

## Report

The main direction of LEPL National Wine Agency is to promote development of viticulture and winemaking in Georgia.

Activity in the reporting year included the following main trends:

The 2017 was significant for the following success and achievements:

The world scientific society recognized, that the earliest traces of winemaking was discovered in Georgia. The article („Early Neolithic wine of Georgia in the South Caucasus“) published in early November 2017 in the journal *Proceedings of the National Academy of Sciences* reveals that the roots of Georgian wine production go as far back as 6000 B.C.

In Cité des Civilisations Du Vin, The world center for wine civilization in Bordeaux, exhibition “Georgia - The Cradle of Wine” lasted for almost four months. The event started on July 31 and On September 14 Georgian Qvevri was placed at the entrance of the center for the permanent exposition, indicating the fact that in 2013 Georgian traditional method of Qvevri wine-making won a place on the list of United Nations Educational, Scientific and Cultural Organization (UNESCO) "Intangible Cultural Heritage of Humanity".

For Georgian wine publicity growth and popularization, Georgian wines were presented at over 200 events, in particular, at various exhibitions, tastings, presentations, seminars and meetings worldwide.

In 2017, Georgia has exported a record number of wine over the last 30 years, totally, 76,7 mil. bottles (0,75l) of wine have been exported to 53 countries worldwide.

Successful vintage. The increased export amount and the positive indicators in the sector gave the possibility that during the vintage 2017, the subsidy on the grapes in Kakheti region was no longer needed. Grapes price was determined by quality and origin without the state interference.

The amendments were made into the Georgian Law on Vine and Wine, which is important for the development of viticulture and winemaking in Georgia.

### Marketing and popularization

One of the main directions of LEPL National Wine Agency's activities is to promote Georgian wine popularization and awareness. For this purpose, marketing strategic plan has been developed, which is agreed with the Marketing Board, which includes representatives of the private, governmental and non-governmental agencies of the wine industry.

In 2017, Georgian wine was represented at over 200 events in the following countries: USA, China/Hong-Kong, Singapore, France, Netherlands, UK, Germany, Baltic states, Japan, Poland, Belgium, Sweden and etc.

The following events should be noted:

From January 30 to February 4, presentation-tasting of the Qvevri wine was held in Toulouse, Lyon, Angers and Saumur. The Qvevri wine was presented on specialized tasting in Toulouse and Lyon, and in traditional exhibitions of Angers (Les Penitentes) and Saumur (La Dive Bouteille), where Georgian wine companies have been participating for the sixth time.

On February 18-19, 18 Georgian winemaking companies participated in the international fair of wines and spirits “Boston Wine Expo” held in Boston, USA. This was the 26th time “Boston Wine Expo” was held, traditionally the event was attended by tens of thousands of guests – wine importers, distributors, sommeliers and media representatives.

On February 21, The National Wine Agency and marketing company, “Marqenergie” jointly organized, “Georgian Wine Day” in New-York, where 40 varieties of nearly 20 Georgian winemaking company Qvevri and classically produced wines were introduced.

On February 15, with the National Wine Agency, Sweden-Georgian Trade Board, Georgian Embassy in the Kingdom of Sweden and Georgian wine companies support, Georgian wine presentation and tasting was organized in Stockholm. The event was aimed to diversification of Georgian wine export market, popularization of Georgian wine on Swedish wine market, progress of Georgian wine publicity in native consumers and professionals.

On March 7-10, Georgian wine seminar-presentation was organized during the 42nd food and drink international fair, "FOODEX JAPAN 2017" in the capital of Japan, Tokyo.

On March 12-13, The Artisan Wine Fair, "RAW London" was organized in the capital of UK, London, where 6 Qvevri wine-maker companies participated with the National Wine Agency support.

On March 20, Georgian wine tasting was held in Monaco with the initiative of vice-president of Sommelier Association of Monaco and the support of the National Wine Agency. The tasting was attended by 85 sommelier, wine-maker, journalists and employer from Italy as well as France.

On March 19-21, Annual international fair of wine and alcoholic beverages – ProWein 2017 was held in Dusseldorf, Germany, where 23 Georgian wine-maker companies participated with the support of the National Wine Agency and association "Georgian Wine". During the fair, two Georgian wine tastings were organized on the leading European wine-making magazine stand - Vinum, which was lead by the executive editor of the journal, Rudolf Knoll.

On March 22, Georgian wine tasting was organized by "Saperavi Wine Agency" Ltd, National Wine Agency contractor company in Amsterdam.

On March 23-25, In the city of Sichuan province, Chengdu, China, the 96th China Food & Drinks Fair was held, in which 27 Georgian wine maker companies participated with the National Wine Agency promotion.

On April 12-14, International Exhibition „ Wine and Gourmet Japan 2017 " was held in Tokyo, Japan, where with the National Wine Agency organization and the Embassy of Georgia in Japan support, 14 Georgian wine companies were presented. During the exhibition, a special event "Georgia - 8 thousand vintages" was held.

On May 5-6, The largest wine fair of Baltic states „VYNO DIENOS“ (wine days) was held in the capital of Lithuania, Vilnius, where, with the support of the National Wine Agency and Georgian Embassy in Lithuania, 8 Georgian wine-maker Companies were introduced. During the exhibition, a special tasting “Georgia – The Birthplace of Wine” was organized.

On May 13, “New Wine Festival” was hosted by park Mtatsminda. . The event was organized by Wine Club of Georgia and assisted by National Wine Agency of Ministry of Agriculture, Tbilisi City Hall and Georgian National Tourism Administration. Small-family and medium enterprises, major producers and famous companies took part in the festival and introduced their wines of harvest 2016 to the guests. Over 110 participants introduced their production at the festival.

On May 22-24, 17 Georgian winemaker companies participated at the London international fair “London Wine Fair 2017” which was held in the exhibition center “Kensington Olympia” .

On June 9-11, International Wine and Spirits Fair - WinExpo Georgia 2017 was held in the exhibition center, Expo Georgia. 97 companies presented more than 170 different types of wine and alcoholic beverages in WinExpo Georgia 2017. 11 countries participated in the exhibition. During the fair, The 9th International Wine Competition was held. Large companies, as well as small, family wine cellars, totally 43 companies took part and presented 164 different types of wine at the contest. On June 10, the awards were presented in six categories: Gold (26 medals), Silver (36), Bronze (84) medals and international diplomas.

On June 18-21, International Wine and Spirits Exhibition “ Vinexpo Bordeaux 2017” was held. 24 Georgian wine producer companies presented their product through the support of the National

Wine Agency. During the fair, Georgian Wine Tasting event "Georgia – The Birthplace of Wine " was held, which was chaired by Giorgi Samanishvili, Chairman of the National Wine Agency together with the Vice-President for the Commission of Alcoholic Beverages of the International Organization of Vine and Wine (OIV), Ana Godabrelidze.

On July 3, Georgian wine seminar and tasting “Georgian wines for the summer” was held in one of the most famous, historical winery “Winnica Srebrna Gora” in Krakow, Poland. The event was lead by the head of the National Wine Agency contractor company “Vinisfera”, Mariush Kapchinski.

On August 7, Georgian wine tasting was held in Amsterdam, Netherlands, which was attended by local sommeliers, journalists and wine writers. Dutch market has a great perspective for Georgian wine export on the bases of international tendency and statistics of wine consumption.

On September 2-3, The Fourth International Symposium of Qvevri Wine was held in Ikalto Qvevri School-Academy which was organized by the Association "Georgian Wine" and supported by the National Wine Agency. During the 4th International Symposium of Qvevri wine, The First International Competition of Qvevri Wine was held in Ikalto Qvevri School-Academy. The winners of the competition were awarded at Ikalto Monastery Complex. 22 Golden, 20 Silver and 29 Bronze Medals were given to the winners selected from the sample of 150 wines represented in the competition.

From August 27 to September 3, “Georgian Wine Festival” was held in Singapore and China cities – Shanghai and Hong-Kong. . The festival was organized by master of wine, head of National Wine Agency contractor company “Meiburg Wine Media” - Debra Meiburg. “Georgian Wine Festival” was attended by local wine importers, masters, representatives of media, restaurants and hotel chains.

On July 31, The Exhibition “Georgia – the Cradle of Wine” held in Wine Civilization Center, Bordeaux, France, was opened. Georgia was the first invited country, which opened a cycle of

viticulture and winemaking exhibitions at the Wine Civilization Center and was the honorable host of the Wine Civilization Museum. The exhibition closed on November 4. On September 14, Georgian Qvevri was placed at the entrance of the center for the permanent exposition. Prime Minister of Georgia Giorgi Kvirikashvili attended the ceremony. Over 60 thousand visitors had the opportunity to explore the exhibition. Various events, tastings, scientific conferences, professional meetings were held during the exhibition.

From September 30 to October 8, "Georgian Wine Week" was celebrated in Georgia. The Week was opened in Marneuli with the "Georgian Wine Festival". "Gurjaani Wine Festival" was first celebrated in Gurjaani and wine festival "Telavino" was held for the fourth time in Telavi. During Tbilisoba, about 15 wine-producer companies were represented in the park Rike. "The 4<sup>th</sup> National Competition of Georgian Wine" was also held during the week, which was organized by the Georgian Sommelier Association. The festival "New Small Wine Cellars on the Big Arena 2017" held in the Wine Factory N1 was also remarkable.

Georgian wines were presented at 5 events in the United States: RAW NY (November 5-6) and RAW LA (November 11-12) natural wines international exhibitions in New York and Los Angeles, as well as specialized tasting-presentations for major wine importers, distributors and media. The Georgian wine tasting was led by the famous American wine writer and professional Elis Feiring. During the event, presentation of the book "Tasting Georgia", by the famous Italian photographer, traveler and wine writer Carla Capalbose was also held.

On November 15-17, 20 Georgian wine producer companies were presented at the international exhibition "EnoExpo 2017" in Krakow, Poland.

On November 14-16, With the support of the National Wine Agency, 30 Georgian wine companies were presented at the large-scale exhibition "Prowein Shanghai 2017" in Shanghai, China. During the exhibition, special tasting-seminar of Georgian wine was held, which was led by the National Wine Agency contractor, international master of wine, Debra Meiburg.

On November 24-25, Special stand “Taste of Georgia” was held at the annual event “WineWeekend” in Rijswijk, Netherlands, where Georgian wines were presented. During the event, two presentation-seminars were organized - “Amber Wines from Georgia”, which was attended by wine professionals.

On December 1, The grand presentation and tasting event of Georgian wine was held in Tokyo and on December 3 in Osaka, which were led by the National Wine Agency contractor master of wine - Kenichi Ohashi.

On December 10-11, During “Georgian Culture Days”, presentation and tasting of Georgian wine was held in Alicante, Spain. Presentation “Georgia – the Cradle of Wine” was lead by Giorgi Sikharulidze, chief specialist of the Marketing and PR Department of the National Wine Agency.

In 2017 tens of wine professionals visited Georgia and tasted the Georgian wine, got acquainted with Georgian wine culture and traditions:

International Organization of Vine and Wine (OIV) students of wine management master program explored Georgian wine culture and modern wine-making. In April, a 18-man group has visited Kakheti and Within the introduction tour, they saw Georgian wine-maker companies, learnt Qvevri-making technology and tasted different Georgian wines.

In May, Japanese master of wine Kenichi Ohashi visited Georgia for Georgian wine market investigation reason for a week. Japanese wine professional was accompanied by the representative of Japanese Sommelier Association journal (JSA), wine writer Akihiko Yamamoto, who is preparing a long article about Georgian wine to publish in JSA in 2018.

In May, A group of American wine professionals including wine importers, sommeliers and wine writers visited Georgia for a week. The group was lead by the head of the National Wine Agency contractor company – Marq Energie - Julie Peterson. During the tour, the guests visited Georgian

wine producing companies in Kartli, Imereti, Guria, Racha-Lechkhumi and Kakheti where they got acquainted with the Georgian wine-making techniques and enjoyed wines made in European and traditional methods.

A group of Japanese wine importers lead by master of wine Kenichi Ohashi has also visited Georgia in July. Also, a famous Japanese sommelier, Motohiro Okoshi was in the group. The visit was aimed to learning Georgian wine and introduction to Japanese consumer afterwards. The guests visited up to 20 wine companies in Kartli and Kakheti and tasted wines of different styles.

A group of Dutch importers and journalists lead by the head of “Saperavi Wine Agency” - Bernard Nauta, visited Georgia for Georgian wine popularization and export growth in Holland. During their tour in the second half of July, the Dutch guests visited Georgian wine companies in Kakheti and Kartli and tasted their product.

In July, a group of American sommeliers visited Georgia for a week tour, during of which the wine professionals saw wine cellars in Samegrelo, Imereti, Kartli and Kakheti. The group of wine professionals was headed by the chair of “Marq Energie”, Agency contractor American marketing company, Julie Peterson.

On August 27, a group of American sommeliers and importers visited Georgia for five days, during which they visited 18 companies. The 7-man group of wine professionals was lead by Lisa Granik, the famous master of wine and head of the National Wine Agency contractor American company, "TastingWorks".

In September, a group of wine importers and journalists from China visited Georgia for a week, during which, the guests saw wine cellars and companies in Kartli, Kakheti, Imereti, Guria and Samegrelo. The group of 13 members was lead by the head of the National Wine Agency contractor company, Debra Meiburg.

UK master of wine, Sarah Abbott visited Georgia with a group of journalists interested in Georgian wines in September. During the wine tour, the UK professionals explored wine cellars and

companies in Kakheti region. Before her tour in Kakheti, Sarah Abbott met the representatives of Georgian wine companies in Tbilisi. She introduced pricing policy and wine labeling and quality issues to them, that would promote Georgian wine development on this market.

In September, a group of American wine professionals visited Georgia for a week. During the tour the guests visited wine companies and cellars in Samegrelo, Imereti, Kartli and Kakheti, where they explored Georgian technology of winemaking and tasted wines made in European and traditional methods. The group of wine professionals included sommeliers, wine writers and importers and was headed by Julie Peterson, the chief of the National Wine Agency contractor company - Marq Energie.

By the end of September, a group of Dutch Sommeliers visited Georgia, according to which Georgian wine has great potential to increase export in the Dutch market. The Dutch guests visited wine companies in Tbilisi, Kvemo Kartli and Kakheti.

In 2017, Georgian wine became the winner of many prizes. The success of the following events held with the support of the National Wine Agency is remarkable:

In the capital of Japan, Tokyo, at the international wine fair - The 4<sup>th</sup> "Sakura" Japan Women's Wine Awards, 12 Georgian wines were awarded by one Double Gold, six Gold and five Silver Medals. "Sakura" international awards is a large-scale event which was organized for the fourth time. An international wine competition is judged by Japanese female wine specialists, sommeliers, wine writers and journalists. Totally, 4212 wines from 37 countries participated in the competition.

"Vaziani Company" wine – "Saperavi 2015" was awarded by the most honorable award of "Sakura" wine competition - The Diamond Trophy. The wine became the winner of The Double Gold Medal of "Sakura" wine awards and according to the rules of the competition, was nominated for the most honorable award of "Foodex Japan 2017" fair - The Golden Trophy.

Within the competition ProWein 2017 held in Dusseldorf, Germany, "Besini" company wine, "Besini Premium" dry red 2013 won the Gold prize and award "Best of show Georgia" of the international wine competition, "Mundus Wines". Also, "Winery Khareba" wine - "Saperavi"

classical dry red 2013 was awarded with Gold Award and “Khareba” dry red 2012 – Silver Award. At the wine competition “Citadelles Du Vin” held during the exhibition in Bordeaux, France, four Georgian wines received the highest awards: Trophy wine “Khareba 2012” (company “Winery Khareba”), Gold medal - Makashvilis Wine Cellar “Cabernet 2015” (“Vaziani Company”), a silver medal - “Kindzmarauli 2013” (the company “Kakhetsian wine cellar”) and “Chacha” (company “Shumi”).

On July 25, Georgian wine-maker company “Shilda Winery” wines “Kisi” (dry white) and “Mukuzani 2015” (dry red) won Gold Medals at the international wine competition “GALICJA VITIS 2017” held in Krakow, Poland. The competition is held under the auspices of international wine organization OIV.

In the competition “EnoExpo 2017” held in Krakow, Poland, Georgian wine company “Giuaani” earned Gold medal for “Mtsvane Qvevri 2014”. Totally, 5 wines were awarded Gold medals and one of them was Georgian wine. Wines of the same company – “Mtsvane Qvevri 2016” and “Qisi Qvevri 2016” were awarded Bronze medals. The company “Telavi Wine Cellar” won a Bronze medal for “Satrapezo 10 Kvevri 2014”.

Amber wines will be included in the list of OIV special wines

The International Organization for Vine and Wine (OIV) has adopted a proposal for an accelerated review of the Georgian side to consider, that wine made by Georgian traditional method, or fermentation with “Chacha”, called “Amber wine” will be included in the list of OIV special wines. Currently, OIV special wine list includes 7 wines: Sparkling wines, Carbonated wines, Fortified wines, Liqueur wines, Sweet wines with residual sugar derived from grapes, “Icewine”, Flor or film wines. After completion of due procedures, Georgian Amber wines will be the 8<sup>th</sup> in the OIV list.

Legislative Activities

The Parliament of Georgia adopted a draft law on the “amendments to the Law on Vine and Wine”, according to which important amendments were made to the law. The amendments are important for the development of viticulture and winemaking in the country as a historically, culturally and economically priority sector of the country. The Law on Vine and Wine was adopted in 1998 and significant changes have not been made since 2002. The terms were added to the law, definitions which allowed for double interpretation of the separate provisions of the law were refined and technically elaborated in terms of content. Amendments to the existing law will facilitate the implementation of state policy in the field.

### Vintage 2017

The current state of the wine industry - wine export growth, diversification of export markets, expanded wine enterprises, the developed system of cheap agro-credits and the agro-insurance provided the possibility that the subsidy on the quality, conditioned grapes in Kakheti Region would no longer be needed.

As a result of the vintage 2017, up to 125 thousand tons of grapes were processed in Kakheti region. Viticulturists have earned approximately 144 million Gel. Gross processed grapes include 63,4 thousand tons of Rkatsiteli, 54 thousand tons of Saperavi, 3,6 thousand tons of Kakhuri Mtsvane, and other different varieties of grapes. Up to 15 thousand viticulturists delivered grapes in the companies.

Daily processing index reached 5 thousand tons in the active phase of the vintage. In this period, about 100 factories were involved in the processing daily, which resulted in the smooth delivery process without queues by the factories. The vintage was organized and none of the viticulturists had any problems with the grapes delivery. Viticulturists and producers made independent deals with the prices without the intervention of the state.

769 tons of grapes (Mujuretuli and Aleksandrouli) were picked and delivered in Racha-Lechkhumi region. Income of the population exceeded 5,4 million GEL. Up to 1000 viticulturists delivered grapes to the companies in Racha. For the protection of variety accuracy, ampelographers were involved in the vintage process.

### Vineyards Cadastre Program

In 2017, the National Wine Agency continued implementation of the vineyards cadastre program. The program includes: registration of vineyards, taking ortho-photoes, registrations of vineyards and viticulturists, passportization, specifying the boundaries of specific zones, collecting the data of the subjects of viticulture and winemaking industry and etc.

The tender winner company "Map Mapping" has implemented the program in Akhmeta municipality. The vineyards owned by 13 settlements were registered in Akhmeta municipality, where there were 5992 plots, and the vineyard area amounted to 1817.2 hectares.

There has been no similar system in Georgia yet. The cadastral system works effectively in all EU countries where viticulture and winemaking is developed.

### Georgian Vine and Wine Culture Research Project

The world scientific society recognized, that the earliest traces of winemaking was discovered in Georgia. The article („Early Neolithic wine of Georgia in the South Caucasus“) was published in the journal *Proceedings of the National Academy of Sciences* on November 13, which reveals that the roots of Georgian wine production go as far back as 6000 B.C. The research was implemented within the frames of the "Georgian Vine and Wine Culture Research State Scientific Project", which is carried out by the National Wine Agency since 2014. The above-mentioned scientific conclusions came to the attention of world media - articles were published in all leading news and scientific publications (The New York Times, BBC, CNN, The Guardian, National Geographic,

WashingtonPost etc.). The fact of the discovery of ancient wine is included in the Guinness Book of Records.

### Quality control

In order to control the quality of export wine, 110 tasting was carried out for the organoleptic testing of the alcoholic drinks in the tasting commission of the National Wine Agency. Alcohol beverage companies have been operated 88 inspection control of export appellation wines, table wines and wine brandies.