

ABSTRACT

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The future of the french wine industry GLOBALIZATION VS. QUALITY EFFECTS

AUTHORS . Emanuelle AURIOL¹, Jean-Baptiste LESOURD², and
Steven G.M. SCHILIZZI³

This paper surveys the current features and the current trends of the French wine industry, which, while still leading in terms of both quantity and quality, is facing increasing and global competition in international wine markets. In terms of long-term trends, the French wine supply is characterized by a strong shift towards increased quality. Roughly speaking, it can be concluded that the markets of the best quality wines, such as the best wines with *Appellation d'Origine Contrôlée* (AOC) in Bordeaux, Burgundy and other areas, are expanding. On the contrary, in the lower quality brackets (*Vins ordinaires* or ordinary table wines), the market is receding. Moreover, wines of intermediate but still quite good quality such as *Vins de Pays* (country wines) and *Vins de Cépape* (variety-denominated wines) are also expanding, thus adjusting to international competition, and to the trends of demand on international markets. An econometric application, focused on the demand for wines with Appellation d'Origine Contrôlée (AOC) and ordinary wines, is carried out, yielding statistically significant results. Our application illustrates the reality of the shift towards higher quality of French wines, as reflected in consumption patterns.

¹ ARQADE and IDEI, Université des Sciences Sociales de Toulouse, Toulouse, France.

² GREQAM, Université de la Méditerranée et Université de Droit, d'Economie et des Sciences d'Aix-Marseille, Aix-Marseille, France.

³ School of Agricultural and Resource Economics, Faculty of Natural and Agricultural Sciences, University of Western Australia, Perth, Australia.