Ouverture de "Wine Global Competition. Emerging Issues" *

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Abstract

The global wine market is undergoing a profound transformation, after years of stable behavior that, however, heralded the perfect storm unleashed in recent years. For a careful observer, the seeds of change have been there for many years, as the contributions collected in this volume demonstrate. The authors present the evolution of supply, demand, and trade in international wine markets for each of the main wine-producing countries — the United States, Australia, Spain, France, and Italy — and analyze the causes of this change and potential economic intervention policies.

Keywords: Wine Global Crisis; Global Competition, US; EU, Australia; Wine Markets, Economic Cycles, Global Demand Evolution.

1. In Memoriam of Silvio M. Brondoni

Silvio Mario Brondoni, professor of Market-Driven Management, passed away on the 29th of July 2025. He was the founder of Symphonya. Emerging Issues in Management and he was the backbone of this journal, serving as a charismatic Editor-In-Chief from 1999 to 2025. He led our academic community with inspiration, vision and untiring commitment, and he consistently ensured the continuous high quality and international reputation of Symphonya. Under his leadership, 52 overtures and 385 articles were published, written by 106 full professors, 91 associate professors, 158 researchers, 93 business managers or high-level officials from 130 worldwide universities and 83 prestigious companies and institutions. Thanks to his forward-looking approach, Symphonya has become a leading publication in the field of Global Management, championing rigorous research and fostering an environment of intellectual curiosity and collaborative

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inquiry. Silvio Brondoni obtained Symphonya's indexation in DOAJ and ABS/AJG in 2018, giving an additional boost to the global dimension of the journal and gaining an exponential growth in the numbers of readers and prestigious contributing authors from across the world. He created an influential, open-access platform that bridged the gap between academia and professional practice, implementing a pioneering open-access model, moving away from proprietary models that restrict access only to paying subscribers. By building a global, interdisciplinary platform, Silvio Brondoni challenged the prevailing academic culture, which often focuses narrowly on specific theoretical frameworks or local contexts rather than on the integrated and complex nature of global management. He envisioned management consulting as an important bridge between academia and business and actively sought contributions that would appeal to both academic researchers and professional managers, spreading his firm belief that high-quality research should offer concrete insights for companies operating in a context of growing global competition. Thanks to his invaluable contribution, Symphonya has become a primary vehicle for disseminating research on critical, real-world issues such as the concept of 'Oversize Economy' as the new paradigm for global competition (Brondoni, 2019; 2020; 2021), market-space management (Brondoni, 2008; 2012), the impact of digital communication on business-market relations (Brondoni, 2006; 2025), the intersection of innovation and imitation in corporate strategy (Brondoni, 2012; 2015), and sustainability (Brondoni, 2010; 2014).

Silvio Brondoni has been an eminent Maestro recognised for his high integrity, determination and freedom of thought. He will remain a guiding light for understanding the evolution of business in global competition and a powerful source of inspiration for many generations of scholars and professionals to come.

The current issue on global wine competition was conceived and guided by Prof. Silvio M. Brondoni together with Prof. Davide N.V. Gaeta. It represents his last important academic legacy. He remained committed to the publication of this volume until the very end, giving his generous advice on how to organize and structure the contributions from authors involved. Regrettably, he passed away before being able to finalise his own.

2. Wine Global Competition vs Global Crisis?

The global wine market is currently experiencing a significant reconfiguration, emerging from a prolonged period of apparent stability that masked the convergence of destabilizing forces. As the analyses in this volume demonstrate, the weak signals predicting this environmental turbulence were detectable well in advance of the current disruption. The imbalance between supply and demand in the main European wine-producing countries, for example, has persisted for over thirty years. Likewise, demand had long been showing signs of profound transformation in all consumer countries, albeit less evident. Certainly, the COVID-19 pandemic has impacted the drinking behaviour of Latin European wine consumers, which has amplified the distorting effects on demand (Dubois et al., 2021). As a partial consequence of the above, the growth of global competition and the saturation of numerous demands have led many markets to a planned oversupply, exposing weaker competitors to the risk of disappearing (Brondoni, Risso, 2024). More recently, this exacerbated trend of oversupply has appeared disconnected from broader social and economic macro-problems. The cyclical nature of economic activity helps explain variations in wine consumption on the demand side. Although global consumption today is higher than it was in the mid-1990s, it has remained stagnant since 2010 – coinciding with the Great Financial Crisis – and has recently declined. There are many reasons, not yet completely understood, such as a progressive trend towards reduced wine consumption due to health concerns, religious reasons, and changing habits. This has led to demand for alcohol that is more closely tied to social occasions, often used in mixology or with sparkling cocktails. In the U.S., as Alston et al. (2025) explain in the present issue, differences in demand by age and changes in the demographic structure are likely contributors to the waning U.S. and worldwide demand for wine. In the United States, aging baby boomers may be consuming less per person but spending more per bottle of wine. Younger generations may not be consuming alcohol at the same rate as baby boomers did at the same age. Consume different types of alcohol, especially wine coolers and hard seltzers.

Analysing the last 60 years of global wine consumption, Anderson and Pinilla (2022) and Cardebat (2025) highlight a linear downward trend in wine consumption by volume. Economic activity is by nature cyclical, and the importance of these cycles is evident in the wine consumption data by volume from 1960 to 2023. The cycles show:

□ *Global consumption has not fallen continuously since the post-war period. For example, global consumption today is higher than it was in the mid-1990s.*

□ *Nor has it been rising steadily since the 2000s. The increase in the average price of exports over this period suggests that consumption is rising, as the value of wines consumed is increasing. This partly masks the stagnation in 2010, followed by a decline in consumption.*

□ *This underscores a fundamental trend towards premiumization. It reflects the idea that, on average, consumers are drinking less in terms of quantity but better in terms of quality, and therefore more expensive wines.*

This implies that future consumption cycles will see a shift towards different wines and different consumers compared to the current cycle. We therefore need to be particularly attentive to the weak signals that could guide this future consumption. The key lesson to be learned from this trend towards premiumization is that strategies must be geared towards a high-value proposition for the consumer.

Consumers are prepared to pay more for wines that offer a memorable experience, and it is the brand that conveys this value. Premiumization, therefore, benefits strong brands which, by their very nature, offer customers a high value proposition.

3. Public Intervention and Wine System Support

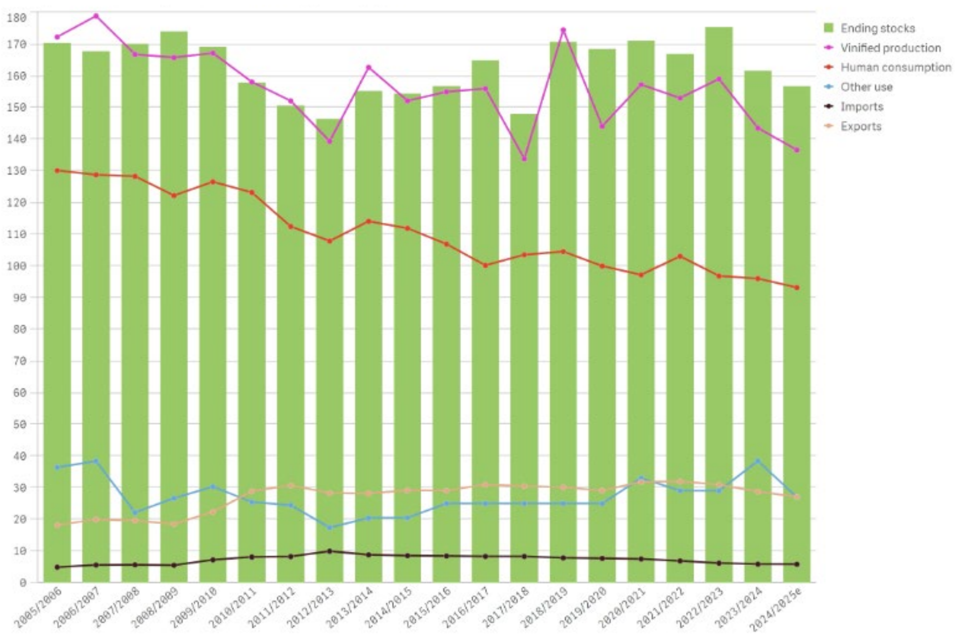
Regarding public support for addressing the imbalance and mitigating the risk of weaker competitors disappearance, major wine-producing countries have approached the supply-demand mismatch in various ways. Concurrently, wine production has faced a "perfect storm" of events in a short period. These events are transforming the key variable of wine economics and generating rapid changes in the global competitive landscape. Critical factors include climate change, inflation in Europe, which has raised production costs by more than 20%, making price increases irreversible. This situation is compounded by an international landscape of conflict and geopolitical risks, as well as a tariff battles that heighten the industry anxiety.

The EU wine sector has been characterized for decades by interventions linked to income and price support. Despite this support – or perhaps because of it – the market balance between production and consumption has remained unbalanced. Indeed, European wine production, and Italian wine in particular, has consistently exceeded demand, resulting in significant stockpiles (see Figure 1), despite the progressive reduction in vineyard areas. This is due partly to natural factors and partly due to structural market imbalances. Production has been relatively steady over recent years, hovering around 150-160 million hectolitres, with only the last year appears to have seen a strong decline. At the same time, consumption in Europe decreased from 130 to 100 million hectolitres. While exports increased from 20 million to 30 million hectolitres, this growth was insufficient to compensate for the domestic shortfall. Consequently, stocks remain relatively steady at around 170 million hectoliters. The question remains: is it too much?

Furthermore, the nature of this excess supply has shifted, moving table wines to wines with designations of origin.

This imbalance has persisted for at least the last 20 years, despite various attempts by the EU wine policy to reduce these inefficiencies. Measures have included mandatory grubbing-up of vineyards, various forms of preventive and crisis distillation, yield reductions per hectare through production regulations, and the introduction of regional authorizations for new plantings to replace the distorted mechanism of selling planting rights (Alston & Gaeta, 2021). Additionally, significant interventions are being implemented to boost demand through promotional measures in third-party countries, as well as varietal restructuring and conversion measures to benefit the market. However, these efforts have largely been in vain, leaving the market in a distorted state of pseudo-equilibrium. The situation appears to have deteriorated significantly over last two years.

Figure 1: *EU wine production, consumption, trade and ending stocks by year.*



Source: European Commission (2025).

Within the European Union, aid to the wine sector is governed by the Common Agricultural Policy (CAP) through the National Support Programs of each member state. Corsinovi and Gaeta (2017) interpret shifts in expenditure through three policy phases: (1) a focus on price and income support with consequences for supply management and surplus disposal; (2) a continued focus on supply, but shifting emphasis towards increasing overall quality to improve global competitiveness and reduce the cost of supporting unprofitable table wines; (3) a focus on demand enhancement through quality improvement and product promotion. In the most recent year, the EU allocated approximately 1.061 billion euros annually, with Italy, France, and Spain collectively accounting for 79% of the total wine support. Support is focused primarily, on vineyard restructuring and conversion (approx..50%), on winery investments (22%), and foreign market promotion (18%) (Gaeta & Corsinovi, 2014).

Italy is the largest beneficiary of the EU wine funding, averaging EUR 320-324 million per year. The key components are 144 million euros for vineyard restructuring and conversion, 58 million euros for winery investments, and 98 million euros for foreign market promotion. In addition to this, France's strategic plan harbors the ambition grub up 100,000 hectares of vines (out of a total of 750,000 ha) to adjust production potential to wine demand.

The approach to market support and winemaking businesses in non-EU countries has been, and remains, significantly different. In these regions, aid is extremely limited in both budget and scope. Typically, it focuses on the research, development and innovations, rather than market intervention or demand support seen in the EU wine system.

Australia's wine industry crisis is arguably more severe than that of most other countries due to two major domestic shocks, in addition to the global issues affecting producers everywhere. The first is recent: the unilateral imposition of prohibitive tariffs on Australian wine imports by China from December 2020 to March 2024. The earlier shock was a set of supply-side changes beginning in the 1990s, triggering a trebling of Australia's winegrape bearing area in less than a decade. This led to an over-supply problem in the early 2010s: Australia's share of the global value of wine exports, which rose from 0.1% in the early 1980s to 10% by 2005, plummeted to below 6% by 2012 and to 3% by 2023 (Anderson & Pinilla, 2022).

Regarding the overall landscape of public support, Europe remains the global leader in direct public funding, ensuring structural stability and sustainability. Conversely, the United States and Australia emphasize competitiveness through tax-based and innovation-driven models, while Latin America and Asia focus on regional investment and support for small producers.

The market support model, particularly in the European case, appears ineffective. Indeed, it has generated distortions and failures that appear neither easy nor quick to resolve. The intervention model requires revision; however, the debate between controlling supply (through grubbing-up, for example) and expanding demand remains uncertain and unresolved among supply chain stakeholders.

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