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## **Lebanese wine (pride of Lebanon)**

By

**The Economic Researcher Bassam Jouny**

In collaboration with the information specialist: Rola Laylo

The interview by: the economic researcher Maroun Mansour

Lebanon is among the oldest sites of wine production in the world; with wine manufacturing dating back 5000 years. The Phoenicians were tending vineyards, making wine and trading with other cities in the Mediterranean area. It was later in south of Lebanon that Jesus changed water into wine, performing his first miracle at the wedding of Cana. Wines were specialty of the Lebanese Phoenicians and still until today. With many years of experience in wine industry Lebanese wine industry supplies the best wine to customers throughout the world. The products include red, white, and rose. Most of Lebanon's vineyards are located in the central and western Bekaa Valley, at an average of 1000 meters of height. The Bekaa has a water table fed by the melting snow of Lebanon's mountains. With Consistent Agricultural climate, the soil ranges from Calcareous, clay and rocky. Solar light are available around 300 days a year. It enjoys also a Mediterranean climate with heavy rains and snow in the winter and a mild spring and dry and hot summers. Mixing a different type of the grapes during manufacturing process and mobilization of the wine in wooden barrels made from oak. This unique "terroir" gives Lebanese wine a special taste and flavor, which enables it to be distinguished from other wines.

Recently the sector has been witnessing an unprecedented growth. For the past ten years, it has been very attractive for investments.

In fact the wine sector includes 42 wineries producing around 7 million Liters per year (9 million bottles per year) (2014). Lebanon’s total exports of wine to worldwide estimated at \$16.573 million (Lebanese customs 2014). Main importers of the Lebanese wine are: UK \$5.06 million, France \$2.4 million, USA \$1.8 million and UAE \$1.266 million.

**In the Arab world**, Algeria is the largest producer of wine with around 60 million liters (2014); Morocco produces 40 million liters (2014). Most of the Algerian and Moroccan wine are consumed locally; which can give an edge for the Lebanese wine to get access to new markets in the Middle East.

**Among the top world markets** for wine, The USA, UK, Germany, Canada and China reached a total amount of 12.9 billion Euros and 4.6 billion liters (wine market study, 2013- Organization International du vin) . The **United States**, first world wine importer, bought 1.096 billion liters of foreign wine for a total amount of 5.2 billion US Dollars at an average price **of 4.78 USD** per liter (year 2013 international organization du vin ).

**World imports of the wine worldwide in year 2013, (sources of data: World Bank, Organization International du Vin).**

<b>Imports of wine</b>	<b>Italy</b>	<b>France</b>	<b>Austria</b>	<b><u>Spain</u></b>	<b>Chile</b>
<b>USA</b>	1.6 billion\$	1.43 billion\$	500 million \$	340 million \$	323 million\$
<b>UK</b>	535 million STP	1.169 billion STP	289 million STP	255 million STP	183 million STP
<b>Germany</b>	915 million euros	675 million euros		404 million euros	74 million euros
<b>Canada</b>	415 million dollars	468 million dollars	225 million dollars	109 million dollars	
<b>China</b>	547 million Yuan	4.3 billion Yuan	1.4 billion Yuan	658 million Yuan	1 billion Yuan

**Japan's imports of wine:**

<b>imports</b>	<b>Lebanon</b>	<b>Turkey</b>	<b><u>Italy</u></b>	<b><u>Spain</u></b>	<b><u>UK</u></b>	<b><u>Brazil</u></b>	<b><u>France</u></b>	<b><u>USA</u></b>
<b>Japan</b>	<b>\$135000</b>	81.4m\$	258m\$	135m\$	\$197m	\$329 m	\$1.1b	\$116m

**Lebanon's exports of wine**

<b>Exports to</b>	<b>USA</b>	<b>UK</b>	<b>France</b>	<b>UAE</b>
<b>Lebanon</b>	\$1.8 million	\$5.06 million	\$2.4 million	\$1.266 million

The Lebanese wine has the potential to increase its exports to the current trade partners (China, Germany, Canada, Japan, UK, France, USA, UAE,).

Due to his high quality and competitive price, The Lebanese wine is really worth marketing and has promising markets and there is a necessity to:

- 1- Increasing the production of the wine and direct the investments toward this sector.
- 2- Supporting more the wine sector financially.
- 3- Focusing on marketing of the Lebanese wine (studies, Media, promotions, Effective participation at the international wine expositions...)

Lebanon is proud of its wine, which reflects the unique taste, innovation, and expertise. The industrialists should be able to conduct exports markets intelligence on most of the promising markets worldwide. In addition to scrutinize markets and to find a way to compete and impose the Lebanese product on international level, as a unique and distinguished product, in order to develop and increase the contribution of the national industrial products to Lebanese GDP. The industrialists do admit that the problem of weak marketing is in fact, mainly caused by their reluctant participation in the international exhibitions due to the financial costs which they have to add to their investments.

Knowing the importance of promotion for sustainable growth, and in spite of all the difficult circumstances (as limited budget), The Ministry of Industry has been trying to support the industrial market expansion, and support financially the

industrialists participation in the international specialized exhibitions, through its yearly contribution to the association of industrialists as follow:

Year	Number of Benefited Companies	Values in \$	Average payment
2010	22	67192	500-5000
2011	47	189704	1000-5000
2012	24	173989	1500-5000
2013	16	62093	1800-5000
2014	115	172111	1600-5000

Following the objectives of the ministry's integrated vision, it is not accepted anymore to relate the expansion of the national products exports to the nostalgia of the Lebanese diaspora as an efficient and only alternative way for marketing. It is not even accepted to relate the weakness in the market intelligence studies and the spirit of initiative to the insufficient governmental support.

**Marketing has become a necessity for the investment,** because it's no longer belonging to the luxuries. As long as the industrialists rely on the nostalgia of the Lebanese Diaspora to increase their exports overseas, the horizon will remain blocked, and the results will remain limited and below ambition.

## **The Nostalgia: The Japanese Model**

**Searching for more information about the real reasons behind the decline in the value of Lebanese exports, the “Media Team for Industry” interviewed Mr. Ramez Bou Nader, Secretary General of the syndicate of alcohol wines and alcoholic beverages in Lebanon, as follows:**

### **1- Can you provide us the statistical facts concerning wine factories in Lebanon and its production?**

For the past ten years, the wine sector in Lebanon has been very attractive of investments for different reasons.

It has grown substantially and gathers at present around 42 wineries producing around 7 million Liters per year.

### **2- Can you explain to us the characteristics of the Lebanese wine?**

Wine is traditionally linked to the “terroir” being the geographical location of the vine plantation, the nature of the soil and the climate. All regions in Lebanon constitute a good “terroir” since it’s a sunny country with four different seasons during the year.

Moreover, the wine making know-how in Lebanon goes back to the era of Jesus Christ as far as we know and in recent history we have records for regular productions that go back to over two hundred years.

In addition, it is worth mentioning that Lebanese universities are teaching oenology being the science of wine making which helps enhancing the art of wine making inherited through generations.

The Lebanese wines in general are of high quality, since the Lebanese farmers have been growing a wide selection of known and reputed grape varieties in a good soil on a sunny land.

Since the wine is the product of the “terroir” and the know-how and since all needed factors are present for the wine to be of quality in addition to the

determination of the producers to give the best they can, the Lebanese wines have been, are and will always be distinguished and of good quality.

**3- The Media Team in the Ministry conducted detailed researches and found that, Lebanon's exports to Japan of alcoholic beverages and food stuffs are estimated, just around 135000 dollars (Lebanese customs 2014), can you explain why? Can you reveal to us the real problems facing the Lebanese wine's access into this market?**

The Japanese market is by its geography a distant market and was never part of the traditional niche-markets where the Lebanese wine producers have developed their sales during the years. Those niche-markets grew due to the role of the Lebanese diaspora substantially present in Europe and in Northern and southern America which is not the case of Japan.

On the other hand, Japan is an expensive country and promoting the Lebanese wines in it is rather costly.

Japanese consumers have over the years developed preferences towards European and mostly French wines enjoying a strong reputation and widely promoted.

**4- What are your recommendations to improve the Lebanese wine sector?**

Our syndicate's position and advice to producers were always towards enhancing quality and building a good reputation in the Lebanese market as well as in foreign markets.

We would like to see more involvement of the public sector towards promoting Lebanon as a wine making country which will facilitate the much needed development of export.

The big names in the wine sector have paved the way for export for the new comers. The public sector on different levels has been also active as much as possible in promoting the Lebanese wine whether in Lebanon or abroad.

Finally, we must admit that a lot has been done and a lot still needs to be done for the Lebanese wine sector to prosper and the more we all believe in this sector, as is the case today, the more rapidly we will progress in becoming an important pillar in the Lebanese economy.

It has been said that, where there is a will, there is a way and the will is definitely here. I trust that the future for this sector will certainly be brighter.

We took the Japanese Market as an example to show that there are many new opportunities have not been seized yet by the Lebanese exporters. We should search for new tools to overcome our limitations and break through deadlocks.

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