



Optimism Ahead: Jean-Marie Cardebat Predicts End of Wine Sales Crisis

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The global wine industry has faced turbulent times, with sales slumping amidst economic instability and shifting consumer priorities.

However, French economics professor Jean-Marie Cardebat, who teaches at INSEEC, an international business university, shared an optimistic outlook at the Vinitech fair. He predicts the wine sales crisis will end by 2025, driven by stabilizing global economic conditions and renewed trade growth.

Historical Cycles and the Wine Economy

Cardebat's analysis highlights how wine consumption mirrors economic cycles. Historically, wine sales boomed during periods of economic recovery and prosperity, such as the post-World War II era and the globalization wave of the 2000s. Conversely, downturns were marked by economic recessions, inflation, and financial crises, including the 1980s recession, the 2008 financial crash, and the 2017 Chinese real estate crisis.

"Wine transitioned from a staple food to a luxury product after the 1960s," Cardebat explained. "This makes it more susceptible to economic cycles. When inflation rises or incomes decline, consumers prioritize essentials like housing and food."

He believes the worst of the current global economic crisis has passed, citing signs of

controlled inflation, weak yet improving economic growth, and positive trends in the U.S. economy. "American growth will stimulate global trade flows, leading to a new economic cycle that should benefit wine sales," Cardebat said.

Risks of Vineyard Clearance

While Cardebat sees potential for recovery, he warns against the long-term risks posed by vineyard clearance. Significant reductions in vineyard acreage, particularly in Bordeaux, may address short-term financial struggles for winemakers but risk creating market gaps.

Fabrice Chaudier, an advisor aligned with Cardebat, added: "Clearing vineyards might offer short-term relief, but it opens opportunities for competitors. For every 10,000 hectares cleared in Bordeaux, another 10,000 hectares are planted elsewhere, like in Mexico. These are markets we should have developed earlier."

Strategic Forward-Thinking

Both Cardebat and Chaudier advocate for a proactive, counter-cyclical approach to strengthen the industry during economic downturns. This includes investments in:

1. **Agronomic Adjustments:** Transitioning red grape vineyards to white grape varieties to align with evolving consumer preferences.
2. **Climate Adaptation:** Relocating vineyards to higher, cooler altitudes to mitigate climate change effects.
3. **Innovation:** Using funds for conversion rather than destruction to sustain long-term competitiveness.

Chaudier emphasized the need for foresight: "The wine industry often reacts too late, driving headlong into crises without considering future repercussions."

A Stable Future

As the global economy shows signs of stabilization, Cardebat predicts a turnaround in wine sales by 2025. However, the industry must balance short-term decisions with long-term strategies to ensure its resilience.

By fostering innovation, adapting to changing climates, and expanding into new markets, the wine sector can emerge from the current crisis stronger and better equipped for future challenges.

Source: Vitisphere

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