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Ukraine's wine industry defies odds, expanding to 49 countries worldwide

Battling adversity, Ukraine's wines gain global recognition, signaling a promising future for the nation's viticulture

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In 2022, Ukrainian wine boasted significant international exposure, securing representation across 49 countries worldwide. Amidst a turbulent period marked by a full-scale war, the country's wine industry managed to navigate challenges and make

remarkable strides on the global stage. This progress culminated in the sector securing 37 awards at several international exhibitions, including the renowned Decanter World Wine Competition-2023.

Mykola Solsky, the Minister of Agrarian Policy and Food, reflected on this accomplishment during a recent discussion with representatives from the wine industry. The Ministry's press service quoted the Minister, stating, "The wine industry suffered significant losses due to a full-scale war. Last year, we managed to export Ukrainian wine to 49 countries of the world. Our products were presented at a number of international exhibitions, and at the largest wine competition in the world, the country received 37 awards."

The commendation of Ukraine's wine industry was not confined solely to international exhibitions. The country was also able to renew its membership in the International Organization of Vine and Wine. Minister Solsky highlighted this as a testament to the potential of Ukraine's wine industry, noting, "The potential of our industry is highly appreciated in the international arena."

However, despite these successes, the Minister also underscored the sector's requirement for further economic development, underlining the need for legislative changes and state support. For the wine industry to continue its growth and establish sustainable trade relationships, both these elements were deemed indispensable.

During the meeting, a series of necessary legislative acts were discussed to facilitate the industry's development. Representatives of the wine market proposed amendments to the existing law on development and state support of small and medium-sized businesses in Ukraine. They believe these modifications would pave the way for state support to reach primary winemaking enterprises, which form an integral link in the production chain despite not bottling products in consumer containers or selling directly to end consumers.

Moreover, the need for changes to the Tax Code of Ukraine was raised, particularly focusing on the reduction of the excise tax on sparkling wines, and the removal of the requirement to label these with excise tax stamps. Proposals also included excluding table wines from the list of excisable goods, a practice already employed in several EU

countries.

Further proposed changes targeted supporting small producers. The delegates emphasized the necessity to approve draft law No. 9030, which addresses amendments to certain legislative acts of Ukraine on the development of wine production and the simplification of economic activities for small wine production entities.

Such changes would offer small producers the opportunity to simplify their processes, granting them the right to purchase raw materials (grapes, fruit, berries, and honey) of Ukrainian origin, and allowing wine to be bottled in food-grade aluminum metal cans, as well as in aluminum and stainless steel kegs. This not only lowers the barriers for smaller businesses to enter the industry but also promotes locally-sourced produce.

Market participants further urged the need for harmonization between Ukrainian and European legislation. In line with EU regulation 2021/2117 from December 2, 2021, they advocated for the approval of bill No. 9139. The proposed bill would pave the way for the creation of a unified state information system, the "Viticulture and wine-making register," and the introduction of requirements for production and circulation of wines.

As the Ukrainian wine industry navigates the aftermath of significant turmoil, the balance between celebrating its recent victories on the global stage and urgently addressing the need for legislative changes to secure its future growth becomes clear. As Minister Solsky concludes, "for further economic development and the establishment of trade relations, this sector needs changes at the legislative level and state support." In such a light, these proposed legislative alterations are not just improvements but necessities to ensure the continuous advancement of the Ukrainian wine industry.