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Report Highlights:
The opening of the world market, the increase in trade, and the future enlargement of the European Union to include Central and Eastern European countries will create increased competition for European wines. To better compete with emerging third country and new markets, the Government of France wishes the European growers to adjust to the evolution of consumer demand. Thus, a redefinition of the new Common Organization of the Wine Market is necessary to adapt and simplify the existing regulation.

Includes PSD changes: Yes
Includes Trade Matrix: Yes

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Executive Summary

The European Union (EU) currently represents 47 percent of total world vineyard area, 61 percent of total world production, and 75 percent of total world wine exports. The European Union wine market represents 80 percent of total world trade.

The European Union wine production has evolved considerably since 1987 due to the efforts in reducing crop areas and the control of yields. Thus in France, 102,000 hectares (HA) of vines have been uprooted; 151,000 HA have been replanted; and 54,000 HA, newly planted between 1987 and 1996.

Table wines in France represent 13 percent of total French wine production, while VQPRD wines (quality wines produced in determined regions or areas) and table wine productions represent 41 and 25 percent, respectively (see definitions below). Also, as the wine market becomes a global world market, new producing countries (United States, Argentina, Chile, South Africa and Australia) with more flexible wine making practices are increasing their presence on the world and European markets.

To compete with the new emerging markets and to maintain and develop its market share, the European Union should adjust to the evolution of consumer demand.

DEFINITIONS:

1. Appellation of Origin (AOC) wines: This designation refers to a country, an area, or a place, and certifies to the consumer the authenticity of the origin, the process of manufacturing, the specificity of the product, and generally a minimum degree of alcohol. AOC wines are also subject to a sample tasting made by the French Institute of Appellations of Origin (INAO). Nearly 45 percent of French wines and spirits are designated AOC.

2. Quality Wines (VDQS): This designation is less strict than the AOC designation, but is more or less similar with regard to production areas, yields, etc. VDQS wines are also subject to a sample tasting.

3. VQPRD Wines (Quality Wines Produced in Determined Regions or Areas): This is a European classification that combines French AOC wines and VDQS wines.

4. Table Wines: Wines other than AOC and VDQS. These wines include country wines (vins de pays) and are regionally produced, often of higher quality than ordinary table wines. They follow certain rules including analytical tasting, various specified controls, and no mixing of wines from different regions.

5. French Wine Marketing Year (MY): September to August. Thus, MY 1996/97 is the period September 1996 to August 1997.

6. Average exchange rates:
Calendar Year 1996: USD 1.00 = FF 5.11
Calendar Year 1997: USD 1.00 = FF 5.83
January-October 1998: USD 1.00 = FF 5.95
One ECU = FF 6.58436 = $1.13

SECTION I. SITUATION AND OUTLOOK

The 1997 French wine production decreased seven percent, compared to the 1996 production level of 55.1 million hectoliters (MHL); from which 22.9 MHL were VQPRD wines, 21.7 MHL table wines and 10.5 MHL wines for cognac production. This decrease in total French wine production was mainly due to weather conditions, with frosts after mid-April, followed by heavy rains three weeks prior to harvest. These bad climatic conditions led to the development of diseases, such as odium, mildew, etc. The main characteristics of the 1997 vintage was the low acidity level of wines and a slight deficit in color for some wines.

Trade was stimulated by the significant increase of exports, valued at FF 30.2 billion ($5.2 billion), an increase of 22.5 percent in value and 8 percent in volume, compared to the 1996 level. France's major clients remained Germany, the United Kingdom, Belgium/Luxemburg and the United States. The United States represents nine percent in volume of total French exports of wine. French imports of wines during 1997 remained stable, compared to the previous year (up 0.8 percent in volume, and 7 percent in value). Italy and Spain are France's major suppliers. Although the United States exports of wines to France increased 39 percent in volume during 1997, compared to the 1996 level, the total U.S. market share of French imports is only 0.7 percent in volume, or FF 41 million ($7.03 million).

In the absence of any reform of the Common Organization of the Wine Market, the French Government continued to provide financial support to wine growers to adapt their vineyards to new market conditions. During Marketing Year (MY) 1996/97, uprooting of vines continued to decrease, while yields from new plantings were increased.

In response to increasing competition in France and Europe, and in view of changing consumer preferences in France and in foreign countries, the French Office for Wines and Vines (ONIVINS), and the French promotional agency (SOPEXA) have launched advertising campaigns targeting both the domestic and the export markets. On the domestic market, advertising focuses on regional wines, while on the international market, VQPRD wines are targeted.

According to the French Ministry of Agriculture, 1998 wine production should amount to 51.6 MHL, a six percent decrease mainly due to spring frosts and warm weather in the summer, especially in the South of France. However, the 1998 crop should gain in quality and is thought to be an excellent vintage in the Mediterranean region. Although the French food trade balance decreased during the period January-June 1998, French wine exports were not affected. According to the French Federation of Wine and Spirit Exporters, exports of French wine increased 15 percent during that period, compared to the previous year, to reach FF 20.2 billion ($3.39 billion).

During the first six months of 1998, overall French exports of wine to Asia increased six percent despite the financial crisis. Japan is the third client for French wines and spirits after the United States and the United Kingdom, with total French wine imports estimated at FF 2.5 billion ($0.42 billion), an 83 percent increase. French exports of wine and spirits to other Asian countries, such as Hong Kong and Taiwan, decreased 48 and 51 percent, respectively. The export of French wines also increased to the United Kingdom, to FF 3.1 billion ($0.52 billion) or 17 percent; Germany to FF 2.3 billion ($0.37 billion) or 11 percent; and Switzerland to FF one billion ($0.17 billion), or 18 percent. Export demand was strongest for Champagne, Bordeaux, Burgundy and Loire Valley wines during that period.

SECTION II. STATISTICAL TABLES

1. PS&D Table:

PSD Table						
Country:	France					
Commodity:	Wine					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		08/1996		08/1997		08/1998
TOTAL Grape Crush		0	0	0	0	0
Begin Stock (Ctrl App)	19664	19014	31037	35156	39912	39722
Begin Stock (Other)	6756	6691	800	4398	8627	11573
TOTAL Beginning Stocks	26420	25705	31837	39554	48539	51295
Prod. from Wine Grapes	54640	55610	59650	55112	55112	51600
Prod. from Table Grapes			0	0	0	0
TOTAL PRODUCTION	54640	55610	59650	55112	55112	51600
Intra-EU Imports	6193	4568	4651	5372	5372	4740
Other Imports	329	787	745	389	389	736
TOTAL Imports	6522	5355	5396	5761	5761	5476
TOTAL SUPPLY	87582	86670	96883	100427	109412	108371
Intra-EU Exports	10915	9317	9517	10841	10841	11955
Other Exports	11367	3699	4727	4496	4496	4850
TOTAL Exports	22282	13016	14244	15337	15337	14505
Dom.Consump(Cntrl App)	16050	15186	15186	15644	15644	16270
Dom.Consump(Other)	17413	18914	18914	18151	18151	16805
TOTAL Dom.Consumption	33463	34100	34100	33795	33795	34493
End Stocks (Cntrl App)	31037	35156	39912	39722	40722	39850
End Stocks (Other)	800	4398	8627	11573	19558	19523
TOTAL Ending Stocks	31837	39554	48539	51295	60280	59373
TOTAL DISTRIBUTION	87582	86670	96883	100427	109412	108371

Source: French Office for Wines and Vines (ONIVINS) and
French Customs/French Center for Exterior Trade (CFCE)

2. Trade Matrices:

Export Trade Matrix			
Country:		Units:	1,000HL
Commodity:			
Time period:	Jan/Dec		
Exports for	1996		1997
U.S.	995	U.S.	1434
Others		Others	
Germany	3598	Germany	3376
United Kingdom	2674	United Kingdom	3023
Belgium/Lux.	1565	Belgium/Lux.	1680
Netherlands	1257	Netherlands	1473
Switzerland	620	Switzerland	673
Japan	326	Japan	489
Denmark	583	Denmark	684
Canada	489	Canada	557
		Hong Kong	256
		Taiwan	198
Total for Others	11112		12409
Others not listed	1312		1494
Grand Total	13419		15337

Source: French Customs/CFCE

Import Trade Matrix			
Country:		Units:	1,000 HL
Commodity:			
Time period:	Jan/Dec		
Imports for	1996		1997
U.S.	28	U.S.	39
Others		Others	
Italy	3409	Italy	2569
Spain	855	Spain	1814
Portugal	461	Portugal	660
United Kingdom	59	United Kingdom	155
Germany	93	Germany	81
Bulgaria	69	Bulgaria	65
Morocco	45	Morocco	56
South Africa	38	South Africa	33
Algeria	69	Algeria	26
Greece	58	Greece	31
Total for Others	5156		5490
Others not listed	254		232
Grand Total	5438		5761

Source: French Customs/CFCE

3. Price Tables:

Average FOB Prices in 1997 for Shipments of VQPRD Wines in Bottles
with an Alcoholic Content below 13% by volume

	White Wines		Red Wines	
	Average Price In FF/Liter	% 1997/1996	Average Price In FF/Liter	% 1997/1996
Champagne	101.58	Plus 7	—	--
VQPRD Still wines	24.17	Plus 6.6	26.68	Plus 11.5

Source: French Customs/CFCE

Average FOB Prices for Table Wines
(FF/Liter)

Table Wines and Country Wines with an alcoholic content not exceeding 13% by volume	Country Wines		Table Wines	
	Average Price In FF/Liter	% 1997/1996	Average Price In FF/Liter	% 1997/1996
White wines in bottles	12.95	+8.4	8.22	- 1.3
White wines in bulk	6.98	+4.8	3.30	- 10.1
Red/Rose wines in bottles	10.45	+11.6	8.28	-0.7
Red/Rose in bulk	5.06	+10.2	4.20	+6.9

Source: French Customs/CFCE

Wine Consumption Price Evolution and Retail Sale Prices
From 1990 to 1997

Years	Consumption Prices of Wines				Retail Price of Wines	
Years	Table Wines	VQPRD Wines	Sparkling Wines	Total	Alcoholic Content of 11% by volume FF/Liter	Alcoholic Content of 12% by volume FF/Liter
1990	100	100	100	100		
1991	104.7	106.3	108.2	106.4		
1992	107.1	111.3	110.1	110.0	7.3	8.04
1993	106.4	110.4	105.9	108.4	7.21	7.93
1994	105.8	110.3	102.7	107.5	7.04	7.89
1995	109.8	113.6	101.4	110.1	7.22	8.22
1996	114.9	117.4	102.1	113.5	7.60	8.64
1997	116.2	119.1	103.4	114.9	7.73	8.70

Note: All above indices are current indices
Source: INSEE

4. Tariff Table:

Taxes on Wines Imported from outside the European Union (EU) into France

HTS Code (*)	Types of Wines	EU Customs Duties (FF/HL of Wine)	French Transportation Tax (FF/HL of Wine)	French Value Added Tax (TVA)
22 04 10	Sparkling Wines	228.47	54.80	20.6 %
	Still wines with an alcoholic content not exceeding 13% by volume			
22 04 21	- In containers holding 2 liters or less	93.50	22.00	20.6 %
22 04 21	- In containers holding more than 2 liters	70.40	22.00	20.6%
22.04.29	Still wines with an alcoholic content exceeding 13 % by volume, but not exceeding 15% by volume			
	- In containers holding 2 liters or less	109.90	22.00	20.6 %
	- In containers holding more than 2 liters	86.25	22.00	20.6 %

Note: Customs duties in the EU Customs Tariff are indicated in ECU/HL. The current value of the ECU is FF 6.58436 ($1.13)

Footnotes:
(*) Harmonized Tariff Schedule
HL = Hectoliters

EU import duties are calculated as a percentage of the ad valorem value of the product. Also, as a result of the implementation of the World Trade Organization (WTO) and the Uruguay Round Agreement on July 1, 1995, over a six year period, starting September 1, 1995, customs duties are being decreased by 20 percent.

SECTION III. NARRATIVE ON SUPPLY, DEMAND, POLICY & MARKETING

Production

1. General Production

In 1997, there were 261,600 French wine growers on a total area of 872,558 hectares of vineyards. This represented about a four percent decrease in the number of vineyards and a two percent decrease in the vineyard area over the previous year. The number of wine producers in France decreased 54 percent over the past ten years (1987-1997) and the area of production dropped 10 percent over the same period.

The three largest French wine producing regions (Languedoc-Roussillon, Aquitaine, and Provence/Alpes/Cote d'Azur) represented 64 percent of total French wine production in 1997. French vineyards represent 11.8 percent of the total harvested agricultural areas, compared to 11.9 percent in Italy and 15.8 percent in Spain.

Taking into account the climatic conditions of the beginning of the marketing year, and disease problems, the 1997 wine production, both in France and Europe, is medium-sized. In France, the 1997 crop benefitted table wines versus VQPRD wines, and for all wine categories, red and rose rather than white wines. Despite frost, fungus, odium and mildiou in Champagne and Rhone-Alpes regions, the overall production in these regions remained stable.

During MY 1996/97, the French Government increased financial assistance for French wine growers of ordinary table wine to FF 24,000 ($4,117) per hectare to help with the improvement of vineyards. This plan is a substitute for the European Union planting program which ended in 1980 and which was aimed at the restructuration and renovation of vineyards, mainly in the South of France (Languedoc Roussillon region). Also, a French decree of September 1997 authorizes declassification of VQPRD wines at the production level, rather than at the commercial level, for wines altered during warehousing or aging.

2. Crop Area and Yields

Total French vineyard crop area for 1997 for all wines, including wines for cognac, amounted to 872,558 hectares, compared to 460,503 hectares a year earlier. VQPRD wines crop area was 461,169 hectares, and table wines crop area 411,389 hectares, compared to 460,503 hectares and 336,632 hectares, respectively, in 1996. The increase in the crop area is a result of the continuation of less uprooting and the restructuring process under the scope of the European Union's vineyard restructuring program to support new plantings.

On a total planted area of 872,558 hectares, French average yield was 63.2 hl/ha in 1997, compared to 60.4 hl/ha in 1996, or a five percent increase.

3. Production Policy and Government Support

— EU Export Subsidies and World Trade Organization (WTO) Agreements on Wines

Table wines and liquor wines without appellation, as well as concentrated grape must, can benefit from EU export subsidies. This subsidy, however, is granted only for certain countries and the wines involved are subject to specific analyses and agreements. During CY 1997, the volume of French table wine exported with EU export subsidies amounted to 299,127 HL, and the amount paid by ONIVINS was FF 38 million ($6.52 million).

MY 1996/97 was the second year for the application of the EU agreements of the WTO implemented on July 1, 1995. In fact, according to the WTO agreements, the EU must reduce the volume of subsidized wine exports by 21 percent, and the value by 36 percent. These reductions will take place over a six-year period, from September 1, 1995 through September 2000, based on subsidies for wine exports during the reference period 1986-1990 (3,080 million hectoliters for 64.5 million ECUS, or $83 million).

Consumption

French Wine Consumption by Categories
for Marketing Years 1995/96 and 1996/97
(In 1,000 HL)

Wine Category	MY 1995/96	MY 1996/97
VQPRD Wines	15,186	15,644
Table Wines	18,914	18,151
TOTAL	34,100	33,795

Source: DGI/DGDDI (General Customs Office, Excise Taxes)

Per Capita French Wine Consumption, by Category
For Marketing Years 1995/96 and 1996/97
(In liters per year)

Category	1995/96	1996/97
VQPRD Wines	26.1	26.7
Table Wines	32.5	31.0
TOTAL	58.6	57.8

Source: DGI/DGDDI (General Customs Office, Excise Taxes)

French wine consumption currently represents 60 liters per person per year, compared to 120 liters in 1970 and 90 liters in 1980. Over the years, wine consumption in France has decreased by half. According to a recent study conducted by the National Institute for Agricultural Research (INRA) and the ONIVINS, about 31 percent of French consumers never drink wine, while 39 percent (40 percent men and 60 percent women) consume wine occasionally, mainly during meals with friends or in restaurants, and only 30 percent (65 percent men and 35 percent women) are regular wine consumers. Occasional wine consumption in France is now evident while regular wine consumption is constantly decreasing. According to specialists, this trend will continue since the younger generation is not wine oriented. Nine out of ten bottles of wine sold in France are bought by households over 35 years old, and 60 percent of the younger generation (aged 18-30 years old) is reluctant to consume wine. The wine image for the younger generation is linked to a traditional and cultural past, the one of their parents and grandparents; which is no longer a part of their lifestyles.

In 1980, wine was served at the table of one French family or person out of two, compared to one French family or person out of five in 1996. Also, since 1980, mineral water consumption during meals increased 87 percent and soft drinks by 131 percent. This trend affects all social classes. Even farmers who are traditionally known as large wine consumers now tend to consume wine at one meal out of three, compared to two meals out of three 20 years ago. The middle and low income French population is switching from wine consumption to beer consumption.

Trade

1. Exports

In 1997, the total value of French wine exports increased 22.5 percent over that of 1996, to reach FF 30.2 billion ($5.18 billion). Total quantity of French wine exported reached 15.3 MHL, an increase of 8 percent over the 1996 level, representing 28 percent of the total French wine production. The trade surplus in wine in 1997 was FF 27.3 billion ($4.68 billion), an increase of 24 percent over the previous year. This increase in wine exports is due to France's major clients, the United Kingdom, Belgium/Luxemburg, and the United States increasing their purchases by 13 percent, 7 percent, and 44 percent, respectively. The value of table wine exports increased by 26.4 percent during 1997, compared to 1996, mainly bulk red and rose wines being the leading export items. The EU is France's main client for table wines with a share of 51 percent of total French wine exports; Germany and the United Kingdom being France's leading importers. Outside the EU, Hong Kong, Taiwan, Malaysia and the United States are France's major clients.

VQPRD wine exports during 1997 increased 25.5 percent in value, and 4.3 percent in volume with major exports to the EU, representing 75 percent of the exports in volume and 62 percent in value. Among the EU countries, France's major clients are the United Kingdom, Germany, Belgium-Luxembourg, with total exports of 1.2 MHL, 1.3 MHL, and 1 MHL, respectively. Among the non-EU countries, France's major export markets are the United States, Japan, Taiwan and Hong Kong. VQPRD wine in bottle represent 39 percent of the total French wine export market.

2. Imports

French imports in 1997 totaled 5.5 MHL valued at FF 2.9 billion FF ($0.50 billion), an increase of 2.9 percent in volume and 8.6 percent in value compared to 1996. Most French wine imports are table wines in bulk (representing 71 percent of total French wine imports), mostly white wines. Total VQPRD wine imports decreased 18 percent in volume, while table wine imports increased 10 percent. The top France's suppliers are Italy, Spain and Portugal.

3. Domestic Support and Impact on Trade

National subsidies to the wine sector in France are granted through ONIVINS, which is funded by the French Government. The ONIVINS total budget in CY 1997 totaled FF 516 million ($88.5 million), compared to FF 556 million ($109 million) in 1996. Of the total, FF 396 million ($68 million) was devoted to orientation and intervention expenses; FF 111 million ($19 million) to operation expenses; and FF 9 million ($1.5 million) to working capital.

In addition, ONIVINS supports the French wine market and the wine industry by administering and implementing EU subsidies. In CY 1997, EU subsidies allocated to the French wine sector included export refunds and aids for the restructuring of vineyards, distillations, sugar added and fortified to grape juice. During CY 1997, out of the ONIVINS orientation and intervention expenses of FF 396 million ($68 million), FF 185 million ($31.7 million) were allocated to wine growers for restructuring and renovating vineyards by planting new and uprooting old vines.

4. Common Organization of the Wine Market (COM) and French Aid to the Renovation of the Vineyard

Wines were not covered under the CAP reform of May 21, 1992, since they were supposed to be part of a general reform under the Common Organization of the Wine Market (COM), established in 1970 to coordinate EU wine practices and production. To adapt the EU wine industry to new market conditions, during 1997, the European Commission presented a new COM project which may be implemented starting on August 1, 2000. This project may cost the European budget 1.3 billion ECUs (approximately $1.5 billion). The revised COM would simplify the current legislation and mainly focus on the following elements:

— Replace the current distillations (preventive, mandatory or support distillations) by a more flexible system, with possible distillations in case of "crisis," such as overproduction. The preventive distillation should be replaced by a specific distillation so as to supply the alcohol and products made from wine markets (vinegars and aromatized wines);

— Modify the EU system in regard to new planting and uprooting of vines. The new reform provides for grubbing of 5,000 hectares of vines per year with an average bonus of 9,000 ECUS per hectare.

— The EU Commission should reimburse the losses the wine growers who start a reconversion program or proceed with uprooting and new planting. However, purchases of new equipments should be financed only 50 percent by Brussels, the other half being paid by the producer.

In November, 1997, the European Commission allowed for the quota of 2,584 hectares of new vine planting, previously authorized in July 1996, to be split between AOC wines (1,680 hectares), and table wines (904 hectares). These new planting should be done over two marketing years.

The EU Regulations for the uprooting of vines were modified in March 1997, to allow for the report of the non-uprooted areas during MY 1996/97, to MY 1997/98. Also, the opening of a support distillation for France, Italy, Spain, Portugal and Greece, as well as the reopening of preventive distillation for MY 1996/97 for Spain, Italy and Portugal, were voted in February 1997. France was authorized for 300,000 HL to be distilled under the support distillation, and for 1.5 MHL under the preventive distillation.

Marketing

1. Infrastructure and Distribution

The wine distribution system in France is carried out by wholesalers and importers. Wholesalers generally sell to specialized wine stores and other food stores, as well as to restaurants and institutions; while importers sell to supermarkets. Mail order sales are generally made directly from the producer. Supermarket sales represent 60 percent of total wine sales; specialized wine stores, 19 percent; direct purchases, 13 percent; and the remaining 8 percent by the general food stores.

Supermarket sales are valued at FF 19 billion ($3.2 billion). During 1997, 34 MHL of wine were consumed, from which 12 MHL in restaurants, hotels and cafes, and 22 MHL in homes. Out of the 22 MHL of wine consumed at home, 11 MHL were purchased in supermarkets and the remaining purchased in specialized stores or directly from the wine growers.

From the total 11 MHL of wine sold in supermarkets, 5.3 MHL of supermarket sales were VQPRD wines, mostly red; and 5.7 MHL table wines, again mostly red.

2. Policy: Safety Laws and Labeling

-- Evin Law, and other Regulations against Alcohol: Impact on Wine Consumption in France

In 1992, France published regulations limiting radio and TV advertisements promoting alcohol, followed by two additional decrees in 1993 that regulate advertising at point of sales and sponsorships of certain events. The wine industry, always opposed to the Evin Law and its implementing decrees, has lobbied for the French Government to modify this law.

In addition, ONIVINS has conducted several studies to better understand the effects of moderate wine consumption on health. These studies concluded that moderate consumption tends to have a positive influence on health. However, it is difficult to determine the impact of this law on wine consumption in France, inasmuch as the reduction in wine consumption began prior to the introduction of the law. However, a law against drinking alcohol while driving in France has greatly influenced consumers who now drink less alcohol when dining out.

-- Labeling Regulations

Labels on U.S. wines exported to France must include:

- Net content of the bottle, in millimeters, centiliters or liters,
- Name and address of the French importer. Preferably, this information should be printed on the main label. However, small stick-on labels can also be applied by the French importer,
- Alcohol content of the wine,
- Indication of a manufacturing lot,
- Indication of the country of origin of the wine.

EU labeling regulations allow the United States to authorize the indication of two vine varieties for table wines provided the wines are exclusively from those vines. The name of the most important variety should be listed first and both names should be listed in the same characters and same field of vision. Also, a design on the label is authorized provided it has a geographic connotation, i.e., reproduction of the city where wine is sold.

In addition, imported wine should correspond to rules governing oenological practices and processes as stipulated in EU Regulation 822/87, published in the EU Official Journal L 83 dated March 27, 1987. As per EU Regulation 2390/89, an analytical bulletin should accompany the wine.

However, the EU is working on a new wine accord with the United States which will cover various issues, such as oenological practices, geographic indications, etc.

3. France Market Development Activities

Most public assistance for the domestic and international promotion of French wines and spirits come from the French national market promotion agency (SOPEXA) which has aggressively developed France’s share of the international market for food products and wines.

During CY 1997, ONIVINS had a budget of FF 43.2 million ($7.41 million) for financing promotional campaigns of French wines in international markets. This budget, is funded by the French Government, by interprofessional organization and managed by the SOPEXA. In addition, ONIVINS’ budget was completed by a FF 8 million ($1.4 million) from the Interprofessional Wine Table Association (ANIVIT) and by the French Center for Agricultural and Food Products Promotion (CNPA). Thus, to promote French wines in foreign countries in 1997, SOPEXA had a total budget of FF 139 million ($24 million), an increase of two percent over 1996.

Promotional activities funded by ONIVINS focused on advertising campaigns, promotional materials, in-store promotions in specialized outlets, hotels, restaurants, as well as fairs and trade shows. New promotional actions were also conducted such as qualitative studies, reinforcement of advertising campaigns, educational programs and in-store promotions, not only in the EU but also in North America, Japan and in emerging markets (Eastern Asia and Central and Eastern Europe Countries), where the consumer needs to be educated. SOPEXA promotes the image of the “French Style of Living” and “French Cooking” through “French weeks” in foreign restaurants, including wine waiter contests.

4. Competitor Programs/Activities

Nearly all of the other EU countries conduct some form of market promotion in France. Wine products are commonly promoted through participation in trade shows as well as public and trade advertising and supermarket promotions. Countries that do not have export promotion agencies often use their local embassies or French importers to conduct their promotion. Non-EU countries promoting wines in France include South Africa, Chile, Argentina, the United States, Australia, and more recently New Zealand and Bulgaria.

5. U.S. Market Opportunities

Most of the American wines sold in France are bulk wines (Cabernet Sauvignon, Chardonnay, Zinfandel and Pinot) from California. U.S. wines in France face strong competition from domestic producers, and from France’s leading EU suppliers (Italy, Spain and Portugal), as well as Australia, South Africa, Argentina and Chile. Central and Oriental wine markets are now emerging and should be considered as future competitors. However, there are market opportunities for U.S. wines in France, thanks in part to the “exoticism” and quality of U.S. wines, and also to the promotional efforts of Office of Agricultural Affairs at the American Embassy and the many American restaurants in Paris.