

Gaja urges rethink on Italian wine

5 Feb 2009 by Jancis Robinson

Angelo Gaja of Italy predicts catastrophe and lobbies for a completely different approach to promoting Italian wine.

It is generally believed that the current financial crisis will have negative effects on the economy, creating unemployment, cash-flow problems, plunging consumption; all of which, together, mean that Italy will drink less wine. Instead, stocks of unsold wine will increase as a result of greater production of wine in 2008 compared with 2007 and unfortunately predictable lower exports.

The EU has declared war on overproduction in the sector, requesting that wine-producing countries rip out a certain amount of vineyard acreage, lowering and then gradually eliminating public subsidies for the destruction of stocks, which simply subsidise over-production, and allocating funds for promoting the consumption of wine in non-European countries.

In light of these considerations, what strategy which Italy should choose?

LOWERED CONSUMPTION IN THE DOMESTIC MARKET. A medley of voices has, for many years, invoked measures by Italian authorities to halt the drop of pro-capita consumption of wine, but the measures suggested, in large part, appear to be ineffective. Systematically dragging wine into the streets and squares, as the association Città del Vino has done during festivals, public events, and fairs, is not only a banal response but inadvisable, and a bad example. Wine is an alcoholic beverage and it is not acceptable that drinking it in public should be encouraged. Promotional efforts on behalf of tourism in certain parts of Italy have taken wine as a hostage in the hope of attracting a larger number of visitors, but there have been very few demonstrable benefits in larger or greater overall consumption. In this way, over 50% of available funds for the promotion of wine in Italy are wasted: these resources must be recovered and channelled towards well conceived promotional campaigns in foreign markets. And the promotion of wine in Italy needs to be fundamentally rethought.

THE IMPORTANCE OF FOREIGN MARKETS. Export markets are a priceless and indispensable outlet for Italian wine. Italy has the duty, and also the potential, to produce wine of real quality, and the quantities of fine wine which remain unsold on domestic markets are an asset, not a liability. Foreign markets offer excellent opportunities for capable and enterprising producers: Italy has over 35,000 bottlers of wine, a human resource of incomparable value which includes many different types of firms. But only four thousand are habitual or occasional exporters, far too low a number. Only increased exports can save Italian wine, and it is precisely to this sector that unused energies, spared or neglected in this past, must be dedicated. Both short-term and medium-to-long-term programmes are needed.

DISTRIBUTION OF SUBSIDIES AND INCENTIVES. A large part of the subsidies for the promotion of Italian wine must be transferred from the domestic to foreign markets, but the distribution of European Community funds to Italian regions, as it has operated until now, goes in the exact opposite direction. [Certainly in the UK we have seen successive and pretty ineffective promotional events for individual regions for years now but very little co-ordinated activity on behalf of Italian wine in general – JR] It is highly advisable that new political initiatives orient public funds towards effective programmes aimed at creating real demand for Italian wine in foreign markets.

MEASURES TO BE TAKEN Time is of the essence, within a few years Italy could find itself literally up to its neck in wine.

Programmes for the ripping out of vineyards which produce excess wine for which there is no demand need to be put into place as rapidly as possible, using EU funds available for this purpose. Other measures, medium- and long-term in nature, can be put into place only at the national level.

A project aimed at creating 1,500–2,000 new exporters must be undertaken, using the resources supplied by the 35,000 existing bottlers.

And then investments aimed at professional training must be begun. Courses should be set up to create commercial operators capable of aggressive campaigns in foreign markets with the express aim of stimulating or increasing demand for wine and other products of Italian agriculture.

The existing network of schools of Italian cooking must be supported and, equally important, new schools to teach Italian cuisine must be established in Russia, India, and China, where Italian emigrants have yet to arrive: in these countries there is an important and unsatisfied demand for trained chefs of Italian cooking. By filling this gap, it will be possible to establish new Italian restaurants, which, in their turn, will notably expand demand for Italian wine and food.