

RESEARCH ON THE WINE MARKET IN THE EUROPEAN UNION

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Abstract: *Europe provides the finest wines in the world and it has an impressive capacity in terms of selection range. This paper covers the evolution of the wine market in the EU, in the interval 2000 – 2011. During the researched interval, the European Union filled the world leader position in terms of the areas cultivated with grape vine, on the one hand, and on the other hand in terms of the wine production obtained. In this paper, we analyse several specific indicators, among which: the wine production, imports, exports, consumption. The main wine producing countries are France, Italy, Spain, accounting for approximately 80% of the overall wine production. Regarding the intra community trade, we must point out that it remains at a high level, but we notice a decrease in terms of both amounts and value. Wine consumption decreased due to the global economic crisis, but also due to the campaigns aimed at reducing alcohol consumption.*

Key words: *wine, production, market, imports, exports*

INTRODUCTION

The specialised literature emphasises the therapeutic importance of grapes, as they are included in the category of the strongest foods, which are used in regulating the metabolic processes in the human body. Analysing the chemical structure of grapes revealed their complex nature. The therapeutic value is given by the vitamin content so important in maintaining the population's health, such as; vitamins B, C, H, PP. Grapes are consumed as fresh fruit, they are used as raw material in various industries and last but not least, they are used in obtaining wine, which is so highly appreciated by consumers. Europe is considered the land of wine as it produces and sells the best wines. Viticulture is a valuable component of European agriculture. In many European Union regions, the vitiviniculture sector is the key to economic and social development.

MATERIALS AND METHODS

In order to perform the current study, we used data provided by FAOSTAT, EUROSTAT and Romania Trade & Invest. The evolution of the wine market at European Union level was emphasized using a series of indicators, among which: the area covered with grape-bearing vines, the overall production of grapes and wine; the overall consumed amount, the import and export of wine. Specialised books, studies and magazines were also referred to, which contributed to concisely and objectively elaborating the current study on the wine market.

RESULTS AND DISCUSSION

According to official statistics, the European Union is the world leader in terms of the area cultivated with grape vine. It accounts for about 50% of the total cultivated area at world level. In table 1 we present the evolution of the area cultivated with grape vine, of the grape production and wine production in the EU, in the interval 2005 – 2011. In this interval, we notice a downward trend for the area cultivated with grape vine. The area covered with grape vine decreased from 3,748 thousand ha, in 2005, to 3,330 thousand ha (-12%), in 2011.

Table 1

The evolution of the area cultivated with grape vine, of the grape and wine production, in the interval 2005-2011 (EU- 27)

Specification	2005	2006	2007	2008	2009	2010	2011	2011/2005 (%)
Area cultivated with grape vine (thousand ha)	3,748	3,740	3,620	3,560	3,537	3,391	3,300	88.0
Overall grape production (thousand tons)	26,839	27,433	25,001	25,361	25,305	24,366	24,918	92.8
Wine production (thousand tons)	17,226	17,676	15,870	16,142	17,193	16,689	17,431	101.1

Source: FAOSTAT; own calculation

The decrease in the area cultivated with grape vine also triggered the decrease in the production of grapes, from 26,839 thousand tons, in 2005, to 24,918 thousand tons (7.2%), in 2011. During the analysed interval, a maximum production of 27,433 thousand tons was recorded in 2006, as compared to 2010, when the lowest production was obtained, 24,366 thousand tons. In terms of the wine production obtained, it increased insignificantly, by 1.1% in 2011 compared to 2005.

In table 2 we present the evolution of the wine production in countries that have a tradition in this field, in the interval 2005-2011. The European Union accounts for about 67% of the world production of wine. In the table below, we present a classification of the main wine producing countries in the EU. The wine production in these countries has had a differentiated evolution from one country to another

Table 2

Evolution of the wine production in the main producing countries in the European Union

-thousand hl-

Specification	2005	2006	2007	2008	2009	2010	2011	2011/2005 (%)
France	57,386	52,105	52,127	45,672	42,654	46,269	44,322	77.2
Italy	53,135	50,566	49,631	42,514	46,240	45,800	46,734	87.9
Spain	41,168	36,158	38,290	36,408	35,913	35,489	35,353	85.8
Germany	10,107	9,256	9,000	10,363	10,089	9,326	6,976	69.0
Portugal	7,481	7,267	7,542	6,073	5,620	5,894	7,148	95.5
Greece	4,282	3,989	3,874	3,413	3,869	3,365	2,950	68.8
Romania	6,166.1	2,602.2	5,015	5,288.8	5,369.2	4,957.4	3,287.3	53.3
Hungary	5,271.8	3,103.3	3,144.3	3,221.7	3,448.8	3,348.7	1,761.7	33.4

Source: Eurostat; own calculations

We can easily notice the decrease in wine production in all the countries presented in table 2 in 2011 as compared to 2005. The most significant decrease in production (-6.6%) was recorded in Hungary, while Portugal recorded a decrease in production of only 4.5% in the same analysed interval.

The wine consumption evolution in the EU is presented in table 3. We notice a decrease in the overall wine consumption, by 6.4% in the 2010/2011 season as compared to the 2008/2009 season.

Table 3

Wine consumption evolution in the European Union

-thousand hl-

Specification	2008/2009	2009/2010	2010/2011	2010/2011 / 2008/2009 (%)
Overall consumption, of which:	160,718	159,000	158,000	93.6
-human	134,656	133,000	132,000	98.0
-other	26,062	26,000	26,000	99.7

Source: Romania Trade & Invest; own calculations

Wine consumption decreased, on the one hand, due to the drop in the population's incomes during the economic recession interval, and on the other hand because of the anti-alcohol social campaigns in consumer countries, such as: Italy and France.

In table 4 we present the foreign trade in wine in the interval 2005-2010. We must specify an aspect, namely: foreign trade includes the trade in vermouth.

Table 4

Foreign trade in wine, in the interval 2005-2010 (EU-27)

-thousand tons-

Specification	2005	2006	2007	2008	2009	2010
Exports	5,631	6,036	6,297	6,218	5,937	6,981
Imports	5,125	5,131	5,307	5,121	5,261	5,546
E-I (Net export)	506	905	990	1,097	676	1,435

Source: FAOSTAT; own calculations

In the tale above we notice a fluctuating evolution of wine exports and imports in the analysed interval. Exports increased from 5,631 thousand tons, in 2005, to 6,981 thousand tons, in 2011. Imports increased from 5,125 thousand tons, in 2005, to 5,546 thousand tons, in 2011. The exports growth rate was of 23.9% as compared to the imports growth rate of only 8.2% in the analysed interval.

In table 5 we present, on the one hand, the value of imports and exports, and on the other hand the wine trade balance in the interval 2005-2010.

Table 5

Win exports, imports and trade balance in the interval

-million dollars-

Specification	2005	2006	2007	2008	2009	2010
Exports	15,518.4	17,037.7	20,390.7	22,590.8	18,678.5	20,284.6
Imports	11,789.4	12,321.2	15,120.9	16,498.4	14,160.9	14,084.8
E-I (Net export)	3,729.0	47,16.5	5,269.8	6,092.2	4,517.6	6,199.8

Source: FAOSTAT; own calculations

During the analysed interval, the trade balance recorded a positive balance, which had a favourable impact on macroeconomic indicators.

In tables 6 and 7 we present the European Union wine exports and imports in the interval 2007-2009. We notice an increase of 91.9% in wine exports to China in 2009, as compared to 2007. The European Union is the largest wine exporter, but also the largest importer.

Table 6

Wine exports evolution for European Union-27

Specification	2007		2008		2009		2009/2007	
	Amount (thousand hl)	Value (thousand USD)	Amount (thousand hl)	Value (thousand USD)	Amount (thousand hl)	Value (thousand USD)	Amount (%)	Value (%)
USA	4,765	3,133	4,612	3,106	4,231	2,446	88.7	78.0
Russia	4,184	517	3,299	572	2,707	377	64.6	72.9
Switzerland	1,610	900	1,563	1,080	1,668	932	103.6	103.5
Canada	1,515	776	1,524	864	1,489	735	99.2	94.7
Japan	1,082	779	1,132	873	1,144	687	105.7	88.1
Angola	886	87	848	103	697	98	78.6	112.6
China	373	153	517	208	716	283	191.9	184.9
Norway	505	239	492	273	493	248	97.6	103.7
Nigeria	206	33	359	66	96	39	46.6	118.1
Brazil	232	99	226	113	193	96	83.1	96.9

Source: Romania Trade & Invest; own calculations

In the table presenting the EU wine imports, there are a few main countries from which imports are made: Australia, South Africa, Chile and China. Imports have had a fluctuating evolution, in terms of both value and amount. According to the statistical data published by Romania Trade & Invest, in 2009 imports decreased in value by 11%. This was caused by the reduction in expensive wine consumption, as the EU consumers' budget was affected by the economic crisis in this interval.

According to the European provisions, in the interval 2009-2014, vine growers receive an annual financial allocation. The allocated amount is different from one country to another. In Romania's case, an annual amount of 42,100 thousand € was established for the entire period during which financial support is granted.

At present, in the European Union the aim is to decrease the intervention measures on the market, to lower the overproduction of wine and increase wine competitiveness on the global market.

Table 7

Wine imports evolution for European Union, in the interval 2007-2009

Specification	2007		2008		2009		2009/2007	
	Amount (thousand hl)	Value (thousand USD)	Amount (thousand hl)	Value (thousand USD)	Amount (thousand hl)	Value (thousand USD)	Amount (%)	Value (%)
Australia	3,640	1,302	3,145	1,149	3,215	888	88.3	68.2
Chile	2,898	747	2,784	775	2,952	788	101.8	105.4
South Africa	2,320	583	2,694	621	2,968	619	127.9	106.1
USA	2,224	475	2,095	470	2,038	392	91.6	82.5
Argentina	661	172	712	199	629	181	95.1	105.2
Macedonia	494	41	387	26	403	26	81.5	63.4
New Zealand	321	243	338	244	446	231	138.9	95.0
Moldova	105	18	112	21	104	20	99.0	116.6

Source: Romania Trade & Invest; own calculations

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CONCLUSIONS

The following aspects resulted from the research on the wine market in the EU:

- Viticulture is an important component of European agriculture;
- The European Union is the world leader in terms of the area cultivated with grape vine;

- The wine production has decreased in the main producing countries in 2011 as compared to 2005;
- The overall wine consumption decreased by 6.4%, in the 2010/2011 season as compared to the 2008/2009 season;
- The wine exports growth rate was of 23.9% as compared to the wine imports growth rate of only 8.2% in the analysed interval;
- The trade balance recorded a positive balance, in the interval 2005-2010;
- In the interval 2009-2014, vine growers in the member states receive an annual financial allocation, which is different from country to country.

In order to maintain the leading position on the world wine market, it is aimed to increase the competitiveness of this sector in the EU.

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