

# Report

# for the Year of 2023

# First Quarter

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#### Introduction

The main activity of the State Wine Agency LEPL is to promote the development of the field of viticulture and winemaking. To achieve the mentioned goal, National Wine Agency works in the following directions:

- ◆ Development of viticulture;
- promotion of Georgian wine promotion and export growth;
- ♦ Harvest promotion measures;
- Research and popularization of Georgian vine culture;
- ◆ Development of Georgian wine place of origin system;
- ◆ Laboratory examination of wine.

Among the activities carried out in the first quarter of 2023, the following are noteworthy:

#### Certification for the local market



In order to strengthen the quality control of Georgian wine and other alcoholic beverages, a legislative amendment on mandatory certification of alcoholic beverages produced in Georgia intended for sale on the local market entered into force on January 1, 2023. Relevant amendments in the "On Vines and Wine of Georgia" were implemented in 2021. Until now,

mandatory certification applied to export products in full, and on the local market only to local wines and chacha. Related to the mentioned amendment, on February 9, the Chairman of the National Wine Agency Levan Mekhuzla and the Chairman of the National Food Agency Zurab Chekurashvili met with the representatives of the sales networks of alcoholic beverages and discussed the issues of mandatory certification of alcoholic beverages produced in Georgia intended for sale on the local market. The manufacturer or the person carrying out the sale of alcoholic beverages, when selling the products on the local market, is obliged to have a certificate of conformity of the products, which is issued by the LEPL National Wine Agency on the basis of the protocol issued by the accredited laboratory.

## Georgia became the chairman of the World Wine Trade Group (WWTG).

On March 13-14, at the meeting of the World Wine Trade Group (WWTG) held in Brussels, the chairmanship of the mentioned organization was handed over to Georgia from the United States of America for a period of one year. Georgia will start exercising the powers of WWTG chairmanship from May 1 of this year. The World Wine Trade Group (WWTG) is an association of wine-producing



countries, and its members include Georgia, USA, Argentina, Australia, Canada, Chile, New Zealand, South Africa and Uruguay. The main objective of the organization is to facilitate trade of wine, promote international trade of wine by sharing information and taking joint action to remove trade barriers. It should be noted that the chairmanship of the World Wine Trade Group changes every year on the principle of rotation. Georgia chaired WWTG in 2014. During the mentioned period, such important issues were agreed upon and documents were developed, which simplify the wine trade procedures between the member countries of this organization. The World Wine Trade Group (WWTG) evaluated Georgia's one-year chairmanship positively. The document adopted at the WWTG plenary meeting held in Tbilisi in August 2014, on the analytical methodology and regulatory limitations of wine composition and potential contaminants, is still called the "Tbilisi Statement" within the organization.

### Marketing events

# "VinExpo Paris 2023"



On February 12-13, with the support of the National Wine Agency, 13 Georgian wine companies, together with more than 3 thousand producers from 52 countries of the world, participated in the large-scale exhibition "VinExpo Paris". More than 3 thousand producers from 52 countries of the world introduced their products to thousands of visitors of the exhibition at the international exhibition of wine and

alcoholic beverages "VinExpo Paris" held in the capital of France. Traditionally, wine professionals, importers and experts from many countries of the world gather at VinExpo Paris. In parallel with the exhibition, Georgian wines of various names were presented in the tasting area, which helped to attract more professional visitors. It is especially noteworthy

that in the tasting area, the best sommelier of the USA in 2022, Valeria Gamper, presented the wine "Kvevris Kisi" of "Meghvineoba Ikalto".

# "Foodex Japan 2023"

On March 7-10, with the financial and organizational support of the National Wine Agency, 16 Georgian wine producing companies participated in the food and beverage exhibition "Foodex Japan 2023" in Tokyo, the capital of Japan. Participation in the mentioned exhibition is the best way to promote products in Japan, to enter the market and establish itself, as well as to find Japanese distributors.



FOODEX JAPAN has been held since 1976 and is considered one of the largest exhibitions in Asia.

Georgian wine producing companies have been given the opportunity to participate in "Foodex Japan" since 2015. Japan is one of the strategic markets of Georgian wine, where, in 2014, with the support of the National Wine Agency, the first large-scale presentation of Georgian wine took place. In the subsequent years, also with the support of the National Wine Agency, Georgian wine companies participated in "Foodex Japan" and "Wine and Gourmet Japan" exhibitions, tours of Japanese wine professionals and media representatives were organized in Georgia, and Georgian wine presentation-tastings were organized in various Japanese cities.

# "Vinexpo New York"



On March 8-9, in New York, at the international exhibition of wine and alcoholic beverages "Vinexpo New York", 26 Georgian wine producing companies presented their products with the financial and organizational support of the National Wine Agency. Participation in an international exhibition of "Vinexpo New York" scale is one of the important conditions for diversification of wine markets and export growth. By participating in Vinexpo New York,

Georgian companies have the opportunity to get to know the new trends and challenges in the world wine market, to find trade partners in the United States of America, which is a strategic market for Georgian wine and where wine quality standards and the export price of

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Georgian wine are particularly high. Within the framework of the exhibition, representatives of the National Wine Agency met with Georgian wine importers, contractor marketing company "Colangelo & Partners" and representatives of local distribution companies ("Amber Wine LLC", "Saperica", "Georgian House of Greater Washington"). At the meetings, the parties discussed the strategy of promotion of Georgian wine sales, which envisages strengthening the positions of Georgian wine in the USA both in the "niche" segment and in trade networks.

#### "ProWein-2023"



On March 19-21, with the financial support of the National Wine Agency and the organization of the "Georgian Wine" association, 25 Georgian wine companies participated in the "ProWein-2023" exhibition in the German city of Dusseldorf. there was a special crowd at the Georgian stand for three days at one of the most important international exhibitions of wine and alcoholic beverages in the world.

Wine professionals, media representatives and visitors of the exhibition had the opportunity to taste Georgian wine and hold business negotiations with Georgian producers. Within the framework of the exhibition, the representatives of the National Wine Agency held business meetings with the representatives of the commercial sector, media and marketing companies that are the contractors of the National Wine Agency. It should be noted that within the framework of the "ProWein-2023" exhibition, a Georgian wine tasting-seminar was held at the stand of the prestigious German media holding "Meininger", led by sommelier and wine expert Inge Mainzer. At the stand of Californian wines, a joint tasting of Georgian and Californian wines took place.

### **Export**

According to the data of the first quarter of the current year, 19.5 million liters of wine were exported to 48 countries of the world, the increase compared to the same indicator of 2022 is 25%. Wine export income increased by 22% and amounted to 57 million US dollars. As for the alcoholic beverages produced in Georgia, 5.4 million liters were exported in the reporting period, the increase compared to the same period last year was 77%. The income from the sale of alcoholic beverages amounted to 27.5 million US dollars, the increase was 66%.

## Georgian wine quality

In order to increase the competitiveness of alcoholic beverages produced in Georgia on the local and international markets, the relevant services of the National Wine Agency regularly control the quality of Georgian wine and other alcoholic beverages.

In the first quarter of the current year, state control and state supervision, which means determining



the conformity of the technological process of wine in enterprises with the requirements defined by the Georgian legislation, was carried out in 14 companies. Laboratory analyses are being conducted on the 58 samples taken.

During the reporting period, inspections were carried out in 30 companies, violations were found in 24 of the 125 samples taken. Certificates were refused to 9 companies. Along with this, the international auditing companies "SGS" and "Bureau Veritas" inspected the products of 18 companies in the economic zone of registration. Of the 52 samples taken, a violation was found in 1. The certificate was revoked for 1 company. The inspection process involves determining the conformity of the alcoholic beverage sample submitted for certification with the lot.

In the first quarter, 68 tastings were held for the purpose of organoleptic testing of export alcoholic beverages. A total of 2941 samples were submitted, 152 of which were evaluated as negative.

During the reporting period, a total of 4740 certificates were issued, 2976 of which were compliance certificates, and 1764 were VI-1 certificates.

#### Cadastre program of vineyards

The following works were carried out within the framework of the "Viticulture Development Measures" sub-program:

- The target regions for viticulture were defined: Imereti, Guria, Samegrelo and Adjara;
- A strategy and tactics were developed for cadastral works in these regions. An implementation plan was drawn up.



• In the selected four target regions - Imereti, Guria, Samegrelo and Adjara - at the first stage of the start of cadastral works, the meetings of the Deputy Chairman of the Agency, Zurab Vacharadze, and the Head of the Cadastre Division, Davit Maghradze, were held with the representatives of the Prime Minister and with the members of their staff, as well as in the Ministry of

Agriculture of Adjara, where agreements were reached on the construction of the cadastre through joint efforts.

• Presentation of vineyard cadastre results was carried out at the "Innovations in Agrarian Technologies" section of the Academy of Agricultural Sciences of Georgia and at the Presidium of the Academy, where the implemented work was positively evaluated.

### Research and promotion of vine and wine culture

The National Wine Agency continues the "Vine and Wine Culture Research Scientific Project" which is committed to promoting research in viticulture, wine-making and related disciplines.

The following works were carried out during the current quarter:

- The plan was developed and the partner institutions and scientists who will participate in this year's researches were determined. An implementation plan was drawn up.
- An agreement was signed with Professor Patrick McGovern of the University of Pennsylvania on the study of organic acids in the wild and cultivated vine samples of Georgia.
- An agreement was reached with the staff of the Batumi Archaeological Museum on radiocarbon dating of the grape stones kept there.