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WINE MARKET IN THE EUROPEAN UNION*

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SUMMARY: In the paper were analyzed the wine market in the European Union. The basic data source is Global Trade Atlas, in the time interval from 2010 to 2012. The wine production in the European Union is around 164 thousand hectolitres. In export structure dominate the bottled wines (67.9%), and then follow the wine in bulk (22.7%), the lowest share is of the sparkling wine with 9.4%. The largest wine export has been directed to USA market (23.3%), and then follows the Russian Federation (16.3%) and China (9.9%). The biggest wine exporter in the European Union is Italy, then Spain and France. The European Union represents compellingly the biggest world wine importer, while the average import amounted 13.607.000 hectolitres. In import structure dominate the wine in bulk (57.2%), then the bottled wines (41.7%), while the lowest share has the sparkling wines, with share of totally one percentage. The largest import is from Australia (25.3%), then Chile (21.6%) and South-African Republic (20.3%). The biggest importer is Germany, and then follows Great Britain and France. The European Union has a positive balance of wine foreign trade exchange, approximately over six thousand hectolitres. In the following period can be expected a trend of export growth from the Union, but with significantly more moderate tempo, owing to a notable saturation of the international market.

Key words: *wine, European Union, export, import.*

Review paper / *Pregledni rad*

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INTRODUCTION

Viniculture represents an important branch within the European Union. The wine production in the European Union amounted 164 thousand hectolitres (2010-2012), with tendency of slight increase. The basic aim of the research is to perceive the basic characteristics, as well as the changes on the wine market in the European Union. The European Union was researched, while it represents the greatest world producer, exporter and importer of wine.

MATERIAL AND METHODS

The basic data sources were downloaded from the statistical data base of the Global Trade Atlas (GTA), for the time period from 2010 to 2012, along with apply of the standard statistical-mathematical methods. There were also used the results of the previous researches of the mentioned problems.

RESULTS AND DISCUSSION

Wine export from the European Union - The average wine export from the EU-countries was 21.666.000 hectolitres (2010-2012). Valuably expressed, export was, approximately, 10.5 milliard US dollars. The average export price is 2 USD per a litre. It varies depending on a vintage, a quality category (premium wines, wines with protected geographic origin, table wines etc.). The European Union is the biggest world exporter of wine, with two thirds shares. In export structure dominate the bottled wines (67.9%), and then in bulk (22.7%), while the lowest share is of the sparkling wines (9.4%). The highest export is directed toward the European Union countries (72%). Externally, i.e. outside the European Union, exports 28% wines. The highest export was directed to USA market (23.3%), then follows the Russian Federation (16.3%) and China (9.9%), the above mentioned countries have participated a half of the totally exported wine from the European Union (Table 1). Not all of the EU countries have the same significance on the international wine market.

Table 1.Wine export from the European Union (2010-2012), 000 hl

Country	Average quantity		Average value
	000 hl	%	000 $
USA	5.060	23,3	2.965
Russian Federation	3.535	16,3	597
China	2.142	9,9	819
Canada	1.792	8,3	927
Switzerland	1.696	7,8	1.047
Japan	1.381	6,4	2.558
Other countries	6.060	28,0	1.579
Total	21.666	100,00	10.492
Source: Global Trade Atlas (www.gtis.com/gta/)			

The biggest wine exporters within the European Union are ***Italy***, which average export was 2.223.000 hectolitres. It represents also the biggest wine exporter in the world (Vlahović et al., 2013). It exports almost 40% of the total domestic wine production. The export has significant support of the government and appropriate institutions, and thanks to a good quality and adequate marketing activities, it permanently expands on new markets (www.bizlife.rs/m/vesti/36111-italijanski-izvoz-vina-na-rekordnom-nivou). In the observed period, wine export from Italy was approximately 5.79 milliard US dollars annually, while export price was 2.6 USD per a litre. It is a resultant of production structure, where dominate quality wines. Two categories make table wines and two categories – quality wines. *Indicazione Geografica Tipica* (IGT) are wines with a precise mark of origin. It refers to the wines, which do not follow strict, classic wine laws, but have a top quality. *Denominazione di Origine Controllata (DOC) and Denominazione di Origine Controllata e Garantita (DOCG)* refer to the fields, more concrete defined. These wines have to pass a rigorous quality testing, in order to satisfy strict market requirements. The most famous export commercial red wines are: „Chianti Classico", „Barolo"', „Brunello di Montalciano". Of white wines dominate "Fiano di Avallino" and "Greco di Tufo", which origin from the region Alto Adige, i.e. Campanie. From the wine region Toscana export mainly white wines, as "Gavi", "Arneis" i "Vernaccio di San Gimignano". The most important export realizes in Germany (30.4%), then Great Britain (13.4%), USA (12.7%), France (4.7%) and Hungary (3.1%). They absorb two thirds (64%) of the total wine export from Italy (2010-2012). It is evident that dominate the European Union countries.

In the second place is *Spain* with the average export of 2.150.000 hectolitres. The export value amounts 2.96 milliard US dollars annually. Spain, by the wine production size, lags behind Italy and France, but to significant export contributes lower domestic consumption in regard to the mentioned countries. In the last researched year (2012), it came out to the first place among the biggest wine exporters in the world. The wines are in three quality groups: *Crianza* – red wines which had aged for minimum two years, of which six months in oak barrels, white and rose, aged at least one year, of which half in barrels. *Reserva* - aged for three years in barrels and one year in oak barrels for red wines and two years in barrels for white and rose, and six months in oak barrels. *Gran Reserva* – at least five years aged and 1.5 years in oak barrels for red wine, four years in a barrel and six months in oak barrels for white and rose wine (www.vino.rs/svet-vina/regioni/spania.html). Two third of export is directed to the EU countries. The most significant export realizes in France (18.7%), Germany (17.3%), Italy (8.8%), Great Britain (7.5%) and Portugal (6.9%). Those mentioned countries had absorbed more than half of the total wine export (59%). In households in Spain, consuming the quality wines decreases, owing to high unemployment and indebtedness. That is the reason why vintners turn to export, mainly to France, and from recently to Germany, too (http://trend.seebiz.eu/gastro/njemacka-postaje-najbolje-trziste-za-spanjolsko-vino/ar53046/).

In the third place is *France*, which average export amounts 1.368.000 hectolitres. It is also the biggest wine producer in the world (FAO, 2013). The export value is 9.48 milliard US dollars annually, thanks to a high export price of 6.9 USD per a litre. It is, at the same time, the highest price in regard to other exporters. In export structure dominate *Appellation d'Origine Controlee* – wines of controlled geographic origin, which have the highest quality level and Vin Delimite de Qualite Superieure quality wines with protected geographic origin. The most significant export realizes in Germany (18.3%), and then follows Great Britain (14.9%), Belgium (11.1%), Holland (8.6%) and China (7.6%). They absorb more than a half (60%) of the total wine export from France.

The biggest part of export is directed to the European Union countries.

Than comes *Germany*, which has an average export of 399 thousand hectolitres. It is in the seventh place among leading world wine exporters. The export value is 1.25 milliard US dollars annually. The average export price is 3.13 US dollars per a litre. Progress in export is indubitably connected to the German wine industry efforts to improve the quality and to focus its marketing strategy to the leading German sort – Riesling (Wines of Germany, 2012). Of the total production exports 41%, which indicates a high export-orientation of wine sector. In export structure, dominant places have the white wines (88%), while significantly less is a share of the red wines. The most significant export realizes in Holland (19.3%), and then follows Great Britain (15.2%), USA (7.8%), Sweden (6.5%), and Poland (4.6%). They absorb more than half (60%) of the total wine export from Germany.

Although the global wine market has been significantly saturated, in the next period can be expected a tendency of a slight export increase from the European Union countries, mainly to USA, China and the Russian Federation.

Import of wine from the European Union - The average wine import to the European Union was 13.607.000 hectolitres (2010-2012). It represents surely the biggest wine exporter in the world. In wine import structure dominates the wine in bulk (57.2%), and then follows the bottled wines (41.7%), and the lowest share has the sparkling wine, with one percentage share. The wines in bulk have a low price and often serve for blending with the local wine. The highest import realizes from Australia (25.3%), then Chile (21.6%) and South-African Republic (20.3%), they are more than two third (67.2%) of the total wine import of the European Union (table 2). From Serbia was imported 50 thousand hectolitres of wine, which makes 0.43% of the total import.

The leading wine importer within the Union is Germany, with average import of 1.525.000 hectolitres. The wine import value amounts 3.01 milliard US dollars. Import is a resultant of high consumption of 26 litres per capita (2011), as well as by improvement of assortment with the quality sorts of wines. German consumers prefer red wines. In consumption structure, a dominant place has red wines (63%); the share of white wines is 29% and rose around 8% (www.wineinstitute.org/resources/statistics*)*. In import structure dominate the bottled wines (62%), and then the wines in bulk (22%), while the lowest share is of the sparkling wines (16%). The biggest part of import participates from the European Union countries (84%). There dominates Italy with 42.7%, follows Spain with 18.4% and France with 15.9%. The above mentioned countries are main suppliers of the German market, with the share of three fourth. The biggest import out of the European Union realizes from the South-African Republic with 4.9%. In import structure dominates red wine (60%); significantly lower share is of white wine (25%), while the lowest share is of rose wine (7%) (Ammerman, Danieliane Illma, 2013).

In the second place is *Great Britain*, with slightly lower import than Germany, of 1.329.000 hectolitres. The average wine import amounts 4.76 milliard US dollars. The wine production, owing to the climatic factors, is small, so it has to import significant amounts of wine. During last years has been present a slight stagnation of import and consumption of wine. With achieved consumption of 22 litres per capita, it lags behind the European average, for around five litres (FAO, 2011.). In consumption structure, a dominant place take the white wines (46%), the share of red wines is 42% and rose 12% (Observatorio Español del Mercado del Vino (2012). In import structure dominates the bottled wine (71%), then the sparkling wine (17%), while the lowest share is of bulk wine (16%). In import dominate wines from the European Union (53.5%). The most represented are wines from Italy (18.9%), Australia (18%), France (15.5%), Spain (10.5%) and USA (9.1%), which make almost three quarters of the total import.

Table 2. Wine import into the European Union (2010-2012), 000 hl

Country	Average quantity		Average value
	000 hl	%	000 $
Australia	3.446	25,3	739
Chile	2.946	21,6	769
South Africa	2.762	20,3	537
USA	2.370	17,4	469
New Zealand	633	4,6	325
Argentina	574	4,2	187
Other countries	860	6,6	197
Total	13.607	100,00	3.223
Source: Global Trade Atlas (www.gtis.com/gta/)			

France comes after, with average import of 603 thousand hectolitres. The wine import value amounts 792 million US dollars. With achieved consumption of 55 litres per capita represents the leading global consumer (FAO, 2011.). In import structure dominate the bottled wines (59%); there is a high share of wines in bulk (34%), while the lowest share is of the sparkling wines (7%). In import has been the most present the wines from Spain 63.9%), then follows Italy (16.7%), Portugal (9.2%), Chile (2.4%) and USA (2.1%) which makes more than 90% of the total import. It is evident that the most imports from the European Union. The most of wines which import from USA are from California (Bettini and Ornella, 2013). The wine policy of the European Union in the following period will base on next elements (Comité Européen des Entreprises Vins, 2013).

Deepening the modernisation of the European sector and its market orientation, further pursuing dynamic and market-oriented measures, with the objective of reinforcing the competitiveness of the EU wine sector, by favouring solutions allowing to better structure the sector instead of dispersed measures.

Supporting a new regime, that frames the growth of plantings in the EU, with the objective of ensuring the orderly growth of new plantings to reinforce the competitiveness of the EU wine sector. It should allow for a balanced evolution of the EU vineyard in the future which, however, would not undermine the competitive potential of the EU wine supply on the market place, nor be an obstacle to the development of competitive production strategies that allow improving the market situation of the EU wines and other vine products across the world and meet future increase of demand(s).

Supporting an update of definitions and processing practices for aromatized wine products adapted to technological innovation and new consumer expectations, in line with the OIV standards.

Improving the definition of appropriate production conditions across the EU to satisfy the consumer's demand on quality organic wines, while ensuring smooth functioning of the internal market and the international trade, through appropriate equivalence, solutions between the EU and Third Countries' organic wine standards.

Promoting appropriate EU & international harmonised standards for alcoholreduced wines and alcohol-free wines, allowing the EU wine sector to respond to the dynamic consumer demand, expand the outlets for the EU production, and ensure the smooth market deployment of these new segments without unnecessary barriers to the internal and international trade.

Preserving the specificities of wine geographical indications, strengthening their protection at international level, but also its complementarity, as regards a company's brands and trademarks, so that one should not prevail upon the other. Improving economic intelligence for increasing the market legibility for the EU wine economic operators in order to better forecast future trends in production, consumption and trade.

CONCLUSION

The European Union represents one of the biggest wine exporters in the world. The average export of wine is 21.666.000 hectolitres. The highest export has been directed to USA market (23.3%), and then follows the Russian Federation (16.3%) and China (9.9%). The biggest wine exporter within the European Union is Italy, then Spain and France, which dominate in export of the stated group. The average wine import was 13.607.000 hectolitres. It represents compellingly the most important wine importer in the world. The biggest import is from Australia (25.3%), and then follows Chile (21.6%) and South-African Republic (20.3%). The average import from Serbia has amounted 50 thousand hectolitres, i.e. 0.43% of the total EU import. The biggest importer is Germany, as also the biggest wine importer in the world, too. Then follow Great Britain and France. The European Union has a positive balance of foreign trade exchange of wine, approximately something over six thousand hectolitres. In the next period can be expected a trend of export increase from the European Union, but with significantly more moderate tempo owing to a significant saturation of the international market.

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TRŽIŠTE VINA U EVROPSKOJ UNIJI

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Izvod

U radu se analizira tržište vina u Evropskoj uniji. Determinisane su promene u prometu, i apostrofirani su regionalni najveći izvoznici i uvoznici vina. Osnovne izvore podataka predstavlja baza podataka *Global Trade Atlas,* u vremenskom periodu 2010-2012. godina. Proizvodnja vina u Evropskoj uniji na nivou je od 164 hiljada hektolitara. U strukturi izvoza dominira vino u bocama (67,9%), sledi u rinfuzi (22,7%), najmanje je učešće penušavog vina sa 9,4%. Najveći izvoz vina usmeren je na tržište SAD (23,3%), sledi Ruska Federacija (16,3%) i Kina (9,9%). Najveći izvoznik vina u okviru Unije jeste Italija, slede Španija i Francuska. Prosečan uvoz vina Evropske unije iznosio je 13.607 hiljada hektolitara. Ona predstavlja ubedljivo najvećeg svetskog uvoznika vina. U strukturi uvoza dominira vino u rinfuzi (57,2%), sledi vino u bocama (41,7%), najmanje učešće ima penušavo vino, sa učešćem od svega 1,0%. Najveći uvoz ostvaruje se iz Australije (25,3%), sledi Čile (21,6%) i Južnoafrička Republika (20,3%). Najveći uvoznik je Nemačka slede Velika Britanija i Francuska. Evropska unija ima pozitivan bilans spoljnotrgovineke razmene vina, prosečno nešto preko šest hiljada hektolitara. U narednom periodu može se očekivati trend rasta izvoza iz Unije ali sa znatno umerenijim tempom usled značajne zasićenosti međunarodnog tržišta.

Ključne reči: vino, Evropska unija, izvoz, uvoz.

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