CONSUMPTION

Volume of wine imports to China from 2012 to 2022

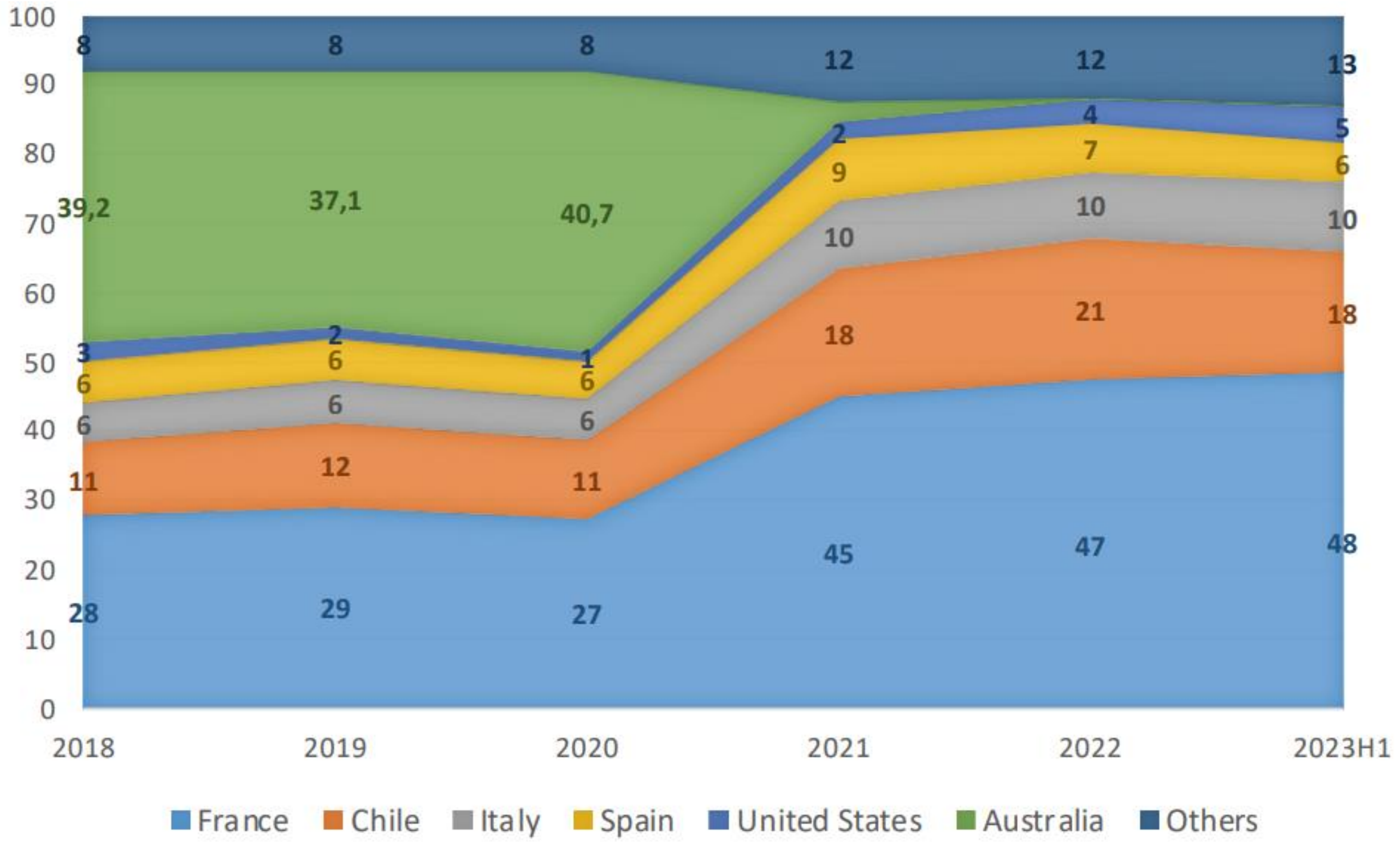
(in million hectoliters)



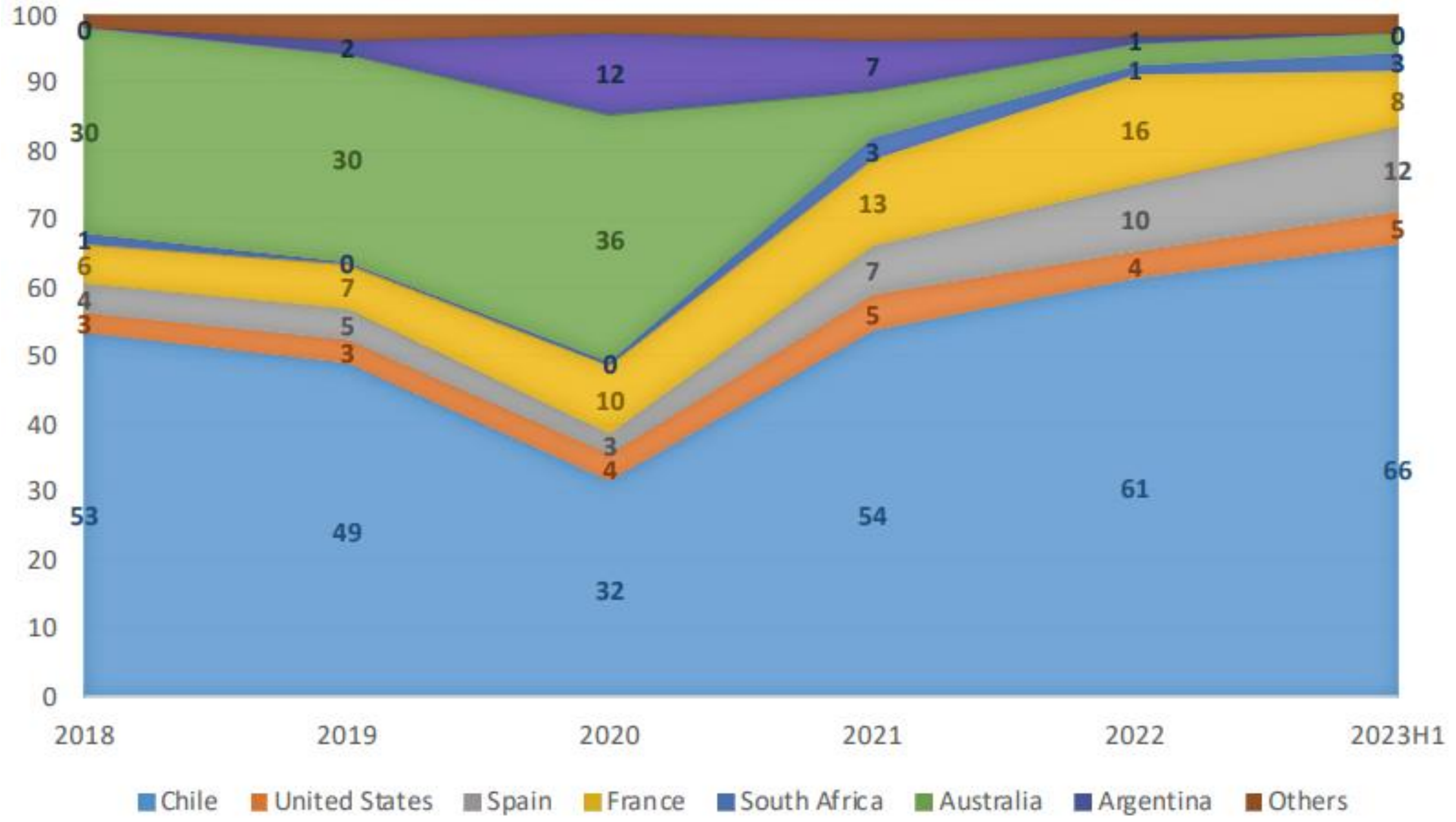
CHINESE MARKET



Chinese Market



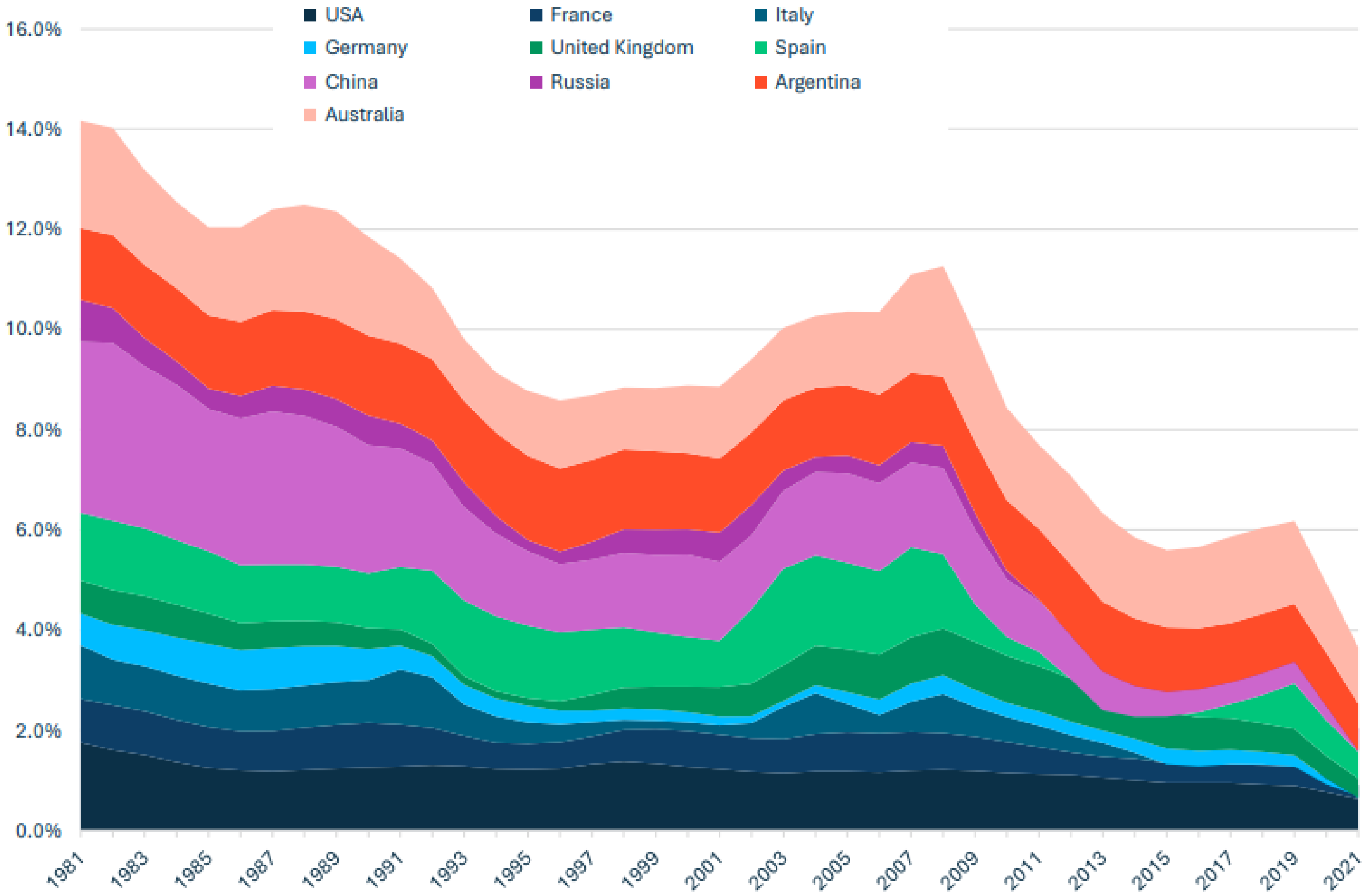
Market Share (%) of Top Exporters of Bottled wine
(HS 220421)



Market Share (%) of Top Exporters of Bulk wine

(HS 220422 and 220429) value

Largest Wine Consuming Countries Adult Population Growth Rates



Source: OurWorldinData.org

SILICON VALLEY BANK 2024 STATE OF THE WINE INDUSTRY

- With declines in birth rates and per capita consumption in the largest consuming nations, the opportunity to expand wine sales in the next twenty years will be in regions and countries different from those targeted today.

- Which countries have the highest forecasted population growth in the next ten years? Half of the world's population growth is expected to be concentrated in just nine countries by 2050: India, Nigeria, the Democratic Republic of the Congo, Pakistan, Ethiopia, the United Republic of Tanzania, the United States of America, Uganda, and Indonesia.

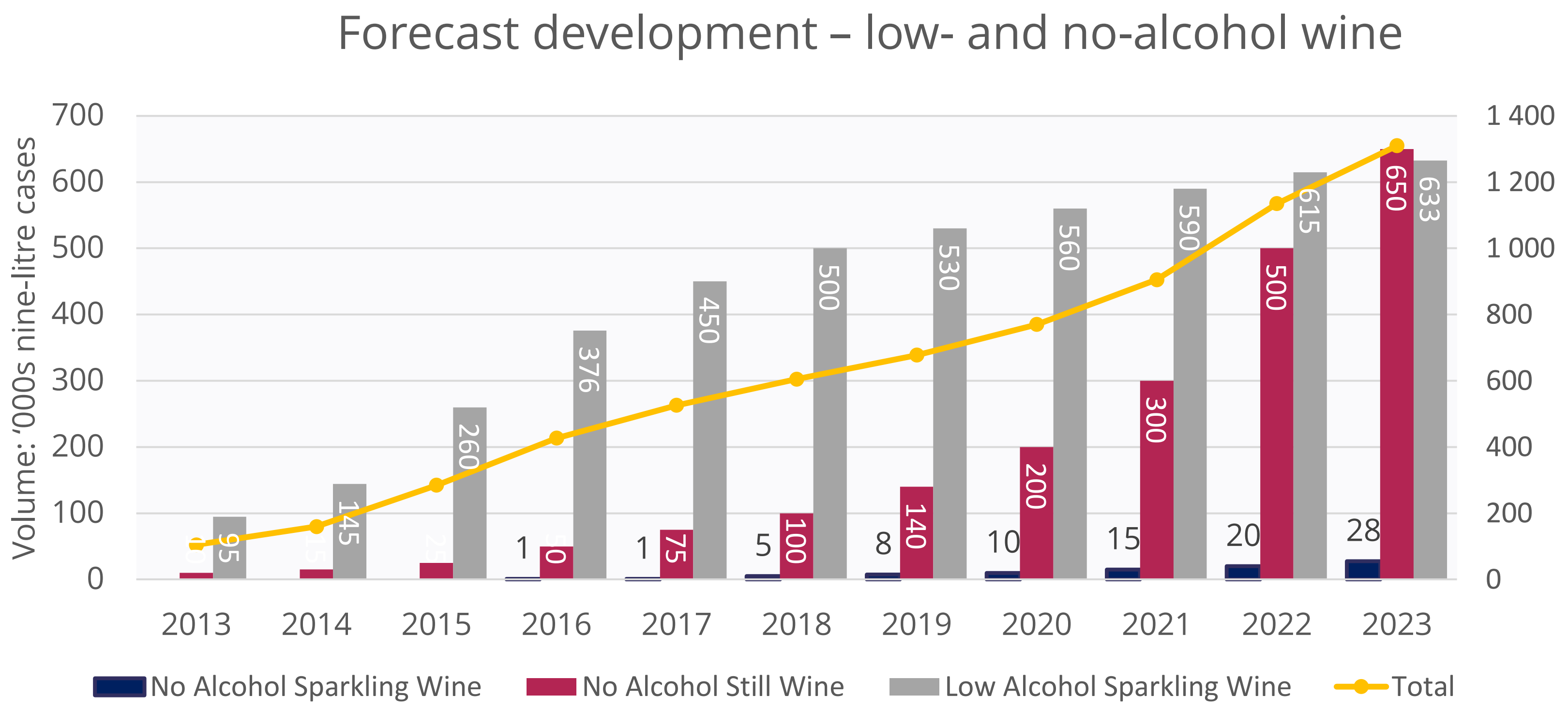
FUTURE PRODUCTS

Global low & no Alcohol Beverages Market Research Report 2022

INSIGHT ACE ANALYTIC

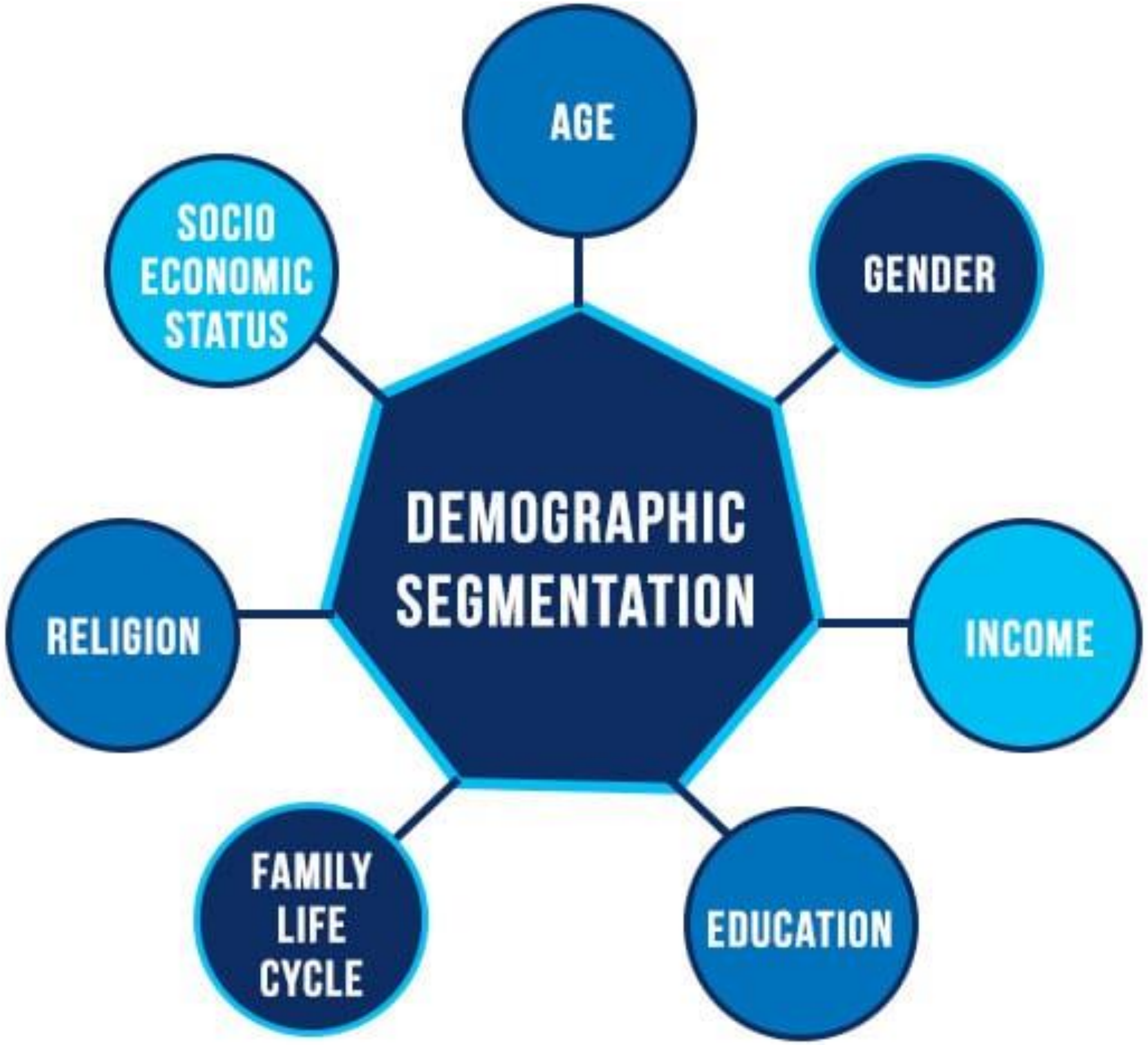
FUTURE PRODUCTS

There is a trend in the market for growth in these categories in the future



IWSR drinks market analysis

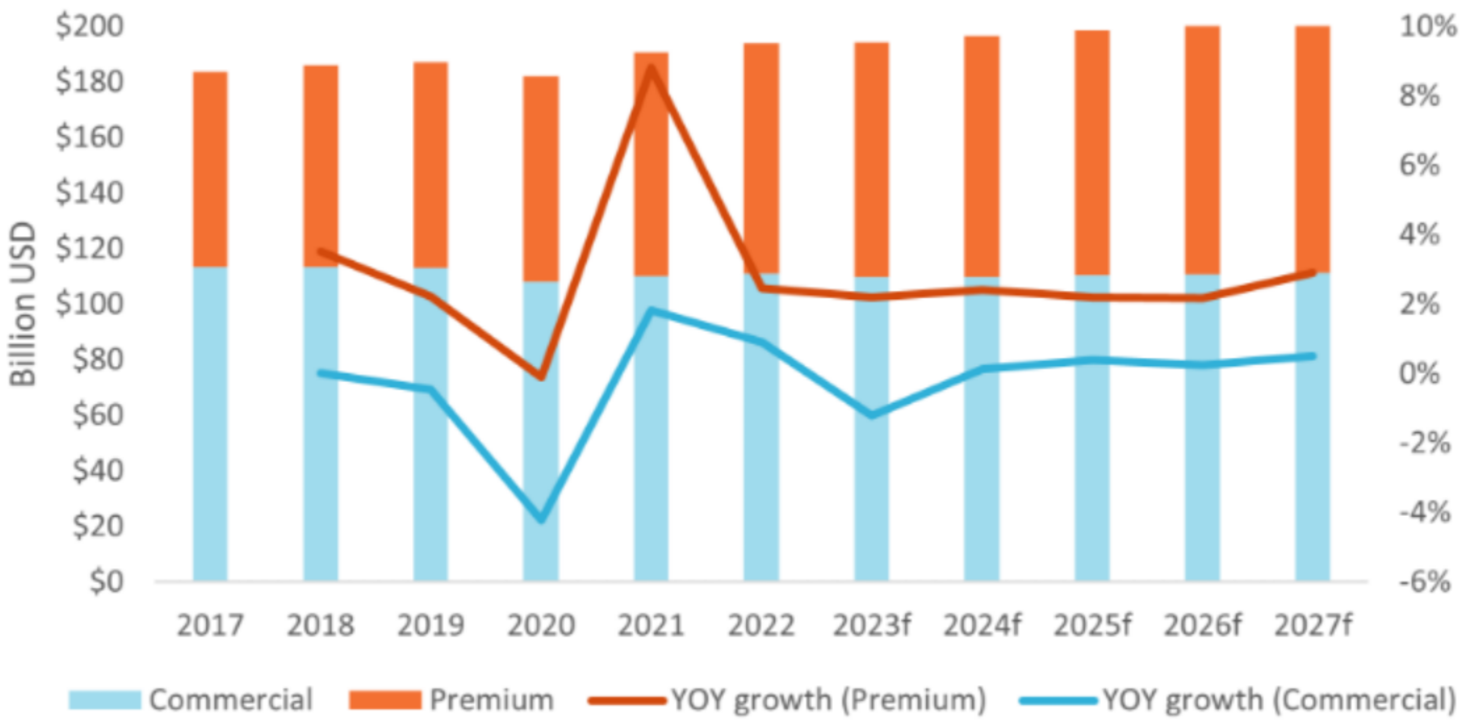
FUTURE CONSUMERS



Need to adapt promotion programs

1 country = different consumers

PRICE POSITIONING



Premium wine sales (US$10 per bottle or equivalent and above)

- Price increases were difficult before COVID and it's become increasingly difficult to raise bottle prices since 2020, when COVID pantry stuffing allowed for some price increases.
- Like so many other indices- inflation, GDP, the unemployment rate, or the savings rate–with normalization comes a reversion to the mean before COVID.

Ad spend in the US*

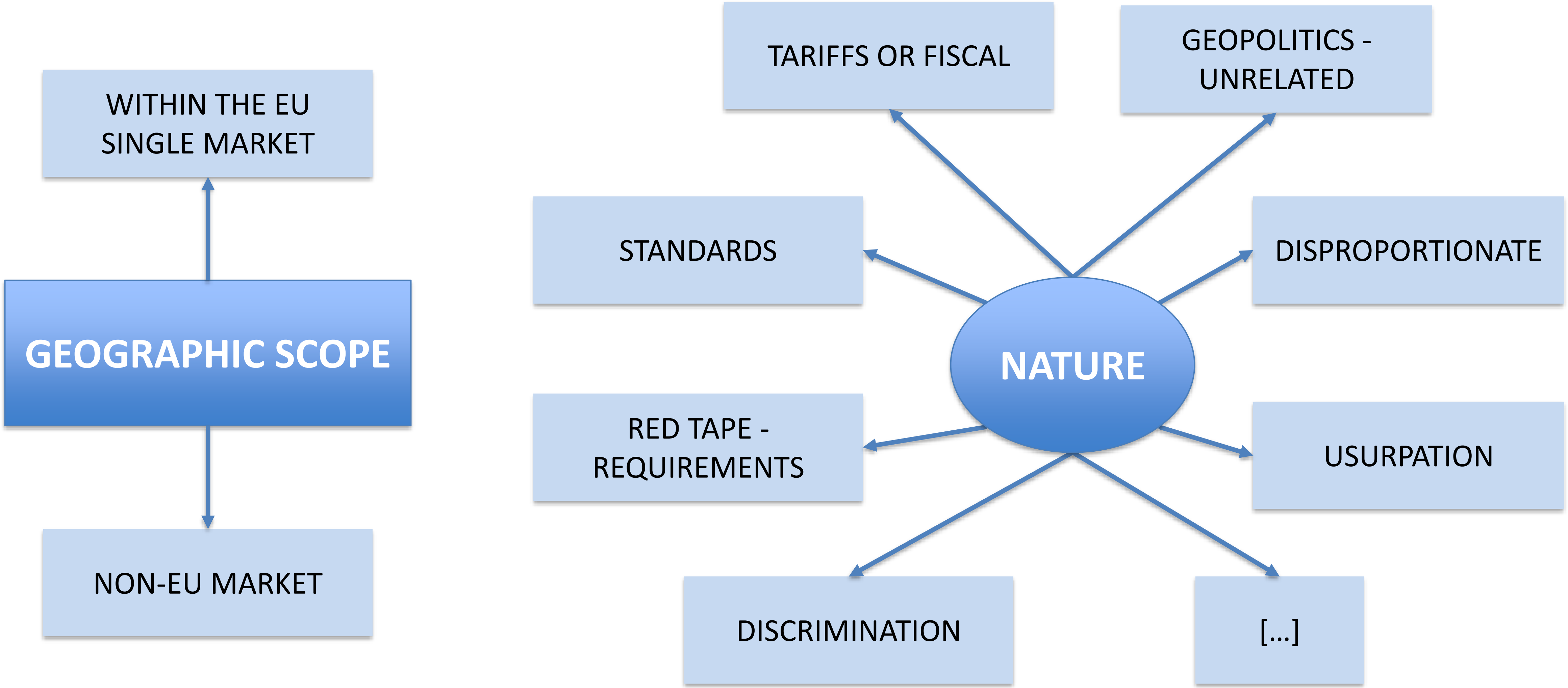
From the $1.7 billion spent in 2022, advertising investment by alcohol category was:

- $760 million for beer brands reached as opposed to the
- $261 million spent by whiskey brands;
- $173 million for Hard seltzer
- $125 million for wine
- $104 million for Vodka

* MediaRadar analyzed a sample from national TV broadcasts, national print publications and newspapers from top designated marketing areas, as well as online channels like websites, over-the-top (OTT) channels, podcasts, social platforms and YouTube. The data pertains to Jan. 1, 2021, through Jan. 31, 2023

BARREIRAS AO COMÉRCIO E PROPOSTAS PARA ENFRENTAR ESTES DESAFIOS

Barriers to Wine Trade



IRISH ALCOHOL LABELLING LAW

- New labelling requirement enters into force on **22nd May 2026**
- CEEV presented a complaint in front of the European Commission – assessment not finished yet

FRENCH (LATEST) INTERPRETATION ON DIGITAL LABELLING

- French DGCCRF issued in June guidelines in which they mention the necessity to indicate the term “nutrition”
- French AGRI Minister was supportive of the “i” until now

Ingredients

& nutrition

PACKAGING

- Real Decreto 1055/2022 de envases y residuos de envases
- The packaging shall indicate its condition of reusability, and the symbol associated with the deposit, return and return system

- Italian DECREE NO. 116 of 3 SEPTEMBER 2020
- Producers must indicate the material of the packaging.
- Packaging intended for end consumers must be clearly labelled with appropriate instructions for disposal, in Italian.

DISCRIMINATORY PRACTICES IN CANADA

ONTARIO

- Longer payment terms for foreign wine suppliers
- Wine Basic Tax rates differ depending on the type of wine (100% produced in Ontario or only bottled in Ontario) and the store where it is sold (off-site or on-site) and only Ontario wines are eligible for a tax exemption.
- Retroactive application and potential extensions of the charge back policy
- Opening of wine r
- Retail sales beyond LCBO

BRITISH COLUMBIA

- Preferential mark-up
- Discriminatory and restrictive sales conditions in grocery stores for non-regional wines

DISCRIMINATORY PRACTICES IN CANADA

QUEBEC

- Preferential mark-up in grocery stores
- Preferential taxation for small producers
- Specific mark-up applying to champagne
- SAQ lightweight glass bottle requirements or ban of overpackaging

NOVA SCOTIA

- Reduced mark-up for wine from regions producing less than 50k hl/year
- Non authorised sales of non-regional-wine in the 45 farmers' markets

SASKATCHEWAN / MANITOBA / NEW BRUNSWICK / NEWFOUNDLAND AND LABRADOR

- Preferential mark-up

Barriers to Wine Trade

- **Misalignment of standards for organic wine**
- **Suspended sanctions linked to Airbus/Boeing dispute**
- **Direct shipping**

- **New excise duties regime**
- **"Not for EU" labelling**
- **FBO**

Wine 12.5%/75cl (Still/Sparkling): £2.67

Port 20%/75cl: £4.28

Sherry 15%/75cl: £3.21

Vodka 37.5%/70cl: £8.31

Gin 40%/70cl: £8.86

RTD Gin (250ml/5%): £0.31

Draught Beer 4.5%/Pint: £0.49

Draught Cider 4.5%/Pint: £0.22

Off-Trade Beer Can 4.5%/440ml: £0.42

Off-Trade Cider Can 4.5%/440ml: £0.19

Reducing Costs

BARRIERS TO WINE TRADE

- Revision of the labelling standard
- Restrictive list of wine additives – not aligned with EU/OIV standards

- Exorbitant import tariffs and regional tariffs
- Misalignment of standard on wine additives

- Mis-alignment with OIV standards – product definition, product presentation… (specific focus on sparkling wines)

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Barriers to Wine Trade


ADVERTENCIA
EL CONSUMO NOCIVO DE ALCOHOL DAÑA TU SALUD
NO BEBER AL CONDUCIR
RIESGO PARA TU BEBÉ
NO BEBER MENORES 18 AÑOS
Ministerio de Salud

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