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## **Non-Tariff Measures in Wine Trade: new dynamics in a global perspective**

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### **Abstract**

During the last decades rapid and dynamic changes have affected global wine trade, especially due to a geographical redistribution of wine consumption (Aizenman and Brooks, 2008; Anderson and Nelgen, 2015). In addition, the global trade of agri-food products has been interested by large changes in tariffs and in non-tariff measures (NTMs), with effects that have not been fully investigated, nor clarified. In the global wine market, where governments tend to seek additional revenues through tariffs (Schnabel and Storchmann, 2010; Storchmann, 2012; Dal Bianco et al., 2016), trade is overregulated, and the level of (overall) protectionism implied by tariffs and NTMs has been steady (Foster and Spencer, 2002; Anderson and Golin, 2004). The policy interventions in wine sector vary by types of measure and trade routes: remarkably differences emerge between developed (“North”) and developing (“South”) countries, as well as between “Old World Producers” (e.g. European countries), “New World Producers” (e.g. North and South America, South Africa, Australia and New Zealand), and “New World Consumers” (e.g. China and Japan).

A large literature has investigated the influence of NTMs on trade of agrifood products but, to the best of knowledge, only few researches focus on trade of wine (e.g. Olper and Raimondi, 2008; Dal Bianco et al., 2016; Meloni and Swinnen, 2017a, b). The lack of studies on wine trade call for more attention on the issue. In fact, the changes in global trade and the increase in NTMs is likely to not be a coincidence. The increasing use of trade measures may have contributed to re-shape trade. We investigate these trends by posing few questions of interest: how changes in NTMs have contributed to re-shape global trade of wine? How the NTMs have contributed to generate new regionalisms? Which measures have proved to be the most (and the least) influential? How trade is likely to be in the next decades?

This study seeks to disentangle the influence of NTMs on wine trade, by quantifying the effects of the most imposed NTMs (TBT, pre-shipment inspection, export-related measures) and by comparing evidence from previous literature. We will also focus on the impacts that NTMs are having on trade of Old World Producers, New World Producers, New World

Consumers, developed and developing countries. The NTM- and trade routes-specific analysis will allow us to draw conclusions on the global effects of NTMs: barriers to trade or catalysts of imports?

We analyze trade for the main exporters and the main importers of wine (Old World Producers, New World Producers, New World Consumers), focusing on bilateral trade flows from 1995 to 2016. Bilateral trade data have been collected from the Global Database on Non-Tariff Measures (UNCTAD, 2017); details on NTMs, distances and country-specific macroeconomic variables have been extracted from the United Nations Comtrade database, and from the CEPII database. We analyze wine trade dynamics and the effects of NTMs through several dynamic discrete choice model of trade, in a gravity-type fashion of theoretical framework.

The complex set of existing NTMs, and the growing trade volumes in wine sector are dynamics that deserve specific attention. The study will emphasize trade routes-specific evidence on the influence of NTMs on wine trade.

**Keywords** : Trade, Wine, Non-Tariff Measures

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