

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary  Public

Date: 2/23/2012

GAIN Report Number: BU2016

## Bulgaria

**Post:** Sofia

### Wine Sector Update

**Report Categories:**

Wine

**Approved By:**

Hoa Van Huynh

**Prepared By:**

Mila Boshnakova

**Report Highlights:**

Wine market has enjoyed a steady growth in the period 2005-2010, along with increased diversity and quality. Imported wine segment was the most dynamic and with strong market presence. Local wine production, however, has been on decline and in 2010 it reached 66% of its record 2007 volume. The 2011 data (January-October) have imports grown by impressive 43.6% in value and 12.2% in volume. Bulgaria has continued to be a large wine exporter, especially to Russia, but volumes have been declining and in 2010 exports were 43% lower than in 2008. A possible rebound for Bulgarian wine exports are likely for 2011 with the first 10 months data showing a modest growth of 6.2% in value and 3.7% in volume. Currently, the Parliament is considering a new Wine and Spirits Bill which aims to harmonize local legislation with the European and international trade rules and is considered by the industry as a strong positive step towards much-needed reforms in the sector.

## **General Information:**

**Disclaimer:** Information in this report is collected from publicly available sources such as specialized and daily printed and electronic Bulgarian media, published surveys of consulting companies, interviews with trade and industry, AgSofia interviews with trade and trade associations, and official statistics. The source of most statistical market information is Euromonitor International

## **Summary**

Commercial wine market in Bulgaria has enjoyed a steady growth over the last 5 years, along with increased diversity and improving quality. In 2010, total wine volume sales were up by just 1% but value sales increased by 5%. The wine sales were estimated at 184 million Euro (2010) and are forecast to grow to 209 million Euro or by 13% by 2015 (see Tables 7 and 8). Wine will continue to attract consumers from spirits and to be considered as a healthy, modern and status drink. The relative share of wine sales to total alcohol sales are projected to increase from 15.6% in 2010 to 17.2% in 2015; and in volume from 48.3% in 2010 to 52.6% in 2015. Urbanization, changing lifestyle and wellness trends are likely to bring positive effects on wine trade and consumption.

In the near future, wine market growth is expected to be restrained by presently limited consumer purchasing power due to the economic slowdown, illegal and home-made wine and distilled spirits production; and the prevailing deficit of competitive and good quality vine grapes.

## **Local Wine Supply**

Total wine production has been declining since 2007. Output in 2010 was 118.7 million liters or 15% less than in 2009 and 34% down from 2007 level. Commercial wine output was 18% lower compared to 2009 and 25% below 2007 production, a significant reduction which interrupted continuous growth observed over the previous years. (Note: Executive Vine and Wine Agency (EVWA) reported different volume of commercial wine production in 2010 at 103 million liters compared to 99.3 million liters reported by the official statistics). The EVWA data shows that in 2010, 65,000 MT or 45% of grapes were used for white wines and 82,000 MT or 56% for red wines. Expectations for 2011 are for 160-170,000 MT of grapes processed into wine and wine output of 110 million liters. See Table 1 and 2.

Another trend has been the considerable decline in quality wine output by 28% in 2010 vs 2009 and by 58% in 2010 vs 2007 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.

## Home-made wine making

Home production has been a major challenge competing in volume terms with industrial products. The situation has been thriving for years. While the problem was seemed to lessen in conditions of increased urbanization and improving living standards, the economic crisis has deepened the problem once again.

In the period 2008-2010 the volume of grapes used for home-made wine increased by 9% (2010/2008).

In 2010, both the volume and relative share of grapes for home-made wine making has increased by 19% in tonnage and from 17% to 24% in relative shares compared to 2009. Home-made wine in 2010 was 7% more than in 2009. See Tables 1 and 2.

According to industry sources, this negative growth was a result of more marketing challenges for commercial wineries, availability of unsold wine stocks, grapes pricing which would not allow wineries to be competitive, and in addition, wineries began to focus more on quality than on volume. Current prospects are that this trend will continue in 2012 and as long as there is not a visible improvement in the economic situation and consumers' income.

This causes concerns for several reasons: the pressure of homemade wine over the commercial wine increases and restricts growth in commercial wine output; higher on-farm wine/distilled spirits making usually leads to expansion of illegal wine/spirits production. Due to perceived low grape purchase prices and weak governmental control, often grape growers prefer to make home-made wine and sell it illegally and at dumping prices to local communities and tourist sites. A side-effect is that this phenomenon erodes the efforts of producers that want to educate consumers' tastes and encourage them to trade up. This affects mainly economy segment wines.

## **Wine Consumption**

### Consumption estimates

Wine consumption estimates vary widely from 46 million liters to 50-60 million liters, and some estimates go as high as 100+ million liters. The official statistics report wine per capita consumption at 5.9 -7.0 liters or total about 45-54 million liters (population of 7.7 million) but this data usually causes strong skepticism among wine experts. The differences come from home-made production, officially about 15% but often estimated up to 25% of total wine production and not accurately counted by the official data, and grey sector shares. This demonstrates the potential for growth compared to other traditional wine EU countries – Italy, France, Spain – where per capita consumption is about 8-10 times higher.

Accurate and reliable official or industry information about wine stocks is not publicly available. Industry estimates that wine stocks throughout the years 2006-2010 could have reached up to 25 million liters at certain years.

Trade data about commercial wine sales in 2010 was for 48.2 million liters (Table 3). The annual growth was 1% in volume but 4.8% in value. Higher annual growth rates in value have been typical since 2005. Thus, while the sales have increased by only 5.3% in volume, the growth in value was an impressive 30% for 2005-2010. In 2010, the value of wine sales was estimated at 185 million Euro.

In late 2011, the EVWA estimated sales on the local market for the first 9 months at 58 million liters (of which 42 million in the first 6 months) compared to 50 million liters for the same period in 2010 or a growth of 16.7% for the period. In August 2011, the EVWA reported 38%-40% increase in sales on the local market to 41.5 million liters, and a drop in prices at 30%-35% compared to 2008/2009. This data was, however, refuted by the industry which disagreed both with the reported growth in sales as well as with the reported reduction in prices. Industry representatives estimated a decline in local sales at 7%-8% despite the undertaken reduction in prices by average 20% for the period 2009-2011. Industry admits that certain producers had to make dramatic reduction in prices of more than 50%.

## Trends

- Red vs White Wine

Trade data (Table 3) shows that red wine bring the bulk of sales with 50% of both volume and value sales in 2010. White wine accounts for 42% of sales in volume and 41% in value.

In March 2011, TGI market test consultancy made public their survey about wine consumption. It revealed that 30% of urban population of age 15-69 or 1.3 million people drink wine (WHO study done in 2006 shows that 1.6 million Bulgarian drink wine). Consumers who drink wine every day are 5.3%, those who consume wine 2-3 times/week are 26%; once a month- 30%; and less than once a month- 17%. According to TGI consultancy, 38% of wine consumers drink home-made wine.

About 75% of consumers drink red wine, and 57% prefer white wine (some drink both red and white wines without clear preferences). About 80% of men drinking wine prefer red wine. The age structure of consumers preferring red wine show even distribution with some exceptions for 60-69 age group – 12% of all, and youngest 15-19 age group- 5%. In general, red wine has a high penetration level- for example, 74% of married people, 78% of divorced, 75% of capitol residents, 78% of citizens in larger towns, 78% of medium-income people, and 82% of high income people prefer red wine.

White wine has a different profile with generally low penetration level. Often these levels are below 70% of various consumer groups, and even below 60%. For example, 53% of men, 61% of women, 50% of citizens of larger towns, 55% of Sofia residents and 66% of higher end income consumers prefer white wine.

The three leading types of wines on the market were Cabernet Sauvignon, Merlot and Muscat. Mavrud and Rubin were the most popular local varieties and wines, and the new planting under them have increased. Among imported wines, Shiraz has been the most popular so far.

In 2009-2011, despite the dominance of the red wines, still white wine had the most dynamic development. For example, annual volume growths in 2009 and 2010 were respectively, 4.4% and 5.4%, or above total wine market growth and that of red wines (Table 3). White wine was also dominating among imported wines (60%) because of the market gap created by the structure of vine planting. Local variety structure is dominated by red varieties (63%) and the quality of local white wine has never managed to match that of the red wine. International Wine and Spirit Research survey for the period 1999-2009 shows that local consumption of red wines grows slower (45% growth) than that of white wines (75% growth). Rose wine also grew in 2010/2011 at a slower rate than red and white wines.

- Price Categories Development

Economy wines priced at below 2.50 Bleva/bottle (1.28 Euro) which developed at a rapid pace together with all other price bands prior to 2010, suffered the most from the economic slowdown. In other price categories, infrequent wine drinkers either chose to buy less wine or have directed their purchases to better-priced alternatives including beer and homemade wine.

The toughest competition occurred in the medium-price category (5-8 Bleva/bottle or 2.5-4.00

Euro/bottle) which is considered by traders to represent 50% of all wines on the market. This is the category where larger local players and imports compete with each other.

In 2010, the percentage of quality wine on the market has decreased and only 6% of wine was sold under certain designation of origin. Most local producers chose to compete on brand rather than designation of origin base since it offers them greater flexibility with respect to grape sourcing.

Specialized wine traders think that the average wine consumer will not spend more than maximum 20 Bleva/10 Euro/bottle of local red wine, and any wine priced over this level should be of exceptional quality and very popular brand. For imported wines, this ceiling is at 35 leva (18 Euro/bottle). In 2011, wine specialists reported that most sales are in the range 10-12 Bleva/bottle.

- New products, new players

The new products launched on the market in 2010 and 2011 were in the medium to high-end segment since the category of wines priced up to 5.0 Bleva (2.50 Euro) is saturated and returns are low. Competition with imported wines is also at the higher priced category. General consumers' perception is that good quality wine can not cost less than 6-7 Bleva/bottle (3.00-3.50 Euro). Although the new products targeted higher-end consumers, they were not very successful in developing their own brands, often due to overpricing, wrong investment policies, and over expectations for high and fast returns.

In 2010/2011, local producers continued to launch new products and new players emerged. The new players were rather small companies that diversified into the wine business because of the perceived returns or opportunities to use EU funds. In this respect, it is still questionable which of those players will progress and/or survive in the current highly competitive market and declining demand. Reportedly, the sector good returns also attracted some capital with a controversial origin.

### 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.

Imported wines steadily increase their market share. Starting from 2% market share in 2005, in 2008 this share reached 34%. According to Customs, imports have increased from USD 1.9 million in 2002 to USD 30.1 million in 2007 or 15 times. Select importers reported 3 times higher imports over the last 3 years. Imports were led by Old World countries, Italy, Spain and France, and Chile and Argentina from the New World, which managed to be sold at mid-upper priced wines category.

In 2008-2010, due to the economic crisis, imports declined to USD16.5 million (2008); USD 11.5 million (2009) and USD 12.2 million in 2010; the share of imported wines in consumption dropped to estimated 15% but a rebound has likely happened in 2011 due to growing imports (USD 11.1 million for the 10 months).

At the retail level, an increasing number of retailers have started independent wine imports which were price and quality competitive, and boosted wine sales (for example, Italian or Argentine table wines at

5.0 – 7.0 Bleva/bottle/2.50-3.50 Euro).

At the HRI sector, imported wines are leading sales; they are at much higher demand and compete with selected local products. Beverage managers report that the most demanded imported wines are those from Italy and California. Californian wine has been 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. Consumers of those wines are 30-50 years age, educated urban citizens.

In 2011 wine specialists reported that imported wines accounted for 40% of their sales vs 60% for local products. Traders registered higher interest to new varieties and some reservation towards more usual Merlot and Cabernet Sauvignon. This demonstrates that Bulgaria has evolved from a traditional wine producer into a country which appreciated wines of different origins.

### Local Market Wine Trade

The largest top 3 companies still account for well over 50% of total volume sales in the market. To a certain degree, the economic slowdown proved to be positive for the largest companies as they increased or at least maintained their respective shares, as a result of their strength in different price segments and their focus on products, pricing and below-the-line tactics and strategies. On the other hand, the challengers without strong brand names or price advantages found it hard to compete, and recorded share declines. Some well established wineries from the past reported significant losses due to decline in sales and/or exports and could not use their capacities.

Off-trade channel accounted for more than 80% of wine sales in volume and 52% of sales in value in 2010. Despite declining purchasing power, the heavy weight of economy wines kept this share high. Such low-priced wines (up to 2.50 Bleva/1.25 Euro) are sold mainly in PET bottles while all other wines are sold in 0.75 liter glass bottles. Bag-in-box wines are also popular with estimated 15% market share. On-trade channel continued its growth, it accounted for 20% of wine volume sales but brought 48.5% of value sales in 2010 (Table 3 and 5). The 2010 annual growth in value sales via this channel was 5.2% or above the total wine sales growth.

### Taxation and Duty Levies on Wine 2010

Excise Tax - 0%

Imports tax- 9.90 Euro to 32.00 Euro/HL

Sales tax – 20%

### Typical Wholesaler and Retailers Off-Trade Mark-Ups for Wine 2010

Wholesaler- 8.0-8.8%

Retailers- 20.0- 25.0%

### Selling Margins of Typical Wine Brand 2010 as a percent of retail value:

VAT- 16.7%

Retailer- 13.9%

Distributor- 5.6%

Excise-0%

Manufacturer- 63.8%

Total – 100%

## **Exports**

Bulgaria is a net wine exporter. Exports have ranged at 50% (2010) to 85% (2007) of commercial wine production but have been declining in absolute terms due to plummeting local supply.

Exports have been growing successfully between 2002 and 2007 when it reached record high USD 118.5 million, however, it began to decline since 2007 to reach USD 63.1 million in 2010. Thus, 2010 exports were at 50 million liters total, or the lowest since 2006 and 56% down from 2007 level. Annual negative growth in 2010 was 9.3% in value and 6% in volume over 2009, as the average export price was USD 1.26/liter or 3.5% less than in 2009. See Tables 7 and 9.

Russia has been the main market for the Bulgarian wines, typically bottom-end wines, which bring usually low margins. In 2010, it accounted for 46% of all exports, followed by Poland with 26%. 2010 exports to this market were 10% down from 2009 level, as some industry sources reported a decline of 15%.

WTA data shows that 2011 exports (January-October) were at 43 million liters (34.3 million liters according to the EVWA) or 3.8% more than in 2010 (and 6.2% more in value), with exports to Russia at 15 million liters (34% of total), followed by Poland (26%), Romania (14%), and Czech Republic (7%). Exports to Russia, however, sharply declined for this period from 20 to 15 million liters or by 25%.

Dominating exports to Russia and declining positions at the EU market continue to feed the ongoing debate about the diversity and sustainability of wine exports. Many wine makers 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 have increasingly complicated these exports. In addition, Bulgarian wines in Russia meet tough competition from other Old and New World as well as the return of Moldova. Declining Bulgarian exports to the EU do not allow local industry to develop its competitive advantages.

In 2011, select wine makers made first sales to Asian markets (China, Japan, Hong Kong, Korea) as well as to Turkey (bulk white wine to hotels) and some Arab countries. One of the challenges at these markets were reported to be high cost of marketing of own brands as well as competition from counterfeit wines.

All wine makers admit that the Bulgarian wines are not differentiated at the foreign markets and usually have the image of bottom-end wines. The industry suffers from the lack of national promotional programs, as well as from the fact that smaller wineries are not united in their export promotion efforts.

## **Imports**

Imports have been growing steadily over the last years but have seen a decline due to the economic slowdown since 2009. WTA data shows that in 2009 imports dropped by 23% in volume and 30% in value. However, in 2010 imports rebounded - volume imports were 53.8% higher; imports in value were 5.8% more. Italy traditionally was a leader with 58% percent market share in volume and 38% of value imports. Average import price was USD 1.48/liter or 31% below 2009 price of USD 2.15/liter. See Tables 8 and 10.

In 2011 (January-October), wine imports growth continued with positive 12.2% in volume and 43.6% in

value. French and Italian wines were leaders. The average import price increased to USD 2.23/liter or 28% more than in 2010.

## **Wine Promotions**

### **Local promotions**

Wine promotions were less frequent in 2010/2011 than in the previous years. Wine tastings, and gala-events, often with recognized international sommeliers, were more targeted on positioning of high-end local and imported wines.

The largest local (with international presence) show Vinaria 2011 was successful by attracting back about 20 medium size wine makers which were absent from the show over the last 2-3 years, mainly due to economic challenges. As in the past, French and Italian companies were the most active, but also companies from Australia, Argentina and Spain.

Under the pressure of the wine makers in 2011, the tourist industry had to pay more attention to the origin and quality of wine traded at the resorts. Wine makers vow that hotels, especially those working on all-inclusive services, buy low quality wine of unclear origin and questionable quality/safety, and at dumping prices (average 0.40 Euro/liter including VAT) thus ruining the image of Bulgarian wines and reducing the sales of higher quality wines. Industry appealed for stricter government control on wine sales to prevent illegal trade.

### **Export promotions**

In late 2011, the regional Thracian vine and wine chamber and the Romanian chamber APVPVD won the first EU funded project to promote their products in Russia and China. This joint program has a budget of 3.2 million Euro of which the EU subsidy is 1.6 million Euro. The rest is funded by the industry organizations and national budgets. The project will last for 3 years and include expositions and wine tastings in Russia and China.

In 2011, the MinAg tried to support Bulgarian wine presence at largest European and Russian trade shows. Such an example was the partnership with the hunting exposition “El Salon de Cazadores” Venatoria 2011, Madrid, Spain and PRODEXPO Moscow. However, the industry and the government does not have a unified, target oriented, comprehensive and funded strategy about the export development for the Bulgarian wine.

Regardless the export strategy of the sector, experts admit that only a few larger wineries which have heavily invested in vineyards, expanding area and improving variety structure, and in winemaking technology, have competitive advantages, and good marketing and 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.

## **Wine Market Forecast 2012**

- Wine sales will likely grow in value due to the trend of developing mid-priced and premium segment products. This will also lead to higher diversity in terms of grape varieties, regions of origin and marketing techniques.

- Imported wines will continue to increase their presence while the local wine makers are facing a shortage of good quality grapes, especially white grapes.
- In the near and medium term, white wine share will expand. Its share already reached 42% of volume sales in 2010, in this respect imported white wines have a promising future.
- Slowly but steadily economy wines market share will decline to estimated 30% since they offer low margins and returns. Bag-in-box wines have an ability to be stable and grow due to their good ratio between price and quality. On the other hand, wines priced above 8 Bleva (4.0 Euro/bottle), especially branded, quality and origin wines, are likely to stabilize and increase their market presence.
- Due to the above trend, the role of different distribution channels will change too, as the role of small independent groceries will decline on the expense of retailers, specialist retailers, and direct sales.
- Super/ hypermarket will remain the major channel for wine volume sales. On-trade (HRI sector) wine sales may decline its share in volume sales while may likely grow in value because most restaurant owners want to provide a good choice of premium-priced local and imported wines.
- Wine specialists (CasaVino, Cheers, Premium, Vinopolis, Semela, Bohem) have a good potential for growth in longer term offering good selection of premium wine brands which are not widely distributed but are likely to increase in importance. The concentration in this distribution segment is possible as CasaVino (7 outlets) is outlined as a potential leader due to its proactive marketing. Due to the economic challenges, however, in the near term, the development of the number of such wine specialists will remain low.

**Table #1. Grapes production utilization, 2008 and 2010, MT and %**

Grapes production utilization, 2008 – 2010, MT and %						
	2008		2009		2010	
	MT	In %	MT	In %	MT	In %
Total grapes	369,430	100%	281,302	100%	230,198	100%
Grapes for wine manufacturing	307,574	83%	245,425	87%	213,854	93%
Grapes for direct consumption	61,856	17%	35,877	13%	16,344	7%
Grapes processed at commercial wineries	203,447	66%*	181,926	74%*	148,454	69%*
Grapes processed for homemade wine	46,444	16%*	42,352	17%*	50,643	24%*
Other products	54,881	18%*	21,147	9%*	14,757	7%*

Source: MinAg Bulletins; \*as a share of grapes for wine manufacturing

**Table #2. Wine production, 2007-2010, hl**

Wine production, 2007-2010, liters					
	2007	2008	2009	2010	Change 2010/2009

<b>Quality wine</b>	<b>7,212,200</b>	<b>6,558,800</b>	<b>4,225,000</b>	<b>3,048,000</b>	• 28%
- Red and rose	5,700,200	5,075,400	3,857,200	2,708,500	
- White	1,512,000	1,483,400	667,800	339,500	
<b>Regional wines</b>	<b>125,301,500</b>	<b>130,123,500</b>	<b>42,472,100</b>	<b>38,395,900</b>	-10%
- Red and rose	64,542,400	67,572,600	28,540,500	21,589,300	
- White	60,759,100	62,550,900	13,931,600	16,806,600	
<b>Sparkling, table and specialty wines</b>	<b>1,439,900</b>	<b>1,211,400</b>	<b>74,583,200</b>	<b>57,838,200</b>	• 23%
-Red and rose	1,040,900	838,800	37,816,100	29,923,400	
- White	399,000	372,600	36,767,100	27,914,800	
<b>Total commercial wine</b>	<b>133,953,600</b>	<b>137,893,700</b>	<b>121,580,300</b>	<b>99,282,100</b>	• 18%
- Red and rose	71,283,500	73,486,800	70,213,800	54,221,200	
- White	62,670,100	64,406,900	51,366,500	45,060,900	
-Grapes must	4,138,100	1,086,200	2,980,900	3,690,700	
Homemade wine	41,541,200	22,743,600	18,159,300	19,447,100	
<b>Total wine</b>	<b>179,632,900</b>	<b>160,623,500</b>	<b>139,739,600</b>	<b>118,729,200</b>	• 15%

Source: Ag Statistics Bulletins

Note: In 2009, the MinAg changed its methodology and began to report wine production in different categories, therefore data after and before 2009 about regional and table wines, and sparkling and specialty wines is not comparable.

**Table #3. Wine Market Development 2005-2010**

<b>Wine Market Development 2005-2010</b>						
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Wine sales, 000 liters</b>	<b>45,835</b>	<b>46,562</b>	<b>47,393</b>	<b>48,318</b>	<b>47,840</b>	<b>48,285</b>
-Off-trade	36,800	37,300	38,000	38,700	38,400	38,800 (80.4%)
-On-trade	9,100	9,200	9,400	9,600	9,500	9,400 (19.6%)
Incl.						
Sparkling wine	3,300	3,332	3,368	3,406	3,392	3,417
Still red wine	22,810	23,207	23,655	24,100	23,806	24,029
Still Rose wine	431	437	445	453	452	455
Still White Wine	19,130	19,425	19,766	20,200	20,034	20,228
<b>Wine sales, in million Bleva</b>	<b>277.2</b>	<b>288.5</b>	<b>308.8</b>	<b>332.5</b>	<b>344.3</b>	<b>361.1</b>
-Off-trade	143.0	149.2	159.9	171.9	177.8	186.0 (51.5%)

-On-trade	134.2	139.3	148.9	160.5	166.4	175.1 (48.5%)
Sparkling wine	18.3	18.7	19.3	20.0	20.4	21.0
Still red wine	139.7	145.5	156.5	169.3	174.5	182.7
Still Rose wine	3.7	3.9	4.2	4.5	4.6	4.9
Still White Wine	112.3	117.1	125.4	135.2	141.2	148.9
Wine sales as a share of total alcohol sales, value	15.4%	14.9%	14.9%	15.0%	15.2%	15.6%

Source: Euromonitor International

**Table #4. Wine Market Development Forecast 2010 - 2015**

Wine Market Development Forecast 2010-2015						
	2010	2011	2012	2013	2014	2015
Wine sales, 000 liters	48,285	48,934	49,673	50,560	51,525	52,580
Wine sales, million Bleva	361.1	369.4	379.5	388.3	398.3	409.3
Wine sales as a share of total alcohol sales, value	15.6%	16.0%	16.3%	16.6%	16.9%	17.2%

Source: Euromonitor International

**Table #5. Wine Off-trade Market Structure, 2006 - 2011**

Wine Off-trade Market Structure, 2006 - 2011						
	2006	2007	2008	2009	2010	2011
Total, percent	100	100	100	100	100	100
Grocery Retailers	100	100	100	100	100	99.8
-Discounters	NA	NA	NA	NA	NA	4.8
-Food/drink/tobacco specialists	2.3	2.8	3.0	3.8	3.7	3.7
-Hypermarkets	3.5	4.0	4.5	4.5	4.9	5.3
-Small Grocery Retailers	47.8	47.8	44.7	44.6	45.7	41.4
--Convenience Stores	1.1	0.8	0.6	0.5	0.5	0.5
--Forecourt Retailers	1.6	1.8	1.4	1.3	1.5	1.8
--Independent Small Grocers	45.0	45.1	42.6	42.8	43.7	39.1
-Supermarkets	6.8	7.0	7.1	7.0	6.7	6.6
-Other grocery retailers	39.6	38.4	40.7	40.1	39.0	38.0
Non-store retailing	NA	NA	NA	NA	NA	0.2
-Internet retailing	NA	NA	NA	NA	NA	0.2

Source: Euromonitor International

**Table #6. Wine supply and consumption development, 2006-2010, liters**

Wine sector development, 2006-2010, liters
--

	2006	2007	2008	2009	2010
Wine production, total	<b>175,695,800</b>	<b>179,632,900</b>	<b>161,723,500</b>	<b>139,739,600</b>	<b>118,729,200</b>
- Commercial wine	171,205,100	133,953,600	137,893,700	121,580,300	99,282,100
- Home made wine	2,389,600	41,541,200	22,743,600	18,159,300	19,447,100
-Grape Must	2,101,100	4,138,100	1,086,200	2,980,900	3,690,700
Imports,	12,589,400	16,763,700	6,939,300	5,372,900	8,264,900
<b>Total supply</b>	<b>188,285,200</b>	<b>196,396,600</b>	<b>168,662,800</b>	<b>145,112,500</b>	<b>126,994,100</b>
Exports	1,128,451	1,142,523	88,006,700	53,470,700	50,248,700
Local market/consumption (and stocks)	75,440,100	82,144,300	80,656,100	91,641,800	76,745,400
Incl. Wine sales, hl, Euromonitor estimates	46,562,100	47,393,300	48,317,800	47,840,300	48,284,800
Apparent Consumption, Euromonitor estimates	66,800,000	36,600,000	70,700,000	91,600,000	NA

Source: MinAg, WTA data

**Table #7. Bulgarian wine exports 2008-2010, HS#2204**

Bulgaria Export Statistics							
Commodity: 2204, Wine Of Fresh Grapes, Including Fortified Wines; Grape Must (Having An Alcoholic Strength By Volume Exceeding 0.5% Vol.) Nesoi							
Calendar Year: 2008 - 2010							
Partner Country	Unit	2008		2009		2010	
		USD	Quantity	USD	Quantity	USD	Quantity
World	L	110275236	88006755	69586766	53470747	63122677	50248688
Russia	L	59717913	55036656	26711419	25678046	24307828	23397673
Poland	L	23249567	16865230	18781616	13874079	16698394	13065663
United Kingdom	L	4527856	3228027	2854489	1991544	4185017	2562439
Czech Republic	L	3110890	2283498	2726159	2054287	3582262	2882939
Sweden	L	4767635	2277032	3983773	2008716	3115874	1693709
Germany	L	3438287	2205443	2186834	1460431	1834247	1077088
Belgium	L	1365839	662985	1623343	914293	1731736	963579
Lithuania	L	1464271	1068558	1118904	796099	1151970	863565
Romania	L	28879	21821	2426028	1096372	756455	946271
China	L	215102	60107	432158	134110	560349	151379
Slovakia	L	1228029	746770	534133	343278	549971	332615
Turkey	L	222857	103616	237799	132359	391912	220073
United States	L	823914	245534	758392	280354	387292	192462
Canada	L	653397	225234	569242	182979	364125	114262

**Table#8 . Bulgarian wine imports 2008-2010, HS#2204**

Bulgaria Import Statistics							
Commodity: 2204, Wine Of Fresh Grapes, Including Fortified Wines; Grape Must (Having An Alcoholic Strength By Volume Exceeding 0.5% Vol.) Nesoi							
Calendar Year: 2008 - 2010							
Partner Country	Unit	2008		2009		2010	
		USD	Quantity	USD	Quantity	USD	Quantity
World	L	16524587	6939329	11563697	5372899	12237514	8264886
Italy	L	3871301	1232936	3890263	2261973	4608601	4789170
France	L	4638387	343264	2018268	450879	2520708	354112
Chile	L	956104	421039	1120341	715810	783932	215595
Germany	L	803064	347642	498955	159531	570092	238193
Spain	L	1330488	1173451	804928	604878	560113	539577
Netherlands	L	624097	112080	522571	69886	517213	53158
Romania	L	1121619	916474	559065	465500	514701	434436
Czech Republic	L	48016	17505	152350	65330	417564	332680
Macedonia	L	343083	363771	80212	13629	348463	870131
South Africa	L	331636	124321	289598	73906	301098	77302
Argentina	L	401080	102388	446811	126198	216016	62188
United Kingdom	L	142355	12277	59588	7354	184751	23841
Austria	L	340167	133997	400635	159130	155688	114899
Greece	L	184928	35507	84683	18206	74743	18484
United States	L	676	12	0	0	71640	6311

**Table #9. Bulgarian wine exports 2009-2011 (January-October) HS#2204**

Bulgaria Export Statistics							
Commodity: 2204, Wine Of Fresh Grapes, Including Fortified Wines; Grape Must (Having An Alcoholic Strength By Volume Exceeding 0.5% Vol.) Nesoi							
Year To Date: January - October							
Partner Country	Unit	2009		2010		2011	
		USD	Quantity	USD	Quantity	USD	Quantity
World	L	58941827	46161137	51378991	41441077	54546784	42980903
Russia	L	23925463	23306168	21067081	20467415	16869497	15065327
Poland	L	15436156	11519141	13081712	10335796	13910338	10818179
Czech Republic	L	2021736	1552926	2627027	2030345	3894201	3096899
United States	L	2090740	1518636	3542156	2175972	3170194	1778941

Kingdom							
Romania	L	2425328	1095967	448565	651613	2988525	5306335
Sweden	L	3450008	1761564	2623039	1430834	2752693	1389512
Germany	L	1801386	1162040	1450616	780462	2025344	821890
Belgium	L	1300228	737171	1261997	755308	1561510	769925
China	L	273446	94255	370584	117096	879292	303011
Japan	L	324381	208230	253819	138740	652547	280682
Lithuania	L	897134	642000	874431	663195	601310	410684
Mongolia	L	325491	220777	317668	195960	489891	321988
Slovakia	L	488154	314803	413835	249731	345012	185997
Israel	L	102714	19385	176666	43264	325960	58060
Greece	L	14896	8309	46768	35748	308445	243753
United States	L	690325	244840	334830	163526	306617	96345

**Table #10. Bulgarian wine imports 2009-2011 (January-October) HS#2204**

Bulgaria Import Statistics							
Commodity: 2204, Wine Of Fresh Grapes, Including Fortified Wines; Grape Must (Having An Alcoholic Strength By Volume Exceeding 0.5% Vol.) Nesoi							
Year To Date: January - October							
Partner Country	Unit	2009		2010		2011	
		USD	Quantity	USD	Quantity	USD	Quantity
World	L	8717482	4145216	7771238	4450816	11156424	4995175
Italy	L	2363361	1279625	2431298	1831129	3790910	2714376
France	L	1490193	371748	1495980	183895	2284783	364091
Germany	L	381462	120899	489503	207589	940063	256549
Chile	L	911230	675508	644718	179251	903562	232896
Spain	L	741273	584716	382432	287320	652095	719942
Netherlands	L	361720	55754	432765	44268	603939	63533
New Zealand	L	222928	28417	12863	2484	335207	79177
United Kingdom	L	20881	2718	139817	18470	267471	33038
Argentina	L	404795	113300	158859	45000	205105	51325
South Africa	L	287951	73501	206771	54649	194549	92812
Slovakia	L	28288	12600	0	0	183367	45068
Greece	L	58882	12581	68061	16906	129967	29189
Czech Republic	L	141130	59981	304637	297862	106452	35549
Austria	L	336203	145985	56161	38523	104618	23247
Macedonia	L	55992	9201	302864	846302	83513	131186
Belgium	L	79982	6787	28333	3470	77651	8369
Georgia	L	4863	1440	7423	3089	62309	23251
Australia	L	64484	7205	62626	7959	45326	10062

