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France: a bubble about to burst?

French wine exports plummet to the second lowest volume of the century while maintaining its price leadership at record highs in a context of slowing exports

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In 2023, the world of French wine experienced a noticeable contraction in its exports, marking a challenging year that reflected broader global economic trends. According to data from French customs, France saw an 8.9% reduction in wine export volume and a 2.7% decrease in export value, totaling 1,273.4 million liters and €11.96 billion respectively. Despite these declines, there were still some highlights within the data

that suggest resilience in the value of French wine on the international stage.

The decline to 1,273.4 million liters represents the second lowest export volume for French wine this century, slightly above the 1,256 million liters recorded in the crisis year of 2009. However, on a more positive note, the average price per liter of French wine rose for the second consecutive year to an all-time high of €9.39, a 6.8% increase from the previous year. This price hike illustrates the enduring allure and perceived quality of French wine, even in tougher economic times.

France maintained its position as the third largest wine exporter by volume, behind Italy and Spain, but it continued to lead in terms of value due to the premium prices its wines fetch on the international market. French wines reached 198 global markets in 2023, ranging from the United States and Germany to remote locations like Antarctica and Eswatini, showcasing its widespread appeal and distribution prowess.

June 2023 was the only month to see a positive uptick (+1.7%) in French wine exports. The second half of the year was particularly tough, with declines in revenue every month. This trend was starkly different from the first half of the year, where only May witnessed a downturn.

On the global stage, Germany overtook the United States as the largest market for French wine in volume, importing 173.4 million liters, despite this being the lowest figure recorded to date. The U.S., however, saw a more significant volume drop of 13%, yet it continues to hold its place as the top market in terms of value, with exports amounting to €2.191 billion.

Key Markets and Prices

While the major markets like the United States, United Kingdom, and Germany saw varying degrees of decline, there were positive signs in smaller, high-value markets. Singapore and Switzerland showed favorable trends, with export values rising 10.4% and 3.9% respectively. Interestingly, Canada was the only country where the price of French wine decreased slightly by 1.7%, despite a significant price increase in 2022.

The highest average prices were recorded in markets like Singapore (€36.09 per liter) and Switzerland (€13.98 per liter), emphasizing the luxury status of French wines in these regions.

Outside the main markets, France's wine exports also included countries like Italy, Spain, and Poland. There was a notable decline in exports to historically strong markets such as Australia, South Korea, and Latvia.

The 2023 figures reflect a challenging year for French wine exports, influenced by economic uncertainties and changing market dynamics. Yet, the increase in average prices and the sustained high value of exports are testament to the prestige and enduring demand for French wine.

Looking ahead, the French wine industry faces the dual challenge of recovering volume while maintaining the high-value perception of its products. The resilience shown in key markets and among premium buyers provides a foundation upon which to build a robust strategy for rebounding in the coming years. This resilience, coupled with France's unyielding commitment to quality, suggests that French wines will continue to enjoy a revered status on the global stage, despite the ebb and flow of economic tides.