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An important feature of the international crisis and recession of 2008-9 was the Great Trade Collapse where world trade declined relatively much even compared to the slow or negative growth performances of many countries. During such recessions also the prices of traded goods must be expected to be particularly influenced in downward directions due to declining global demand. In order to analyze the price development of traded goods during the 2008-9 recession, we include wine prices in an empirical analysis of this question. Wine as a traded good is an obvious candidate for this kind of analysis as the respective wines are well-defined goods – no matter in which country the trade is taking place - and in many cases with known and openly available prices. Additionally, both low-priced and high-priced wines can be included in the analysis to investigate whether e.g. the more expensive quality wines are the most sensitive to recessions and declining trading opportunities.

Price data for a range of wines are obtained from Wine-Searcher where price information can be found for the time span 2007 to 2012, i.e. including the before-mentioned international recession. The wines are usually well-defined – opposite to other traded goods where prices information may cover various versions of the same commodity. For example, a bottle of Margaux 2005 is the same, no matter where in the world traded. The prices of approximately 100 wines are collected for the time period 2007-12, and both less-known, lower-priced wines as well as the more famous wines are included in the analysis.

Many of the wines exhibit a relatively clear pro-cyclical price development – while some prices seem rather robust to the 2008-9 recession. Several issues related to the development of prices of traded goods, with wines as a representative good in the present case, are addressed. The methodologies applied are the Triples test as well as the Sichel test for investigating whether recessions are characterized by the so-called steepness and deepness phenomena. The Triples test is included as this is a more robust test in some dimensions compared to the often applied Sichel test when analyzing business cycles. The latter is in the present case related to very sharp wine price declines when the recession turns up, and if prices stay low for a relatively long time (in the troughs) this is interpreted as ‘deepness’. The empirical evidence form the analysis is mixed, showing that only some of the well-known high-prices a wines are sensitive to recessions (others considered a longer-term investment objective), but generally the price developments are pro-cyclical and may even be statistically significant concerning the concepts of steepness and deepness.