



CIII-ECOMAR 2024-04 CR_EN

COMMISSION III “ECONOMY AND LAW”

“ECONOMIC ANALYSIS, MARKETS AND CONSUMPTION”

EXPERT GROUP

Proceedings report of the 9th session

Date: 3 April 2024

Place: hybrid meeting

- Salle de Métropole, 40 Avenue du Drapeau, Dijon
- Kudo videoconference

International Organisation of Vine and Wine
Intergovernmental Organisation
Created on 29 November 1924 • Restructured on 3 April 2001

12, Parvis de l'UNESCO • 21000 Dijon
+33 1 44 94 80 80
contact@oiv.int • www.oiv.int

OIV



SUMMARY SHEET OF THE WORK OF THE SUB-COMMISSIONS AND EXPERT GROUPS

Expert Group: ECONOMIC ANALYSIS, MARKETS AND CONSUMPTION

Date: 04/04/2024

Number of experts present in the room: 25

Number of participating countries and observers in the room: 15 countries, 1 observer

Number of experts present via KUDO: 32

Number of countries and observers participating via KUDO: 20 countries, 2 observers

I/ Resolutions

Document	Step	Topic	Follow-up (procedure step)
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N/A

II/ Organisation and Framework of the OIV expert Groups

Ref. SP	Document	Subject	Follow up (step of the procedure)
	CIII-ECOMAR 2024-04 3	Organisation Framework of the ECOMAR Group and the Presentation of the Mandate of ECOMAR Group- OIV Secretariat	<p>The Head of Economy and Law presented the mandates and orientations of the ECOMAR Group. ECOMAR's way of working has changed over the last year with more official actions and less presentations.</p> <p>It was also evoked that since the last years ECOMAR is working in several actions in order to respond to its mandates.</p>



CIII-ECOMAR 2023-03 CR_EN

III/ Ongoing Actions

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Ref. SP	Document	Subject	Follow up (step of the procedure)
	CIII-ECOMAR 2024-04 3	Organisation and Framework of the ECOMAR Group <ul style="list-style-type: none">✓ Presentation of the Mandate of ECOMAR Group- OIV Secretariat	<p>The Head of Economy and Law presented the mandates and orientations of the ECOMAR Group. ECOMAR's way of working has changed over the last year with more official actions and less presentations.</p> <p>It was also evoked that since the last years ECOMAR is working in several actions in order to respond to its mandates.</p>
199	CIII-ECOMAR 2024-04 4.1	COVID 19 – Economic Analysis, Markets and Consumption <ul style="list-style-type: none">✓ Expertise Collective Document: Current State, objectives and deadlines.✓ Presentation of coordinator and OIV secretariat	<p>Expertise Collective Document: Current State, objectives and deadlines</p> <p>The President of the Group and the Head of Unit presented a proposition to include the work done about the impact of COVID 19 on the topic of Resilience (next point).</p>
288	CIII-ECOMAR 2024-04 4.3	Resilience in the vitivinicultural sector <ul style="list-style-type: none">✓ Presentation of coordinator and OIV Secretariat✓ Document based on the work of COVID 19 impacts	<p>The President of the Group and the Head of Unit presented a first draft document that mains to address a general question on the resilience of the vine and wine sector facing crises like Covid 19 or Ukraine's war.</p> <p>The eWG have to be updated, to present a draft document based on the work done the last years.</p>
262	CIII-ECOMAR 2024-04 4.4	Valorisation of the works undertaken by ECOMAR experts <ul style="list-style-type: none">✓ Presentation of the coordinator and the OIV Secretariat	<p>The vice-President presented the objective on valorisation of presentations showed during ECOMAR meetings in the form of an abstract, the next steps and calendar for 2024/2025.</p> <p>This year's ECOMAR meeting will have 60 minutes for presentations, which means a maximum of 3 or 4 topics for a selection.</p>
284	CIII-ECOMAR 2024-04 4.5	Wine Tourism	<p>This point was introduced by a Presentation of UNTWO on the definitions of wine tourism.</p> <p>The vice president presented the main objective on the creation of an OIV collective expertise document to provide the wine tourism sector with basic, state-of-the-art terms, definitions and concepts. It was decided Coordinate with OIV Working Group on the definition of Wine Tourism</p>



			These should support an international standard and the development of wine tourism related offers worldwide.
286	CIII- ECOMAR 2024-04 4.6	Technical Barriers to Trade in the vitivinicultural sector	<p>The Head of Economy and Law Unit presented the main outcomes regarding the Vine and Wine World Trade Forum (VWWTF).</p> <p>The executive report is available and it will be published on the OIV website.</p> <p>The eWG was officially created and it has to decide the next steps and topics to address based on the Action Plan established by the VWWTF.</p>
287	CIII- ECOMAR 2024-04 4.8	Value chain in the vitivinicultural sector	<p>This point was introduced by a presentation of two experts of Switzerland and Argentina. On the topic of: "The Vine and Wine Industry: Drivers and Patterns of Global Transformation".</p> <p>The OIV secretariat presented a first draft document the calendar and next steps for 2024 and 2025.</p>
91, 93, 94, 96 and 134		<p>Presentations on:</p> <ul style="list-style-type: none">✓ Externalities from vitivinicultural sector: Origins, Inventory (positive and negatives), Measures, etc.✓ Risks in the sector: Definition and principles, types of risks, impacts and evaluation✓ Innovation and Digitalization on the vitivinicultural sector: Challenges, needs, tools, etc.✓ Dealcoholised (nolo) wines, organic/natural wines and sparkling wine consumption	<p>France presented two topics:</p> <p>Logistic focus and carbon footprint of the vine and wine sector, with a general vision by main consumers and producer countries.</p> <p>The risks linked to tariff sanctions: The example of the Chinese investigation into European wine spirits</p> <p>Italy presented a work about the Exploring digital marketing strategies for Italian wine brands in the Chinese market.</p>



III. Request for additional information or opinion (statistics, economy, legal, technical, health)

Information	Source
Request	Recipient

Presentations other than point II

Author	Country	Topic	Follow-up
Anika Zorn Richter- OIV Fellowship		Presentation of Anika Zorn Richter – OIV Fellowship The role of knowledge transfers for building regional economic resilience: The example of winegrowing regions in the context of climate change	
Nicolas Depetris Chauvin and Antoine Pinède International Business Management- HES-SO/HEG-Genève		Presentation Nicolas Depetris Chauvin and Antoine Pinède International Business Management- HES-SO/HEG-Genève The Vine and Wine Industry: Drivers and Patterns of Global Transformation	
Rafel del Rey	Spain	Evolution of World Wine Trade Rafael del Rey- Spanish Observatory of Wine Markets	

**Items on the agenda for the next session (without prejudice to subjects which may be added later)**

Author	Country	Topic	Follow-up
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Other items

Author	Country	Topic	Follow-up
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Point information

Transversal actions between other Commissions and expert groups, and particularly with the SUSTAIN group

Electronic working groups

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Date: 03/04/2024

Name and signature of the person(s) who drafted the sheet

Ms. Françoise Brugière

President of the ECOMAR Expert Group
[original signed]

M. Alejandro Fuentes Espinoza

Head of Unit "Economy and Law" [original signed]

**AGENDA****9th meeting****Wednesday 3th April 2024: 9h00 – 13h00 14h30 – 18h00 (UTC+2) (Paris Time)****Salle de Métropole, 40 avenue du Drapeau. 21000 Dijon****Visio-conference KUDO**

Agenda	Item	Working paper	Reference OIV Working Plan	Time available (minutes)
1.	Adoption of the agenda	CIII-ECOMAR 2024-04 OJ		5 minutes
2.	Approval of the statement of conclusions of the last expert group session	CIII-ECOMAR 2023-04 CR		5 minutes
3.	Organisation and Framework of the ECOMAR Group ✓ Presentation of the Mandate of ECOMAR Group - OIV Secretariat			15 minutes
4.	Ongoing actions			
4.1.	COVID 19 – Economic Analysis, Markets and Consumption ✓ Expertise Collective Document: Current State, objectives and deadlines. ✓ Presentation of coordinator and OIV secretariat		199	30 minutes
4.2.	Presentation of Anika Zorn Richter – OIV Fellowship ✓ The role of knowledge transfers for building regional economic resilience: The example of winegrowing regions in the context of climate change			30 minutes
Coffee Break				30 minutes
4.3.	Resilience in the vitivinicultural sector ✓ Presentation of coordinator and OIV secretariat ✓ Document based on the work of COVID 19 impacts		288	30 minutes



4.4.	Valorisation of the works undertaken by ECOMAR experts <ul style="list-style-type: none"> ✓ Presentation of the coordinator and OIV Secretariat ✓ Next steps and calendar for 2024 		262	20 minutes
4.5.	Wine Tourism <ul style="list-style-type: none"> ✓ Presentation of UNTWO. ✓ Working document: Definition and General Principles of Wine Tourism 		284	30 minutes
Lunch				90 minutes
4.6.	Technical Barriers to Trade in the vitivinicultural sector <ul style="list-style-type: none"> ✓ Presentation of OIV Secretariat regarding the Vine and Wine World Trade Forum (VWWTF). ✓ Follow-up and next steps regarding monitoring of regulation affecting trade. 		286	45 minutes
4.7.	Presentation Nicolas Depetris Chauvin and Antoine Pinède - International Business Management - HES-SO/HEG-Genève “The Vine and Wine Industry: Drivers and Patterns of Global Transformation”			20 minutes
4.8.	Value chain in the vitivinicultural sector: <ul style="list-style-type: none"> ✓ Presentation of draft document by the OIV Secretariat. ✓ Follow-up and next steps 		287	30 minutes
Coffer Break				30 minutes
5.	Questions and or topics arising from the Working Plan: presentations by experts			
5.1.	Evolution of World Wine Trade <ul style="list-style-type: none"> ✓ Rafael del Rey - Spanish Observatory of Wine Markets 			30 minutes
5.2.	Presentations on: <ul style="list-style-type: none"> ✓ Externalities from vitivinicultural 		91, 93, 94, 96, 134	60 minutes



	<p>sector: Origins, Inventory (positive and negatives), Measures, etc.</p> <ul style="list-style-type: none">✓ Risks in the sector: Definition and principles, types of risks, impacts and evaluation.✓ Innovation and Digitalization on the vitivinicultural sector: Challenges, needs, tools, etc.✓ Dealcoholised (nolo) wines, organic/natural wines and sparkling wine consumption			
7.	Point information Transversal actions between other commissions and expert groups, and particularly with the SUSTAIN group.			10 minutes
8.	Proposals for future works			10 minutes
10.	Any other business			5 minutes



INTRODUCTION

The ECOMAR Expert Group held its 9th session on 03/04/2024 in the form of a hybrid meeting, in Dijon and via videoconference. The session was opened by Françoise Brugière, President of the Group and Gergely Szonoky, Vice-President.

A total of 57 delegates and experts from 20 Member States and 2 observers organisations attended the meeting (32 delegates in presential and 32 by the KUDO platform).

1. Adoption of the agenda

- 1.1. The agenda was adopted without modifications

2. Approval of the summary of conclusions for the last Expert Group session

- 2.1. The proceedings report for the 8th session of the ECOMAR Expert Group was approved without modifications.

3. Organisation and Framework of the OIV expert Groups

- 3.1. Following the presentation of the last year about way of working of the OIV, the main types of working documents and the Strategic Plan, the Head of Unit “Economy and Law”, presented the Mandate of ECOMAR and the consistent links between the Strategic Plan and ongoing actions.
- 3.2. Within the context of developing international trade in the vitivinicultural industry and in order to understand the dynamics of the sector, the main mission is to facilitate the identification of market trends across the value chain and trade issues.
- 3.3. Five main objectives were presented:
- i) Understanding the dynamics of the vitivinicultural sector: analysing markets and their trends across the value chain, deepen economic analysis of the sector considering domestic and international trade and undertake economic analysis of the sector, in particular of environmentally-friendly vitivinicultural systems and their profitability.
 - ii) Studying different vitivinicultural products and their developments on the markets: Analysis of market developments and regulatory implications for the various vitivinicultural products, including dealcoholised beverages and beverages with low alcohol content.
 - iii) Analysing consumer behaviour: Identify and analyse major trends and factors in consumer behaviour. Present analytical documents on the subject.
 - iv) Analysing key international issues on trade: Monitor the development and impact of international trade agreements, analyse the impact of climate risks and, analyse the impact of new regulations and public policies
- 3.4. It was also evoked that since the last years ECOMAR is working in several actions in order to respond to its mandates and objectives, in particular with three actions aimed at publishing expertise collective documents and/or resolutions: Barriers to trade, Resilience and, definitions and general principles of Wine Tourism.
- 3.5. The President of ECOMAR concluded by recalling the importance to combine scientific and technical requirements of the sector with the discussions that take place in the Group in order to produce useful documents and/or resolutions.

4. Ongoing actions

4.1. COVID-19 – Economic Analysis, Markets and Consumption

- 4.1.1. The President of ECOMAR Group as the eWG coordinator, commented the methodology employed and the results obtained by the eWG regarding this action. While it is difficult to isolate and measure the specific effects and/or impacts of this COVID crisis, structural changes such as short-circuits and online sales have been amplified.
- 4.1.2. The discussion focused on the difficulty of isolating the effect of COVID on these structural changes from the dynamics already in place before the pandemic, and on the importance of disseminating the results of this research. The question of format and scientific qualification of the group's work was raised.
- 4.1.3. The President of the Group and the Head of Unit presented a proposition to include the work done about the impact of COVID 19 on the topic of Resilience (next point of the Agenda).

4.3. Resilience in the vitivinicultural sector (ongoing action) and Presentation of Anika Zorn (OIV Grant).

- 4.3.1. This point was introduced by the presentation of Anika Zorn, OIV Grant, on the topic “Knowledge transfers and regional economic resilience: Winegrowing regions in the context of climate change”.
- 4.3.2. Mrs Zorn presented the main issues of the vine and wine sector regarding climate change, the leading questions of her research project and a state of the arts regarding the term resilience with different approaches and examples.
- 4.3.3. Regarding the research questions, these were presented as follows:
 - ✓ What kind of (extra --)regional knowledge transfers contribute to building resilience in winegrowing regions in the context of a changing climate?
 - ✓ How do local actors perceive climate change in their work? How do local actors adapt to observed climatic changes?
 - ✓ How do local actors imagine a resilient future of their region?
 - ✓ How do the local actors mobilize this knowledge that is relevant for adaptation and their imaginations of a resilient future?
- 4.3.5. The presentation continued with the methodology, descriptive, based on a comparative case study carried out on Denmark and Israel, with Qualitative interviews, Participant observation, Document analysis, a Survey and data analysis.
- 4.3.4. The main conclusions were presented as follows:
 - ✓ Entrepreneurial & working attitude as well as technology orientation as central parts of imaginations of resilient futures in Denmark and Israel.
 - ✓ High relevance of extra regional knowledge flows. Denmark: inwards and Israel: first inwards, now outwards.
 - ✓ Temporary and long term migration crucial for extra regional knowledge transfers if both regions
 - ✓ Policy recommendation : Support of international exchanges between winegrowing regions for resilience building



- 4.3.5. The presentation of Mrs Anika Zorn was followed by the presentation of the current state of the ECOMAR action on resilience.
- 4.3.6. The President of the Group and the Head of Unit presented a first draft document that aims to address a general question on the resilience of the vine and wine sector. The objective and the proposal is to address the topic of resilience based in two major crises occurred the last 5 years: the COVID-19 health crisis and the war in Ukraine.
- 4.3.7. The objective of the document is to address the resilience based on the following questions:
- ✓ A first question concerns the impacts (type, duration, economic value, etc.),
 - ✓ A second question could be about the measures to deal with this impacts or at least to try to reduce them as much as possible (change in production methods, marketing or in a broader sense adaptation and/or mitigation measures for example), and
 - ✓ A third question may involve the question of the resilience of the sector, its actors and stakeholders. More precisely on this last question, the study to know if the sector has been resilient and in what form or how it has reacted to these shocks can provide strategies for future crises.
- 4.3.8. The group agreed with proposal with the suggestion that data is available in order to address this issue from a trade point of view (exports and imports). It was evoked that it's important to highlight the lessons that the sector could learn from the pandemic or other crises, the specific impacts on the value chain and the sustainable changes in consumption, production and marketing dynamics. Specific indicators to measure this resilience in the sector could be designed.
- 4.3.9. The eWG have to be updated, to present a draft document based on the work done the last years. A calendar have to be carried out in order to present a consolidated draft document during the next ECOMAR meeting.

4.4. Valorisation of the works undertaken by ECOMAR experts

- 4.4.1. Gergely Szonoky (German Delegation and Vice-President of ECOMAR), as coordinator of the eWG, presented the work carried out and discussions obtained by the eWG meeting. Two working documents (CIII-ECOMAR 2024-04 4.4a. and CIII-ECOMAR 2024-04 4.4b) are available to the experts indicating the main proposals from the eWG in order to improve the visibility of the ECOMAR and OIV's works.
- 4.4.2. It was reminded the main objective that is the "valorisation of presentations showed during ECOMAR meetings in the form of an abstract/paper", in order to address and disseminate a topic interest for the group and for the OIV.
- 4.4.3. It was evoked that ECOMAR's way of working has changed over the last year with more official actions and less presentations. This year's ECOMAR meeting will have 60 minutes for presentations, which means a maximum of 3 or 4 topics for a selection. The selection will be made according to the members of the eWG and the Scientific Secretary of Commission III, and recommendations how to write the extended abstract will be communicated to the authors.
- 4.4.1. As decided the last year, the eWG coordinator proposed to publish this type of abstract/paper on the OIV website and collaborate with Wine Business International to increase the visibility of the group's work. Wine Business International is very open to collaboration with the OIV. It was also evoked that these two possible ways of collaboration platform has the advantage of sharing a daily newsletter and being freely accessible. With nearly 10,000 contacts and 30,000 views per month, it is read in 30 different countries.

4.4.2. It was also evoked that the selection of abstract, the topic and the platform to publish the abstract (including a potential collaboration with Wine Business International) need a validation of the OIV secretariat.

4.5. Wine Tourism – Sustainable challenges for the sector (ongoing action) and Presentation of UNWTO.

4.5.1. This point was introduced by a Presentation of Sandra Carvao from UNTWO on the definitions of wine tourism and works on sustainable wine tourism.

4.5.2. The presentation started reminding the cooperation between the OIV and UNTWO through a Memorandum of Understanding signed between OIV and UNWTO in 2020 with the aim of: “Promoting wine tourism as a tool for rural development, social inclusion along with the promotion and recognition of the world of wine, its heritage and commitment to the SDGs”.

4.5.3. The presentation continued with 3 important points:

- ✓ UNWTO Definitions – Tourism types, in which wine tourism is part of the definition of gastronomy tourism
- ✓ UNWTO Definitions Process and,
- ✓ The presentation of the definition of Wine tourism: “*Eno-tourism (wine tourism), as a sub-type of gastronomy tourism, refers to tourism whose purpose is visiting vineyards, wineries, tasting, consuming and/or purchasing wine, often at or near the source*”.

4.5.4. In the framework of the “Working Group on Measuring Wine Tourism” (collaboration with OIV – STATCO expert group) one of the main obstacles on measuring wine tourism is the « Definition » issue: more specifically the difficulty to distinguish wine tourists from other types of tourists.

4.5.5. Then, through a scoping paper, a draft on defining wine tourism was also shared with the group, and the importance of sustainability on wine tourism and the issue of improving the understanding on what sustainability means for example between “sustainability in wine making vs sustainability in wine tourism”.

4.5.6. It was proposed to coordinate with the OIV working group on the definition of wine tourism, to discuss a possible revision of existing UN Tourism definition, proposal accepted and appreciated by the ECOMAR experts group.

4.5.7. Following the presentation of UNTWO, the Vice-President made a presentation regarding the OIV ongoing action on “Wine Tourism”. It was remained the general objective that is the “creation of an OIV collective expertise document to provide the wine tourism sector with basic, state-of-the-art terms, definitions and concepts. These should support an international standard and the development of wine tourism related offers worldwide”.

4.5.8. Three main steps were presented regarding these actions:

- i) Re-defining wine tourism / wine tourist: Basic terms and definition of wine tourism, and secondary and primary research (supply and demand side). Two research projects in Germany under the direction of Mr Szolnoki.
- ii) Developing a method of calculating the economic importance of wine tourism: Testing and standardize the method and primary research (tests in other countries)
- iii) Establishing general principles and guidelines for a sustainable wine tourism: Unifying definitions and create guidelines and, a secondary and primary research (supply and demand side)

- 4.5.9. An specific schedule and steps were also presented. It was decided that a first draft regarding the definitions of wine tourism and wine tourist have to be presented during the ECOMAR meeting in march 2025.
- 4.5.10. It was highlighted that the work on definitions have to be consistent and in collaboration with the UNTWO. In this sense the inclusion of UNWTO to the eWG on this matter will be beneficial and useful for the correct progress of the work. The eWG have to be updated with more members in order to facilitate the work.

4.6. Technical Barriers to Trade in the vitivinicultural sector

- 4.6.1. Following the launch of this action last year, and within the framework of this action, it was presented the work and results obtained with the first Vine and Wine World Trade Forum, held in October 2023, with the participation of several international organisations working on the topic of trade, players and stakeholders of the global vine and wine sector.
- 4.6.2. The main results were presented through the executive report and the presentation of the action plan adopted during the forum.
- 4.6.3. Four main areas of action were presented in which the OIV could be work:
 - i) Standards (OIV) harmonisation: To enhance the (key) role of the OIV regarding the harmonisation of standards in the vitivinicultural sector as a tool to facilitate access to markets for vitivinicultural products.
 - ii) Market Access and Trade Facilitation: To provide a platform for networking and discussion, enabling the sector and its stakeholders to strengthen existing partnerships and commercial agreements, or promote new ones if necessary.
 - iii) Cooperation: To stimulate collaboration among sector stakeholders, promoting the sharing of knowledge, best practices, and sustainable solutions related to trade and market access.
 - iv) Training/Educating: To train/educate players and stakeholders about the challenges and opportunities of the vine and wine trade, the identification of measures affecting trade, including strategies for market access, trade policy dynamics, and international market trends present in the vitivinicultural sector
- 4.6.4. More specifically for ECOMAR Group it was evoked that it would be important to define in which way ECOMAR and the eWG can work on the topic of trade. For this, a first meeting of the working group would be necessary in order to prioritize a practical action such as the publication of a report on a specific topic in trade of vitivinicultural products, with a focus on technical and economic analyses approaches.
- 4.6.5. The Head of Unit indicated that a meeting will be organized to define the priorities of the eWG. He also highlighted that considering the implementation of the next OIV Strategic Plan for the period 2025-2029, it will be necessary to be consistent with this new strategic plan and that the guidelines and objectives for this action have to also be consulted with the OIV secretary.
- 4.7. **Value chain in the vitivinicultural sector (ongoing action) and external presentation from the International Business Management - HES-SO/HEG-Genève.**
 - 4.7.1. This point was introduced by a Presentation of Nicolás Depetris Chauvin and Antoine Pinède from the Haute Ecole Spécialisée de Suisse occidentale (HES-SO/HEG Genève) on the topic: The Vine and Wine Industry: Drivers and Patterns of Global Transformation.
 - 4.7.2. The researchers presented the main results of a survey sent to 23 producing countries of wine and the main objectives and motivation for the research project:

- ✓ Wine is a global industry (~40% of output exported)
- ✓ Competitive advantage is a combination of fixed (terroir) and mobile (knowledge) factors
- ✓ Increasing consolidation favors industry concentration but a lot of heterogeneity among small and medium size producers
- ✓ Lack of comparative studies among regions and between countries, at least at the micro level
- ✓ Globalization, technology, standards and importance of distribution drive convergence in the industry but quality differentiated nature of the good, cultural norms and institutional frameworks prevent it.
- ✓ Old vs New World still a valid dichotomy? One industry? Many?

4.7.3. The survey, with 137 questions and available in 11 languages covered five key areas:

- i) Winery profile and characteristics;
- ii) Production function to capture quality differentiation activities from the vineyard to the distribution of the wine;
- iii) Firms' skills, technology capabilities, and management and commercial practices;
- iv) Export activities and perceived constraints by the winery
- v) Innovation type and creativity process

4.7.4. Based on the results obtained, a first comparative study is carried out for 6 countries. This comparative study was made with a focus on the following criteria: Wineries by Export Intensity Structure (not exporting, low, medium and high intensity exporter).

4.7.5. The data analysis show significant differences between high and low intensity exporting in several criteria (surface, vertical integration, price segments, share other income, grapes vinified, human capital, owner experience, equipment, others). This differences also implies differentiation on strategies and capabilities of wineries depending of each country.

4.7.6. Among of the main conclusions it were evoked:

- ✓ Difference between high and low intensity exporters more prominent in “New world” countries.
- ✓ Similar pattern across New World countries, different across Old World
- ✓ Extent of convergence between New vs Old world still limited, even for the more globalized firms.
- ✓ More product differentiation in New World
- ✓ More emphasis in product design, marketing and distribution in New World vs Old World agronomic emphasis for entry level wine. More convergence for premium wines.
- ✓ Similar level of technology, more formal education in New World (agronomy, oenology and business degrees).
- ✓ Similar business practices: quality control, building brand identification and reputation
- ✓ Some differences in terms of critical factor to export but agreement on the importance of the “country image abroad”

4.7.7. Following this introductory presentation, the Head of Unit “Economy and Law” presented a draft document for a collective expertise document to address the topic of vitivinicultural value chain.

4.7.8. Four main objectives were presented for the document:

- i) To study from an economic approach the definition of the “value chain”. What do we understand by value chain? And what is the importance of value chain in the sector?
- ii) To study and identify the “different value chain models” presented in the sector. This work can be initiated by inventorying existing organisation models of the sector in different countries and/or by vitivinicultural product .
- iii) For each model to analyse and describe players and stakeholders, their position/level in the value chain, their relationship as well as the value flows in the sector's value chain. This analysis could give an overview regarding strengths, weaknesses, opportunities and threats for each model and players and stakeholders related.
- iv) The last step could consists of the elaboration by the OIV of international recommendations for reinforcing and “institutionalisation” of links between the players and stakeholders of the sector to ensuring the proper functioning of the value chains.

4.7.9. It was reminded that there was already a similar initiative ten years ago. However, for many reasons like accessibility and format of the survey, this action was stopped. The discussion underlined the difficulty to access to specific and homogenous data. Indeed, the vitivinicultural sector is not structured in the same way between countries.

4.7.10. It was pointed out that these 4 specific objectives could be support with the creation and launching of a survey to the Member States. It was evoked that this survey could be created based on a methodology evoked in the preceding presentation. The two HES experts who made a presentation on this topic, evoked the possibility of supporting and contributing with their expertise to the creation of this survey. The approach could start with a questionnaire to better understand the particularities of the value chain within the different countries.

4.7.11. It has been decided to update the eWG and the OIV secretariat have to define the next steps and tasks for 2024 and until the next ECOMAR meeting in 2025.

5. Questions and or topics arising from the Working Plan 2023: presentations by experts

5.1. Evolution of World Wine Trade

5.1.1. R. del Rey (Spain -OeMv's) made a presentation with a focus on the recent evolution of the international wine markets, including:

- ✓ evolution of world wine trade up to the latest year-on-year standardised data for top actors, in value, volume and average prices,
- ✓ evolution of main wine categories,
- ✓ evolution of top wine exporters and
- ✓ evolution of top wine markets.

5.1.2. The presentation and then the discussions underlined that markets seem to go well for both popular wines and also premium and super-premium wines. However, the issue or more potentially problems, thus, might be for those caught in the middle categories.

5.1.3. Based on the previous point, the following hypothesis were evoked, mainly a “... a stronger polarization might be expected in the future:

- ✓ “The small niche of premium and super premium wines... have so far been minimally affected by the crisis..., were able to increase their prices because of a price-inelastic demand by their consumers...” and “... for some wines, even a positive price elasticity was observed”: the more they raise their prices, the more there are demanded.
- ✓ On the other hand, “... there is a large segment of highly price-sensitive consumers who favour more popular and easy-to-drink wines (lighter, fresher, sweeter, white, rosé, sparkling, etc.) at very competitive prices.”

5.1.4. It was also evoked that a polarisation on markets means that different segments of consumers require different strategies. The most well-known strategies were mentioned for Premium & super premium wines: i) Based on subjective wine quality, ii) Ownership or very close relations with high quality vineyards and regions, iii) Very good distribution (presence) in the upper segment of the market and for Popular/easy-to-drink wines: iv) Drinkability/easy-to-drink, v) Cost/economic efficiency and vi) Large scale distribution / Close relation with retail / own-label.

5.1.5. As a result of the evolution of wine markets, three complementary strategies can be followed: i) Foster traditional consumption of more traditional wines and ii) Promote fresher more popular wines. These two strategies probably more based on environmental, rural and social connections of wine, than on health aspects. A third strategy iii) Re-invent some wines, based on “closer to other easy drinks”.

5.2. Presentation on logistics and carbon footprint in the transport of wine.

5.2.1. The French delegation made a presentation on COMPETITION MONITORING 2022 with a FOCUS on the LOGISTICS AND CARBON FOOTPRINT aspects in the transport of wine from the main producing countries to the main consuming countries, with a monitoring study showing the different means of transport used (boat , train, truck and plane) and their average CO2 emissions per kilometer.

5.2.2. For the study the 9 producing countries considered are: South Africa, Argentina, Australia, Chile, Spain, USA, France, Italy, New Zealand and Portugal. The 5 consumer countries considered are USA, France, Italy, Germany and United Kingdom.

5.2.3. The analysis was presented through the costs of transporting a bottle of wine from the production countries to the 9 main consumption countries (in USD/bt 75cl). Among the main observations, regarding the costs we can mention:

- ✓ The cost of transport by truck is much higher than that by boat.
- ✓ European transport is mainly by road. Thus, intra-European transport cost levels are high.
- ✓ The cost of transport to China is low, regardless of the country of export. They benefit from dense maritime flow lines.
- ✓ The COVID period has transformed costs, availability and commercial relationships between shippers and carriers.

5.2.4. Regarding carbon footprint towards the 9 main consumption countries:

- ✓ Overall, the average distance of a bottle from the main producing countries strongly depends on Europe, the main area of wine consumption.
- ✓ The carbon footprint of a bottle of wine is very strong when it comes from South Africa, the United States and especially Argentina (0.93 kilograms of CO2).



5.2.5. Several possibilities to reduce carbon emissions were mentioned: i) Replace current fuel with more environmentally friendly alternatives, ii) Adapt speed and monitor the territorial waters, iii) Increase technological effort towards more sustainable solutions and, iv) Disrupting the truck freight industry.

5.3. Risks linked to tariff sanctions.

5.3.1. Nans Brochard (France) presented the risks associated with tariff sanctions following China's investigation into European spirit beverages of vitivinicultural origin.

5.3.2. The presentation started with a current state of definitions on tariff and non-tariff measures, countervailing and dumping or antidumping.

5.3.3. Then the presentation gave an overview of the possible consequences as result of China's measures regarding the spirits markets. This overview was given based on the exported volumes, their value and for each product category, with a focus on possible impacts regarding the increasing of customs duties for these products.

5.3.4. Moreover, China remained the world's 2nd largest importer of spirits beverages by value in 2023 and stayed a country whose imports continued to multiply over the years. For example, 32% of spirits imported by China in 2023 were wine spirits, followed by whiskies with 25%. In terms of value, these imports represented 62%.

5.4. Digital marketing strategies for Italian wine brands in the Chinese market.

5.4.1. The presentation focused on the importance of China, as one of the world's most digitally advanced nations, boasts the largest internet user base. In this context, Digital marketing becomes as a crucial strategic tool for the vine and wine sector.

5.4.2. A variety of domestic digital platforms such as WeChat, Weibo, and Douyin have amassed large user bases and wield considerable influence. Therefore, brands looking to enter the Chinese market must reevaluate their digital marketing strategies to adapt to this unique environment. In addition to understanding these platforms, brands must gain a deep comprehension of Chinese consumers' socio-economic characteristics, lifestyles, interests, values, wine knowledge, and drinking habits, enabling effective transmission of brand messages. Moreover, given the different behavior patterns and content preferences across platforms, Italian wine brands need to devise tailored content strategies to meet the demands of diverse user groups.

5.4.3. The research presented aims to explore and develop digital marketing strategies for Italian wines in the Chinese market to help wine brands achieve successful promotion in China.

5.4.4. The main conclusions evoked:

- ✓ Regarding the Market: The Chinese market's acceptance and recognition of Italian wines present boundless opportunities for brands – Space for development, but need to choose right platform for digital activities.
- ✓ Regarding the Consumer: Chinese consumers have currently elementary Italian wine knowledge but high interest to learn more; the price of one bottle of Italian wine range of 301-900 RMB particularly resonates with Chinese consumers. But they also value the reputation of Italian wine – Opportunity for diverse content and focus on the features people care most.
- ✓ 4E Marketing-Mix based digital activities: all positive for consumers' purchase decision – Need brands to choose the most suitable and efficient ones.



- ✓ Control of Strategy: insights from digital marketing professionals, brands should underscore the importance of continuous evaluation and forecasting, forecasting potential challenges and risks, and making preparations well in advance. Brands should also focus on unique promotional strategies to differentiate themselves in a saturated market.

6. Point information

- 6.1. The President of the Group and several experts indicated the need to facilitate to all experts the participation on SUSTAIN group meeting as was the case the last year. They highlighted the importance to well coordinate this requirement by the OIV Secretariat.

7. Proposals for future works

- 7.1. N/A

8. Any other business

- 8.1. N/A