

THE WINE MARKET IN COUNTRIES OF THE DANUBE REGION¹

Branislav Vlahović², Anton Puškarić³

Abstract

A subject and a goal of the research are to perceive trends in production, export and import of wines in countries of the Danube region. Data source is the FAO and the International Trade Centre (ITC) database, in time period from 2007 to 2011. An average wine production in stated region amounts 2.7 milliard litres with tendency of moderate growth. The average wine export amounts 777 million litres. Export price is 2.2 USD per a litre. Import of wine of the group amounts 1.74 milliard litres. The global market of wine has been passed through a severe crisis, which has been caused, mainly, by climatic conditions. Reduced yield of vineyards and wine production will unavoidably lead to increase of wine price and will significantly impoverish its supply on the market. Besides a saturated international market, the market of wine in the region-countries has been pretty stable and without major fluctuations.

Key words: *Wine, production, export, import, Danube region.*

Introduction

Viticulture and wine production represent significant economic branches in all countries of the Danube region. Those countries have good agro-ecological conditions for grape and wine production (tradition, climatic, edaphic factors etc.). In comparison with other lines of plant production, the viticulture is characterized by outstanding intensity. It employs a great part of working-capable population. If involve supporting branches of this sector, a number of totally employed in wine production is much larger.

¹ The paper represents a part of the research at the project III - 46006 – Sustainable agriculture and rural development in terms of the Republic of Serbia strategic goals' realization within the Danube region, funded by the Ministry of Education and Science.

² Branislav Vlahović, PhD, Full Professor, Faculty of Agriculture, University of Novi Sad, Dositeja Obradovića Sq. 8, Novi Sad, Serbia, tel: +381214853500, e-mail: vlahovic@polj.uns.ac.rs

³ Anton Puškarić, PhD, Research Assistant, Institute of Agricultural Economics, Belgrade, Volgina 15, tel: +381 11 6 297 28 52, e-mail: anton.puskarić@gmail.com

An average income in wine sector changes in wide range, depending on a country, a region and a type of wine which produces. The region-countries have important, but still insufficiently used potential to grow into a serious wine region and to offer a wide fan of quality and top wines, which will be recognizable on the international market.

This paper's subject is researching size, dynamics and trends of production, export, import and foreign trade exchange of wine in the countries of the Danube region, in order to perceive export-import potentials of some countries (*Germany, Bulgaria, Romania, Moldova, Hungary, Croatia, Slovakia, Austria, Ukraine and the Republic of Serbia*). A special emphasis was put on a state and possibilities of the Republic of Serbia's export intensifying.

Data sources and work method

In the paper were used heterogeneous data sources. The basic sources were taken from the database of the United Nations Organization for Food and Agriculture – FAO (*Food and Agriculture Organization*) and the International Trade Centre (ITC), in time period 2007- 2011. The research bases on, so called, “desk research”, which represents analysis of available data along with apply of standard static-mathematical methods. The balance of foreign trade exchange was calculated as a difference between export and import. Changes trends intensity was quantified by calculating the changes rates, by applying functions with the most adjustable trend lines to the original data. Stability of occurrences was calculated by applying a variance coefficient (CV). Also were used the results of previous researches of stated problems. Certain occurrences were shown in form of tables.

Results of the research

Production of wine in the countries of the Danube region

In the researched time period, the average wine production in the countries of the Danube region was amounted 2.7 milliard litres, with tendency of moderate growth by the rate of 5.79% annually. The mentioned group provides 15% of European wine production. The production is very stable, on which points out also the calculated variance coefficient (14.28%).

Table 1. *Production of wines in the countries of the Danube region (2007-2011)*

Country	Average amount (000 lit.)	Participation (%)	Rate of change (%)	CV (%)
Germany	910.360	33,7	-5,84	14,50
Romania	463.994	17,2	-10,20	20,42
Hungary	269.431	10,0	-18,00	14,28
Austria	250.517	9,3	-3,98	19,58
Ukraine	237.108	8,8	-5,24	19,34
Serbia	193.019	7,1	13,84	21,43
Bulgaria	160.859	6,0	-6,26	25,90
Moldova	132.978	4,9	-2,87	11,29
Croatia	53.341	2,0	-6,41	13,77
Slovakia	29.333	1,1	2,24	6,11
Danube region	2.700.939	100,0	5,79	14,28
Source: Calculation based on the data of the FAO Statistical Yearbook				

The most significant wine producer is **Germany**, with average production of 910 million litres (11 litres per capita), which represents one third of the total production of the Danube region countries (*table 1*). In the researched period was present a decreasing production trend by the rate of 5.84% annually. Germany has 13 wine regions; of which every have own wine style, often of same grape sorts. The lightest and the most elegant wine make in the regions Mosel-Saar-Ruwer and Ahr. Fuller and stronger wines produce in the region Mittelrhein, Nahe, Rheingau, Rheinhessen and Saale-Unstrut, while the strongest German wines make in the regions Pfalz, Hessische Bergstrasse, Sachsen, Wurttemberg and Baden. The most of white wines are characterized by noble aromas, low alcohol percentage and very pleasant refreshing taste and good balance of acids and sugars, which is a common phenomenon regarding German wines. Under white sorts is approximately 63%, while 37% is under red sorts. One more typicality distinguishes the German wine production. More than 85% of wine was produced just from one grape sort, and that is a Riesling. A continental climate with hot summers, cold winters and warm springs, enables grapes to ripen longer than it is the case with southern areas. The grape gatherings realizes in October and November, significantly later than in other countries. Exactly owing to long ripening period, the grape is more opulent with aroma and taste, and these wines get stimulative and refreshing note. Rather cold climate is characterized for Germany, when it is about grape growing, and surely represents one of the most important

factors which affect the wine quality. The influence of climate, especially in gathering period, characterize further wine development, quantity and strength of acids, their balance, sugar amount, aroma development and wine fullness (<http://winestyle.rs/2011/nemacka-bela-vina/>).

On the second place is **Romania**, with average production of 464 million litres (20 litres per capita). In the regional production structure it participates with 17.2%. In analyzed period was evident a trend of significant production decrease by the rate of 10.20%, which was, at the same time, the most intensive decrease in regard to other region-countries. Romania, with over 200 hectares under grapevine, is among the top five producers in the European Union and ten producers in the world. Conditions for grape growing and wine production are very favourable, and three factors have the greatest influence: vicinity of Black Sea, Danube watercourse and high Carpathian Mountains. White sorts make 85% of the total vineyards area, while red sorts make the rest (15%). In Romania are mostly grown autochthonous sorts: Feteasca Negra, Feteasca Blanca and Feteasca Regala (white) and Tamaioasa Romanesca (very aromatic wine). Besides domestic, often there are other foreign sorts: Le cabernet sauvignon, Merlot, Sauvignon Blanc and Chardonnay. Although the quality of white and red wines is comparably, there especially stands out Feteasca Negra, recognizable strong, dry red wine with clear aroma and bouquet (www.vinoteka.rs/rumunija/).

In the third place is **Hungary**, with average production of 269 million litres (27 litres per capita). In the regional production structure, it participates with 10%. In analyzed period was evident a prominent decrease of production by the rate of 18%. A slow trend of production decrease is expected in the following period (*Bettini Ornella, 2013*). Thanks to, over a thousand years long tradition of making wines and more than ten thousand registered wine cellars, Hungary is among leading European and world wine producers. There are 22 wine regions and dozens of autochthonous grape sorts. The most significant wine regions are: Tokaji, Kunsag, Csongrad and Hajos-Baja, Eger, Villany and Szekszard. Tokaji, which lies in the north-east part of Hungary, in foot of the Carpathian Mountains, is well known by sweet wine Tokaji Aszú, and also by Furmint, Hárslevelű and Moscatelo. Eger, the region in north of Hungary, produces elegant wines like „bull's blood“ (*Bikavér*). Kunsag, Csongrad and Hajos-Baja regions are located in south part between the rivers Danube and Tisa, in area well known as a vast plain. They occupy large area, and thereby produce more than half of wine reserves. Villany is the so-

thernmost and, at the same time, the warmest Hungarian wine region, where produce the best and the most characteristic red wines. Cabernet sauvignon and Merlot have a key role in this region, as well as Cabernet Franc. What differs the Hungarian wines from other region's wines are clear and strong aromatic floral and fruity notes in white wines and a delicate continuance and aroma plenitude in red wines (http://rs.gotohungary.com/sr_RS_latin/besprekorna-vrednost). Before a political liberalization in 1989, the wine production in Hungary was based on 30 state husbandries and 50 cooperatives on around 150,000 hectares. Today are more than 12,000 producers on over 82,000 hectares. The production has significantly decreased, and this has been caused partly due to reduction of areas under vineyards. The most important are white sorts of grapes (106 sorts), including Velschriesling, Furmint, Chardonnay and Pinot Gris. Red sorts include Blaufrankisch, Cabernet Sauvignon, Merlot, Zveigelt and Portugieser (*Farkaš, 2007*). In production structure, 70% are white wines, 28% red wines and 2% are rose wines.

The Republic of Serbia, with average production of 193 million litres (26 litres per capita), is on the sixth place among the analyzed region-countries. In analyzed time period were significantly increased the production by the rate of 13.84% per annum, which has been, at the same time, the most intensive growth in regard to the other countries in the region. In the Republic of Serbia is around fifty bigger wineries, where produce 120 types of wines with geographic origin. The regions, in which the best wine produce, are: Palic viticultural region, Knjazevac viticultural region and Zupa viticultural region. In production structure dominate white (61.4%) in regard to red wines (35.0%), while minimum share is of rose, with 3.6%. In Serbia, 83% of parcels under grapevines are on small or medium properties (www.vino.rs/srbija.html). By adopting the Law on Wine was established a viticultural and wine production register according to the EU standards, adjusted to family wineries, which today have the highest share in Serbian wine production. Goal of the measures: increase of areas under vineyards, improvement of wine quality and increase of production of wines with geographic origin. Then, adjustment of standards with demanding EU regulations, as well as improvement of wine quality and production increase and its promotion on the international market. Since 2011, the producers of wine with geographic origin have been released from paying all costs regarding the production control and wine analysis. Those costs take over the Ministry of Agriculture, which is one of the concrete contributions to increase of domestic producers' competitiveness. Ongoing is a reform of geographic origin system and

creation of new zoning. It is necessary that domestic legislation adjusts to the reform of the EU wine market, but also to serious measures, which will be defined by a new law on incentives in agriculture and rural development, stimulates viticulture and wine production development. The aim of Serbia is, before its entering into the EU, to raise as many vineyards as possible, in order to use more assets, while the wine production represents the most attractive business for using the EU funds (www.kom-beg.org.rs/Komora/OpstaA.aspx?veza=1987).

The growth of wine production is present only in the Republic of Serbia and Slovakia. Other countries of the Danube region have a trend of decreasing production. The same is caused by activity of climatic, but economic factors too, which reflect, primarily, in decrease of life standard, saturated international wine market, increasing beer consumption, etc. In next period can expect the reduction of wine grapes and wine production. In the foreground is placed the produced wine quality, by which differentiation will tend to satisfy requirements of the choosiest buyers, first of all, in the EU countries.

In order to improve the wine production, there are necessary significant investments in vineyards and modernization of technological processes in production. A current model, with small wineries, which sell products at prices which cannot cover a cost price of a decent wine, is not sustainable and there are necessary significant changes regarding most of producers. Besides, there is still present a low level of wine consumption, so is needed a permanent education of consumers (*Kokir, 2012*).

Wine export of the Danube region countries

The average wine export of the analyzed group was amounted 777 million litres, and in the analyzed time period was recorded a slight increase by the rate of 1.56%. Low rate of export growth is a result of series of factors activity, primarily, of moderate growth of production volume, decrease of demand on the international market, high competition by the ‘traditional’ wine countries: France, Italy and Spain, etc. Of the total production exports 29% of wine which represents a significant part. It means that wine industry of the mentioned group of countries is significantly export-oriented. The export value is 1.7 milliard USD. The average export price amounts 2.2 USD/l. It points out that, in export structure, dominate wines of better quality. The export price of the EU is 2.8 USD/litre. Italy, as the most important world exporter, realizes the export price of 3.4 USD/litre.

The market of the European Union demands mostly wines of red sorts, like Cabernet Sauvignon, Merlot, and of white sorts – Chardonnay, Sauvignon Blanc. It is evident that all countries of the Danube region do not have the same importance in wine export.

Table 2. *Export of wines from the countries of the Danube region (2007-2011)*

Country	Average amount (000 lit.)	Participation (%)	Rate of change (%)	Average value (mil. \$)
Germany	371.023	47,7	4,53	1.129
Moldova	113.648	14,6	3,41	165
Bulgaria	71.859	9,2	-18,73	132
Hungary	66.903	8,6	5,82	93
Austria	62.232	8,0	-2,57	86
Ukraine	51.056	6,6	16,86	55
Romania	13.483	1,7	-13,69	26
Slovakia	12.643	1,6	-5,44	21
Serbia	11.345	1,5	11,49	14
Croatia	2.925	0,4	4,27	13
Danube region	777.116	100,0	1,56	1.733

Source: Calculation based on the data of the FAO Statistical Yearbook

Far the most important wine exporter in the region is **Germany** (table 2). It represents also the biggest wine producer in the mentioned countries. Its average export is 371 million litres, which is almost a half of the total export of the Danube region's countries. In the observed period has been present a trend of moderate growth by the rate of 4.53% annually. Progress in export is certainly in connection with efforts of German wine industry to improve the quality and to focus its marketing strategy to leading German sort – Riesling (www.germanwineusa.com/news-events/news/german-wine-exports-boom.html). Of the total production exports 41%, this means a high export-orientation of wine sector of this country. Valuably, the export is 1.1 milliard USD. It is far the most significant in regard to the other region-countries. The average export price is 3.04 USD/l, which is more than the average export price in the region. In export structure, a dominant place has white wines (88%), while significantly less are red wines (12%). The most important export (2011) was in the Netherlands (18.2%), Great Britain (15.3%), Russian federation (8.1%), USA (7.7%), and Sweden (6.9%). These countries had absorbed more than half of the total wine export (56.2%). It is evident that the highest export was directed to the European Union countries. German wine

exporters have increased their income from sale on almost all important foreign markets during 2010. The average price of exported wine from Germany was increased for 11.8% in 2011, in regard to the previous year, i.e. it was amounted 2.27 euro per a litre (www.deutscheweine.de). In USA, export value was almost doubled during last years. A new, important buyer is China. There can be concluded that export in Great Britain decreases, and increases in USA and Russian Federation. *Gering* (2006) states that, there is a potential for additional increase of export, due to a wide range of modern wines, first of all, in medium and premium-price segments. The goal is that Germany became an international leader regarding the quality in white wines sector and to generate more interest for red wines among consumers on export markets, as well as in retail trade.

In the second place is **Moldova** with 114 million litres. It participates with 14% in the total wine export of the region-countries. Of the total wine production, 85% export. The export has a slightly increasing trend (rate 3.41%). Valuably, the export amounts 165 million USD. The wine export is 15% of Moldavian GDP (*Blau, 2013.*). The average export price amounts 1.45 USD/l, which is less than the average export price in the region. Moldavian wines export in more than 50 countries worldwide. Around 40 wineries produce wine which is exclusively meant for export. In the beginning of nineties, 90% of wine was exported to Russia. In March 2006, Russia had introduced a total prohibition of Moldavian wines import, according to claims that they are contaminated with pesticides and heavy metals. The prohibition was cancelled at the end of 2007. During the previous decade, the producers had focused at quality improvement and changes in style of Moldavian wines for the international markets, aiming to satisfy different segments of consumers (www.moldovawineguild.md/wine_industry/index.html). The highest export was achieved in Byelorussia (30.4%), Ukraine (22.2%), Russian Federation (20.9%), Kazakhstan (5.8%) and Georgia (4.3%). The stated countries have absorbed more than three quarters of total wine export (83.6%). It is evident that the most of export was directed to surrounding countries. Since 2008, the European Union has assigned Moldova, so called, autonomous preferential regime, which provides Moldavian export in the EU countries on more than ten thousand products without customs (including wine). In accordance to it, there expects increase of export into the European Union countries.

In the third place is **Bulgaria**, with 72 million litres. In the region's export participates with 9.2%. Of the total production, it exports 45% of wine.

Export has a trend of significant decrease (rate -18.73%). One of the reasons is also decrease of wine production. The wine industry is the most competitive sector of Bulgarian food industry. It consists of more than 50 registered wineries (www.bulgarianjourney.com/bulgarian-wine.html). Valuably, the export amounts 132 millions of USD. The average export price is 1.84 USD/l, which is less than the average export price of the region. Bulgaria is significant exporter of red wines, which have a potential to broad to new markets. A main problem, the Bulgarian producers face, is in this moment connected to insufficient presentation and bad wine marketing abroad (*Harizanova, Tanja, 2013*). The highest export realizes in Russian Federation (33.5%), Poland (26.3%), Romania (12.1%), Czech Republic (7.9%) and Great Britain (4.5%). The stated countries have absorbed something more than three-quarters of the total wine export (84.3%). There are great interests for Bulgarian wines in Canada, India and Singapore. Aspirations for export are even linked to the most attractive wine markets – USA, Japan, Hong Kong, India, Brazil, even Mexico. European market is too saturated and therefore is hard to increase the market share. Also is interesting the export in Scandinavian countries, Belgium, Germany and Great Britain, but not as much as earlier. The wine which exports onto the market of Poland, and Czech Republic belongs to low price segment, and the same case is with Bulgarian wines, which export on the market of Russian Federation. This is the reason for change of the Bulgarian wines' image and positioning in higher price segment (www.bnr.bg/sites/en/Economy/Pages/090513Bulgariaexports65ofitstotalwineproduction.aspx).

The fourth regional exporter is **Hungary**, with volume of 66 million litres. In the region's export participates with 8.6%. Of the total production, it exports 39% of wines. Export has moderate growth trend (rate 5.82%). One of the reasons why the export is not higher is bad marketing for Hungarian wines, too (*Horvat, 2004*). Valuably, the export is approximately 93 million USD. The average export price amounts 1.39 USD/litre, which is significantly less than the average export price of the region. The most famous among the Hungarian wines is white sweet dessert wine „Tokaj“, which mostly produces in north-east Hungary and which is comparable with the wine Porto. It is very popular abroad. The highest export realizes in Germany, which absorbs one-fourth of the total export (25.2%), Czech Republic (19.6%), Slovakia (19.7%), Great Britain (7.2%) and Poland (4.2%). The stated countries had absorbed three-quarters of the total wine export (75.9%). Besides to Great Britain, it is evidently that the highest export is directed to the region-countries.

Important regional wine exporter is also **Austria**, with volume of 62 million litres. In the region's export participates with 8% and it exports one-fourth of the total wine production. The export has a trend of moderate decrease (rate – 2.57%), which is partly caused by decrease of production. Valuably, the export is approximately 86 million USD. Although Austria produces only one percentage of wine in the world, it has significant international reputation in last two decades. The average export price amounts 1.38 USD/l, which is less than the average export price of the region. The Austrian wine is a synonym for quality, diversity of local sorts of grapevine, as Gruner Veltliner or Zweigelt. The most of the best Austrian wines is from the regions Burgenland, then follow Neusiedler See – Hugelland, Donauland (Danube region), Wienviertel (the biggest region and a producer of dry white wines), Carnuntum and Traisental, Steiermark (Styria) and Vienna (*Sajmon, 2009*). The wine exports in more than fifty countries worldwide. The highest export realizes in Germany (71.6%), Switzerland (6.1%), Czech Republic (4.5%), USA (3.9%) and the Netherlands (2.8%). Those countries had absorbed over three-quarters of the total wine export (88.9%). The most important export region is the European Union, which absorbs almost 90% of all Austrian wines. Except to USA, it is evidently that the highest export is directed to the region countries. It is interesting that the export wine price in Switzerland is more than 6 € per a litre. The export in USA is increasing, while the average price is achieved 4 € per a litre. As new markets appear Japan and China (www.austrianwine.com).

The export of wine from the **Republic of Serbia** can be characterized as very modest. It was approximately 11 million litres, which is valuably 14 million USD. It is positive that export records the significant increase tendency (rate of 11.49% per annum). The average export price is 1.23 USD/l, and it is the lowest in regard to other exporters in the region. It has been caused by the export structure and poor competitive position on the international market. The most important foreign trade partner is Bosnia and Herzegovina, where to realize more than half of the total wine export. There is an agreement on free trade with this country, which has been applied since 2002, while full liberalization has been in force since 2004, except that Bosnia and Herzegovina since then has often introduced various limitations for export from Serbia. Then follows Montenegro with 16%. Slightly less buy buyers from Germany, Austria and Croatia (*Vlahović, Puškarić, Maksimović, Branka, 2009*). In 2011, the biggest wine quantity, i.e. more than 5.6 million litres, where was delivered to consumers in Bosnia and Herzegovina around 3.5 million litres, and in Montenegro

around two million litres. Growth of 17.6% records also export of wine in Russian Federation, where was placed around 3.3. million litres. However, the wine export result was realized on the EU market, where was placed around 5.6 million litres, which is, in regard to the previous year, even 5.3 times bigger quantity. There evaluates that the trend of increasing export will continue in the following period, too, taking into consideration a possibility of duty-free export of wine on the markets of Russian Federation and the European Union (*Jakšić, 2012*).

If it is about the export, there should take into consideration that, on the EU market, for years has been present a trend of greater supply of wine in regard to consumption, which causes decrease of average price per a bottle and stocks surplus in leading countries by wine production. Such state disables more significant wine export on these markets, but leads to a fact that the west Balkan countries are awash by wines from France, Italy and Spain, which are of suspicious quality. Today arise new markets which are significant wine importers, primarily Russia and China, but entering those markets is extremely expensive and wineries without support of mother-countries have no chance to success (*Kokir, 2012*). We think that the chance in export should not search in quantity, because we are relatively small wine producer, but in top-quality towards selected market segments. There should direct to the production specialization, on smaller series with high quality (*Vlahović, Tomić, Puškarić, 2008*).

Limiting factors for higher export are small areas under grapevine, inappropriate production structure, i.e. lack of quality and top wines. In domestic production structure dominate table wines with 65%, then quality wines with 20%, while top wines participate with only 15%. Growth and change of production structure represent a base for increasing export of wine (*Vlahović, Tomić, Puškarić, 2008*).

The wine producers in Serbia still have a problem to offer increasingly selective market the wine of satisfying quality, made of carefully selected and required grape sorts, the wine which has acceptable price, good marketing and to be available to a buyer. Those are basic conditions-parameters for realizing a favourable position on the market. It is noticeable on the domestic market, in last five years, that is improved the wine quality some wise, which is surely not without significance, but it is, however, insufficient. The second parameter relates on a right sort selection and an adequate clone of grapevine. Of primary significance are climatic conditions and soil composition on which is vineyard, and surely, respect of

what experts recommend. Otherwise, the quality will not be satisfying. Unfortunately, some producers realize it too late and then show problems regarding their wines sale. In this test many producers fall. The wine producers often cannot free themselves from of subjectivity in evaluation of a product. The main criteria in wine selection are price and quality. At the same time, they are not in a patriotic mood to give priority to domestic wine. On the market it shows quickly. The producers which hope that they will succeed to return quickly invested capital in their wineries and vineyards, through higher wine price, obviously are wrong. Good marketing and a complete approach on the market are extremely important and it costs a winery a lot. There showed that there is no success and survival on the market without marketing. From creativity of the people who deal with this business and available assets depend in which extent will be the winery present within a scope of, primarily, foreign consumers (vina-rija.com/393-srbija-kuda-sa-vinom).

There is inevitable knowing and adjusting to the European Union standards. „Privileges for wine export from Serbia in the European Union were got, but at this moment are not possible to be a serious supplier of the European market, especially not owing to a price, and the problem is also because nobody deals with marketing of Serbian wine. Great role in it could have the Serbian Vintners Association (*Radovanović, 2008*).

Except Bulgaria, Austria, Romania and Slovakia, all other countries of the region increase their wine export. The most intensive export increase was realized by Ukraine (rate of 16.86%), first of all, owing to a low baseline. All region-countries, if they want to increase their export, should pay more attention to making and strengthening of autochthonous brands of wine. It represents one of the strongest and the most important factors in competitive fight for the market. Currently is higher demand for red wines in the world, while in our supply dominate white wines. For example, in France, the country which is the biggest world producer, dominate red wines with share of 73%, while white wines participate with 27% (*Ribero-Gajon, 2004*). There is necessary to research consumers' preferences in some countries and to adjust production according to them. It is inevitable to make more efforts regarding a visual look of a wine bottle. That is to say, during past years, consumers have increasing requirements regarding the look, i.e. the visual aspect of a product (bottle, label, etc.).

Wine import of the Danube region countries

The average wine import of the analyzed countries, the group of Danube region countries, was amounted 1.8 milliard litres and the same in the observed time period was amounted moderate growth per by the rate of 3.90% per annum. The import value amounts 3.4 milliard USD. The average import price of wine amounts 1.9 \$/l. Today can say that is trendy consumption of light, muscat, aromatic white wines, and regarding red wine, consumers often take fresh, aromatic, fruit wines. The important trend is also decrease of *rose* wine consumption (*Kokir, 2012*).

The most important wine importer is **Germany**. The average import amounts 1.5 milliard litres, with tendency of slight increase, by the rate of 3.06%. In the total regional import, Germany participates most of the part, i.e. 83%. It practically determines import of the region-countries and represents the biggest world wine importer (*Vlahović, Puškarić, Tomašević, 2013*). The average import value was amounted 2.9 milliard USD (*table 3*). Import is a resultant of domestic production decrease and high purchasing power and consumption of 26 l per capita in 2010, as well as expansion of assortment by various quality wines. In 2010, in consumption structure, dominant place had red wines (63%); share of white wines was amounted 29%, while rose was on the level of around 8% (www.wineinstitute.org/resources/statistics). The most of import anticipates from the EU countries, Italy dominates with share of 42.5%, follows Spain with 18.6%, France 15.8%, South-African Republic with 5.3% and USA with 3.5%. In import structure dominates red wine (60%), significantly less white wine (25%), while minimum participation is of rose wine (7%) (*Ammerman, Danieliane Illma, 2013*).

Second, by importance, regional wine importer is **Austria**. The average import amounts 74 million litres with increasing tendency, by the rate of 4.90%. In the total import participates with 4.3%. The average import value was amounted 238 million USD. Import is a resultant of high demand and consumption of 30.3 litres per capita (www.wineinstitute.org/resources/statistics). The resultant of import, among other, is also addition of assortment on domestic market of, primarily, quality red wines. The most of import is from the European Union countries. Italy dominates with almost two-third of import (63.7%), then Germany with 20.6%, Spain with 5.8%, France with 4.9% and Australia with 1.5%. The above mentioned countries are main suppliers of Austrian market with share of 96.5%.

Table 3. Import of wines in the countries of the Danube region (2007-2011)

Country	Average amount (000 lit.)	Participation (%)	Rate of change (%)	Average value (mil. \$)
Germany	1.453.594	83,1	3,06	2.891
Austria	74.539	4,3	4,90	238
Slovakia	55.233	3,2	12,22	89
Ukraine	48.721	2,8	-0,59	76
Romania	40.820	2,3	12,18	50
Serbia	25.929	1,5	-0,13	36
Hungary	23.512	1,3	36,87	28
Croatia	14.586	0,8	0,57	24
Bulgaria	8.868	0,5	-14,42	17
Moldova	2.443	0,1	6,96	2
Danube region	1.748.245	100,0	3,90	3.450

Source: Calculation based on the data of the FAO Statistical Yearbook

Important regional importer of wine is *Slovakia*. The average import amounts 55 million litres, with significant increasing tendency, by the rate of 12.22%. It is, at the same time, the most intensive growth in regard to other region-countries. In the total regional import participates with 3.2%. The average value of import was amounted 89 million USD. The consumption, expressed per capita, amounts 12 litres annually (www.wineinstitute.org/resources/statistics). The biggest part of import originates from the European Union countries; Italy dominates with 36.5%, Hungary with 24.6%, Czech Republic with 8.5%, Spain with 5.8% and the Republic of Macedonia with 5.1%. The above mentioned countries provide more than three-quarters of the total wine import (80.5%).

In the fourth place by the wine import is *Ukraine*. The average import amounts 49 million litres, with slight decrease tendency, by the rate of 0.59% annually. In the total regional import participates with 2.8%. The average import value was 76 million USD. The wine consumption is quite low, it amounts only 4.4. litre per capita (www.wineinstitute.org/resources/statistics), and is the lowest in regard to other region-countries. The most of import anticipates from the region-countries; Moldova dominates with almost half of the total import (47.6%), Georgia with 20.0%, Italy with 7.8%, the Republic of Macedonia with 6.6% and France with 5.3%. The above mentioned countries provide more than three-quarters of the total wine import (87.3%).

In the fifth place, by the average wine import, is **Romania**. The average import amounts 41 million litres, with significant growth tendency, by the rate of 12.12% annually. The resultant of import is significantly reduced domestic production. In the total regional import participates with 2.3%. The average value of wine import was amounted 50 million USD. Import is a resultant of relatively high demand and consumption of 22 litres per capita (www.wineinstitute.org/resources/statistics). The most of import is from the European Union countries; there dominates Spain with 67.9%, Italy with 15.0%, Bulgaria with 6.1%, Moldova with 3.5% and Germany with 2.3%. The above mentioned countries provide more than 90% of the total wine import (94.8%).

The wine import of the **Republic of Serbia** amounts 26 million litres, which is 1.5% of the average regional import of the Danube region countries. In the researched period, it slightly decreases import, by the rate of 0.13% annually. Valuably, import amounts 36 million USD. Absolutely the most import is from the Republic of Macedonia (75%). The wine imports partly in a bulk (cisterns) and partly in bottles. A part of domestic wineries import, mainly, red wine, where it protects and preserves, and later fill in bottles and sell on the market. The most of wine import is of the producers „Tikveš“ Kavadarci, less „Stobi“, „Skovin“, „Bovin“ and „Elenov“. Regarding import of bottled wine, there dominate quality red wines of different trademarks. The Trade Agreement with the Republic of Macedonia was signed in 1996, and at the end of 2005 it was outgrown in the Free Trade Agreement and, as such is applied since 1st January 2006. Then follows Montenegro, out of which the most import red wines from the winery „Plantaže 13. juli“ Podgorica.

The Danube region countries realize a negative balance of foreign trade exchange of wine in amount of 971 million litres. In the total research period is evident that there is a negative balance of foreign trade exchange of the region. A positive exchange balance realizes Moldova (111 million litres), Bulgaria (63 million), Hungary (43 million) and Ukraine (2.3 million). All other countries of the region realize a negative balance of foreign trade exchange of wine. The highest negative balance has Germany of around 1 milliard litres, then Slovakia with 43 million, Romania with 28 million, Austria with 12 million and Croatia with 11 million litres. The Republic of Serbia realizes a negative balance of foreign trade exchange in amount of 15 million litres.

Conclusion

The countries of the Danube region represent a significant wine producer. The average production in this region amounts 2.7 milliard litres with tendency of moderate increase, by average annual rate of 5.79%. The average wine export of this group amounts 777 million litres, with slight growth tendency, by the rate of 1.56%. Export price amounts 2.2 USD/l, which points out that export, mainly, top-quality wines (wines with protected designation of origin). The most important exporter is Germany, with share of 47.7% of the total export from the region. The wine import in the mentioned region amounts 1.74 milliard litres and records a trend of significant increase, by the average rate of 3.90% annually. The biggest importer is also Germany, which participates with 83.8% of the total import of the region. The region-countries realize a negative balance of foreign trade exchange of wine, approximately over 970 million litres. Moldova, Bulgaria, Hungary and Ukraine realize a positive exchange balance. The Republic of Serbia realizes a negative balance of foreign trade exchange (15 million litres). Reduced yield of vineyards and wine production will inevitably lead to increase of wine price, and will significantly impoverish supply on the market. Besides saturated international market, the wine market in these countries is pretty stable and without major fluctuations.

Literature

1. Ammerman, P., Danieliane Illma, (2013): *German Wine Market Opportunities*, www.navigator-consulting.com/articles/german-wine-market-opportunities/32 [accessed: 22.08.2013].
2. Bettini Ornella, (2013): *Wine annual report and statistics*, Global agricultural information Network, USDA foreign Agricultural service.
3. Besprekorna vrednost - mađarska vina, http://rs.gotohungary.com/sr_RS_1-atin/besprekorna-vrednost [accessed: 04.09.2013]
4. Blau, J., (2013): *Moldovan wine exports cover 15 percent of country's budget*, www.dw.de/moldovan-wine-exports-cover-15-percent-of-countrys-budget/a-5570105 [accessed: 22.08.2013].
5. *Bulgarian Wine - Drink of Gods and Kings*, www.bulgarianjourney.com/-bulgarian-wine.html [accessed 25.08.2013].

6. *Bulgaria exports 65% of its total wine production*, www.bnr.bg/sites/en/-Economy/Pages/090513Bulgariaexports65ofitstotalwineproduction.aspx [accessed: 04.09.2013].
7. *Improved revenues for German wine exporters*, www.deutscheweine.de [accessed: 04.09.2013].
8. Farkaš, Z., (2007): *Potpuno novi svet tradicionalnog pravljenja vina*, www.wine-business-international.com/Regional_Analysis_Hungary- a brand - new world of traditional winemaking.html [accessed: 22.08.2013].
9. Gering, A., (2006): *German Wine Exports Boom*, www.germanwineusa.com/news-events/news/german-wine-exports-boom.html [accessed: 22.08.2013].
10. *German wine exports boom*, www.germanwineusa.com/news-events/news/german-wine-exports-boom.html. [accessed: 25.08.2013].
11. Harizanova, Tanja, (2013): *Bulgaria exports 65% of its total wine production*, www.bnr.bg/sites/en/Economy/Pages/090513Bulgariaexports65ofitstotalwineproduction.aspx [25.08.2013].
12. Horvat, Č., (2004): *Hungarian wine exports suffer on poor marketing*, www.foodnavigator.com/Financial-Industry/Hungarian-wine-exports-suffer-on-poor-marketing, [accessed: 25.08.2013].
13. Jakšić, D., (2012): *Vino iz Srbije opilo i potrošače u Evropi*, www.danas.rs/dodaci/biznis/vino_iz_srbije_opilo_i_potrosace_u-evropi.27.html?news_id=252938 [accessed: 25.08.2013].
14. Kokir, A., (2012): *Vino je u modi*, www.vreme.com/cms/view.php?id=10-29104 [accessed: 25.08.2013].
15. *Moldovan Wine Industry*, www.moldovawineguild.md/wine_industry [accessed 25.08.2013].
16. *Nemačka bela vina*, <http://winestyle.rs/2011/nemacka-bela-vina/> [accessed: 25.08.2013].

17. Radovanović, M., (2008): *Vino iz Srbije u Evropsku uniju, Rusiju ili u Srbiju*, Ekonomist, Beograd. [accessed: 25.08.2013].
18. Ribero-Gajon, P. (2004): *Francuska vina*, www.ambafrance.srb. [accessed: 20.04.2011].
19. *Rumunija*, www.vinoteka.rs/rumunija/ [accessed: 25.08.2013].
20. Sajmon, Dž. (2009): *Velika knjiga o vinu*, Profil knjiga, Beograd.
21. *Srbija: Kuda sa vinom?* <http://vinarija.com/393-srbija-kuda-sa-vinom> [accessed: 25.08.2013].
22. *Sredstva EU za proizvodnju vina* www.kombeg.org.rs/Komora/OpstaA.aspx?veza1987 [accessed 25.08.2013].
23. Vlahović, B., Puškarić, A., Maksimović, B. (2009): *Competitiveness of Wine Export From the Republic of Serbia*, 113 Seminar of the EAAE, The Role of Knowledge, Innovation and Human Capital in Multifunkcional Agriculture and Territorial Rural Development.
24. Vlahović, B., Puškarić, A., Tomašević, D., (2013): *Changes of international wine market*, 135th EAAE Seminar Challenges for the Global Agricultural Trade Regime after Doha, Belgrade.
25. Vlahović, B. Tomić, D. Puškarić, A. (2008): *Proizvodnja vina u Republici Srbiji*, Ekonomika poljoprivrede, broj 3, Beograd.
26. *Wine export values continue to increase, despite limited availability of wine*, www.austrianwine.com/news-media/news-from-us/news-from-us--2011/news/news/weinexport-trotz-knapper-mengen-weiter-auf-erfolgskurs-1087/599/ [accessed: 25.08.2013].
27. www.vino.rs/srbija.html [accessed: 25.08.2013].
28. www.wineinstitute.org/resources/statistics [accessed: 04.09.2013].