FOODS & WINES FROM SPAIN – WINE IN FIGURES

The country

Spain is a millenary country with a strong food and wine history. We provide you here the most updated data in a nutshell. We also invite you to discover in a few minutes the diversity of Spain thru its 17 regions and 2 autonomous towns, as well as the richness of their culture, tourist sights, food production and gastronomy.

Wine in figures 2017

Spain is one of the world's largest producers of wine: first in the ranking of planted surface area; third in production of wine and grape fruit in the 2016/2017 campaign (after Italy and France), and the world's largest exporter in terms of volume in 2016, third in terms of value. Wine has become an extremely important sector in Spain because not only for its importance in economic, but also in social and environmental terms, as well as the importance of wine as an image of the country worldwide.

The vineyard in the world*							
Source: OIV Statistical Report 2017							
Figures (thousands of ha)	**2012**	**2013**	**2014**	**2015**	**2016**	**% of total**	**Variation 2016/2012 in kha**
Spain	969	973	975	974	975	12,97%	6
France	792	793	789	785	785	10,44%	-7
Italy	713	705	690	682	690	9,18%	-22
Portugal	231	224	219	199	195	2,53%	-41
Romania	192	192	192	191	191	2,54%	-1
USA	430	449	448	443	443	5,89%	13
Turkey	497	504	502	497	480	6,39%	-17
China	706	757	796	830	847	11,27%	141
Argentina	222	224	226	225	224	2,98%	2
Chile	206	208	213	214	214	2,85%	8
South Africa	135	133	132	130	130	1,73%	-5
Australia	162	157	154	149	148	1,97%	-14
Iran	226	223	223	223	223	2,97%	-3

Moldova	142	137	140	140	140	1,86%	-2
Uzbekistan	121	122	127	127	127	1,69%	6
India	120	119	120	120	120	1,60%	0
Greece	110	110	110	107	105	1,40%	-5
Germany	102	102	102	103	102	1,36%	0
Rest of the World	1,387	1,391	1,375	1,376	1,382	18,39%	-5
WORLD TOTAL	**7,463**	**7,523**	**7,533**	**7,515**	**7,516**	100%	53

***Countries with area under vine of more than 100 kha**

1. SITUATION IN THE GLOBAL MARKET

Vineyard

According to figures from the ***OIV*** (International Organization of Wine and Vine), in 2016 the global vine surface area remains stable compared to 2015, being 7,600,000 hectares the total area under vines destined to produce wine grapes, table grapes or dried grapes, in production or awaiting production.

After the end of the EU program to regulate the wine production, the pace of vineyard reduction in the EU has slowed down. Between 2011 and 2012, the area of EU vineyard decreased by 54,000 hectares, while between 2013 and 2014, it only fell 19,000 hectares. By 2015, the community vineyard would stand at 3.4 million ha (26,000 ha less than in 2014). As for the non-Community vineyard, it registered a slight growth, reaching 3.5 million ha.

China is the main driving force of world vineyard growth (+17 million ha in 2016), and confirms its second place, after Spain, as a world vineyard producer.

Global Production

According to OIV estimates, 2017 global production (not considering must and grape-juice) is around 246.7 million hectoliters. Which means a decreased of 8% versus 2016.

The biggest producer is Italy, with 39.3 million hl (-23%), followed by France, with a production of 36.7 million hl (-19%) and Spain, with a production of 33.5 million hl (-15%).

Outside the EU, the United States would reach a production of 23.6 million hectoliters which is a high production, but still not reaching levels the country reached in 2013. In the southern hemisphere, there has been a fall in the wine production of countries such as Chile, and an increase in Argentina and South Africa. Thus, in 2017, Argentina increased 4.8% up to 11800 hl. Production fell in Chile, with 9.5 million hectoliters (-3.9%). Finally, in Oceania, Australian wine production in 2017 stands at 13.9 million hectoliters.

Global Wine production					
Source:OIV figures: compiled by: OeMv					
Figures (thousands hl)	**2014**	**2015**	**2016**	**2017 est**	**% s/total**
Italy	44,229	50,000	50,900	39.300	15.9%
France	46,804	47,500	43,500	36,700	14.9%
Spain	39,500	37,700	39,300	33.500	13.6%
Other EU	31,243	38,254	31,900	31,200	12.6%
EU Total	**166,232**	**165,800**	**165,600**	**140,700**	**57%**
USA	22,020	22.140	23,900	23,300	9.4%
Argentina	15,197	13,358	9,400	11,800	4.8%
Chile	10,500	12,870	10,100	9,500	3.9%
Australia	12,020	12,000	13,000	13,900	5.6%
Non EU Total	**104,002**	**104,565**	**101,400**	101,600	**43%**
GLOBAL TOTAL	**270,234**	**274,400**	**267,000**	**246,700**	**100%**

EU Production

In line with the most recent data published by the OIV, EU wine production is around 165.6 million hl, a 0.12% lower than in 2015. Wine production outside EU was around 140.7 million hl, -14.6% less than the previous year.

According To European Commission figures, up to date in September 2016, EU wine and grape juice production should reach 145.1 million hl in the 2017/2018 season, constituting a fall of a 14.4% comparing to the 2016/2017 season. The production designated to wine-making is estimated at 159.3 million of hl, of which 67.5 million hl will be intended as Protected Denomination of origin wines

(PDO/DOP, 42.4%), 34.2 million as Protected Geographical Indication wines (PGI/IGP, 22.1%), 7.1 as varietal wines with neither DOP nor PGI (4.5%), and 50.5 million as other types of wines (31.7%).

If we analyze the global production by wine type, France top the list as PDO wine producer, with 19.7 million hl, compared to Italy's 16.1 and Spain's 14.8. When it comes to PGI wines, Italian production amounts to 13.7 million hl, French production is about 12.5, and Spanish production descends to 3.9 million hl. With regards to varietal wines, those who not have PDO or PGI, Spain leads the ranking, with 6 million hl, followed by Italy (0.5 million hl) and Bulgaria (0.3 million hl).

Finally, when analyzing the category of other wines, Italy is the main producer, with 18.5 million hl, just ahead of Spain (13.1 million hl.) and France (10.7 million hl.)

European Wine production

Source: EU figures; produced by OeMv.

Country (figures in ths hl)	**2017/2018**	**% s/total**	**Var. % con 2016/2017**	**Var. % con media 5 camp. 12/18**
Italy	39,300	27.9%	-23%	-19%
France	36,700	26.1%	-19%	-17%
Spain	33,500	23.8%	-15%	-15%
Germany	8,100	5.8%	-10%	-11%
Portugal	6,600	4.7%	+10%	+4%
Rest of the EU	16,500	11.7%		
TOTAL EU	**140,700**	**100%**	**-14.4%**	**-14%**

Consumption

According to the latest OIV data, published in April 2017, world wine consumption stabilized in 2016 at around 242 million hectoliters, after the economic crisis of 2008, when it reached its peak to 250 million of hectoliters. There is a slight increase in consumption in 2016 compared to 2015.

If we analyzed country by country, United States, with 31.8 million hectoliters consumed, remains in 2016 as the world's largest consumer country of wine, with a growth of + 2.5% compared to 2015. As for China, consumption increased in 2016 (+ 6.9% to 17.3 million hectoliters). In addition to China, other countries that increased wine consumption in 2016 were Italy (+ 5.3%), the United Kingdom (+ 1.4%), Australia (+ 2.4%), Canada), South Africa (+ 3.1%), Belgium (+ 1.1%), Austria (+ 2%) and Chile (+ 4.8%).

On the other hand, there is a drop in consumption in countries such as France (-0.7%), Germany (-1.8%), Argentina (-8.3%), Romania (-4.5%), Netherlands (-2.3%), Brazil (-12%) or Sweden (-3.3%).

2. SITUATION IN THE SPANISH WINE SECTOR

Spanish wine sector is crucial, not just for its economic importance, but also for people who work in this sector, and for the role that it plays in the environmental conservation.

Vineyards

According to the OIV, Spain, with 975 million hectares devoted to the cultivation of grapes in 2016 (97.4% for winemaking, 2% for table grapes, 0.3% for raisin production and the remaining 0.3% for nurseries), remains by far the country with the largest vineyard extension in the European Union and the world. It accounts for almost 30% of the EU total area (followed by France with 23%, and Italy with 22%), and 13.4% of the world total. Its winemaking tradition goes back to Roman times, although it has not been until recent years when exporting has become a massive and widespread activity.

Spanish production

Wine production in Spain had had 7 continuous seasons of great stability of about 40 million hl (wine and grape juice combined) until the 2013/2014 season when production raised to 52 million hl, 14 million hl. more than the previous season.
In the 2015/2016 season, the FEGA (Spanish Agrarian Guarantee Fund) estimated a production of 42 million hl, a reduction of 3.3% if compared to the previous season. Of this 42 million hl, 37.2 were wine production and 4.8 grape juice production.

Regarding campaign 2016/2017, according to FEGAVI, Spanish wine and grape juice production is estimated in 40,02 million hl. From those, 15,5 million hl belong to PDO. Around 3,8 million hl are musts. So, the entire production of wine and musts has reached a total of 43,8 million hl.

The main Spanish wine production area is Castile La Mancha, with 20.99 million hl of wine production of which 9.6 are red and rose wine, and 11.40 million hl are white wine.

Vineyard Surface Area

Geographical location, climatic differences and the variety of soils make the Iberian Peninsula and our islands a privileged location to produce very different wines. All Autonomous Regions in Spain cultivate vines, and almost half of the total is found in Castilla-La-Mancha (473,331 hectares and 49.5% of planted vines), which is the geographical area with the greatest concentration of vineyards in the world, followed by Extremadura (around 83,039 hectares, 8.7%), Castile-Leon (64,473 hectares) and Community of Valencia (61,367 hectares). After these four we would have Catalonia, La Rioja, Aragon, Galicia, Murcia and Andalusia.

In any case, it seems that the vineyard area is stabilized in Spain, after years of decline. The total area of vineyards in our country in 2016 is estimated, according to MAGRAMA, in 955,717 hectares, compared to 954,659 hectares the previous year. Thus, there was a slight increase of 1,058 hectares (+ 0.1%). The highest increase was detected in Asturias, which went from 1 hectare to 3, followed by Extremadura (+ 3.3%). The largest fall was experienced by Valencia (-2.1%), Andalusia (-4.6%) and Murcia (-3.3%).

Spain has 90 production areas of quality wines with Protected Designation of Origin (PDO), of which 69 are Denominations of Origin, 2 are Qualified Denominations of Origin, 7 are registered as Quality Wine with Specific Geographical Indication and 14 are considered Single-Estate Wine. Each PDO, following the European model of production, maintain a strict control over the quantity produced, oenological practices, and the quality of the wines produced in each zone.
There are also 41 areas which are considered Protected Geographical Indication (PGI) wines.
The first authorized Denominations were approved in 1932, and they were Jerez-Xeres-Sherry, Manzanilla de Sanlúcar de Barrameda, Malaga, Montilla-Moriles, Rioja, Tarragona, Priorato, Alella, Utiel Requena, Valencia, Alicante, Ribeiro, Cariñena, Penedés, Condado de Huelva, Valdepeñas, La Mancha, Navarra and Rueda.

According to the most recent figures, 51.1% of the production will be red and rose wines and 48.9% will be white wines. The most common grape varieties in Spain are Airén (23.5%), Tempranillo (20.9%), Bobal (7.5%), Red Garnacha, Monastrell, Pardina, Macabeo and Palomino, in descending order of importance. Of these varieties, Tempranillo, Bobal, Red Garnacha and Monastrell are red, and the others are white.

Meanwhile, the domestic consumption of wine in Spain continues to offer some disquieting figures. Currently it is estimated below 20 liters per person per year, which means being at the bottom of the European list, although there has been noticed signs of recovery, with a slight growth in consumption in hotels and food in 2016.

3. BUSINESS STRUCTURE

The Spanish wine-making sector is currently undergoing an important process of modernization and updating. Because of this, since 2000, the surface-area undergoing conversion and re-structuring has surpassed 130,000 hectares, the result of an investment of approximately 800 million Euros. It is estimated that about 4,000 wineries in Spain make still wines, sparkling wines and liqueur. For the most part, these are small businesses and mostly they run on domestic capital, often family money, while a great number of them are made up of agrarian co-operatives.

You can find the following names among the major players in this sector: Freixenet, J. García Carrión, Codorníu, Arco Wine Invest Group, Grupo Domecq Bodegas, Grupo Miguel Torres, S.A, Félix Solís Avantis and Grupo Faustino.

Small wineries and co-operatives function alongside large companies, who operate in production centers in different areas, with the aim of offering greater variety. To control quality throughout the production process, some wineries have bought out or extended their vineyards, as most supply to Spanish wineries comes from other vineyards or directly from co-operatives in the form of wine. There has also been considerable investment in the building of new wineries, the improvement of facilities and machinery and the adoption of different ageing techniques to offer a wider range of quality wines, although this level of investment has dropped off in recent years with the economic crisis. It has been interesting to observe, in this context, re-launching of activity and innovation of many wineries which have been trying out different grape varieties and using local varieties to produce wines more suited to the tastes of today's consumer.

The DOC Rioja holds the highest number of registered quality wineries, (826), followed by DO Cava (419) DO Ribera del Duero (286), DO La Mancha (256), DO Cataluña (203), DO Penedés (187) and DO Rías Baixas (181).

This process of modernization has even led to the construction of new wineries, projects which have been undertaken by world famous architects. We can find in Rioja the most outstanding ones such as the new Domecq winery, the Ysios Winery (designed by Santiago Calatrava), the CVNE (designed by Philippe Maziéres), the Frank O. Gehry project for Marqués de Riscal, the R. López Heredia Shop by Zaha Hadid, or the Rafael Moneo project. Also in Navarra we can find Señorío de Arínzano by Rafael Moneo for Chivite Wineries.

It is an incredibly dynamic and highly concentrated sector; as an example, the 5 top companies together hold almost 28% of the market. There has not been much foreign investment among the major players, although joint ventures with other countries are growing to improve the opportunities of global marketing. There has also been an increase in the number of alliances between marketers to face the strong process of internationalization in which the Spanish wine sector is involved.

4. EXPORTATION

Global Exports

Global transactions are increasingly becoming more important in the wine sector. Exports have risen from 72.2 million hl, in the 5-year period 2001-2005, to 104 million hl in 2016, according to OIV estimates.

In terms of value, according to the GTA, which compiles data from the customs of various countries, the global amount of wine and grape juice exports has reached 28,792 million Euros in 2016. The global market, considered by the OIV to be the sum of all exports from all countries, has increased over the last year in terms of value by 2%. Nevertheless, the volume has fallen a 1.2% in the same period to 104 million hectoliters.

In 2017, according to GTA figures, Spain is the world's leading producer of wine and grape juice in terms of volume and the third country in terms of value, with 22.2 million hl. of production and 2,702.4 million euros respectively. The average price of Spanish wine abroad was set at 1.22 euros per liter, which means an increase of 6.5%. Despite that, it is still much lower than the rest of the main supplier countries, whose price average is 2.89 euros per liter.

Spain is followed by Italy as the second largest supplier in the world, with 21.3 million hectoliters exported in 2017. However, France is again the main exporter in terms of value, with 8.778,7 million turnovers (+5.6%), followed by far by the 5,814.2 million euros sold by Italy (+6.5%). In volume, France exported 14.5 million hectoliters, far from Italy and Spain, which means a much higher average selling price. In 2017, French export wine price was 6.07 euros per liter, the highest among the twelve major suppliers worldwide. The difference is even greater when we compare to the average prices of its main competitors, Italy (€ 2.73/l.), and Spain (€ 1.22 l.).

The sum of Italy, Spain and France accounted for 55.7% of the volume and 57.6% of the total value of wine and grape juice exported worldwide in 2017. But, ¿how did they evolve from the previous year? Spain leads the decline in volume sales (-5.8%); however, it is still the world leadership country in volume sales, with a drop in bulk, but with an increase in average sales prices, with has increased its turnover for its wine exports.

Italy, on the other hand, increases its exports in volume, with a strong increase of its sales of sparkling wines. France also increased its turnover last year, thanks to the champagne up to 467,5 million euros.

After these three major European producers, Chile and Australia rank fourth and fifth respectively, both in value and volume. USA ranks sixth in value while South Africa, with much more wine but cheaper, ranks sixth in volume.

Chile's wine exports decreased -0.7% in volume and 4.8% in value in 2017, with a increase in its average prices. In the case of Australia, it sold 60.6 million liters more, invoicing 206.2 million euros more, increasing its average price by 5.6%.

USA decreased their volume sales (-6.5&) and in value (-2.7%).

Germany decreased its sales both in value and volume (-0.6% and -2.7%, respectively) in 2017, with prices a bit higher.

New Zealand is the second country after France with the highest average prices of the group, increasing its sales compared to previous year both in value (+15,4%) and volume (+18,6%).

Finally, Argentina losses in volume (- 3.8%) and gain in euros (+5%), while South Africa increased its volume and prices values.
In summary, Spain maintained in 2017 the world leadership in volume sales, despite reducing its exports by the fall of the sales of bulk wine, and increased its turnover, as the average price increased.

Spanish Exports – First semester 2017

According to OEMV, during first semester of 2017, Spanish exports of wine fell in volume (-0.7%) with an increase in value of 6%. In absolute terms, Spain exported 1,115.7 million liters, worth 1,320.7 million euros. The average price rose from 1.11 to 1.18 euros per liter.
Spanish wines fall in volume exported was mainly caused by the drop in bulk wines without indication. That fall was not compensated by the good performance of PDO wine bottled, wines with protected geographical indication, and semi-sparkling wines.
By products, bottled liquor wines decreased their sales in value in first semester of 2017 by 17% (22.4 million euros), although they suffered a loss of 18.1% in volume (6.8 million liters). They also experienced an increase of the average price, reaching 3.27 euros per liter.
Spanish exports of sparkling wine up to June 2017 increased by 24.3% in volume and 10.5% in value, reaching 84.3 million liters and 193.6 million euros, respectively. Decreasing 11.1% down to 2.30 euros per liter.

Spain increased the exports of still bottled wines on the first semester 2017 by 4,8% up to 818,1 million euros and representing 61,9% of the total value of Spanish exports. In volume, the increase was a 5,4%up to 397,2 million liters, 35,6% of total amount and with a slightly drop of -0,5% of price down to 2,06 euros per liter.
If we analyze the different wines subcategories, the PDO (Protected Designation of Origin) wines were the leaders of the Spanish exports, reaching 598,7 million euros in value (+3,3%), and 175,8 million liters (+0,5%), with an average sale price of 3.40 euros per liter. By colors, red and rose are still far much ahead of white wines.
United States has become the main destination for still bottled wines followed by United Kingdom and with very interesting growth for Canada. Also, sales to markets such China, France and Italy are on a very good path.

Hence, wine exports figures on first semester of 2017 are accomplishing the best results ever in value terms, with more than 1,320 euros in sales, despite the volume suffered a small reduction down to 1,115,7 million liters. Thus, an increase of average price by 6.7%.
Still bottled wine exports grow in value and volume on all categories, while bulk wine produced more revenues despite falling in liters in an excellent semester for spirituals.
In absolute terms, exports went down by 7.8 million liters whilst invoicing almost 75 million euros more than first half of 2016.