

# Eastern & Southeastern Europe

Caroline Gilby MW

Enlargement of the EU is the big story. Hungary, Slovenia, the Czech Republic, Slovakia, and Cyprus are the wine-producing countries that – subject to referendum – will be joining in 2004.



CAROLINE GILBY MW

Romania and Bulgaria are working towards the next round of expansion, probably in 2007, while Turkey hopes to start negotiations next year. EU membership will certainly provide a challenge to wine producers, who have, until now, been trading in comfortably protected domestic markets.

In Hungary, high demand for reds and limited quantities have allowed winemakers in areas like Villány to charge premium prices. These look difficult to sustain with the arrival of global competition, with the exception of the few who genuinely do make wines of international calibre. There has been some last-minute planting of vineyards before EU restrictions are imposed, and the Hungarian government has suddenly woken up to the opportunity to fully subsidize generic support for the industry until next year.

Some Hungarian producers see a positive side in joining the EU, since tougher regulations may force basic standards up. Many Slovenian producers are nervous about joining the EU because their cost of production is fairly high, and cheap Western European imports could provide serious competition on the domestic market. This is driving the

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private wineries to look for niche export opportunities – they would like to see themselves as the New Zealand of Europe.

The effect on other new member nations seems less dramatic. The Czech Republic and Slovakia already import a lot of EU wine since both produce at levels well below their own domestic demand. Keo, the biggest Cypriot producer, is more pragmatic. While joining the EU may be a good trade opportunity, the company believes tourists will still demand local wine.

A couple of schemes exist to provide funds to countries preparing for EU accession. Bulgaria is already benefiting from an agricultural and rural development programme, which provides funding of some 50 per cent for planting costs and winery equipment, although it does not provide money for grubbing up. Bulgaria is planning to replant around 8,200 hectares (ha) per year until 2006, and is talking of expanding to 190,000 ha while it is free to do so. However, preliminary estimates indicate only 150 ha were actually planted last year.

Romania seems desperate to show its wholesale adoption of EU standards and harmonizing legislation. Plans are in place to modernize 65,000 ha and uproot the poor-quality hybrids that cover nearly half of the existing 244,000 ha of vineyards. Where producers have managed to get hold of land, and have the funds, they are planting furiously in anticipation of EU restrictions. High-quality clones should give them a head start over more traditional areas of Europe. For Romania, a deal with the EU on mutual reduction of taxes will mean cheap imports from next year, and that may force some of the poorer producers out of business.

## Grapevine

- **The Recas winery** in Romania has invested in a new underground cellar complex, temperature-controlled warehouse, and barrels. A 16-ha vineyard has been planted with new clones and 400 km (250 miles) of new trellising installed. The first vintage of new clone Pinot Noir has just been released.
- **Chateau Ruko** is a new 5-million-litre winery in Bulgaria's lambol region. It was entirely designed and built through EU funds, and started operation in 2002.
- **Cricova-Acorex** in Moldova has converted 694 ha to organic production. The first certified vintage will be 2003.
- **Carl Reh** was the first Romanian winery to plant Shiraz, and the first vintage is 2002. Almost 80 ha of vines were planted in 2003 with imported clones and rootstock trials. Carl Reh is converting to organic production for its estate vineyards as from this year.
- **Renowned German producer** Egon Müller has just released his first wine from Slovakia, Chateau Belá Riesling 2001. For now, fruit comes from a neighbouring grower, but the plan is to buy back the property's original vineyards.
- **Even in Tokaj**, the quality today reflects less than 65 per cent of the potential of

## DIVIDED THEY FALL

Post-communist reforms gave land back to the original owners, generally in tiny parcels. An estimated 100,000 growers in Bulgaria hold under 0.5 ha each, while Georgia shares 60,000 ha among 150,000 growers. In Romania, three quarters of the land is held privately, with average plots of under 1 ha, and 35,000 Slovenian owners average 0.4 ha each. New owners are rarely committed to managing the land properly since each parcel is too small to provide a living, let alone pay for equipment and agrochemicals. This has resulted in a culture of very part-time farmers with city jobs, who do not want to sell their plot of heritage and their retirement hobby. To improve quality, however, commercial producers must be able to control their fruit. This means being able to buy or lease long-term, efficient, consolidated plots, something that is not easy to find. SERVE, the

Bucharest-based wine producer, needs 145 contracts to lease just 28 ha of Romanian vines, and the Svischtov winery in Bulgaria has to deal with 600 owners in order to manage 228 ha of vines. Bulgaria has at least recognized that land fragmentation is a problem, but reckons it is still 10–15 years away from completing a database that will allow landowners to be identified, even though this really needs to be tackled urgently. In Ukraine, the problem is less about fragmentation, more a lack of vertical integration. Its vineyards have remained cooperative-owned with primary winemaking nearby, but young wines are shipped off to outdated central facilities for malolactic and finishing. The privatization process is under way in Serbia and Montenegro; and with only 20 per cent completed, the government at least has an opportunity to learn from other countries' mistakes.

## Grapevine

the best *terroir*. That's what top Tokaji winemaker István Szepsy reckons. He says there are too many big-bunch clones, while those vineyards that have been replanted with the best old selections are still too young.

- **Ernö Malya**, the winemaker at Budai, was named Winemaker of the Year 2002 by the Hungarian Wine Academy. **Nagyrede** was named Winery of the Year 2002.
- **István Szepsy and Anthony Hwang**, his partner in Királyudvar, have set up a new Tokaji winery in their children's names. The first vintage of Zemplen Ridge will

be 2002, and the winery will concentrate on competitively priced five-*puttonyos aszú* wines and *szamorodni* wines of equivalent sweetness.

- **Russian winemaker MVZ** acquired Moldovan producer Calaras Divin in Calarasi for \$3.7 million in February 2003.
- **Doluca** in Turkey is working with Australian-born, British-based consultant John Worontshak and the UK's Vinifera Wines on a project wine to be called Eurasia. There will be a red and a white, both made from blends of European and Asian varieties. The first vintage will be 2002, due for release later this year.

# Opinion:

## New Europe must reform quality

With global surpluses and the New World stealing market share in most wine-drinking nations, Eastern and Southeastern Europe must concentrate on quality and consistency to have any chance of survival. The region is often let down by inadequate fruit from elderly, poorly managed vineyards that were frequently planted for high-volume production. This problem is common in both the former communist nations and bulk shippers like Cyprus and Turkey. The producers in Eastern and Southeastern Europe see themselves as the New Europe, but they have no hope of matching the massive marketing spends of highly capitalized New World brands. If the wines of New Europe are to survive in the brave new world of an open EU market, their makers must overachieve on quality and provide it consistently, bottle after bottle.

### What rot

In Tokaj, dry wines are a commercial and cash-flow necessity, since for most growers 70–100 per cent of their crop will not make *aszú* quality in any year. The challenge here is to change attitudes from managing wines for rot to understanding how to grow healthy fruit for dry wines.

### Cut the bureaucracy

Paperwork in this part of the world is unnecessarily complicated, wasting time and resources that would be better spent on getting the vines and wines right. Phillip Cox at the Recas winery in Romania says he needs a truck to deliver the paperwork for employing casual labour for the harvest. Keeping up with the latest version of the ever-changing laws is also a burden, with the wine laws in Romania having changed no fewer than seven times in 2002. Bulgaria is no better: it can take over two years to set up a new business there. Hungary suffers from pointless bureaucracy, such as specifying the length of roots on new vines. Imported vines are too short and require special permits. The authorities need to bin the paper and focus on ways to help businesses compete on the international stage.

### Must pull together

Few countries in the region succeed in presenting a united front to promote their wines. Working together does not seem to come easy to Slavic nations, although the Latin culture of Romania appears to be more cooperative. While there are some small organizations, like Tokaji Renaissance or Pannon Wine Guild in Hungary and the Wine Exporters and Producers Association (WEPA)

or Dealul Mare Association in Romania, they hardly represent a drop in the ocean. The wine industry must bring everyone into the fold; it is no good promoting a few icons if the country's image is let down by the many. At least Romania seems to have made a start with the recent formation of the Organizatia Nationala Interprofesionala Vitivinicola (ONIV), an interprofessional organization that represents wine interests across the industry. Tokaji is a good example of how a lack of unity can be damaging. Producers must come together to promote it as one of the world's truly great sweet wines, instead of indulging in self-defeating infighting over oxidative or reductive styles when there is a market for both.

### Better money-management required

There has been a lack of investment in the Eastern European wine industry, but just as damaging has been the poor use of available funds. Expensive heavy-metal and state-of-the-art bottling lines have sprouted up all over, and this year's potential white elephant in Bulgaria is bag-in-box lines. One source reckons that 30–40 per cent of Bulgarian wineries will install their own bag-in-box line this year. If the industry cooperated better, they could share such equipment. After 50 years of forced cooperative farming, Eastern European countries need to realize that cooperation is a different word and one that should not be avoided. Moldovan wineries have received over \$60 million from the EU and World Bank, but spent most of it on bottling lines, instead of doing the vineyard groundwork.

## Grapevine

- **French-based Belvedere Group** bought the Bulgarian Menada winery in Stara Zagora in September 2002 for an undisclosed price.
- **Boyar Estates in Bulgaria** has vinified the first Merlot grapes from its estate vineyards near Blueridge. These were planted with three imported French clones under the supervision of the Di Davidson consultancy. The wine will be a limited edition for the Bulgarian market.
- **The first-ever major generic tasting of Slovenian wine** was held in London in November 2002. Part funded by the government, this was the first time it has supported private producers, since only cooperatives have received financial support in the past. There is still a major split between volume producers and the smaller private wineries that would like to establish Slovenia's reputation as a niche producer of high-quality wines.
- **Interest continues** in tracking the parents of Zinfandel after confirmation that the grape is genetically identical to the rare Croatian variety Crljenak.
- **The political situation in Serbia and Montenegro** stabilized in 2002, enabling exports to increase by 17 per cent to 64,000 hectolitres, but the future looks less certain following the assassination of Prime Minister Djindjic in March 2003.
- **Slovakia agreed to adopt** EU wine law in June 2002 and is working on a vineyard register; since only registered producers will be able to trade within the EU after the country's accession in 2004.

# Vintage Report

Advance report on the latest harvest

## 2002

This was a mixed year, ranging from outstanding in Romania's Transylvanian region to below average in areas such as northern Bulgaria and southeastern Romania, which were hit by heavy rains. In Hungary, the wines are very concentrated, with whites especially good and reds above average. Yield is down by 30 per cent on average, but as much as 70 per cent in some areas. In Tokaj, hopes for a great *aszú* vintage were dashed by some rain in October, but the wine is rated as very good, especially for fruit harvested early. In Romania, some reports suggest as much as 60 per cent of the crop was rot-damaged around Murfatlar. However, most other areas are showing very good quality but heavily reduced yields due to drought at flowering, which caused poor fruit set and small berry size. In Dealul Mare, yields are only 30 per cent of normal, and around Oprisor quantities are 50–60 per cent down. In Bulgaria, summer rains with low temperatures affected sugar accumulation and kept acids high. Gamza was virtually wiped out, and many producers had to chaptalize in order to reach minimum alcohol levels. The vintage in neighbouring Macedonia was also described as difficult and required careful selection. In Cyprus, quality was good, albeit low in quantity due to a green harvest imposed by the government to reduce yields. Summer rainfall also caused mildew around Paphos and Lemesos. Unusually, Turkey was hit by rain around harvest, which caught many growers unprepared, resulting in more rot and weather damage than normal. Ukraine produced promising reds, with good colour and sugar levels around Odessa, which escaped rainfall during the vintage. In Moldova, 2002 was 17 per cent down in volume and very good in quality. Slovenian production was down 20–30 per cent because heavy rain after a warm June caused some rot in early whites. Overall sugar levels were good and quality high.

Updates on the previous five vintages

## 2001

**Vintage rating:** 77 (*Reds: 80, Whites: 75, Sweet: 75*)

Most Tokaji was poor, although some decent *aszú* wines have been made with ultra-careful selection. Elsewhere in Hungary, early-picked whites are above average, and there are some sound late-picked reds. In Romania, it was a good ripe year, while in Bulgaria some producers reported good wines, but many vines were drought-stressed, so their metabolism shut down and the grapes failed to ripen.

## 2000

**Vintage rating:** 85 (*Reds: 85, Whites: 80, Sweet: 90*)

A long, hot, dry summer made for an excellent Tokaji vintage, with huge sugar levels and great flavours. It was a very good vintage across all of Hungary, with fully ripe fruit and high alcohol levels, but the wines are maturing quickly due to low acidity. It was also one of the finest recent vintages in Romania, showing ripe, healthy fruit, balanced acidity, and good keeping potential. It was a very good year in Bulgaria, too, with disease-free fruit and high sugars.

## 1999

**Vintage rating:** 87 (*Reds: 85–90, Whites: 80, Sweet: 90*)

This is another classic Tokaji year, with highly concentrated *aszú* berries superbly balanced by intense fruit acids, combining ageing potential with great elegance. A very good year for reds in Hungary and Romania, with uniformly ripe fruit, high sugars, and good acidity. Late frost damaged as much as 40 per cent of the white crop in the southeast, and rain during harvest in some areas also affected whites. In Bulgaria, it was the international red-wine varieties, such as Cabernet and Merlot, that did best in this high-quality vintage.

## 1998

**Vintage rating:** 75 (*Reds: 75, Whites: 75, Sweet: 75*)

It was a cooler and rainier summer than usual in Tokaj, bringing botrytis but not much shrivelling, and limiting the quantities of *aszú* wines, which

are lighter in body and more forward. Not an easy vintage across the rest of Hungary, which was very wet during the harvest, although early whites came in before the rain really set in and were the most acceptable of a generally disappointing crop. It was also a challenging vintage in Bulgaria, where the grapes did not ripen fully. In Romania, an extended drought resulted in very tannic, high-acid reds and small quantities.

## 1997

### Vintage rating: 78

(Reds: 75–80, Whites: 70–80, Sweet: 70–90)

It was a very late season in Tokaj, with very little rain in September and hardly any development of botrytis, although pockets of *aszú* berries developed later in the season, and these were of outstanding quality (similar to 1993). Elsewhere in Hungary, it was an early harvest with very good to excellent results for both reds and whites. In Romania, the reds turned out well, with good sugar accumulation and fully ripe tannins, although they are very short on quantity. Some good quality in Bulgaria.

## Grapevine

- **Hungary** assembled a committee of winemakers to start on developing a national wine strategy in 2003. Although it has already been criticized for lacking an overseas perspective, the committee is expected to reduce the number of wine regions from the current 22 to just 10.

- **Turkey's wine production** in 2002 went up to 48.5 million litres, and the industry now comprises of 31 companies, with six that are still state-owned and control 40 per cent of the volume. Turkish ex-pats in Germany are the most important export market, taking nearly a third of exports.

- **Chris Cameron of Peppertree** in the Hunter Valley, Australia, plans to plant vines on the Gallipoli peninsula in Turkey overlooking Anzac Cove. His first wine will be a three-country white blend probably called PAX, made from wines from Australia, New Zealand, and Turkey, and due for release on Anzac Day 2004.

- **Bulgaria's wine lake** is drying up thanks to renewed sales to Russia and Poland. A new law has been passed requiring all wine producers to register, even if vinifying for home consumption only (which apparently accounts for as much as 60 per cent of all wine output).

- **Reports from Hungary and Moldova** indicate that Italian companies have been buying up Pinot Gris in bulk, both as juice and wine, after the poor harvest in northern Italy.

- **Rumours are rife** that more Pinot Noir is produced in Romania than the official area of 1,750 hectares could possibly yield. Carl Reh subjects the Pinot Noir it purchases to anthocyanin testing, and claims to be 95 per cent confident that it is the real thing.

- **Fraudulent Georgian wine** continues to be major problem in both the former Soviet Union and the USA.

## GREATEST WINE PRODUCERS

### Tokaji

- 1 Szepsy
- 2 Királyudvar
- 3 Domaine de Disznókő
- 4 Royal Tokaji Wine Company
- 5 Oremus

### Other wines

- 1 Attila Gere (Hungary)
- 2 Château Belá (Slovakia)
- 3 Edi Simčič (Slovenia)
- 4 Kupljen (whites only, Slovenia)
- 5 Movia (Slovenia)

## FASTEST-IMPROVING PRODUCERS

- 1 Carl Reh Winery (Romania)
- 2 Prahova Wine Cellars (reds only, Romania)
- 3 Cricova-Acorex (Moldova)
- 4 Vinterra International (Romania)
- 5 Recas (Romania)
- 6 Budai Winery (Hungary)
- 7 Blueridge Winery (Bulgaria)
- 8 Domaine Boyar (Bulgaria)
- 9 Svischtov (Bulgaria)
- 10 SERVE (Romania)

## NEW UP-AND-COMING PRODUCERS

- 1 Château Belá (Slovakia)
- 2 Tilia (Slovenia)
- 3 Sutor (Slovenia)
- 4 Batapaati (Hungary)
- 5 Crown Estates (dry whites only, Hungary)
- 6 Jeruzalem Ormőz (Slovenia)
- 7 Vinska Klet Goriska Brda (Slovenia)
- 8 Chateau Vincent (Hungary)
- 9 Keo (Cyprus)
- 10 Sodap (Cyprus)

## BEST-VALUE PRODUCERS

- 1 Prahova Wine Cellars (reds only, Romania)
- 2 Vinarium Szekszárdi (Hungary)
- 3 Budai Winery (Hungary)
- 4 Hilltop Neszmély Winery (Hungary)
- 5 Carl Reh Winery (Romania)
- 6 Nagyréde Winery (Hungary)
- 7 Gyöngyös Estate (Hungary)
- 8 Chapel Hill (Balaton-Boglar Winery, Hungary)
- 9 Domaine Boyar (Schumen Winery, Bulgaria)
- 10 Binderer St Ursula (Macedonia)

## GREATEST-QUALITY WINES

### Tokaji

- 1 **Tokaji Aszú 6 Puttonyos 1999** Szepsy (9,000 forints)
- 2 **Tokaji Cuvée 2000** Szepsy (11,900 forints)
- 3 **Royal Tokaji Aszú Essencia 1995** Royal Tokaji Wine Company (42,000 forints)
- 4 **Tokaji Cuvée 1999** Királyudvar (9,500 forints)
- 5 **Tokaji Aszú 6 Puttonyos 1999** Domaine de Disznókő (not released, estimated 9,000 forints)

### Other wines

- 1 **Villány Cabernet Sauvignon Barrique 1999** Attila Gere (Hungary, 3,575 forints)
- 2 **Château Belá Riesling 2001** Egon Müller (Slovakia, 520 koruny)
- 3 **Extract of Styria 2000** Kupljen (Slovenia, 1,500 SIT)
- 4 **Duet Riserva 1999** Edi Simčič (Slovenia, 5,750 SIT)
- 5 **Merlot 1999** Tilia (Slovenia, 2,000 SIT)

## BEST BARGAINS

- 1 **Cabernet Sauvignon 2000**  
Vinarium Szekszárdi (Hungary, 1,075 forints)
- 2 **Pinot Grigio 2002**  
Budai Winery (Hungary, 825 forints)
- 3 **Dry Furmint 2002** Domaine de Disznókő (Hungary, 1,160 forints)
- 4 **Black Peak Cabernet Sauvignon 2000** Vinterra (Romania, 161,000 lei)
- 5 **Limited Release Chardonnay 2002** River Route (Romania, export only – £4.49–4.99 UK)
- 6 **Pinot Grigio/Chardonnay 2002** Riverview (Hungary, 1,000 forints)
- 7 **Noble Late Harvest Furmint 1999** Oremus (Hungary, 1,500 forints per half-bottle)
- 8 **Merlot Rosé 2002** Riverview (Romania, export only – £2.99 UK)
- 9 **Mallia Estate Cabernet/Vertzami 2001**  
Keo (Cyprus, 5.12 Cyprus pounds)
- 10 **Chardonnay/Dimiat 2001**  
Blueridge Winery (Bulgaria, export only – £3.99 UK)

## MOST EXCITING OR UNUSUAL FINDS

- 1 **La Cetate Merlot 2000** Carl Reh Winery (Romania, 180,000 lei)  
*Intense chocolate and plum Merlot showing what can be done from a properly managed single estate in Romania. The 2002 Shiraz from the same estate looks even more exciting.*
- 2 **Pinot Noir Reserve 2000**  
Prahova Valley (Romania, 115,000 lei)  
*Ripe and velvety, my top wine in a blind tasting against Pinot Noirs from around the world – some at twice the price.*
- 3 **Szekszárdi Cabernet Franc 2000**  
Vinarium (Hungary, 1,125 forints)  
*Excellent-value Cabernet Franc that can really stand up for itself.*
- 4 **Feteasca Neagra 2000** Vinterra (Romania, 143,000 lei)  
*The native 'black maiden grape' may well become Romania's signature variety, with its dark plum and dried cherry fruit, overlaid with hints of chocolate and tobacco.*
- 5 **Albastrole Pinot Grigio 2002**  
Cricova-Acorex (Moldova, 31 Moldovan lei)  
*There is a touch of Italian style in this fresh, ultra-clean white.*
- 6 **Castle Island Hárslevelü 2002**  
Crown Estates (Hungary, 970 forints)  
*This new-wave dry wine from Tokaj is fresh and aromatic, with real lime-leaf notes and a flinty, crisp palate. Even the winemaker was surprised how well this turned out!*
- 7 **Special Reserve Sangiovese 1999** Prahova Valley (Romania, 170,000 lei)  
*Attractive tea leaves and cherry fruit, with good acidity and structure. Sangiovese is a rarity in Romania, but this example is riper than most Italians could manage at the price.*
- 8 **Sauvignon Blanc 2002** Budai Winery (Hungary, 963 forints)  
*Fragrant, nettley, flinty Sauvignon from a unique spot that is not far from Budapest and noted for its varietal purity and crisp acids.*
- 9 **Tamada Saperavi 1999** GWS (Georgia, 15 lari)  
*Vibrant, fresh, blackberry fruit backed up by plenty of character and lively acidity. The estate-grown version due out later this year should be worth watching for.*
- 10 **Ozel Kav White 1999** Doluca (Turkey, 17 million Turkish lire)  
*The native Narince grape has produced a surprisingly fresh, zesty wine with hints of ripe pear from Turkey's most forward-thinking winery.*