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Did the French nuclear tests under the Mururoa atoll affect the export of French wine to Denmark?

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Abstract

In the spring of 1995 the French military announced a series of nuclear tests to take place later that year. The main test site was the 30-km-long Mururoa atoll 1,200 km away from Tahiti. Despite worldwide protests and opposition from nearly 63% of the French population a nuclear test series of six bombs was carried out from September 1995 to January 1996. In some countries, e.g. Denmark, the public reaction to the test series was quite strong and during the nuclear testing period in the South Pacific many consumers substituted goods from other countries, especially wine, for French goods.

The purpose of this paper is to analyse the demand for French wine in Denmark with focus on the question of whether the nuclear tests had any effects on the Danish import of French wine. The effects, if any, may be temporary, i.e. a 'bubble' incident, or there may have been more permanent, long-run effects concerning the consumption of French wine in Denmark. By the use of monthly data for the Danish import of red wine and white wine, the long-run trends in these variables are extracted by applying both the X-11 seasonal adjustment program and the Hodrick-Prescott-filter; the latter known primarily from business cycle analysis. When eliminating seasonal and irregular components from the wine import data there seems to be empirical evidence in favour of boycott effects of a temporary nature in late 1995 and early 1996.

Additionally, the paper addresses questions related to market shares and market segments concerning wine consumption patterns in Denmark. The market share of French wine was declining during the 1990s and the nuclear testing certainly did no good for the marketing of French wine. Data from a survey of approximately 350 Danish executive director's ranking of wine products is used in order to investigate consumer preferences concerning country of origin and willingness to pay.