

Economic, social and environmental importance of the wine sector in the EU

REPORT

Aprile 2024



Report prepared for:

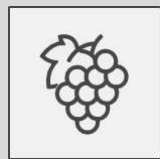
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Comité Européen
des Entreprises Vins

The European Union (EU) has developed a complex value chain that involves different economic sectors and accounts for 62% of the world's total wine production

Wine value chain

Economic sectors | Market value¹ (B€)



**Viti-viniculture
(Agriculture)**

€29.4 B
Production value²



**Winemaking
(Industry)**

€50.3 B
Sold production³



**Commercialization
(Services)**

€100.3 B
Market size⁴

Main activities involved

- Vineyard care and management
- Grape harvesting
- Agricultural on-holding wine production using self-harvested grapes

- Wine production using not self-harvested grapes
- Crushing and fermentation
- Bottling, aging and maturation

- Distribution
- Retail sales
- On-trade consumption

The market value of each sector in the value chain incorporates the market value of the preceding sector. For example, the market value of commercialization encompasses the market value of winemaking.

62%

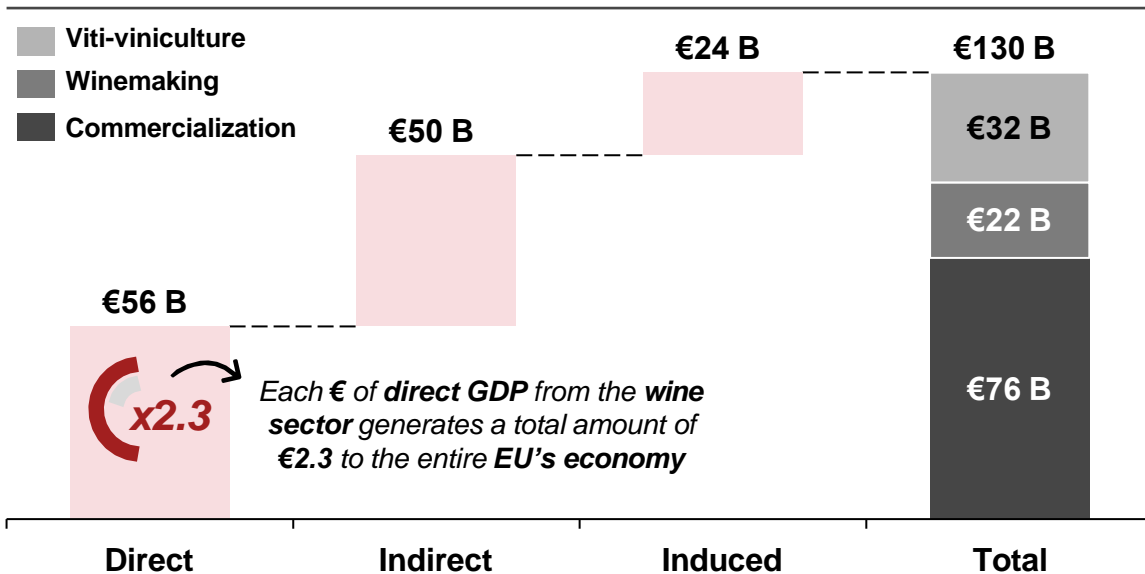
The **EU** is responsible for **62%** of global wine production volume⁵



(1) The market value represents the total revenue estimated or generated by each activity within the value chain. This can encompass the estimated value of production (in the case of viti-viniculture), the actual value of sold production (in winemaking), or the turnover generated through on-trade and off-trade sales channels (in commercialization). (2) Source: Eurostat – Economic Accounts of Agriculture, (3) Source: Eurostat Statistics on the production of manufactured goods, Value of sold production, (4) Source: Statista, (5) Source: OIV. World production accounted for 258 Mhl in 2022

In 2022, the wine sector in the EU contributed 130 billion euros to the Gross Domestic Product (GDP), equivalent to 0.8% of the EU's GDP

Wine sector contribution to EU's GDP in 2022 (€ Billion)



€130 billion
Wine total contribution to EU's GDP (2022)

Equivalent to

- **0.8%¹ of EU's GDP:** The economic activity generated by 125 Wine sectors would be equivalent to the whole economy of the EU
- **47.9%² of EU's Primary sector:** The economic activity generated by the EU Wine sector is equivalent to almost half of the total agriculture, forestry and fishing Gross Value Added inside the EU
- **9.7%³ of Spain's GDP:** The economic activity generated by 10 EU wine sectors would be comparable to the size of Spain's economy

Wine exports

€15.9 billion
positive trade balance⁴

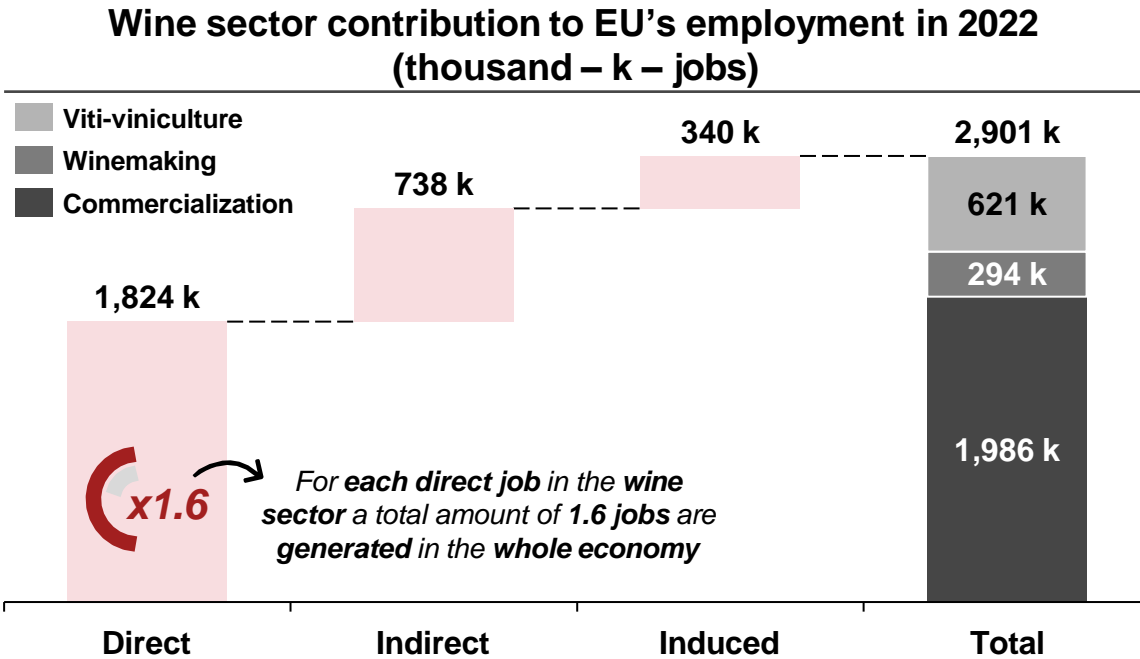
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The wine produced in the EU generates a strong demand from abroad...
3.7%
Without wine, trade deficit of the EU in 2022 would have been 3.7% higher

2nd
Wine was the second most exported EU agri-food product by value during 2022⁵

Source: PwC estimates using Input-Output Methodology, Eurostat and Statista data
 (1) Source: Eurostat National Accounts GDP current prices for EU-27 in 2022. (2) Source: Eurostat Gross value added by industry current prices for EU-27 in 2022 (3) Source: Eurostat National Accounts GDP current prices for Spain in 2022 (4) Source: Eurostat International trade in goods with Extra-EU countries. (5) Source: European Commission *Monitoring EU AGRI. FOOD TRADE* March 2023

In terms of employment, the wine sector generated a total amount of 2.9 million jobs in 2022, which represents 1.4% of EU employment¹



2.9 million
Wine total contribution to EU's employment (2022)

Equivalent to

- **1.4%¹ of EU's employment:** The employees associated with 71 EU wine sectors are equivalent to the total jobs in the EU
- **20.3%² of EU's Construction employment:** The associated employment of 5 EU Wine sectors is comparable to the total number of construction employees within the EU
- **11.3%³ of Italy's employees:** The employment generated by 9 EU wine sectors would be on par with the total employment in Italy

Labor productivity⁴ of wine is higher than that of its counterparts at every stage of the value chain...

<p>Viti-viniculture +90% vs crop and animal production</p>	<p>Winemaking +16% vs manufacturing</p>	<p>Commercialization +5% vs food and beverage activities</p>
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➔ **Additionally, wine farms are 15% more profitable than the average farm in the EU**

Source: PwC estimates using Input-Output Methodology, Eurostat and Statista data
 (1) Source: Eurostat Employment for EU-27 in 2022. (2) Source: Eurostat employment by industry breakdowns for EU-27 in 2022. (3) Source: Eurostat Employment for Italy in 2022. (4) Labor productivity measured as GVA per employee. The values for counterparts were collected from Eurostat.




Rural areas in the EU, which have experienced a notable decrease in population, account for almost half of the territory. Vineyards, given its socioeconomic impacts, play a crucial role revitalizing them






Population in rural areas¹ in 2022

92.9 million people



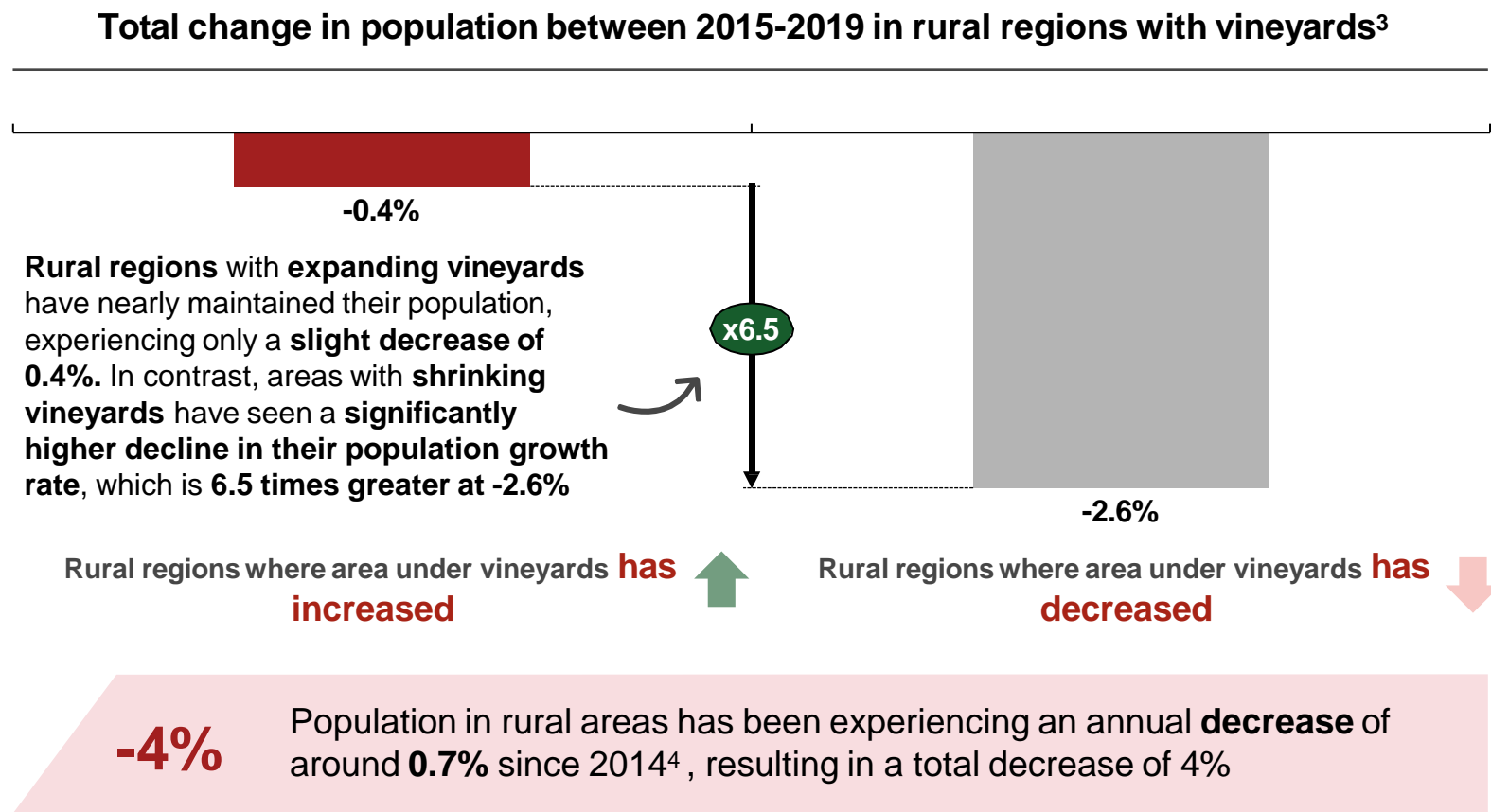
Total surface covered by rural areas¹ in 2022

1.9 million km²



Total surface covered by vineyards² in 2020

31.8 thousand km²



(1) Source: Eurostat classification of NUTS3 regions using population living in urban clusters or rural grid cells, (2) Source: Eurostat, (3) Source: PwC analysis using Eurostat data. (4) People from 0 to 64 years old. Source: Eurostat: Population by broad age group, sex and other typologies. Population for Predominantly rural regions, Estonia, Italy and Croatia don't report data until 2021,



Wine tourism promotes and develops rural areas in the EU, acting as an economic catalyst for generating economic value in related activities

Wine tourism is a key element for social and cultural promotion of rural areas because:



...increases the **status of those rural areas** converting them into premium destinations for potential tourists



... contributes to **develop the rural areas**, create jobs and an opportunity to stay for young adults



...promotes other regional cultural values, such as **gastronomy and local special products**

Key figures of the wine tourism sector



36 Million

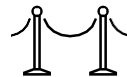
Almost 36 Million people visited areas surrounding vineyards looking for experiences around wine during 2022¹

During their journey people **take pleasure in exploring the rural landscape** and its rich social and cultural traditions, generating revenues for the local businesses



€1.1 Billion

More than € 1 billion of estimated spending in wineries and wine museums visits in 2022 in the EU²



Visit of wineries and wine museums



Visit of vineyard's suitable areas

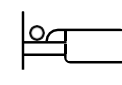


€15 Billion

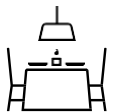
Including also related activities, total revenue of wine tourism in the EU reached 15 Billion euros in 2022³



Tour guides



Rural accommodation



Local gastronomy discovery

(1) Estimates from different sources and sometimes with different definition of a wine tourist, for countries with no information PwC estimated the number of tourists using the number of vineyard's hectares in production and average visitors per hectare in other European countries Sources: Atout France, ACEVIN (Spain), Portuguese secretary of state for tourism, Geisenheim University and Wines of Germany, Città del Vino (Italy). (2) Estimates using information available for Spain (ACEVIN) , then extrapolated to the rest of the EU. (3) Estimates using information available for Germany, Italy and France and then extrapolated to the rest of the EU given estimated wine tourists. Sources: Atout France, Geisenheim University and Wines of Germany and Città dl Vino.



The wine sector contributes over 1.1 billion euros to Research and Development (R&D) investment in the EU, equivalent to 0.3% of the total EU's R&D¹







€1.1 billion

Wine total contribution to EU's R&D (2022)


The **wine sector directly** contributes to R&D and innovation through different areas of study²:




Viniculture




Wine economy




Processes



Product

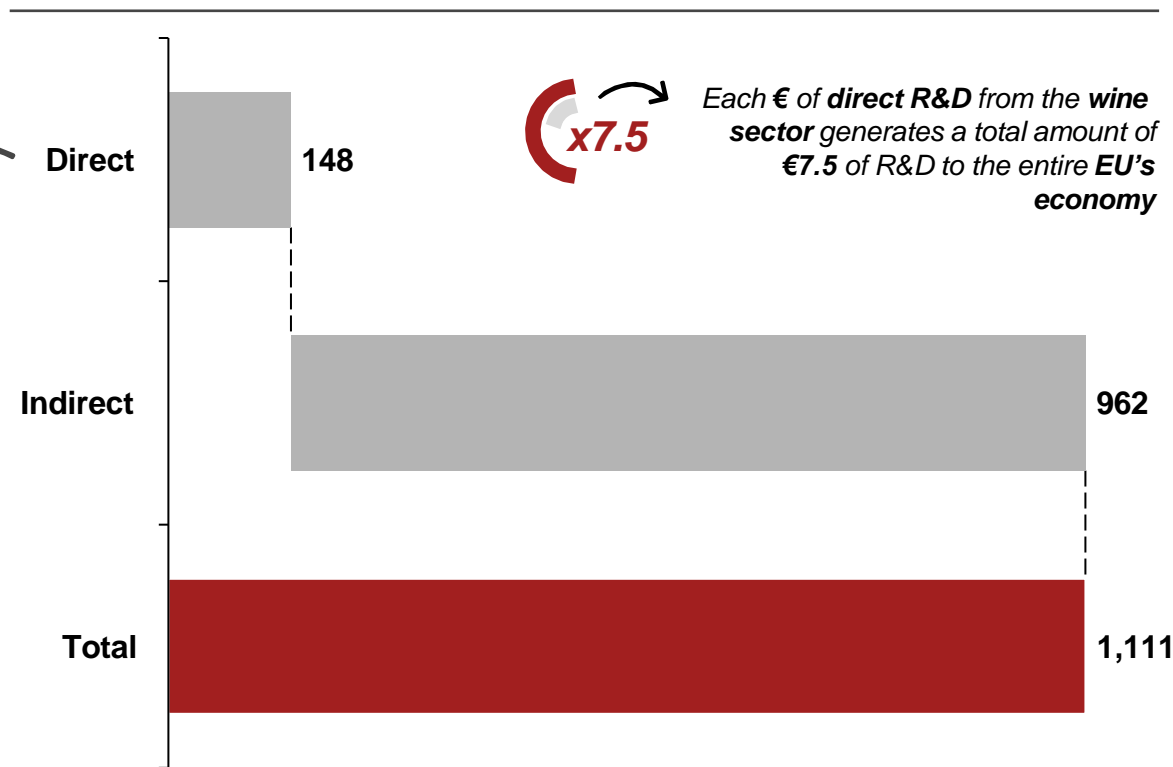


Sustainability



Health

wine sector contribution to EU's R&D in 2022 (€M)



Source: PwC estimates using Input-Output Methodology, Eurostat and Statista data
 (1) Data from the European Commission for 2021 (€331 billion). (2) Source: Wine Technology Platform areas of study in Wine research projects (PTV)



In addition, the wine sector contributes to the sustainability of the EU environment by boosting biodiversity, limiting soil erosion, improving water management and proving fire protection



Main areas of wine sector contribution to the EU environment



Boosting biodiversity¹

X3 plant species

+50% butterfly species

X4 bee species



Limiting soil erosion²

Covering crops in vineyards reduce soil erosion by up to **8 times** compared to traditional tilling



Improving water management¹

25% to 35% water savings

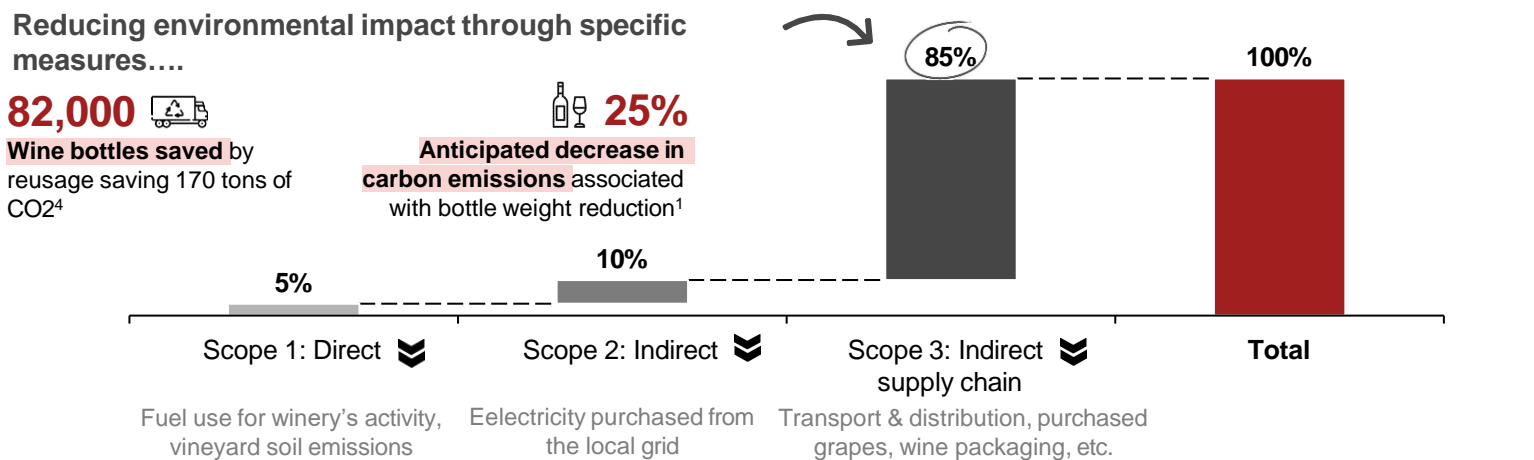


Providing fire protection³

Vineyards have an average flammability **x5** lower than average cereal crops

In addition to its EU environmental contribution, the EU wine sector have already **taken action to mitigate their greenhouse gas emissions**, identifying the **sources of emissions** and defining **concrete actions** to reduce them

Distribution of GHG emissions in IWCA winery members by scope⁵ (%)



While the wine sector is taking **significant steps towards environmental sustainability**, it also requires support and funding to **adapt to a warming world and combat extreme weather events**

Projected impacts for EU's wine sector⁶



10 – 40 Days of anticipated phenological phases of grapevine

Days of anticipated phenological phases of grapevine



8 tons

Up to 8 tons per hectare of yield loss projections for some wine regions in the EU

(1) Source: European Commission Cineac "How wineries are adapting to a warmer world" (2) NEIKER technology centre (Instituto Vasco de Investigación y Desarrollo Agrario). (3) Pagadala, T., Alam, M. A., Maxwell, T. M., & Curran, T. J. (2023). (4) Source: European Commission Cineac "How wineries are adapting to a warmer world" (5) Source: International Wineries for Climate Action GHG inventory (6) Source: Droulia, F.; Charalampopoulos, I. (2021),



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