Major Wine Producing Countries

Spain’s Wine Industry Is Hiccuping From Its Excesses

While Spain’s producers churned out vast quantities of wine, some began to reconsider whether sheer volume was the best strategy, as overproduction sank both prices and the country’s wine reputation.

A telling comparison between Spain and Italy: In 2000, both countries exported their wine at the same average price, 1.41 euros per litre. By 2014, Italy was selling its wine for an average of €2.5 per litre, or $2.78 under the current exchange rate, while Spain’s sold for €1.17, or $1.30.

In that period, Italian exports rose 15 percent in volume and Spain’s 154 percent. But Spain’s export revenue reached only €2.6 billion, about half the value of Italian exports.

Spain’s bulk wine has displaced Italy’s on the European market, particularly in France. Spain now sells about 500 million litres to France, 90 percent of which are bulk exports, at an average price of four-tenths of a euro per litre.

France has recently been exporting almost 250 million litres of bulk wine, at an average of €1.24, three times Spain’s price.

Even Spain’s neighbors are beginning to complain that the country is producing too much wine — and dumping it in their markets.

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