vinetur

# Wine trade value kills by 30%

US and European buyers pull back, Champagne and Bordeaux prices fall, and market sentiment weakens amid ongoing uncertainty

Tuesday, May 20, 2025



April was a challenging month for the global fine wine market, according to the latest Liv-ex May Market Report. The introduction of new tariffs, the annual Bordeaux En Primeur tastings, and the Easter holiday combined to create a sharp downturn across all major indices tracked by Liv-ex, the London-based global marketplace for fine wine.

Trade value in April dropped 30.2% compared to March. This decline was driven by fewer trades, lower volumes, and a decrease in average transaction values. The Fine Wine 1000 index, which represents the broadest measure of the market, fell by 1.3%. The Champagne 50 sub-index was hit hardest, dropping 2.6%. This is notable because US buyers have accounted for nearly half of Champagne trade over the past year. The introduction of tariffs appears to have had a direct impact on prices in this region.

Bordeaux also saw declines. The Fine Wine 50 index, which tracks the ten most recent physical vintages of Bordeaux's First Growths, fell by 1.9%. The broader Bordeaux 500 index performed slightly better but still declined by 1.6%. Both indices now sit well below their 2020 lows—down 9.8% and 5.8%, respectively.

The Fine Wine 100 index, considered an industry benchmark, closed April down 1.7%. This marks its largest monthly drop since August 2023. The report notes that these declines come as producers in Bordeaux are offering significant price reductions during the ongoing En Primeur campaign. Despite these efforts, buyer interest remains subdued and reports suggest that successful sales have been limited.

US market activity was particularly affected by tariff changes. After a threat of steep tariffs in March and an official announcement on April 2nd, US buyers pulled back sharply from the market. US purchasing share fell to just under 20% of total trade value in April—the lowest since January 2023. In dollar terms, US purchases dropped nearly 35% from March and were down almost 60% compared to February.

European buyers also reduced their activity, with purchase values falling by nearly 27%. However, as UK purchases fell even further (down over 39%), Europe's share of total purchases actually increased to almost 39%. Asian buyers were less affected by seasonal slowdowns and recorded only a modest decline in nominal terms (down about 14%). In fact, Asian purchase value in April was nearly a quarter above the monthly average for 2024 so far.

The combination of reduced US demand and seasonal factors led to a significant drop in overall trade value for April—down just over 30% from March. Regions that had previously benefited from strong US demand, such as Champagne and Tuscany, saw their market shares fall back.

Market sentiment also weakened during April. The bid-to-offer ratio for the Liv-ex Fine Wine 1000 index dropped to just 0.31 as buyers withdrew bids following the tariff announcement. The total value of bids fell by almost a quarter while offer values rose slightly. The percentage of trades triggered by sellers reached its highest level since late 2020.

Liv-ex had previously outlined three possible phases following the introduction of tariffs: an initial reduction in US buying, a subsequent fall in prices due to lower demand, and eventually a return of US buyers when inventory needs arise. So far, this pattern appears to be playing out. While US buying and prices both fell sharply after the tariff announcement, there were signs that some US bid exposure began to recover later in April as importers reassessed risks and communicated new pricing strategies to customers.

Despite this partial recovery, total US bid exposure across all major wine regions remains at least half below pre-tariff levels. Piedmont has seen the steepest drop in US interest among key regions tracked by Liv-ex.

Currency fluctuations have added another layer of complexity for American buyers. Even with a temporary reduction in EU wine tariffs to 10% until July, a weaker dollar has made European wines more expensive for US importers.

Interestingly, Bordeaux’s share of total US purchase value rose in April to over 43%, well above its recent average share among American buyers.

Looking ahead, uncertainty remains high as the current tariff reduction is set to expire on July 9th. Many US buyers are expected to remain cautious until there is more clarity on future trade policy or any potential changes regarding goods already en route at sea.

The fine wine market continues to face significant headwinds as it navigates shifting trade policies and changing buyer behavior across key regions worldwide.