

All the expert world leaders agree that over the next three to five years we will be facing one of the most difficult challenges in our society. The financial crisis, the international economical recession and climate change are also beginning to affect the wine industry on a global level.

Some regions are already beginning to feel the effects of this deceleration; wineries are laying off personnel and there is a decrease in wine consumption as well as in sales and market losses. With this in mind, wineries, regulating bodies and businesses in the wine sector are going to have to carefully evaluate their business strategies and plan promotional and marketing campaigns to stimulate sales and consumption. History tells us that in times of economic difficulties consumption may well increase.

What does change are patterns of consumption as well as the types of wines. People tend to drink more at home than in bars and restaurants, a fact that can make the restaurant sector one of the most affected.

Wines that offer a better price-quality relation become the most popular and habitual wine consumers lean towards lower priced wines.

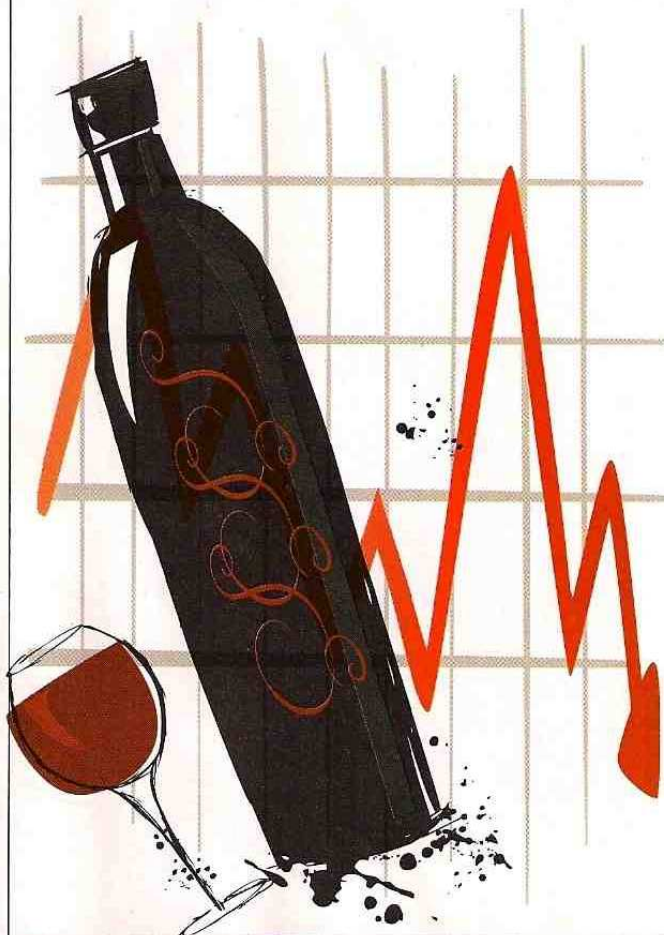
Spanish wine in the most important markets, such as the North American and the British ones, is representative of a better price-quality relation.

North Americans consider Spanish wine to be one of the most interesting as it offers a wide range of styles and grape varieties together with high levels of quality which our most direct competitors find difficult to simulate.

According to Victor Pascual, President of the Consejo Regulador, Rioja will continue with its extensive promotional campaign mainly in the USA because he believes that times of crisis call for more promotion. Spain is fashionable. Our food is worldly recognised, we

SPANISH WINES AND THE ECONOMIC CRISIS

Pancho Campo MW and Director of The Wine Academy reports on the effect the credit crunch is having.



“Spanish wine is as fashionable as Penélope Cruz.”

have won the Davis Cup and the European Cup, we have great players in the NBA, while Rafa Nadal is an international idol along with Javier Bardem, Antonio Banderas and Penelope Cruz. Everyone knows what “tapas” are and have been adopted in many places. Our Spanish lifestyle as well as our wines are “in”. Spain needs to take advantage of this moment even if it happens to be in the middle of a recession. According to world experts once the economy stabilises we will be able to consolidate our position in the international markets. In 2007, The Wine Enthusiast Magazine named Rioja as the “Best International Wine Region”. According to Lisa Carley from Vibrant Rioja in New York, Rioja Could potentially become one of the most popular destinations for wine tourism.

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The great variety and quality of Rioja wines is now complemented by wineries that have been built using modern and outstanding architecture such as Ysios. Gastronomy is excellent, the history of the area is vast and undeniably interesting, and its culture is vividly represented in the Museum of Dinastia Vivanco.

The hotel industry, led by Marques de Riscal, has greatly improved and has risen to an international level.

Even if the future seems grim, I am convinced that Spanish wine, headed by Rioja, has a unique and special opportunity not only for fighting against an economic crisis, but also for being able to triumph and putting Spain at the top of the international wine sector. All that is needed is that the other Spanish regions follow the path that Rioja has set and takes a chance in innovation, promotion, marketing and educating the consumer. ■