


Chapter 2

The Internationalization of the Spanish Wine Industry: An Analysis of Trade Flows and Their Degree of Concentration

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ABSTRACT

The Spanish wine industry is a world leader in terms of wine exports by volume and third in terms of the value of these exports, behind only France and Italy. Spanish wine is therefore present in the world's main wine consuming markets, contributing to the maintenance and even improvement of the Spain brand on an international scale. Through a descriptive analysis carried out with secondary sources of information, this research aims to analyze wine trade flows as well as the degree of concentration of these flows in order to determine the degree of equality or inequality among Spanish wine exporters. The results show that for the last decade Spain has had a surplus in the wine trade balance of more than 2,000 million euros per year, and more than 80% of the wineries export on a regular basis, with a high concentration of large wineries.

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INTRODUCTION

The Spanish agri-food industry combines maturity, the predominance of small companies and territorial roots, with a growing process of internationalization, technological innovation and the development of distribution channels (Rodrigo-Alarcón et al., 2014). Within this framework, the core activities of the wine value chain, i.e., viticulture, winemaking and marketing (hereinafter, the wine sector) occupy a prominent place in this industry as a whole, both in terms of the quality and variety of its production (Fuensanta et al., 2015).

The wine industry generates a Gross Value Added (GVA) of more than 23,700 million euros in Spain, equivalent to 2.2% of Spanish GVA, and provides more than 427,700 jobs, representing 2.4% of Spanish employment. Furthermore, wine activity is not only responsible for these contributions in economic and employment terms, but also represents an important source of revenue for the public coffers in terms of taxes and social security contributions. In fact, each year the sector directly contributes more than 3.8 billion euros in tax revenue for the State (AFI, 2020).

Beyond its economic contribution, the link between wine and Spanish culture is inescapable, since the tradition of vine cultivation and winemaking has left a deep imprint on its cultural and heritage legacy, crystallizing in various local festivities and a large number of vineyards in Spain (Marco-Lajara et al., 2022a; Marco-Lajara et al., 2022b; Marco-Lajara et al., 2022c; Marco-Lajara et al., 2022d; Marco-Lajara et al., 2022e; Marco-Lajara et al., 2022f; Marco-Lajara et al., 2022g; Marco-Lajara et al., 2022h; Marco-Lajara et al., 2022i; Marco-Lajara et al., 2022j; Marco-Lajara et al., 2022k; Marco-Lajara et al., 2022l; Seva-Larrosa et al., 2022). In fact, according to the records of the Ministry of Agriculture, Fisheries and Food (MAPA, by its acronym in Spanish) for the year 2020, the presence of vineyards extends throughout all the Spanish autonomous communities.

In order to carry out this research, wine companies (wine production) have been selected as the unit of analysis given their importance for the economic and social development of Spain. Thus, according to the latest data provided by the International Organization of Vine and Wine (OIV), Spain is a world reference in the wine sector, occupying the first place in the world in terms of surface area and export volume, as well as the third in terms of production, which shows the economic weight of the wine industry in the Iberian country. Through this research we contribute to generating useful knowledge for the decision-making process of wineries, which can consider the results of this research as a reference point for the development of the internationalization of their companies.

What is the trade balance of Spanish wine? How many exporting wineries are there in Spain? Are exports concentrated in a few wineries or fragmented among a large number of companies? These are the questions that the chapter aims to answer,

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