

Secteur du vin

**Pays : Albanie**

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***ANALYSIS OF THE ALBANIAN WINE INDUSTRY  
STRENGTH AND WEAKNESSES  
—  
REHABILITATION STRATEGY  
OPPORTUNITIES FOR FURTHER DEVELOPMENTS  
  
FEBRUARY 2001***

The present document is a brief summary of the analysis

### 1. CURRENT SITUATION OF THE WINE INDUSTRY IN ALBANIA

#### 1.1. Viticultural sector

##### 1.1.1. Area planted

In 2000, the area planted to vines in Albania is estimated to be between 4 000 and 7 000 ha. The quantity of grapes harvested and dedicated to wine production is approximately 5 000 to 7 000 tons.

Ten years ago, in 1990, the vineyard covered between 18 000 and 20 000 ha. More than 40 000 tons of grapes were processed by state farms, in addition to 30 000 tons transformed directly by the employees of the farm for local consumption.

The Albanian vineyard is mainly located in 6 different areas :

- around the capital city, Tirana
  - west of Tirana; in the district of Durres
- in the district of Berät
  - in the district of Korçë
- north of Tirana, in the district of Skoder
- south of Tirana in the district of Lushnje

Before 1990, the district of Tirana had the largest area of vineyards followed by the district of Skoder. Today, because of partial or total destruction, plus the effect of land privatization, it is difficult to estimate the regional repartition of the vineyard and the Ministry of Agriculture has not conducted this analysis yet.

After privatization of land, the average size of an Albanian vineyard is between 0.4 ha and 1.2 ha.

##### 1.1.2. Varieties planted

Lots of different grape varieties can be found in the existing cultivated vineyards and are referred to by names of internationally well known sorts such as Cabernet, Riesling, Tokay, Merlot, but also by local names referring to autochthonous varieties such as Shesh i Zi (red variety) or Shesh i Barhe (white variety), Kalmet, Vlosh, Serine, Debine.

We can question the exactitude of the terms commonly used by the Albanian farmers and winery owners when referring to international varieties planted or processed: it appears for example that the grape referred to as “Riesling” is in fact the variety Welschriesling also called Italian Riesling; that the “Tokay” might be the Furmint, etc.

For the autochthonous cultivar, Albania has four major grape varieties:

- Shesh : white (shesh i Barhë) and red (Shesh i Zi). This variety is predominantly planted around Tirana (supposedly originating from the small village of Shesh located a few kilometers west of Tirana). 30% of the total Albanian vineyard is planted with the Shesh variety; no information on the clones is available.
- Kalmet: red grape variety (with a white clone planted surrounding Skoder). This variety is mostly located in the district of Skoder along the lake Skudary. It is also called Kadarka in Hungary (where it represents 17% of the area planted but in market decline ) or Gamza in Bulgaria. This variety is thought to originate from the small Albanian village of Shardarsko. Clone identification was made during the 60's and 70's by Prof. Tordji Gjermany.
- Vlosh : red grape variety. It originates from the area surrounding the salted lake Nartes, in the neighboring of the district of Vlore where it is today predominately planted;

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## Etude de marché

- Serine : red and white grape variety. It is mostly located in the south east part of the country in the Korçe area. According to Albanian farmers, the red sort of this variety is supposed to be equivalent of Syrah. This point is not confirmed by local experts and only ampelographic analysis could clarify it;
- Debine : red grape from the area of Janina.

When the vines are grafted, the following rootstocks are used: Kober 5BB, Paulsen 1103, Richter 110, Rugieri 140 and a few on SO4. However, since 1994, the destruction of Albanian rootstock mother-vines added to the cost of importing them have often obliged the farmers to plant grape varieties on their own root, despite phylloxera threat.

The vine training practices are based on a density of 3 333 vines per ha (1.2m between vine and 2.5m between rows), one or two wires at 1.4m and 1.8m, cement poles every 5 vines, simple or double Guyot pruning.

Age of vine average between 10 and 20 years old. It is common to have one third of the vines missing (due to disease, frost, damage or bad maintenance).

### 1.1.3. Nurseries

Between 1980 and 1990, Albania produced 25 millions grafted vines per year to supply its own viticulture sector. 360 ha of land was dedicated to nurseries specialized in multiplication and grafting of rootstocks, autochthonous and imported grape varieties.

Between 1990 and 1997, all the nurseries were destroyed and land privatized, including their rootstock and variety collections.

Since 1998, private initiatives have been taken to reestablish some nurseries: we can estimate in 2000 that throughout the country, 10 to 15 Albanian entrepreneurs have replanted a total of 20 to 30 ha dedicated to vine nursery.

These entrepreneurial initiatives have been taken to grasp the emerging market represented by farmers planting an average of 200 ha / 350 ha of vineyards per year since 1998.

However, domestic production of grafted material is very low compared with the volume of imported materials: according to our findings, we can estimate in the amount of around 900 000 to 1 million the number of grafted-vine materials sold in Albania in 1999: approximately 400 000 were imported from Macedonia (usually without any certification nor disease-free control. 50% of this import is done by traders, 50% by private farmers), 400 000 were imported from Italy (with certification) and 100 000 were produced in Albania.

Private initiatives that have sprouted out recently to supply the viticulture sector with grafted materials are facing numerous problems, including:

- Mother-vines of international varieties have been destroyed, thus obliging imports, mostly supplied by Macedonia, with no virus-free nor authenticity certificates;
- Grafted autochthonous varieties are usually taken from non-selected vines, without any information on clone identification or virus free exemption;
- Mother-vines for rootstocks are nonexistent.

## 1.2. Wine sector

In 2000, Albania has 21 wineries officially registered at the Ministry of Agriculture for a total processing capacity of around 55 000 tons. All the wineries are privately owned except Kantina Durres located in Durres which is still in the process of being privatized (due to be completed during August 2000).

In addition to these registered wineries, Albania has an estimated 15 to 20 privately owned small wineries that sell wine locally without official registration.

The grape processing capacity of the Kantinas varies from a few tons for the unofficial ones to 3 000 tons with a storing capacity for processed wine of a few hectoliters up to 70 000 hl.

From the Ministry of Agriculture (Statistical Department), it is estimated that in 1999, the 21 wineries produced 12 708 hl of wine (to be compared with 27 009 hl of other alcoholic drinks, mostly Konjac and Raki).

The region of Durres is the country's largest producing area due to the presence of the largest "Kantina".

Lack of grapes available in Albania in recent years (resulting from destruction of vineyards between 1990 and 1997) has obliged wineries to import most of their needs: the production of the 12 708 hl in 1999 was possible by importing from Macedonia 60% to 80% of the grapes processed: approximately 5 000 tons of Albanian grown grapes were processed at the wineries and 15 000 tons were imported.

The imported grapes by the wineries are mostly : Riesling, Cabernet Sauvignon, Merlot, Tokay<sup>1</sup>,.

The prices paid by wineries to growers for their grapes can vary from 30 leks to 80 leks a kilogram, depending on the variety and the sugar content. As they have been experiencing a lack of supply for the last two years, wineries only use the criteria of sugar content during the buying process. The sanitary condition of the grapes is secondary.

At that selling price, grapes are one of the most financially rewarding crops, thus attracting a lot of attention from the farmers. As the demand exceed the supply, controlled yield is not a priority.

### **1.3. Viticulture and wine making equipment**

Due to the small size of the privately owned vineyards (between 0.4 and 1 ha) and the allocation of machinery during privatization, Albanian viticulture is not mechanized.

At the winery level, Albanian grape processing units were built during the years 1956 – 1960 by an Albanian architect, Thoma MASE. They were all supplied with Russian equipment and have concrete tanks.

Very little up-dated equipment has been made over the years with the exception of some pumps and small used equipment coming from Bulgaria and Italy.

The concrete tanks have not been renovated for 10 to 15 years.

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<sup>1</sup> As previously mentioned, "Riesling" should be understood as Italian Riesling and "Tokay" might be Furmint

All this leaves a current situation with wineries equipped with outdated equipment for modern winemaking techniques.

### 1.4. Type of wine produced

Prof Zigory, Director of the Experimental Wine Station of Tirana conducted a basic analysis of 60 red and 31 whites Albanian wines during April 2000.

Around 20% of the reds and 15% of the whites were in accordance with OIV<sup>2</sup> standards. After tasting and organoleptic analysis, 10% of the reds and 5% of the whites were of acceptable quality.

The major defects identified during our mission are :

For the reds :

- High level of Acetic acidity (resulting from heavily Botrytized grapes, poorly mastered fermentation process, bad conditions during ageing or inefficient bottling procedure and control).
- Excessive levels of SO<sub>2</sub> (often more than 1g/l of non-combined Sulphur, quite often resulting from the high level of cetic acids in the must resulting from Botrytized grapes)
- no sustainable colour (resulting from the use of poorly maintained concrete tanks, lack of temperature control during fermentation or a high level of laccase activity in the must and the finished wine)

For the whites :

- high levels of volatile acidity (often higher than 1.5g/l expressed in sulphuric acid, resulting from grey rot, poorly mastered fermentation process or bad conditions during ageing)
- moldy taste (resulting from rotten grapes in the must, poor sanitary

conditions of the tanks and vinification equipment)

- low levels of acidity leading to a flat taste (resulting from misunderstanding of fermentation processes – Among other things, malolactic fermentation is not mastered)
- a “cooked” taste (resulting from absence of temperature control system)

A common factor encountered in all the wines tasted is the effect that high grape yields have in producing wines with a lack of structure and organoleptic typicality.

Moreover, to fight the consequences of bad sanitary conditions of the harvested grapes added to the lack of hygiene in most of wineries, the quantity of sulphur added to the must could go as high as 50g/hl (to be compared with 10 to 15g/hl used in most traditional wine producing countries). This excess of sulphur not only leads to bad smells in the finish wines but also compromises the organoleptic structure. (It is also a common practice to add sulphur at bottling).

During the vinification process, lack of refrigeration equipment leads to vinification temperature that can go as high as 38°C (to be compared with the recommended maximum of 28°C for reds and 25°C for whites).

In addition, it is very difficult to know precisely what grapes varieties have been used in a particular wine: the label often does not reflect the true blend of grapes. One of the common practices is to add in the bottle some colorants to deepen the colour or to add some percentage of the colourful native Balkan hybrid grape, Mavrud or Kartum.

### 1.5. Marketing and sales

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<sup>2</sup> OIV : Office International de la Vigne et du Vin

Since 1991, 100% of the Albanian wine has been sold domestically. The selling prices of a bottle (70cl) can vary from 80 leks to 800 leks.

Sales have not been easy over the last 3 to 4 years due to Albania's difficult economic situation. Most of the wineries still have two or three vintages in storage. This wine, dating from before 1997, is usually in bad condition due to poor storage facilities. Wineries are therefore facing the challenge of processing fresh grapes (in order to keep their relation with the growers) and selling old wines to decrease stocks (of course blend of vintages are common practices).

It is difficult to estimate the quantity of wine sold on the domestic market per year. The Ministry of Statistics has been able to supply us with reliable data. It is obvious however, as just previously mentioned, that all the wine produced in 1997 and 1998 has not been sold. Albanian wines also have to compete on their domestic market with smuggled Italian wines, as well as Macedonian and Bulgarian bulk imports.

Almost 100% of the wine sold is bottled in 70cl bottles. Most of them are recycled or imported from Bulgaria, Italy or Macedonia at an average of 20 leks a piece.

Corks and caps are imported from Italy at 5 leks and 3 leks respectively.

Labels are almost always manufactured in Italy.

Before 1990, all Albanian exports used to be done by Kantina Durres and an estimated 30 000 hl of wine and spirits were exported (representing 40% of the total Albanian production).

### 1.6. Institutional framework

#### 1.6.1. Research and Universities

Albania, through its Agrarian University in Tirana, Vlore and Korce, has a well organized system of education on Agriculture science.

The University of Agriculture has two departments : Department of Agronomy and Department of Food-processing.

Students are required to complete a 4-year program in order to receive their diploma. The first two years, the same program is followed by all students.

The third and fourth years, students may choose between specialization in Horticulture or Food-processing, followed by 12 weeks of practical training. At the end of the courses a diploma of Engineer in Agronomy is granted to the students. Viticulture Sciences fall into the Horticulture Department. Wine making Sciences fall into the Food-Processing Department.

We can estimate that throughout Albania, between 75 and 100 students are trained in viticulture per year. Training in wine making is almost nonexistent.

Numerous problems, however, prevent this system of education from supplying adequate specialists to the viticulture and wine sector:

- Before the transition period, Universities used to have large experimental vineyards. Today, everything has been privatized or destroyed.
- Universities used to have experimental station for multiplication of mother vines for rootstocks and varieties. None of them exist today.
- Except in Tirana, Universities have no experimental wine making facilities.
- University Professors have had difficulties to up-grade their knowledge

due to a lack of relations with international scientists.

Two interesting initiatives have, however, been taken over the last 10 years:

- in 1990, with funding assistance from the PNUD, a Wine Experimental Station was established in Tirana under the supervision of the Food Research Institute. This experimental station has received adequate wine making equipment and has the best laboratory equipment for wine quality controls in Albania. The Station also has a tasting room with 20 very well equipped seats. During the PNUD project, some training was provided to a few technicians on how to conduct wine analysis. Today, this Station is seldom used.

- as part of a larger national project under The World Bank funding, state-of-the-art control laboratories have been established in Tirana, Durres and Vlore. These laboratories have modern equipment to control all food products including wine. Today, lack of training of the employees in charges prevent them from using the equipment to its fullest potential.

Albania is also fortunate to count among its researchers some very knowledgeable and passionate people. Among them we have encountered : Mr Vangjel ZIGORI, Director of the Wine Experimental Station who is dedicated to assisting all the private wineries in improving their skills in wine making; Prof. Tordj GJERMANY, who is today retired, but is the Albanian specialist of the autochthonous variety Kalmet after working on this variety for more than 20 years; and Prof. Petraq "Sotiri" ILOLLARI, who works at the Biology Institute and has been one of the founders of the Albanian viticulture. Even if these Professors have been very much influenced by the traditional Albanian way of growing vines and making wine, they are very open to modern viticulture and wine making practices and

their opinion is very much respected by the industry.

### **Legislative framework**

The framework of the viticulture and wine industry in Albania is encompassed by two laws:

- Law on Viticulture, Wine and other Grape by-products – N° 8443 dated 21/01/99
- Law on Food – N° 7941 dated 31/05/95

Instructions on the Food Law have been issued to regulate the industry:

- Instruction N°139, dated 08/04/98 on Licencing of Food Processing
- Instruction N°103, dated 20/03/98 on Procedure for Granting the Licence to Introduce New Food Products

The Wine Law has been written in very general terms, setting basic rules. This Law places regulations and development of the Albanian wine and vine sector under the authority of the Ministry of Agriculture and Food.

This Law initiates the establishment of a "Name of Origin Regulatory Council", nominated by the MAF and establish regulation and obligation of registration of all marketed wines and other alcoholic products.

All the detailed specification for wine production are published through Instructions on the Wine Law that are currently in discussion in front of the Parliament. We have not been able to analyse these instructions as they have not been translated in English.

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36 inspectors are located throughout the country to implement the Wine and Food laws.

However, gap in the Wine Law and the Food Law in addition to lack of necessary laboratory equipment authorized the introduction of falsified wines bearing labels that do not reflect the bottle content.

Additives to improve colour, acidity or sugar contents are often added.

It is our understanding that there is currently an initiative being taken by the MAF to strengthen the law on labelling..

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## Etude de marché

### VERTUMNE INTERNATIONAL & Associés

Conseil, Etudes & Formation pour les entreprises du Vin et de l'Agro-alimentaire  
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