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The global wine trade hits a historical record high despite decreased volume

Historic high in value despite volume decrease and rising costs

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According to customs data from various countries, the global wine trade grew by 7.1% in value terms year-on-year (12-month period) to March 2023, reaching a historic high of nearly $41,000 billion. However, the exported volume decreased by 4.3% to 10,425 billion liters, as the average price increased by 11.9% to $3.92 per liter, the highest in the recorded history. Compared to the year-on-year period ending March 2022, the

global wine trade increased by $2,707 billion, despite a loss of 469 million liters, with an average price increase of $0.41 per liter.

It is important to clarify that an increase in value does not necessarily imply an increase in profitability, especially in a period of high inflation and rising costs like the one we have been experiencing globally for over a year. In a period of great commercial uncertainty like the present, it is advisable to carry out monthly monitoring of international wine trade. Thus, we observe that the volume of wine traded globally grew in March (+2.7%), breaking five consecutive months of losses. Revenue has been growing continuously for 26 months, the same number of months in which the average price has been increasing. However, the average price increase in March (+2.3%) was the lowest in these 26 months, while revenue growth is slowing down, as the level of inflation seems to be decreasing.

The continuous increase in the average price of wine over the past 26 months can be attributed to several factors, including rising production costs, supply chain disruptions, and increased demand. The global pandemic has caused significant disruptions to the supply chain, leading to increased transportation and production costs. Additionally, the increased demand for premium wines has also contributed to the rise in the average price of wine.

The slowdown in the growth of the average price in March 2023, compared to previous months, may indicate that the supply chain is gradually stabilizing, and the impact of inflation is decreasing. However, it is crucial to continue monitoring the situation closely, as the global economy is still recovering, and uncertainties remain.

The global wine trade has shown resilience despite the challenges posed by the pandemic, supply chain disruptions, and rising costs. The increase in value, despite the decrease in volume, indicates a shift towards premium wines and a willingness of consumers to pay higher prices. However, it is essential to continue monitoring the international wine trade closely, as the global economy is still recovering, and uncertainties remain.