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## **THE DESIGN OF THE ROMANIAN WINE IMPORTS AND EXPORTS USING THE GRAVITY MODEL APPROACH**

### **Abstract:**

**Purpose-**the aim of this paper is to assess the design of the Romanian wines imports and exports using the gravity model.

**Design/Methodology/Approach-**the regression was used, namely Panel EGLS (Estimated Generalized Least Squares), with cross-section weights option, which allows the control of heteroscedasticity and of the auto-correlation as well. The independent variables used in the gravity model are GDP per capita, distance, Unit price, exchange rates, wine production.

**Findings-**the GDP per capita and the common membership of two countries influence positively the wine trade flows. The Unit price, the distance, the isolation and the dominant religion influence negatively the wine trade flows. The wine production and the exchange rates have low influence and they are not statistically significant.

**Practical implications-**the article is useful for importers and exporters because it highlights which variables of a country could influence the wine trade flows.

**Originality/Value-**the application of the gravity model on Romanian wine trade flows.

### **Keywords:**

gravity model, wine trade flows

**JEL Classification:** F14