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Drivers of Revealed Comparative Advantage in the Wine Sector

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Abstract

The purpose of this research is to provide insight into the export competitiveness of wine of the 38 countries on global markets. Four revealed comparative advantage indices are used to analyze the levels, evolutions in patterns of development in the export competitiveness of wine and their drivers over the analysed years of 2000 to 2013. The revealed comparative advantages on the global markets are the most robust for France Italy, Spain, Chile Australia and United States. Our estimations suggest a divergence in comparative advantage over time at the world market. The results show that GDP and exchange rates have negative effects on the wine export competitiveness, while agricultural employment, grape area harvested and WTO memberships are positively associated with comparative advantages. Our results are relatively robust to alternative revealed comparative advantage indicators.

Keywords: revealed comparative advantage, wine industry, drivers of competitiveness

JEL codes: Q17, F13, F14