Wine-trade in the Czech Republic in 2000–2003

Obchod České republiky s vínem v letech 2000–2003

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Abstract: The paper focuses on wine imports into the Czech Republic in the period of 2000–2003 with a special attention paid to the imports from the European Union countries. It describes the results of trade balance in its value and natural expression, as an important impulse for producers, mediators, and traders for increasing their participation in the sales in foreign markets. For the the evaluation of profitability of trade transactions, unit kilogram prices are used. Imports of the particular wines are structured according to the nomenclature of harmonised codes of customs statistics. For mutual comparison, the indicators of unit kilogram prices are used. Imports are monitored for individual commodities according to the structure, which is used by customs statistics.

Key words: wine, production, trade, balance, prices, panel data analysis

Abstrakt: Příspěvek pojednává o dovozu vína do ČR za období 2000–2003 se zvláštním zřetelem na dovoz ze zemí Evropské unie. Přiblíženy jsou výsledky obchodní bilance v hodnotovém a naturálním vyjádření, jako významný impuls pro producenty, zprostředkovatele a obchodníky pro zvýšení účasti na prodeji na zahraničních trzích. Pro posouzení výhodnosti obchodní transakcí jsou použity jednotkové kilogramové ceny. Dovoz jednotlivých druhů vín sleduje rozdělení podle nomenklatury harmonizovaného číselníku celní statistiky.Pro vzájemné porovnání jsou použity ukazatele jednotkových kilogramových cen. Dovoz se sleduje za jednotlivé komodity ve struktuře, jak je vykazuje celní statistika.

Klíčová slova: víno, produkce, obchod, bilance, ceny, panel data analysis

INTRODUCTION

The commodity wine, as a product of natural and climatic conditions and human labour, is an important trade article for Czech producers – especially those from South Moravian region – from the long-term view. Successful trade demands a concentrated focus of business sphere on all aspects and influences affecting the quality of final production. At the same time, it is necessary to identify the customer needs and wishes, and based on this identification, to increase the sales share and market saturation – especially by domestic kinds and varieties of wines. It is, therefore, necessary for the wine-producers and traders to monitor the signified trends in the trade with wine in foreign markets, especially in the main wine-producing countries of the European Union.

Penetrating foreign markets will be hard for all subjects operating in the vertical of wine. Integration of the Czech Republic into the EU makes the competitive market more transparent. The same conditions will be valid for small growers, who have their share in the development of this crop and trade with its products.

The trade results show, that for a success in the foreign markets, it is not sufficient to have just a quality product. The concurrent long-term, correct trade-relations based on “win-win” transactions using all incentives of the relationship-marketing become decisive.

VINEYARD AREA IN THE CZECH REPUBLIC

The vineyard area in the Czech Republic has fallen by 25% within the last twelve years of the twentieth century as a result of insufficient planting (Sedlo 2002). After this strong decrease of planting and total vineyard area, the turn of the century was marked by an increase of planting and the consequent growth of the total vineyard area. According to the Czech Statistical Office (2003), the grapevine was grown on 15 626 hectares in the Czech Republic in 2002, of which the viny vineyards were grown on 10 794 hectares (69.07%). This area gave the harvest of 56 682 tons of grapes with the average per hectare yield of 5.25 tons. In comparison with 2000, the vineyard area grew by 132 hectares (0.85%). The grape-production showed a contrary tendency. From the original 66 937 tons (in 2000) it dropped down to 56 682 tons (by 10 255 tons). This decrease is a result of the decline in the viny vineyards area and decline of per hectare yields by 0.71 tons per hectare (index 88.08%).

According to the Act on Winegrowing and Wine-Production in the Czech Republic, as well as according to the directives of the EU, all vineyards and vine lanes are subject to evidence. The area register is administered by the Central Institute for Supervising and Testing in Agriculture (CISTA), department of perennial plants in Brno. This office also assesses registration numbers for the lands, where vineyards are grown. The winegrowers are obliged to announce the actual data about the area of vineyards planted before the operation of the Act No. 216/2000, which replaces the Act No. 115/1995, about winegrowing and wine-production. All vineyards are monitored for identification data about the grower, name of the wine lane, parcel number according to the real estate register, total and planted area, ownership relation, possibility to use irrigation, variety structure, year of planting, area of particular varieties, number of bushes and the type of lead. According to the area categorisation in the interval up to 1 000 m^2, almost one fourth of the total number of growers are currently registered, but these operate only on 1.38% of the registered vineyards in the Czech Republic. The highest number of growers (almost 70%) operate on the area from 0.1 hectares to 1 hectare. The smallest share have the growers operating on areas larger than 5 hectares. Vineyars in this category, though, have the total area of more than three fourths of the registered vineyards in the Czech Republic. The owners are firms, cooperatives, and private entrepreneurs.

The Ministry of Agriculture of the Czech Republic estimates, that the vineyard area in the Czech Republic will – thanks to the intensive planting in recent years – overreach 17 000 or even 18 000 hectares. This is the largest area in the last 30 or even more years, according to the available data. Enlargement of vineyards was possible till 30th April 2004, i.e. till the entrance of the Czech Republic into the European Union. It was subsidised by the state. Costs for planting 1 hectare of new vineyard vary around 700–800 thousand CZK. The total costs of planting were almost 500 million CZK, in the period of 1999–2002.

According to the register of the CISTA in Brno, the average age of vineyards is currently 18.4 years, when most of the vineyards are 5 to 20 years old (42.3%) or 21 to 30 years old (28.1%). As a positive fact, we can see the gradual rise of vineyards less than 4 years old, the share of which was 15.3% at the end of April 2002. The highest average age is recorded in the case of the following varieties of white grapes: Muškát Ottonel, Veltlínské červené rané, Ryzlink vlašský, Rulandské bílé, Veltlínské zelené and Műller-Thurgau. In the red stum varieties, the oldest are Svatovavřinecké, Modrý Portugal, Frankovka and Zweigeltrebe.

Distribution of the vineyards in the Czech Republic, especially in the region South Moravia, is given in the Figure 1. For wine-producers, it is promising that in the recent years, there is a growth of demand of the domestic and also foreign consumers for Czech and Moravian wine. Due to the fact, that the domestic producers are able to satisfy only 50% of consumer demand, it is necessary to import wine.

VINEYARD AREA IN THE WORLD

The total vineyard area in the world is currently – according to the FAOSTAT data (http://apps.fao.org/faostat/) – approximately 7.2–7.6 million hectares. Europe has a 60% share in this total area, Asia 20%, America 12%, Africa almost 5%, and Oceania 2%. The structure of the share of the particular winegrowing areas in the total vineyard area in the world is depicted in Figure 2.

From the world view, there are two noticeable tendencies. Whereas in Europe the vineyard areas of the traditional countries decline, vineyard areas in the overseas countries grow – especially in the case of the USA, Chile, Australia, and China. Wine is still more and more common subject of international trade and international competition is still growing. In the recent years, the world market has been penetrated by wines from New Zealand, South Africa, Australia, Chile, Uruguay, California, and also Argentina.

In connection with globalisation, there occur changes in the structure of vines grown. There start to appear wines of industrial type, where grapes are produced in

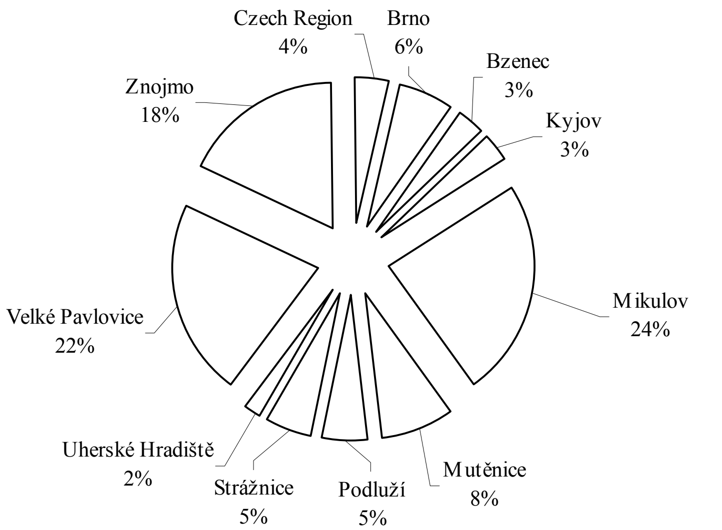

Figure 1. Vineyards areas in the Czech Republic

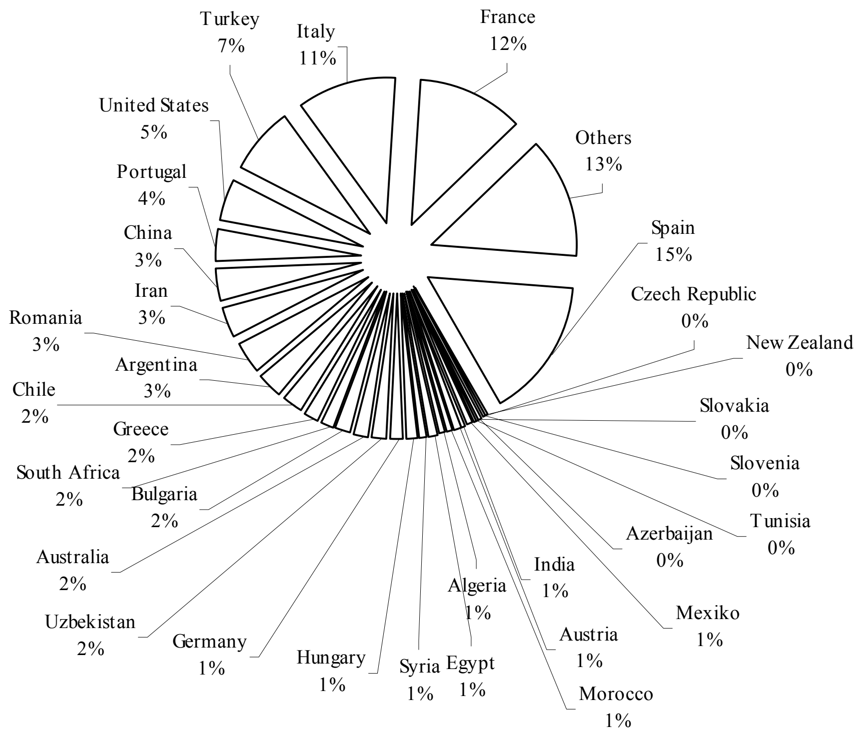

Figure 2. Share of the particular vineyards areas in the total vineyards area in the world

the areas with the lowest production costs, and are gradually processed within the whole year either on the same place or near the place of the consumption of wine. The decisive qualitative factor is variety or trademark. The second concept draws on the agricultural type. In this concept, the wines variousness and their typical character are bound with the geographic origin and production methods used. Trademarks are not of such an importance in this concept. Both concepts, though, do not compete with each other in the world market, because each of them is focused on a different market segment.

Chlumský (1998) states about exports in general, that "Size of exports is often much more determined by the participation and position in the existing cooperation networks, than by the price and quality of the produced products. Multinational cooperation … creates much higher barriers for free circulation of goods, services and capital, than many protectionist measures. These coali-

Table 1: Description of the production of the main world producers of wine

Country	Production area characteristics
FRANCE	Yearly produces approximately 70 million hectolitres of wine. There are many unique and remarkable areas production of which is well-known all over the world.
ITALY	The largest producer in the world. Annual production is estimated at 77 million hectolitres of wine, which represents 33% of European, and 25% of the world wine production. Its wines are very well known.
SPAIN	Well known for its wines in the past, but those did not reach the top level. Orientation of producers focused more on cheap wines, which were transported to retails in big cisterns. Current situation is changed. Spanish wines are competitive in the world market.
PORTUGAL	Country with a long tradition of winegrowing. Its production is influenced by its division into basic areas – Minho, and Duoro in inlands. Here the famous port wine is produced. Very well known is also the area of the Madeira island.
USA	Wines from the USA are getting to Czech consumers only recently. Most of the wine is produced in California on the area of 300 thousand hectares of vineyards. One of the largest producers is the Ernest J. Gallo Winery company with the annual production of 5.4 mil. hl of wine.
ARGENTINA	Also an important world-producer, occupying the fifth position in the world. The best wines are grown by the river Rio Negro.
CHILE	Wines from this country are still more and more popular, not only in the Czech Republic.
AUSTRALIA	Vine is grown here on 44 000 ha. Namely in the recent years, Australia is becoming an important producer. With its production quality, it becomes an important competitor for other producers.

tions, though, do not regulate only the external economical relations, but on the same level also the internal markets. … Their power and influence grow gradually. Apprehensively they mostly prefer their traditional partners ensuring the major part of their world-wide turnover. This factor already aggravates the domestic producers to penetrate their own domestic market – even in those cases, when their products lag behind in terms of price and quality" (Chlumský 1998). This general lesson is projected in full extent also into the trade with wine in our domestic market and belongs to the proves of non-price competition.

In Table 1, we describe some of the traditional wine-producing countries. It is interesting that the largest wine producer in the European Union is Italy, followed by France. Similarly interesting is also the information about the Ernest J. Gallo Winery company with the yearly production of 5.4 million hectolitres of wine. It is considered to be the largest company in the world. Attention is down also by the facts about Spain and Portugal, whose products are strongly competing with other producers, what was experienced also by Czech winegrowers and wine-producers.

INTERNATIONAL TRADE WITH WINE

Legislative rules of winegrowing and wine-production are determined by the Act No. 115/1995, and the implementary directions of the Ministry of Agriculture of the Czech Republic. Imports and exports of wine were regulated by the State Agricultural Intervention Fund. In connection with the integration of the Czech Republic into the European Union, this fund will still play the role of regulator in relation to the countries outside of the enlarged European Union.

Wine and stum imports from the third countries are possibly based on the import licence. Wine exports are subject to licence only in case of demanding an export subsidy. In the law, these issues are included in the direction of the Council No. 1493/1999 about the common market with wine and the Commission Direction No. 883/2001, which determines the implementary rules to the direction of the Council Regulation No. 1493/1999 for trade with the third countries with the products in the wine-industry. Wine, stum, and wine juice imports from the third countries are conditioned by an import licence in cases of small imports up to 3 thousand kg of stum or up to 3 thousand litres of fresh grapes wine. Together with the application for import licence, it is necessary to submit also a proof and report on the results of analysis. For all applications, it is necessary to consign a cash guarantee of 2.50 EUR per 100 kg (hl) of the thick stum. For the stum, it is also necessary to consign a guarantee of 2.50 EUR per 100 kg (hl). For other stums and grape juice, the guarantee is only 1.25 EUR per 100 kg or hl. The tariff is derived from the common tariffs of the EU. In the European Union, a quota system is introduced, which is specific for every country based on international agreements. (The tariff of 0% is introduced for less developed countries e. g. Afghanistan, Ethiopia, etc.)

STOCK OF WINE

From the stocks of wine, which are created in the individual countries of the European Union, it is possible to derive, that the balance of production, domestic consumption, export, stocks relations is violated. Currently the surplus in the EU amounts to approximately 60 mil. hectolitres of wine. Before the harvest in 2001, the stocks of wine ranged in the particular EU member countries from 55% of the harvested amount (Greece and Italy 65%, France 70%) up to 165% (Luxembourg and Portugal approx. 135%, Spain and Austria approx. 100%). For market regulation within the frames of the current market order, the most effective measures are considered to be (besides distillation and use of harvested grapes for grape juice) support of exports and consumption of stum-grapes products.

It is necessary to note, that not just Czech wine-producers prepare for the integrated European wine market, but also European producers do the same. The main threat for Czech wine-producers is the concentrated bargaining power of the big producers, especially from France and Spain. Producers from these countries have built their position in Europe and therefore they can use various competitive tools, among which an important position has the wine lobby. The process of economic integration of the Czech economy among the developed European states and the entrance of the Czech Republic into the European Union bring – except for a number of positive factors – also increased demands on the ability to trade with this commodity, to significantly increase the promotion of particular regions and to stimulate consumers towards buying the branded wines.

MATERIAL AND METHODS

The goal of this paper, as one of the results of the grant No. 2121 "Changes of behaviour of the trade sphere invoked by the transition of economy and new consumer trends" is to describe the wine market in the Czech Republic in the period of 2000 to 2003, especially with the European Union as one of our most important trade partners. A particular goal is to show the results of trade balance in monetary and natural units calculated based on the www pages of the Ministry of Finance[1], Czech Statistical Office[2] and Directorate of Customs Office of the CR.

The trade balance is first of all calculated for all countries we import wine to the Czech Republic from, and then

[1] URL: <http://www.mfcr.cz//>[cit. 2004-05-12]
[2] URL: <http://www.czso.cz//>[cit. 2004-05-12]

independently for the EU countries before its enlargement, i.e. to the 30th April 2004. At the same time, a "fictive trade balance" is calculated aimed on showing the probable result of foreign trade after including imports of wine from the countries, which were accepted as the EU-member countries from 1st May 2004.

For processing the results, statistic data published on the servers of the above-named institutions were used divided by the particular years and countries. For the comparison, the absolute values published in thousands of CZK were recalculated to the unit of CZK per kilogram, in order to achieve comparable results of price-level of trade with the particular countries.

In the tables including data about the trade balance, the active balance is represented by a plus number, the passive balance by a minus number. The data are ranked according to the Harmonised System of International Classification of Goods, HS6 (a six-digit numeric code).

In order to achieve objectivity and relevance of the analysed data, we specified the expression (statistic value) so that in imports and exports the reported value is understood the FCO level, when according to the INCOTERMS rules, it is the rule of CIF or FOB.

This paper uses the method of comparison and the Paasche index (Seger, Hindls, Hronová 1998) results by which to compare the quantity we would buy for the same amount in current periods and in the base period.

$$Ip^{(P)} = \frac{\sum_{i=1}^{n} p_{0,i} q_{1,i}}{\sum_{i=1}^{n} p_{1,i} q_{1,i}}$$

Indexes of the import and export prices are calculated according to the Laspeyres formula (Seger, Hindls, Hronová 1998), where the base for comparison is the year 1999. Laspeyres index is mathematically defined according to the included formula and compares the amounts we would spend for the same volume of goods bought in the base and current period.

$$Ip^{(L)} = \frac{\sum_{i=1}^{n} p_{1,i} q_{0,i}}{\sum_{i=1}^{n} p_{0,i} q_{0,i}}$$

Both indexes are calculated only for white wine imported in packages of up to 2 litres in volume from the particular countries without an identification of specific areas within them, which does not enable their mutual comparison.

RESULTS AND DISCUSSION

The basic economic indicator of the results of wine trade is the trade balance. We found that in the evaluated period of 2001–2003, the trade balance is passive in all years. In spite of this, it is positive, that in natural units expression exports (index 124.30%) show a faster dynamics than imports (index 113.19%), even in spite of the fact that the result projected into the structure only negligibly. Similarly in the balance in value expression, there was a positive shift. The basic index of exports is 139.19%, whereas in imports it is 120.06%. Even in spite of this partial success, the balance structure stays almost constant and directly challenges the traders to look for the possibilities of foreign markets penetration. The overall survey of both balances is given in the Tables 2 and 3.

For the wine trade, the orientation on particular markets is significant. For the period of 2000–2003, we imported wine from 48 countries in total. The imported volume, and unit prices were very variable. From the customs statistics, it is impossible to find out the division according to the imported varieties, but even in spite of that, the data we found can be significant for further orientation of imports. It is noticeable that among the six states (Italy, Austria, Spain, Slovakia, Hungary, France), from which we imported 86.07% of wine within the whole period, the second place is occupied by Austria with

Table 2. Trade balance in the period of 2001–2003 in natural units (netto kg)

Indicator	2001	2002	2003	Total
Imports	94 320 375	103 424 032	106 764 312	304 508 719
Exports	1 325 098	1 478 105	1 647 198	4 450 401
Trade balance	–92 995 277	–101 945 927	–105 117 114	–300 058 318

Table 3. Trade balance in the period of 2001–2003 by value (thousand CZK)

Indicator	2001	2002	2003	Total
Imports	2 016 866	2 907 585	2 421 552	7 346 003
Exports	78 901	105 962	109 825	294 688
Trade balance	–1 937 965	–2 801 623	–2 311 727	–7 051 315

Table 4. Wine imports from the EU countries in 2001–2003

Country	Total imports in 2001–2003 from the EU countries			
	netto (kg)	share (%)	CZK (thousand)	share (%)
Total	198 845 846	100.00	2 616 913	100.00
Italy	80 609 115	40.54	975 929	37.29
Austria	53 591 780	26.95	450 220	17.20
Spain	50 091 361	25.19	556 731	21.27
France	10 930 431	5.50	506 183	19.34
Germany	2 503 153	1.26	47 323	1.81
Greece	552 077	0.28	21 748	0.83
Portugal	514535	0.26	49390	1.89
Netherlands	26 561	0.01	3 871	0.15
United Kingdom	21 080	0.01	4 622	0.18
Luxembourg	3 150	0.00	541	0.02
Belgium	2 603	0.00	355	0.01

53 591 780 kg (17.60% of the imported amount). The lowest share (3.59%) have the imports from France. The seventh place with 3.23% share belongs to Macedonia, 2.58% of wine was imported from Romania, 2.21% form Bulgaria. Argentina and Chile have a 2.87% share, and other countries (Germany, Slovenia, Moldova, Australia, Greece, Portugal, SAR, USA, and Croatia) have a share in the range of 0.82% to 0.11%. In the case of all other states, the amounts are very low. It is noteworthy that we imported wines from Canada, China, Poland, but also from Switzerland (2 046 kg for 221 CZK per kg), Macao (858 kg for 25.64 CZK per kg), Antigua and Barbados (495 kg for 88.89 CZK per kg) and Ivory Coast (120 kg for 16.67 CZK per kg).

For mutual comparison, we recalculated the total sum to the unit prices per one kilogram. For the total amount of imported quantity in the analysed period, we paid 14.62 CZK/kg. The highest unit price was paid for the wine from the United Kingdom (219.26 CZK/kg), Malta (126.67 CZK/kg), Luxembourg (171.75 CZK/kg), and New Zealand (168.38 CZK/kg). Imports from Argentina have cost only 6.27 CZK/kg, from Austria 8.40 CZK/kg, from Spain 11.11 CZK/kg, from Italy 12.11 CZK/kg. The wide variation dispersion points out the great variety of purchase conditions, but also the possibilities of purchase orientation in connection with our exports possibilities.

According to the particular years, the situation in wine imports was the following. In 2001, we have imported 94 320 375 kg of wine from 41 countries. The highest share have had 5 countries: Italy (32.07%), Spain (17.10%), Hungary (13.46%), Austria (11.28%), and Slovakia (10.56%), which represent 84.47%. In the following year, the imported volume has risen up to 103 424 032 kg. The number of countries has stayed on the same level. Imports from the above-mentioned countries amounted to 83.68% of wine. An important shift in the structure of countries has happened in 2003. The former top-five countries have stayed the same, but most of the wine was imported from Austria (25.36%), which is by 10% more in comparison with 2002. The imports from Italy have fallen by 7% (20.35% share), and the share of Spain decreased from 17.95% to 14.40%. Imports from Hungary have decreased as well, whereas Slovakia has kept the same level. The total imports from these countries have fallen by 4%.

The most expensive wines of the monitored "top-five" countries come from Slovakia, where the unit price was at least 19.48 CZK (2001), and at maximum 20.42 CZK (2002). In general, it is noticeable that we import cheap wines from Spain, where the unit price ranges from 10.89 CZK/kg

Table 5. Trade balance for the period of 2001–2003 with the EU countries before its enlargement

EU countries before enlargement	2001–2003	2001–003
	netto (kg)	CZK (thousand)
Total	–197 549 982	–2 549 046
Italy	–80 581 953	–975 145
Austria	–53 584 161	–449 686
Spain	–49 793 495	–526 757
France	–10 919 752	–505 625
Germany	–1 952 684	–21 824
Greece	–551 105	–21 689
Portugal	–514 381	–49 372
Netherlands	–20 260	–3 332
United Kingdom	–15 716	–4 152
Luxembourg	–2 749	–499
Ireland	1 112	64
Denmark	3 669	589
Sweden	4 149	246
Belgium	23 600	1 726
Finland	353 744	6 410

Table 6. Fictive trade balance of wine for the period 2001–2003 with the EU countries after accession of the candidate countries

EU countries after enlargement	2001–2003	2001–2003
	netto (kg)	CZK (thousand)
Total	–261 692 528	–3 615 774
Finland	353 744	6 410
Poland	131 670	3 968
Belgium	23 600	1 726
Sweden	4 149	246
Denmark	3 669	589
Ireland	1112	64
Lithuania	1 103	47
Estonia	251	34
Latvia	158	6
Malta	–138	–18
Luxembourg	–2 749	–499
United Kingdom	–15 716	–4 152
Netherlands	–20 260	–3 332
Cyprus	–23 728	–1 138
Portugal	–514381	–49372
Greece	–551 105	–21 689
Germany	–1 952 684	–21 824
Slovenia	–2 339 906	–23 440
France	–10 919 752	–505 625
Slovakia	–28 668 733	–510 307
Hungary	–33 243 223	–535 881
Spain	–49 793 495	–526 757
Austria	–53 584 161	–449 686
Italy	–80 581 953	–975 145

(2002) to 11.40 (2003). Cheap wines were imported also from Italy – 10.64 CZK/kg in 2001, and 15.17 CZK/kg in 2003. France does not belong to less-important trade partners because we import about 4.5% of wine from this country. The unit prices, though, range from 44.26 CZK/kg to 48.68 CZK/kg. As a specialty, we can note that one litre of wine imported from the United Kingdom has cost 223 CZK in 2003, and from New Zealand 223 CZK.

The European Union as a whole is also an important trade partner for us, which can be documented by the 65.30% of the total wine imports, for which we have paid the total amount corresponding with 58.88% of the total value of imports. This shows that we have imported cheaper wines from the EU than from other countries. The most important partner still is Italy with a 40.54% share. The data are included in Table 4.

The result of the trade balance with the EU countries is negative, in total. Only with five countries we have a positive result in the natural and value expression. Detailed data are provided by Table 5. For an illustration we have calculated a "fictive" trade balance. It shows that the result will be positive with nine countries. The data are included in Table 6.

The data in Table 7 show the results of the calculated Paasche index. We can conclude, based on these data, that within the monitored period, this index is lower than 1 in case of Bulgaria, Spain, Hungary, and – except 2003 – also Italy. In practice this shows, that the prices in the base period were lower than in current periods.

On the other hand, the values of the Laspeyres index in Table 8 show a similar trend when being higher than 1. The Czech Republic imports 3 basic kinds of wine, according to the statistic records:

1. Sparkling wines (220410),
2. Wine of fresh grapes, stum, up to 2 litres (220421),
3. Wine of fresh grapes, stum, more than 2 litres (220429).

Table 7. Paasche index of wine imports in 1999–2003

Country	1999	1999–2000			1999–2001			1999–2002			1999–2003		
	unit price	index	netto (kg) 2000	unit price 2000	index		unit price 2001	index	netto (kg) 2002	unit price 2002	index	netto (kg) 2003	unit price 2003
Australia	109.85	**0.93**	21 072	118.1	**1.22**	16 919	90.19	**1.39**	22 454	79.01	**1.52**	59 938	72.34
Bulgaria	18.49	**0.76**	12 557	24.44	**0.41**	7 469	44.72	**0.52**	10 998	35.28	**0.78**	70 695	23.81
France	58.86	**1.45**	130 239	40.66	**1.17**	231 587	50.35	**1.01**	205 143	58.5	**0.97**	246 129	60.94
Chile	60.54	**2.09**	34 968	28.92	**0.83**	25 212	73.38	**0.9**	42 240	67.42	**1.18**	64 087	51.18
Italy	24.01	**0.37**	246 652	65.26	**0.73**	248 439	32.68	**0.94**	776 401	25.55	**1.01**	1 082 291	23.74
Hungary	9.69	**0.18**	8 534 321	53.68	**0.70**	4 353 814	13.8	**0.61**	2 943 835	15.87	**0.31**	836 776	31.58
Germany	60.55	**1.69**	21 771	35.87	**1.07**	9 177	56.45	**2.58**	49 611	23.44	**2.44**	62 638	24.83
Austria	52.76	**5.30**	3 024	9.95	**0.87**	14 929	60.82	**1.57**	27 994	33.69	**1.26**	59 848	41.89
Greece	45.53	**0.92**	16 673	49.27	**1.16**	92 803	39.35	**1.43**	121 072	31.83	**1.4**	73 589	32.49
Slovakia	27.11	**0.38**	878 873	72	**0.86**	888 041	31.55	**0.84**	966 815	32.4	**1.04**	1 234 394	25.96
United States	89.63	**1.06**	14 402	84.57	**1.32**	12 058	68	**1.39**	17 618	64.54	**1.86**	65 371	48.28
Spain	5.56	**0.15**	3 829 924	36.39	**0.53**	7 839 329	10.41	**0.56**	8 979 160	9.9	**0.6**	6 258 925	9.33

An overview of the total imports of wine in 2001–2003 by commodities is included in Table 9. Table 10 includes an overview of imports from the EU countries by commodities for the same period. Most of the wine of fresh grapes packed in more than 2 litres packages (220429) was imported from Italy for the average unit price of 9.81 CZK/kg. The price of imports from Austria was only 8.21 CZK/kg. The cheapest wine was imported from Argentina – the total of 4 819 125 kg only for 3.84 CZK/kg. Among the cheap-wines states, we can also rank France (8.41), Croatia (8.08), Austria (8.41), but also Slovenia (9.70) and Germany (9.96). The most expensive wine was imported from South Africa for 225 CZK, and Georgia (333 CZK). By the volume of imported wine of 213 kg and 66 kg, we can deduce, that these were only samples. Regarding wines of fresh grapes in packages up to 2 litres (2200421), we have imported most of the wine from Spain (51.52%) for 10.87 CZK/kg. The second place belongs to Hungary with 14.43% and unit price of 18.03 CZK/kg. For a high unit price of 96.00 CZK/kg, we imported wine from Portugal, 125 CZK/kg from Netherlands, and 123 CZK/kg from Israel. The most expensive wines came from Canada (195 CZK/kg) and Switzerland

Table 8. Laspeyres index of wine imports in 1999–2003

Country	1999		1999–2000	2000	1999–2001	2001	1999–2002	2002	1999–2003	2003
	netto (kg)	unit price	index	unit price	index	unit price	index	unit price	index	unit price
Australia	4 943	109.85	0.11	11.81	0.82	90.19	0.72	79.01	0.66	72.34
Bulgaria	13 362	18.49	1.32	24.44	2.42	44.72	1.91	35.28	1.29	23.81
France	68 691	58.86	0.69	40.66	0.86	50.35	0.99	58.5	1.04	60.94
Chile	17 359	60.54	0.48	28.92	1.21	73.38	1.11	67.42	0.85	51.18
Italy	198 422	24.01	2.72	65.26	1.36	32.68	1.06	25.55	0.99	23.74
Hungary	5 002 831	9.69	5.54	53.68	1.42	13.8	1.64	15.87	3.26	31.58
Germany	9 001	60.55	0.59	35.87	0.93	56.45	0.39	23.44	0.41	24.83
Austria	1 611	52.76	0.19	9.95	1.15	60.82	0.64	33.69	0.79	41.89
Greece	38 107	45.53	1.08	49.27	0.86	39.35	0.7	31.83	0.71	32.49
Slovakia	1 074 316	27.11	2.66	72	1.16	31.55	1.2	32.4	0.96	25.96
United States	9 495	89.63	0.94	84.57	0.76	68	0.72	64.54	0.54	48.28
Spain	3 955 271	5.56	6.54	36.39	1.87	10.41	1.78	9.9	1.68	9.33

Table 10. Overview of wine imports from the EU countries in 2001–2003 by commodities

Item	Category	Total imports from the EU countries in 2001–2003				
		netto (kg)	share (%)	CZK (thousand)	share (%)	unit price
	Wine total	198 845 846	100.00	2 616 913	100.00	13.16
Including:						
220410	Sparkling wines	1 343 707	0.68	100 065	3.82	74.47
220421	Wine of fresh grapes, stum, up to 2 litres	61 811 489	31.09	1 271 397	48.58	20.57
220429	Wine of fresh grapes, stum, more than 2 l	135 690 650	68.24	1 245 451	47.59	9.18

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220429	Wine of fresh grapes, stum, more than 2 l	135 690 650	68.24	1 245 451	47.59	9.18

(221 CZK/kg). Sparkling wine (224410) was mostly imported from Slovakia (53.26%) for 28.30 CZK/kg, then from Germany (21.21% for 21.04 CZK/kg) and France (15.62% for 139.48 CZK/kg). From the Netherlands we have imported the total of 623 kg of wine in the period of 2001–2003 for the total price of 995 CZK/kg, and from Canada 12 litres for 2 500 CZK/kg.

CONCLUSION

Trade with wine is significantly influenced by the globalisation process, which has to be understood not just in terms of interconnections of the individual markets by cancelling tariffs and other protectionist measures, but also in terms of the possibility of producer and distributor concentration into multinational complexes. This causes an intensive competition and influences the particular producers. It is a process, which cannot be influenced by an individual producer. The only way to succeed with a domestic wine in foreign markets is to emphasise the regional origin of particular varieties, enforcing the country of origin and based on this, to reach a higher unit price.

All producers should use the opportunities provided by marketing mix and be able to efficiently cohere the individual marketing tools. It will be especially needed to heighten advertisements focusing on particular specifics, which are unique and unrepeatable in those geographic micro-regions. Promotion can be assisted by the travel movement by incorporating visits of prestigious vineries with cultural sites like the Lednice-Valtice area, but also Mikulov, or surroundings of Uherské Hradiště and Staré Město. The South Moravia region should more intensively promote the possibilities of wine-cellars visits connected with various fests, which are attractive for foreign visitors, and thus gather the necessary finance for the increase of the status of wine-producers, and for the improvement of production capacity of vineyards.

Mutual visits of wine-producers from particular regions of the European Union can be influential as well. It is necessary to note, that it will always be a competition, but the positive result of these visits will project into getting acquainted with each other, acquiring knowledge and to liaise with each other. These visits should be also attended by the wine-traders, who can specifically influence the durability of business contacts and stimulate producers to grow and produce in accordance with the market demands.

The integration into the European Union enabled to use the Structural Funds, but – at the same time – conditioned this use by a precise analysis of own production capacities with fulfilment of all demanded administrative activities in extent, time and quality. Fulfilment of this imperative cannot be expected solely from producers themselves (as very narrowly focused specialists), but there is a space for professional project managers, who are rightly expected to help especially in the field of marketing, trade, but also consulting activities connected with advertisements and promotion. The practice confirms, that there is a lack of project managers, and their professional knowledge is inadequate to the expectations and demands of the businesses. An important role in this field has to be played by universities, in order to prepare young specialists, who deepen their theoretical knowledge and cognisance on study visits abroad.

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