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Wine sector update

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Report Highlights:

Wine market has enjoyed a steady growth in 2007/08, along with increased diversity and quality. High-end and imported wine segment was the most dynamic and with strong market presence. Overall, wine brought 20 percent more value to the HRI sector and 16.5 percent more sales to the retailers. However, local commercial wine supply, and especially that of quality wine, dropped for the first time over the last 5 years. Bulgaria has continued to be a large wine exporter to Russia but the effect of this export policy on the local winemakers still remains to be seen.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Sofia [BU1]
[BU]

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Summary

Wine market in Bulgaria has enjoyed a steady growth, along with increased diversity and improving quality. Although Bulgaria considers itself a traditional wine producer, local viniculture and wine market have still a long way to go to be able to compete on European and world market.

In the near future, wine growth is expected to be restrained by strong presence of the beer industry (represented by the 3 leading world producers); illegal and home-made wine and distilled spirits production; issues with excise tax collection, and still prevailing deficit of competitive and good quality vine grapes.

Grapes Sector

Supply

Cultivated Area

At the time of EU accession (2007), Bulgaria had 135,760 HA of registered vineyards in 73,280 farms of which 111,323 HA for table wines and 24,437 HA for quality wines. The area ceiling for Bulgaria is 153,500 HA of vineyards or double than the harvested area in 2007.

In 2007, vineyard areas were 97,387 HA of which 72,906 (75%) were harvested. About 13% were young, not producing yet vineyards as 3,000 HA were newly planted (over 7,000 HA for the last 5 years). See Table #1.

The trend of reduction in total area under grapes continued in 2007/2008. However, for the first time over the last 7 years (see Table #1), area under cultivation increased and non-cultivated area dropped which changed the tendency observed in recent years. Similarly to other agricultural sectors, vine farms have expanded in size, declined in number, and small farms became fewer.

About 70% of vineyards are over 30 years old and many of them are abandoned. In general, 70% of vineyards are scattered in small land plots of 0.5 HA to 1.5 HA while at least 20 HA farm is considered to be efficient and profitable. Small farms often can not effectively use farm equipment and afford buying quality planting material which leads to deteriorated quality and higher cost of grapes.

Vineyards are concentrated in south central Bulgaria (36%), followed by south east part (30%) and north central with 13% (note: local statistics methodology does not include vineyards below 0.1 HA). In 2007, cultivated areas and the percent of harvested areas increased, especially in south Bulgaria. See Table #2.

Production

A very good vine crop is expected in 2008 due to favorable weather, high but not extreme temperatures and favorable rains during vegetation. As of today, wine makers have reportedly very good grapes quality. Producers, however, registered lower yields. This led to tough price competition: producers insist on at least 30% to 50% higher prices compared to 2007 (0.40 Euro/kilo of Cabernet or Merlot). On the other hand, wine makers claim that local grapes are the most expensive in Europe. As of mid-October, wine manufacturers have purchased 155,000 MT of grapes for processing.

Production in 2007 was 376,663 MT or 12% more than in 2006 (355,459 MT from vineyards-16% higher vs. 2006, and 21,204 MT from single-standing vines). Table grapes had a marginal share of 3.8% compared to 96.2% for vine grapes. In correspondence with cultivated area, leaders in production were south central region, 43%, and south east region, 34% of total supply. See Tables# 2, 3, 4.

Growth in output in 2007 was due mainly to higher average yields - 4.85 MT /HA for vine grapes and 5.46 MT/HA for table grapes. Crop quality was excellent with high sugar content and good acidity due to favorable weather and improving technology.

Variety structure has not changed in 2007 (see Table #3). Red varieties still dominate with 64% share. Red vine variety structure is as follows: Pamid- 16%; Cabernet and Merlot – 14% each; Gumza- 4%; Shiroka Melnishka loza – 3%. The white vine varieties are as follows: Rkaciteli- 14%; Dimiat- 7%; Red Misket- 6%; Muscat Otonel- 5%; and Chardonnay – 3%.

Certain local varieties (Pamid, Dimiat, Misket) do not seem to have a potential but others eye good market demand (Mavrud, Rubin, Melnishka and Gumza) although some mature late (Mavrud), produce high yields of lower quality, or are not appropriate for making wines without blending with other varieties. In recent years, demand is focused on Syrah, Cabernet Fran and Pinot Noir.

Bulgaria also grows so called “direct varieties” (Otelo and Lipa) which are banned in the EU. Wine produced from these vines has high sugar content. These vines are favored by farmers for homemade wine since are less expensive and easy to grow. Registered wineries do not purchase such grapes.

Utilization

In 2007/08, new trends were observed in grapes utilization. Better demand for table grapes stimulated direct consumption which almost doubled in 2007 and increased its share in total grapes from 9% to 14%. See Table #4.

The share of grapes used for processing into wine declined from 90% to 86% although the absolute volume was 23% higher. However, the share of grapes used for commercial wine making declined both in absolute term, by 22%, and as a relative share of all grapes used for winemaking, from 84% in 2006 to 62% in 2007.

According to industry sources, the negative growth was a result of more marketing/sales challenges and availability of wine stocks but also due to grapes pricing which would not allow wineries to be competitive. In addition, wineries began to focus more on quality than on volume. Reportedly, some wineries bought grapes and processed them into bulk wine in Macedonia, imported it at competitive terms to Bulgaria to eventually blend and/or bottle it as Bulgarian origin wines (see Table #6). In 2007, Macedonia accounted for half of total wine imports.

At the same time, there was a sharp growth in homemade wine which consumed 38% of grapes for wine in 2007 vs. 16% in 2006; and increased in absolute volume more than 2.5 times. According to the official data, in 2007 grapes remained on-farm were used as follows: 68% for wine, 24% for distilled spirits and 8%-other products; in 2006, this utilization was 92% for wine, 7% for distilled spirits and below 1% for other products.

The above data confirms that home making of distilled spirits is the main driver behind the new trend. This causes concerns in the industry and authorities for several reasons: the

level of excise tax collection for distilled spirits from households does not correspond to the volume of actual production; the pressure of homemade wine over the commercial wine is increasing; higher on-farm wine/distilled spirits making usually leads to expansion of illegal spirits production. Industry estimates show that illegal distilled spirits output grew in 2007/08 and restricted the growth of market-oriented wine and distilled spirits industries.

Wine Sector

Local supply

Wine output in 2007 reached 1.796 million hectoliters (hl) or 2.2% more than in 2006. Commercial wine output was 22% lower compared to 2006, a very significant reduction which interrupted continuous growth observed over the past 3-5 years. At the same time, home made wine supply grew 17-fold. See Table #5.

Another negative trend was the considerable decline in quality wine output by 43% which can be explained by sales challenges to the EU and on the local market. The only category which registered a positive growth was sparkling and specialty wines, due to higher exports to Russia.

Currently, there are 203 registered wine producers in the National Vine and Wine Chamber/NVWC (as of December, 2007) of which less than 150 meet the EU standards.

Consumption

Wine consumption estimates vary widely from 30 million liters to 50-60 million liters (125 million Euros in value). The differences come from home-made production and grey sector shares. It is interesting to note that these estimates are much below the Supply and Demand data (see Table #7) which reveals considerable wine stocks (15,000-30,000 hl). Accurate and reliable information about wine stocks is not publicly available. Industry sources talk about higher stocks, close to 80,000 hl in the fall of 2007, and even more in 2008.

In 2007, wine market grew 10.8% in volume and 17.9% in value. This was due to steadily raising prices and the expanding share of higher-end wines. The growth in the segment of expensive wines exceeded the average for the wine market: 84% more sales for high-end wines in 2007 compared to 2006. Quality wine is sold mainly domestically and is not exported. This dynamic segment consists of wine priced above 5.0 Euro/bottle (middle--high-end category).

Wine in the price group of up to 1.50 Euro/bottle (low-end) still occupies 40% of the market due to overall low purchasing power. This segment, however, is not of interest for manufacturers due to low profitability and due to ability to export large volumes of this type of wine to Russia.

The middle segment (1.50-3.0 Euro/bottle) is the most massive wine. The next group (3.0-5.0 Euro/bottle) and the group of over 5.0 Euro/bottle have registered the highest growth in 2007 due to saturation of the mass wine segment, opportunity for better margins, increasing competition for quality wine, improved purchasing power of urban population, consumer perception that more expensive wine is of better quality, and finally the development of the HRI sector. Estimates show, however, that this segment's share is still small, about 3.5-4.0 million liters or below 10% of the market.

Wine vs. distilled spirits

Some experts think that Bulgaria is not an exception from the general European trend of higher consumption of less alcoholic drinks which leads to more beer and wine sales vs. distilled spirits. These experts show data that while in 2005 distilled spirits accounted for 80% vs. 20% for wine, in 2007/2008 this proportion in the alcohol market is 60% to 40%.

On the other hand, the expectations that higher excise tax on distilled spirits will stimulate consumption of non-distilled spirits such as wine (and beer) were not met due to significant grey/illegal spirits production and sales (illegal manufacturing, not paid excise taxes, counterfeit excise labels etc.). According to Bulgarian Customs director, about 90% of food service outlets in tourist areas (100% in some regions) sell illegal bulk distilled spirits. Another corrupt practice is to reuse bottles of well known trade marks and refill them with counterfeit spirits without paying the excise. Often, illegal spirits are sold with authentic but second use excise labels. According to IWSR, consumption of distilled spirits in Bulgaria is 75 million liters (in 2007) but excise tax was paid for only 26-27 million liters or for 35% (other sources estimates are for a share of legal spirits of 80% vs. 20% illegal, not-tax levied spirits). Estimated losses for the budget are between 60 and 120 million Euro.

Currently, Customs plans to use new models of excise labels which to be changed every 2-3 months and not once a year as before. To prevent reuse of excise labels, a special plastic lid will be introduced.

The excise tax will continue to grow since Bulgaria currently applies the minimum EU level of 550 Euro/hl of pure alcohol. Experts think that when the average prices of traditional and most massive brandy (rakia) approaches 5.0 Euro/bottle, consumers will likely switch to wine. Another factor for higher distilled spirits consumption is home made brandy which, according to experts exceeds official figures and accounts for at least 30% of processed grapes both in 2006 and in 2007.

Imported wines

Imported wines have a stable presence on the market due to modern trade development, improved income, new lifestyle and active promotions. While several years ago imported wines were perceived as "expensive and/or not affordable" (above 6.0-7.0 Euro/bottle), recently these wines can be found at lower prices at the retail level and attract increasing number of buyers, competing successfully with local products. The often heard consumer comment about imported wines is that they are at very comparable prices, although little higher, but at incomparable quality. Some retailers started independent wine imports which were price and quality competitive and boosted wine sales. At the HRI sector, imported wines are leading sales; they are at much higher demand and compete with selected local products.

Trade

Exports

Exports in 2007 were 1.138 million hl or a little higher than to 2006. (See Table #6)

In general, 80% of all wine is exported. In 2007, bottled wines accounted for 81% of exports, followed by bulk wine - 18%, and sparkling wines, 1%. Bottled wine exports in 2007 were 912,103 hl or slightly above 2006 (909,583 hl). Bulk wine exports (203,884 hl) were little lower compared to the year before (206,210 hl), and only sparkling wine category had a growth from 6,635 hl in 2006 to 8,915 hl in 2007.

Main export destinations in 2007 were:

Russia – 747,400 hl compared to 727,975 hl in 2006 (68% of bottled wine exports- 469,000 hl, and 65% of bulk wine exports);

Poland – 182,670 hl or 16% of exports, mainly bottled wine;

UK- 33,410 hl or 3% of exports, mainly bottled wine;

Germany – 32,520 hl or 2.8% of exports;

Czech Republic – 22, 820 hl or 2% of exports;

In 2008 (January-August) wine exports were 621,500 hl which implies that the annual exports may stagnate or be slightly lower in volume. The average export price increases from \$1,034/MT in 2007 to \$1,249/MT or by 20%.

Strong exports to Russia and declining positions at the EU market continue to feed the ongoing debate about the diversity and sustainability of wine exports. Those who export to the EU (mainly EU investors or joint ventures) consider exports to Russia highly risky due to lack of predictability and stability of import and distribution regulations, and high dependence on the political situation. Problems with quality and counterfeit wine increasingly complicate these exports. In addition, Bulgarian wines in Russia meet tough competition from Argentina and Spain, as well as the likely return of Moldova.

These exports differentiate Bulgarian wine industry from most EU countries which either have large local markets or sell in the common market. Most importantly, declining Bulgarian exports to the EU do not allow local industry to develop its competitive advantages. Continuing exports to Russia are expected to deepen the differentiation among local wineries depending on quality of produced and exported wine (Russian vs. EU exports). Some of those who export to Russia are likely to sell at the low-end local market as well.

Imports

In 2006, wine imports were 123,695 hl or 165% more than in 2005. The largest share in imports were bulk wine- 92%, bottled wine was 7.7% and sparkling wines- less than one percent. The largest were imports of bottled wine from Italy and France.

In 2007, imports continued to increase to 165,850 hl (\$30 million) or 34% more than in 2007 (see Table #6). Bulk wine share dropped to 82%, bottled wine share increased to 17% while sparkling wines imports were stable at about one percent. The largest exporters to Bulgaria were Macedonia (81,750 hl bulk wine), followed by Spain (17,640 hl bottled and bulk wine), Russia, Chili, Romania, France and Italy.

Prospects for 2008 are for lower total wine imports, however, it is mainly due to reduction in bulk wine imports from Macedonia. Average import price grew in 2008 by 27% compared to 2007.

Importers aim to achieve 20%-25% market share. Spanish, French and Italian wines hold about 75% of imports over the last 3 years. Californian wine is increasingly popular in Bulgaria as a very high-end, quality product. These wines are imported through European distributors due to easier logistics and smaller trade volumes. Imported wine has stable market positions at the HRI sector and gradually but steadily penetrates retail chains.

Marketing

Distribution channels

Wine is still consumed mainly through small grocery outlets (40%). Retail chains account for 30%-35% of wine trade but their growth is the highest over the last 3 years. In 2007/2008, the development of specialized wine/alcohol outlets and chains has boomed. Online or other forms of direct sales are not yet very popular.

In 2007/2008, growth in volume was observed mainly at the retail level while growth in value was thanks to the food service outlets/HRI. Thus, wine brought 20% more value to the HRI sector and 16.5% more sales to the retailers.

In 2007, bottled wine sales (700 ml and 750 ml) were leading with 45.4% (44.5% in 2006) share (in volume), followed by bulk wines (about 35% share). Bottled wine accounted for 79% (77.7% in 2006) of sales in value.

Packaging

Low-end wine segment is still significant in Bulgaria. Recent increase in the cost of bottles negatively affected the final product price since about one third of it comes from the packaging. For example, a bottle of wine at a price of 4.50 leva/bottle (2.25 Euro) will cost 5.0 leva/bottle (2.50 Euro) or 10% more. High-end product is not affected by this change since packaging is only about 5%-10% of the final product price. According to some wine makers, however, a bigger issue is the challenge to produce bottles under private label. Some manufacturers state that if bottles become more expensive, imports will begin.

Promotions

Local promotion

Wine promotions were more frequent in 2007/08, especially at the retail level. Usual discounts were around 10%-12%. Red wines were promoted more often, ranking from Cabernet (over 40% of all promotions), to Merlot (over 30%) and local Mavrud. Chardonnay accounted for over 50% of white wines promotions.

Wine dinners, tastings, wine tours and gala-events were also frequent during 2008 focused on positioning of expensive local and imported wines.

In the fall of 2008, the most prestigious local wine magazine Bacchus makes the first ever rating of the best Bulgarian wine of 2008 (<http://www.bacchus.bg/show.php>). The competition includes over 200 wines of 20 wine makers released on the market between October 1, 2007 and September 15, 2008. Wines are priced from 6 Euro/bottle to 23 Euro/bottle. The final decision is to be made by an international jury.

Export promotion

In May 2008, the NVWC reported that Bulgarian wines won 40 awards (produced by 20 local wineries) at 2008 London wine competition which is the best industry achievement to date. Eight leading local companies have united in Bulgarian Wine Fraternity (Villa Lubimetz, Santa Sara, Tera Tangra, Telish, Damianitza, Katarzyna Estate, Besa Valley, Logodaj) which had the goal to promote Bulgaria's image as a wine producing country abroad.

At a seminar in July 2008, the wine industry admitted that the Bulgarian wine has a chance to be sold only at niche markets in the EU. That's why the industry considered the establishment of small wineries producing and exporting limited collections of quality wines as the right marketing strategy for the future. Such policy would require access to EU funds

for conversion of currently existing vineyards, planting of new vine varieties, upgrading of production technologies, relocation of varieties/vineyards etc.

Other experts, however, think that local industry will be better off if converting into table grapes production and manufacturing of local brandy (called rakia) since table grapes are in higher demand and practically all imported; and since rakia is an unique local product which has no comparable to wine competition on the EU markets.

Regardless the export strategy of the sector, experts admit that only a few(3-4) larger wineries which have heavily invested in vineyards, expanding area and improving variety structure, and in winemaking technology, have competitive advantages and good development prospects. The other promising sub-sector are small boutique type wineries producing unique quality wines in limited volume which also earn from side businesses such as tourism.

Policy

In 2007/2008, many wineries continued to invest in new vine plantings, in improvements of technology and quality control, as well as in new environmentally friendly equipment such as the use of sun energy. Foreign investors, mainly from France and Italy, expanded their interest.

Wine reform

In November 2007, the EC allowed Bulgaria a derogation regarding mandatory distillation of secondary products for the year 2007/2008. The derogation covered wine makers which produce up to 7,500 hl or about 40 manufacturers.

Two regulations were approved by the GOB in December 2007, regulation for control and coordination of control on wine, spirits distillates and distilled drinks; and a regulation introducing EC 1493/99 for wine market organization.

EU funding

The EU wine reform and funding can help local industry but if the wine makers are ready to take advantage of it will remain to be seen. According to the National Vine and Wine Chamber, still underdeveloped local expertise and administrative capacity may represent a barrier for the efficient absorption of these funds.

For the 7 year period 2006/2007- 2013, EU funds for the Bulgarian wine sector are 166 million Euros (112 millions in the first 5 years) of which 15 million Euro for 2008 and 2009. Disbursement of these funds will be under a national operative wine sector development program which was presented for approval in Brussels (<http://www.bulgarianwines.org/news.php>). It includes a respective policy and economic priorities for the use of EU funds. Most likely, subsidies under this program will be accessible from early 2009. Eligible producers should have at least 0.1 HA vineyard. A special by-law should be developed for the implementation of the program in November.

Funds can be spent for conversation and modernization of vineyards; crop insurance; promotion in third markets (mainly in Russia; Asia-China, Hong Kong, Mongolia, Vietnam; Canada and Far East); and product innovations, especially at small and medium size wineries (see Table# 8).

The program allows grabbing of 8%-19% of 153,000 HA viticulture land but this is not likely to occur, farmers will rather prefer to sell their vineyards.

Promotion funds allow establishment of strong marketing brands, however, the industry does not seem to be fully prepared to take an advantage of this opportunity. As of end-October, State Fund Agriculture has approved 23 promotional projects. The promotional funding for 2008 and 2009 is 1.5 million Euro of which 30% (450,000 Euro) will be paid by the MinAg, and 20% by the wine makers. At a recent round table debate about the program, the wine industry and government officials could not agree on the promotions terms/regulations, as well as on the insurance conditions for vines (80% of insurance expenses will be covered by the program).

For MY2007/2008, Bulgaria was granted 18.04 million Euros for 2,403 HA to cover varietal conversion, relocation of vineyards and improvement of management techniques-total 12 activities (under EC/968/2007). Funds were to be absorbed by October 15, 2008. There were applications for 17 million Euro of which 9.0 million are already paid. Total 93 vine growers were supported for conversion and relocation of vineyards.

In 2007, EU funds provided to the sector were only 170,000 Euro for 13 projects. Financial support was partial due to late start of the program (from late spring to mid-October) and investment was limited to 3 activities (fences against wild animals, anti-erosion facilities and reconstruction of existing terraces).

Note: Information used in this report is collected from public sources believed to be trustful such as specialized industry magazines, publications, and websites; media articles, trade interviews, and official statistics and trade data.

Table #1. Area under grapes in Bulgaria, 2000-2007, HA

| Areas under grapes in Bulgaria, 2000-2007, HA | | | |
|--|---------------------------------|----------------------------|--------------------------------|
| Year | Cultivated area at farms | Not cultivated area | Total area under grapes |
| 2000 | 153,200 | 7,271 | 160,471 |
| 2001 | 146,995 | 4,190 | 151,185 |
| 2002 | 129,998 | 15,200 | 145,198 |
| 2003 | 103,019 | 28,050 | 131,069 |
| 2004 | 95,551 | 34,029 | 129,580 |
| 2005 | 94,724 | 32,118 | 126,842 |
| 2006 | 85,320 | 43,537 | 128,857 |
| 2007 | 97,387 | 22,954 | 120,341 |

Source: MinAg Bulletin, #120, April 2008

Table #2. Vineyards location in the country

| Vineyards location in the country, 2007 | | | |
|--|-----------------------|---------------------------|--------------------------|
| Regions | Total area, HA | Harvested area, HA | Harvested area, % |
| North West | 5,524 | 4,199 | 76.0 |
| North Central | 10,610 | 7,241 | 68.0 |
| North East | 16,319 | 5,468 | 33.5 |
| South East | 25,773 | 23,317 | 90.5 |
| South Central | 35,511 | 29,514 | 83.1 |
| South West | 3,650 | 3,167 | 86.8 |
| Total | 97,387 | 72,906 | 74.9 |

Source: MinAg Bulletin, #120, April 2008

Table #3. Variety structure of vineyards in 2007 (based on harvested area)

| Variety structure of vineyards in 2007 (based on harvested area) | | |
|---|-----------------|-----------------|
| | Area, HA | Share, % |
| Red vine varieties | 46,346 | 63.6% |
| White vine varieties | 24,062 | 33.0 |
| Table grapes | 2,498 | 3.4% |
| Total | 72,906 | 100% |

Source: MinAg Bulletin, #120, April 2008

Table #4. Grapes production utilization, 2006 and 2007, MT and %

| Grapes production utilization, 2006 and 2007, MT and % | | | | |
|--|---------|------------------------|---------|------------------------|
| | 2006 | | 2007 | |
| | MT | In % | MT | In % |
| Total grapes | 336,128 | 100% | 376,663 | 100% |
| Grapes for wine manufacturing | 304,350 | 90.5% | 324,139 | 86% |
| Grapes for direct consumption | 31,778 | 9.4% | 52,524 | 14% |
| Grapes processed at commercial wineries | 255,668 | 84% of grapes for wine | 200,823 | 62% of grapes for wine |
| Grapes processed for homemade wine | 48,682 | 16% of grapes for wine | 123,316 | 38% of grapes for wine |

Source: MinAg Bulletin, #120, April 2008

Table #5. Wine production, 2006-2007, hl

| Wine production, 2006-2007, hl | | | |
|--------------------------------|------------------|------------------|--------------|
| | 2006 | 2007 | Change |
| Table and regional wines | 1,571,136 | 1,253,015 | -20% |
| - Red and rose | 902,354 | 645,424 | -29% |
| - White | 668,782 | 607,591 | -10% |
| Quality wine | 126,980 | 72,120 | -43% |
| - Red and rose | 91,529 | 57,002 | -38% |
| - White | 35,451 | 15,120 | -58% |
| Sparkling and specialty wines | 13,935 | 14,399 | +3% |
| - Red and rose | 3,530 | 10,409 | +295% |
| - White | 10,405 | 3,990 | -62% |
| Total commercial wine | 1,712,051 | 1,339,536 | -22% |
| - Red and rose | 997,413 | 712,835 | -29% |
| - White | 714,638 | 626,701 | -13% |
| Grapes must | 21,011 | 41,381 | +196% |
| Homemade wine | 23,896 | 415,412 hl | |
| Total wine | 1,756,958 | 1,796,329 | +2.2% |

Source: AgStatistics Bulletins, #106/2007 and #120/2008

Table #6. Wine trade, exports and imports, 2007 and 2008 (January-August), MT

| Wine imports and exports, 2007 and 2008, MT | | | |
|---|---|----------------|--|
| Wine imports, MT | | | |
| Origin | 2007 | Origin | 2008 |
| Argentina | 126 | Argentina | 60 |
| Austria | 56 | Austria | 56 |
| Belarus | 44 | Chile | 295 |
| Chile | 968 | Cyprus | 282 |
| Germany | 350 | Germany | 243 |
| Spain | 1,764 | Spain | 711 |
| France | 1,328 | France | 233 |
| Italy | 810 | Italy | 484 |
| Macedonia | 8,175 | Moldova | 332 |
| Romania | 1,483 | Macedonia | 320 |
| Russia | 1,247 | Romania | 446 |
| South Africa | 7 | Kosovo | 619 |
| USA | 1 | South Africa | 52 |
| Total | 16,585 (\$30.3 million), average price \$1,828/MT | Total | 4,329 (\$10 million) average price \$2,330/MT |
| Wine exports, MT | | | |
| Destination | 2007 | Destination | 2008 |
| Belgium | 801 | Belgium | 457 |
| Belarus | 978 | Belarus | 280 |
| Canada | 339 | Canada | 131 |
| China | 105 | China | 26 |
| Czech Republic | 2,282 | Czech Republic | 1,162 |
| Germany | 3,252 | Germany | 1,435 |
| Estonia | 245 | Estonia | 8 |
| France | 848 | France | 27 |
| UK | 3,341 | UK | 1,945 |
| Japan | 400 | Japan | 302 |
| Lithuania | 1,403 | Lithuania | 614 |
| Moldova | 1,135 | Moldova | 1 |
| Poland | 18,267 | Poland | 9,010 |
| Russia | 74,740 | Russia | 43,625 |
| Sweden | 2,113 | Sweden | 1,250 |
| Slovakia | 531 | Slovakia | 518 |
| USA | 210 | USA | 165 |
| Holland | 273 | Holland | 152 |
| Mongolia | 403 | Mongolia | 365 |
| Kazakhstan | 214 | Latvia | 156 |
| Total | 113,808 (\$118 million) average price \$1,034/MT | Total | 62,150 (\$78 million) average price \$1,249/MT |
| Source: National Statistical Institute | | | |

Table #7. Wine sector development, 2006-2007, hl

| Wine sector development, 2006-2007, hl | | |
|---|------------------|------------------|
| | 2006 | 2007 |
| Wine production, total | 1,756,958 | 1,796,329 |
| - Commercial wine | 1,712,051 | 1,339,536 |
| - Home made wine | 23,896 | 415,412 |
| Imports | 123,695 | 165,850 |
| Total supply | 1,880,653 | 1,962,179 |
| Exports | 1,121,000 | 1,138,080 |
| Local market (and stocks) | 759,653 | 824,099 |

Source: MinAg, Customs and the NVWC data

Table #8. National vine and wine program funding, in 1000 Euro

| National vine and wine program funding, in 1000 Euro | | | | | | | |
|---|----------------------|---------------------|---------------|---------------|---------------|---------------|----------------|
| Measure | EC regulation | Budget years | | | | | Total |
| | | 2009 | 2010 | 2011 | 2012 | 2013 | |
| Promotions in third markets | EC/XXXX/2008, art.9 | 1,560 | 2,1120 | 2,200 | 2,700 | 2,670 | 11,250 |
| Restructuring and conversion | Art.10 | 12,548 | 17,114 | 17,772 | 21,927 | 21,702 | 91,063 |
| Crop insurance | EC 1493/1999, Art.13 | 1,500 | 2,000 | 2,050 | 2,450 | 2,370 | 10,370 |
| Total | | 15,608 | 21,234 | 22,022 | 27,077 | 26,742 | 112,683 |

Source: National Vine and Wine Chamber