

LAD CASE STUDY

Reviving the Georgian Wine Industry

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Introduction

Georgia is a small country located along the Black Sea in the Caucasus region, at the nexus of Europe, Western Asia, and the Middle East. With a population of 4.3 million, Georgia borders Russia in the north and east, as well as Turkey, Armenia, and Azerbaijan in the south. Formerly part of the Soviet Union, Georgia regained independence 1991. Agriculture and mining are among Georgia's primary economic activities. Within the agricultural sector, the cultivation of grapes and the production of wine play a particularly important role.

Though independence came in 1991, Georgia's public sector retained many features from its Soviet past until 2003, when the non-violent Rose Revolution changed the country's trajectory. Ending President Eduard Shevardnadze's tenure, the Rose Revolution brought the young, pro-Western Mikheil Saakashvili and his United National Movement (UNM) to power in Georgia's capital, Tbilisi.

Since 2004, President Saakashvili and his government have sought to liberalize the economy and streamline the public sector. Notably, Georgia has shown progress in reducing corruption within its uniformed police and civil service, while at the same time cutting regulations across virtually every sector of the economy. These reforms have won President Saakashvili plaudits in the West, and Tbilisi has strengthened its ties to Washington and Brussels. However, Tbilisi's Western turn has put it at odds with Moscow. In particular, Georgian overtures about membership in Western institutions like the European Union have caused concern in the Kremlin.

It is the spring of 2006. Amid the discord in the Russo-Georgian relationship, Moscow imposed an embargo on Georgian wine as well as a number of other products, such as spirits and mineral

Michael Goldfien prepared this case under the supervision of Francis Fukuyama of Stanford University. This case was developed solely as a basis for class discussion. It is not intended to serve as a historical record, a source of primary data, or an illustration of effective or ineffective management.

water. Despite the very public deterioration of Russo-Georgian relations, the embargo took Georgia by complete surprise.

The Russian government has publically attributed the embargo to hygiene concerns, with Russian officials claiming at different points that Georgian wines were found to contain pesticides, metals, or other contaminants. However, the move is widely seen as political and punitive, related to Tbilisi's courting of the West and seeming resistance to Russia's World Trade Organization membership candidacy. President Saakashvili recently disputed Russia's claims that the embargo is about health concerns, saying, "Georgian wine is being punished because of our freedom and democratic aspirations."ⁱ

The Russian embargo represents a major blow to the Georgian wine industry. Russia is far and away the world's largest importer of Georgian wine, and the overnight disappearance of the Russian market could cripple a Georgian wine industry that, in 2005, exported nearly half of its production. In the aftermath of the embargo, Vasil Managadze was put in charge of the Ministry of Agriculture's State Department on Wine and Sumprest (later called and hereafter referred to as the National Wine Agency, or NWA). Though ultimate decision-making power resides with Saakashvili, Managadze now has much of the responsibility for developing and implementing a plan to revive the Georgian wine industry.

Managadze does not have a background in wine, though he previously worked for the Export Promotion Agency in the Ministry of Economy. In fact, after the embargo took effect, the Saakashvili government intentionally chose him as someone without a connection to the wine industry, wanting to ensure that he could approach the problem dispassionately. At present, the National Wine Agency's main role is to provide export documentation for Georgia's wine producers. In Managadze's blunt formulation, the NWA does "nothing" else. In his telling, when the embargo hit, everyone looked around and realized there was a wine agency, deciding that it should take the lead. Nonetheless, Managadze has access to the highest levels of the Georgian government since President Saakashvili is taking a personal interest in supporting the Georgian wine industry.

Managadze sees two broad options for dealing with the embargo. The government could help Georgian winemakers try to diversify their export markets, looking to sell wine in greater quantities to countries other than Russia. If successful, this approach could help fill the vacuum left by the disappearance of the Russian market while creating opportunities for future growth and greater market stability. Alternatively, the government could focus on ending the Russian embargo, allowing Georgian winemakers reenter their traditional market.

Both options involve risks. Seeking to diversify the export market for Georgian wine will by no means be easy, requiring improvements in hygiene, quality, and marketing. Moreover, it is unclear that Georgian wines will appeal to the tastes of consumers in Asia, North America, or Western Europe. Seeking to have the embargo lifted also involves potential pitfalls. Russia has proven itself an unreliable trade partner and may reimpose the ban in the future. Further, if negotiations to end the ban drag on, Georgian winemakers might lose their market share in Russia.

The Georgian Wine Industry

Wine has a long and rich history in Georgia. Studies suggest that Georgia is the oldest winemaking region in the world, with Georgians having produced wine continuously for 8,000 years. On its relatively small territory are over 500 indigenous grape varieties, though only 30 or so are used in commercial production. Further, wine plays an important cultural role in Georgia. In addition to the commercial wine industry, many farming families grow and produce wine for personal consumption. Wine is also widely consumed among non-farming Georgians and plays a prominent role in traditional Georgian feasts, called *supra*, which center on a series of toasts throughout the meal.

The Kakheti region, in the east of Georgia, is the country's best-known and most celebrated wine region. Abutting the foothills of the Caucasus Mountains, Kakheti is responsible for 70 percent of Georgia's wine production.ⁱⁱ Between Kakheti and the other winegrowing regions, roughly 11 percent of Georgia's agricultural crop area is under grapevines in 2005.ⁱⁱⁱ As a proportion, Georgia uses more of its agricultural land for grapevines than any country other than Portugal.

However, unlike many other winemaking countries, Georgia has an underdeveloped wine tourism industry.

There is something of a divide within the Georgian wine industry, between larger winemakers who focus on mass production of cheap wine and smaller winemakers who are committed to making artisanal wines. According to John Wurdeman, an American who lives in Georgia and runs the Pheasant's Tears winery, the mass-produced tippie is more attractive to Eastern Europeans who have an emotional attachment to Georgia, a popular vacation spot. By contrast, a number of smaller- and medium-sized producers have, starting around 2000, cautiously started to explore the possibility of making a product that will appeal to those who love fine wine, wherever they are found.

The Georgian wine tradition is not only old, but also unique in many respects. The wine grapes most familiar to consumers of French, American, or Australian wines—Cabernet Sauvignon, Chardonnay, Pinot Noir, etc.—are not traditionally cultivated in Georgia (though some producers experiment with non-indigenous varietals). Instead, grapes like Saperavi and Rkatsiteli feature prominently in Georgian wines.

Moreover, Georgian winemakers have historically used large clay vessels called *kvevri* to ferment and store the grape juice rather than the stainless steel tanks or wooden barrels more common elsewhere in the world. *Kvevri*, which can be several thousand liters in volume, are lined with beeswax for hygiene and often buried underground to regulate the temperature of the wine. Many of the large winemakers have moved away from the *kvevri* while, Wurdeman notes, many of the smaller producers have made a point of “showcasing the *kvevri*.” A number of producers also make wine using some combination of traditional Georgian and European-style techniques.

Another differentiating feature of Georgian winemaking tradition is the practice of leaving the juice from white grapes in prolonged contact with the skins. This results in “white” wine that in fact is amber or orange in hue, with more tannins—a bitter compound found in grape seeds and skins—than is usually found in European-style white wines. Rather than being bright and acidic,

these amber wines tend to be more subdued and more structured. While these wines are commonly made, Georgian producers also make European-style white wines with indigenous grape varieties.

In 2005, total exports of Georgian goods amount to US\$1.51 billion, or 23 percent of GDP. Of Georgia's total goods exports, wine accounts for US\$82.2 million, or 5.4 percent. In 2005, Georgia's revealed comparative advantage for wine,^{*} an index that indicates a country's relative propensity to export a product, is strongly positive. That is, Georgia exports much more than its "fair share" of wine relative to all other countries.

However, Georgia's export destinations for wine are not diverse; Russia is far and away the largest importer of Georgian wine. By value, 77.3 percent of Georgia's wine exports went to Russia, with Ukraine the second largest export destination at 11.8 percent. Of the roughly 160 wine exporters in the country, Managadze estimates that some 60 producers are mostly or entirely dependent on the Russian market. Though a handful of wine companies had started to look elsewhere prior to the embargo, Asia and North America represented just 3.6 and 3.2 percent of Georgia's 2005 total wine export value, respectively.

The Rose Revolution and Its Aftermath

Georgia was part of the Soviet Union from 1921 until 1991, when it regained independence from Moscow. Eduard Shevardnadze, a former Soviet foreign minister who became head of state in 1992, made some liberalizing reforms early in his tenure, allowing for a free press and real political opposition. However, his tenure as president was characterized by widespread corruption and economic malaise.

^{*} *The Atlas of Economic Complexity*, a trade analysis tool developed at Harvard and MIT, defines revealed comparative advantage as follows: "An index used to calculate the relative advantage of disadvantage a country has in the export of a certain good... a country has RCA in a product if it exports more than its 'fair share,' or a share that is equal to or greater than the share of total world trade that the product represents." ("Atlas of Economic Complexity Glossary," <http://atlas.cid.harvard.edu/about/glossary/>)

In 2003, popular protest forced President Shevardnadze to resign following accusations of electoral fraud in the November parliamentary elections. Called the Rose Revolution after opposition members who burst into a session of parliament carrying roses, the nonviolent uprising saw upward of 100,000 protesters take to the streets in Tbilisi. With Shevardnadze either unwilling or unable to quell the unrest through the use of force, he left office.

Mikheil Saakashvili, a young, U.S. educated lawyer who had played a leading role in the Rose Revolution, won the Georgian presidency in early 2004. President Saakashvili and his allies sought to chart a liberal, Western course for Georgia. Thus far, Georgia has made some impressive strides, virtually rebuilding the country's uniformed police from scratch and modernizing the government's sclerotic bureaucracy. Since coming to office, Saakashvili and the Georgian government have been lauded for cutting red tape and improving the business climate in the country, though some critics complain that Saakashvili's liberalizing zeal and impetuous style have at times produced ill-conceived policies.

President Saakashvili has sought closer ties with Europe and America, and he has indicated an interest in acceding to institutions like the European Union and NATO. In a recent *Washington Post* op-ed, President Saakashvili wrote that he believes it is "critical to [Georgia's] future safety and economic security that we integrate ourselves with Euro-Atlantic structures..."^{iv} Though membership in the EU and NATO appeared some way off, Georgia's embrace of the West was reciprocated by the administration of George W. Bush. In a 2005 speech in Tbilisi, President Bush applauded Georgia's reclamation of its "freedom" and indicated support for Tbilisi in its efforts to maintain sovereignty over the breakaway regions of Abkhazia and South Ossetia, where Russian-backed separatists have resisted government control.^v

Perhaps unsurprisingly, Moscow has bristled at Tbilisi's Western turn. Since the end of the Cold War, many Russian leaders have viewed European and American policy in the former Soviet Republics with suspicion. On the heels of EU and NATO enlargement, as well as the so-called Color Revolutions that toppled governments in Eastern Europe, Central Asia, and the Caucasus,

Moscow is distressed over what it sees as a Western encroachment into its traditional sphere of influence.

Beyond Russia's general discontent over President Saakashvili's pro-Western orientation, a number of specific issues have plagued the Russo-Georgian relationship in recent years. For one, Georgia has demanded the withdrawal of Russian troops from bases on Georgian territory, something Russia was reluctant to do. The two sides reached an agreement in 2005 that requires Russia to complete a withdrawal of its forces by 2008. However, the implementation process could lead to more friction. Meanwhile, Georgia has reportedly balked at Russia's bid to join the World Trade Organization. Adding to the intrigue, Georgia recently accused Russia of sabotage after explosions damaged a gas pipeline connecting the two countries.

The Russian Embargo

In early 2006, Moscow announced the embargo on Georgian wine as well as on some other products, such as mineral water and spirits. Gennady Onishchenko, head of Russia's Federal Service for Consumer Rights Protection and Human Welfare, called for the ban on Georgian wine imports due to sanitation concerns. Writing to the Russian customs service, Onishchenko claimed that tests "revealed a large share of samples of alcohol products and wine materials that do not meet safety requirements."^{vi} Though the Russian claims have been inconsistent, Managadze believes the primary concern is high levels of synthetic chemicals.

Many observers believe that Russia's expressed safety concerns are just a pretext to punish Georgia at a time when political tensions between the two countries are high. While some Georgians admit that wine-growing practices occasionally leave something to be desired from a hygiene standpoint, they point out that Russians have consumed Georgian wine for hundreds of years. Moreover, Moscow similarly banned the import of wines from Moldova, another former member of the Soviet Union with which Russia has clashed in recent years.

Georgians with connections to the wine industry are already anxious. Since Russia represents such a large portion of Georgia's wine export market, many are bracing for the economic

consequences of the embargo. Wine production in Georgia has slowed and there is concern that if the ban isn't lifted soon, there could be fewer job opportunities for seasonal workers who help out during the fall harvest.

Though members of the wine industry worry about the short-term impact on production and employment, there also could be long-term consequences if the embargo lasts. Natalie Gigitelashvili, the head of marketing for Georgia's Telavi Wine Cellars, notes that "all those empty shelves in Moscow will soon be filled with wine from other countries."^{vii} Nuzgar Bachiasvili, mayor of Telavi, Kakheti's capital, claims that the wine ban "was the most unfriendly and serious blow [Russia] could inflict" on this grape-growing region, where the wine industry accounts for 80 percent of the workforce.^{viii} To Managadze, the feeling among winemakers was that the embargo was "the end of the world."

Comparative Advantage in Wine

Kym Anderson, an economist at the University of Adelaide, sees Georgia's comparative advantage in wine as stemming primarily from three factors: terroir, tradition, and technology.^{ix}

Terroir is a wine concept that takes a holistic view of the conditions in which wine grapes are grown, including climate, soil composition, and topography. Terroir is important for both quality and distinctiveness. Wine experts believe that good wine grapes can only be produced under certain conditions. In fact, the most expensive and desirable wines in the world tend to be produced with grapes grown within small geographic areas, often called appellations, which are often noted on the label (e.g. Bordeaux or Burgundy). Further, experts contend that wines made of the same grape can have different aromas and flavor profiles depending on terroir. That is, terroir allows for differentiation, which can help explain why consumers purchase imported wine even when wine is produced in their domestic market.

Tradition focuses on the history of viticulture in a country or region, the cultural significance of wine, and the method of production. These factors are important because wine regions with rich traditions tend to have domestic demand. Domestic demand is relatively easier to satisfy than

international demand due to the high fixed costs associated with exporting a product to new markets. Strong domestic or local demand provides a solid foundation upon which producers can build their businesses.

Technology refers to growers' and winemakers' use of or access to modern tools and techniques of viticulture, winemaking, and marketing. Technology and access to modern agricultural science can help improve quality at every stage of the wine making process, from harvest to pressing and fermentation. Moreover, sophisticated marketing strategies can play an important role in creating a demand for certain wines in new markets.

Anderson argues that terroir and tradition have been the essential components of Georgia's comparative advantage to date. Georgia has plenty of land appropriate for producing wine and, as Wurdeman explains, the country also has "an incredible diversity of terroir." After centuries of viticulture, Georgia has developed a rich wine tradition and a persistently strong domestic consumer base. This is in contrast to wine-producing countries like China, where grape cultivation, winemaking, and wine consumption are relatively new phenomena.

However, even with terroir and tradition, the Georgian wine industry still faces challenges. Shalva Khetsuriani, a winemaker and head of the Georgian Sommelier Association, argues that Georgia lost some of its tradition and know-how during the agricultural collectivization that occurred in the Soviet period, when winegrowing and winemaking were divided into separate enterprises. As a result, multi-generational winemaking families became less common and winemakers lost touch with the nuances of Georgia's terroir. Further, many Georgians, if they don't make wine at home, seem to prefer low-quality jug wine rather than the higher-quality bottled wine enjoyed in much of the world.

As for technology, Khetsuriani believes that a lack of education is retarding the Georgian wine industry. Even among the small- to medium-sized Georgian winemakers aiming for quality over quantity, few have significant formal training in viticulture or oenology. There is much room for improvement in all aspects of the industry from knowledge about terroir to guidance on planting and tending to the vineyard to the actual winemaking.

Though Georgia certainly has sources of comparative advantage in wine, there are many challenges. In addition to those listed above, many Georgian winemakers have traditionally exported to Russia and other countries in Eastern Europe, where consumer preferences have pushed Georgia to produce vast quantities of sweet, low-quality red wines. Western consumers, however, generally prefer higher quality, dry wines. Moreover, Georgians who view Western consumers as an alternative to those in Russia are coming 15 to 20 years after the globalization of wine began in earnest. They face stiff competition from other non-Western European wine-producing countries—i.e. the New World—that now export close to 40 percent of their total wine production.^x The challenge for Georgia is, can it acquire a significant market share outside of Russia and Ukraine?

Looking to Revive the Wine Industry

In the few years since the Rose Revolution, Georgia appears to be moving in the right direction. Gross domestic product grew by an impressive 9.6 percent in 2005, and much needed public sector reform is well under way. At this early stage, the Saakashvili government seems committed to changing the trajectory of the country and charting a course that brings Georgia into closer cooperation with Europe and the United States.

However, relations with Russia are rocky and Moscow's ban on Georgian wine appears to be an attempt to complicate life for its much smaller neighbor to the south. As Georgia tries to separate itself from Russia and its Soviet past, the ability to deftly manage unexpected challenges like the wine ban will be important. There are, says Tamara Kovziridze, Deputy Minister of Economic Development, four dimensions to the problem that the wine embargo presents for the government and for Georgia.

First, the embargo represents an attack on the "nation's pride." Given the cultural significance of wine in Georgia, the Russian claim, however disingenuous, that Georgian tippie is unsanitary or dangerous is a slap in the face. Second, the ban will have negative economic consequences. Even though wine exports do not constitute a huge share of Georgia's GDP, the impact of the ban will

be concentrated in winemaking regions like Kakheti where the local economy is heavily dependent on the wine industry.

Third, and related to the second dimension, is the “internal social dimension” of the embargo. Winegrowers, winemakers, and even seasonal workers will be affected directly by the wine embargo, with falling profits and unemployment major risks. Winegrowers and winemakers occupy a privileged place in Georgian culture, and the government cannot be seen as abandoning the wine industry. Finally, there is an international political dimension to the wine ban. The embargo is a challenge that exists within the context of the fraught Russo-Georgian relationship.

Supporting the wine industry is an imperative, even though the interests of winegrowers and winemakers are not always aligned, particularly with respect to grape prices. Managadze and the Georgian government are also keen to limit their economic dependence on Russia, demonstrating that Georgia can not only survive, but also thrive, without close ties to a neighbor that many Georgians see as predatory. Diversifying the export market for Georgian wines would certainly represent a step in this direction. Demonstrating the government’s competence in seeking out economic opportunities beyond Russia’s borders might make Moscow hesitate before subjecting Tbilisi to economic coercion in the future. With sympathy for Georgia’s liberalizing project running high in the West, now may be an ideal time to pursue cooperation with public and private partners in Europe or North America.

Diversifying the export destinations for the Georgian wine industry would at the very least mitigate the negative economic consequence of the embargo and, if Georgian wines are well received in new markets, it could actually provide a boon for winemakers. However, promoting Georgian wine outside of Russia—particularly in Western Europe, in the Americas, and in Asia—will be no easy task and does not come without risks.

Any attempt to diversify the wine industry’s export markets will require time and money. Though Russia’s charge that Georgia’s wines are unsafe is a pretext, Alexander Kaffka, who runs a Georgian website covering wine, notes that the concern about sanitation “was not completely groundless.”^{xi} Georgian winemakers faced little competition in Russia, whose

consumers did not demand high quality wine. As a result, much of the Georgian wine exported to its northern neighbor was of dubious quality in hygiene and in taste. In fact, counterfeiting means that some Georgian “wine” is not wine at all. In some respect, trying to reenter the familiar Russian market is the safer path. However, Russia has shown itself to be an unreliable trade partner and could always reimpose the ban at a later date.

Managadze and the Georgian government thus face several unknowns as they decide how to revive the Georgian wine industry. It is unclear whether efforts to reorient Georgia’s wine industry to new markets would be successful, even if significant resources were poured into the endeavor. It is similarly unclear how amenable Russia will be to requests that the embargo be lifted, or what sorts of concessions Moscow might seek to extract from Tbilisi in return for an end to the ban. In either case, time is of the essence. If nothing is done to find a market for Georgian wine—in Russia or elsewhere—the embargo could exact major harm on the wine industry and on the economy of Georgia’s winegrowing regions.

The Choice

As a leader of the Georgian effort to respond to the Russian wine embargo, Managadze must weigh each option in a way that balances a desire to support the wine industry’s economic interest with politics and pride. Wine is not just another product for Georgians and the Kakheti region is politically important for the government in Tbilisi. Further, managing relations with Russia will be crucial for Georgia’s future. The Georgian government has made important strides since the Rose Revolution, in no small part due to its willingness to take bold steps in the name of reform.

Pursuing new export markets would be a bold but risky step. Ideally, Managadze’s colleagues could develop a strategy to successfully diversify the export market for Georgian wines, presenting the wine industry with new business opportunities while encouraging growers and winemakers to improve the quality of their products. However, if efforts to improve quality and promote Georgian wine in other markets fall flat, it could be devastating for the Georgian wine

industry. Without Russia and without new markets, there most of Georgia's wine, might have no market at all, particularly given Georgians' propensity to drink their own, homemade supplies.

Less bold, but perhaps less risky, Managadze and his colleagues in government could focus their energy on reopening the Russian market, where Georgian wines are known and desired by consumers. This course of action requires less effort on the part of the Georgian wine industry and their partners in the government. Nonetheless, finding common ground with Moscow has not been a strong suit of the Saakashvili government. Diplomatic efforts to end the embargo could require significant concessions, if they succeed at all.

With wine producers growing anxious over the embargo, Managadze must soon make a recommendation to his colleagues in government. Managadze understands the economic and cultural importance of supporting the Georgian wine industry, as well as the place of the wine embargo in the broader context of relations between Tbilisi and Moscow. Managadze must therefore consider responses to the wine ban in a way that is sensitive to both the economic and political realities of the Russo-Georgian relationship.

Should Managadze recommend that the Georgian government seek to reopen the Russian market? If so, how can the Georgian government help winegrowers and winemakers prepare for the risk of a new ban in the future? How should Tbilisi go about convincing Moscow to lift the embargo?

Or, should Managadze and the Georgian government help Georgian winemakers export to new countries? If so, how can the government help winemakers improve quality and marketability? What markets should be targeted and how can the Georgian wine industry carve out a market share? How should the government address the dichotomy in wine producers (large vs. artisanal)? How can Managadze get buy-in from the wine industry and from higher-ups in the Georgian government? What will this option cost?

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- ⁱ Tom Parfitt, “Russian ‘sour grapes’ embargo leaves Georgian wine makers counting the cost,” *The Guardian*, May 30, 2006. <http://www.theguardian.com/world/2006/may/30/russia.drink>
- ⁱⁱ George Taber, *In Search of Bacchus: Wanderings in the Wonderful World of Wine Tourism*, (New York: Scribner, 2009), 255.
- ⁱⁱⁱ Kym Anderson and Signe Nelgen, *Global wine markets, 1961 to 2009: a statistical compendium*, (Adelaide: University of Adelaide Press, 2009), 38.
- ^{iv} Mikheil Saakashvili, “The Path to Energy Security,” *The Washington Post*, January 9, 2006. <http://www.washingtonpost.com/wp-dyn/content/article/2006/01/08/AR2006010801167.html>
- ^v BBC, “Q&A: Georgia-Russia tensions,” May 10, 2005. <http://news.bbc.co.uk/2/hi/europe/4532529.stm>
- ^{vi} BBC, “Russian wine move draws protests,” March 30, 2005.
- ^{vii} Parfitt, “Russian ‘sour grapes’ embargo leaves Georgian wine makers counting the cost.”
- ^{viii} Parfitt, “Russian ‘sour grapes’ embargo leaves Georgian wine makers counting the cost.”
- ^{ix} Kym Anderson, “Is Georgia the Next ‘New’ Wine-Exporting Country?,” *Journal of Wine Economics*, 8 (2013), 5.
- ^x Kym Anderson, “Is Georgia the Next ‘New’ Wine-Exporting Country?,” 9.
- ^{xi} Robert Taylor, “Russia Gets Georgia’s Wine on My Mind,” *Wine Spectator*, September 4, 2012. <http://www.winespectator.com/blogs/show/id/47258>.

Appendix

Figure 1: Map of Georgia



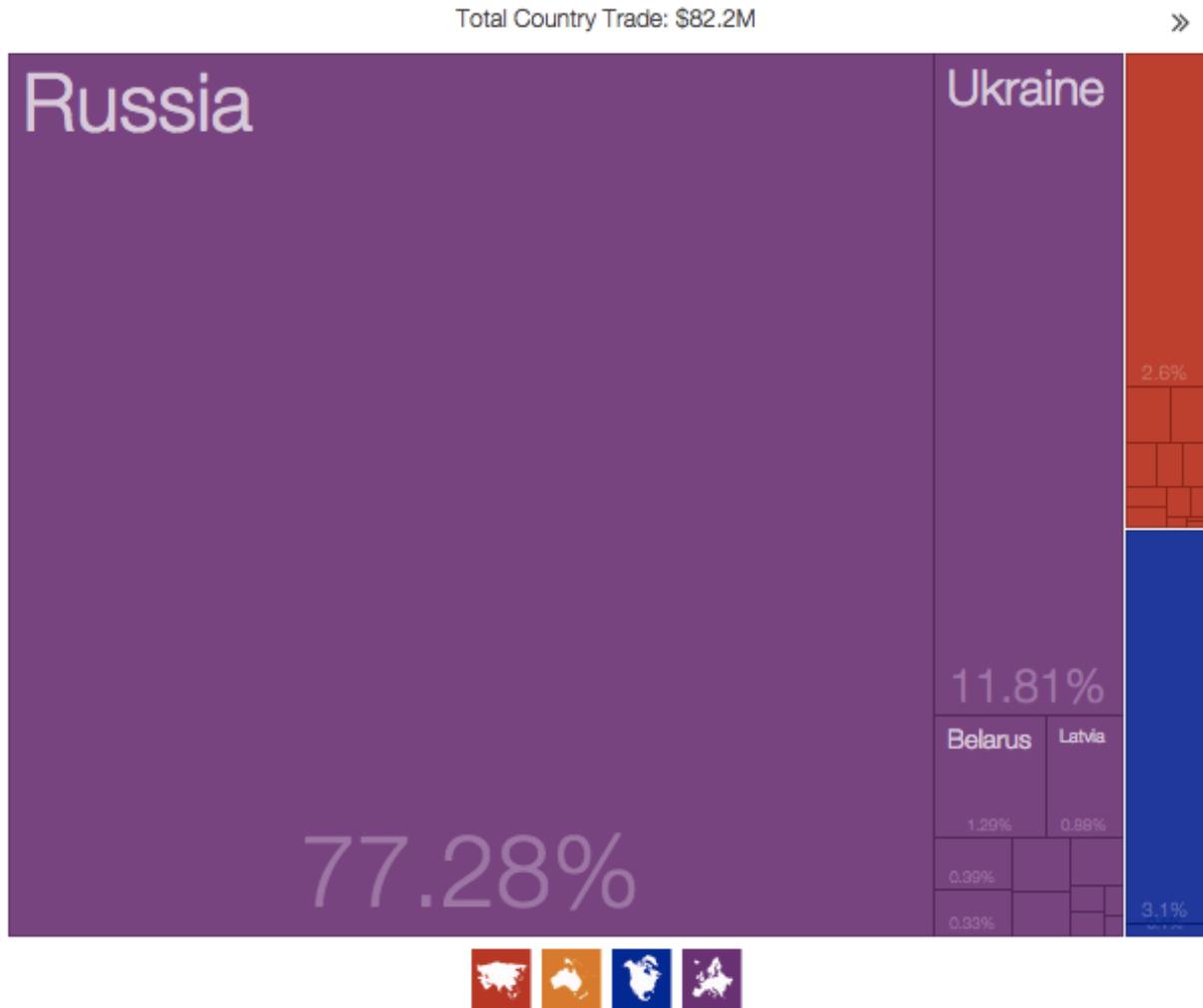
Source: The CIA World Factbook

Table 1: Georgia Country Statistics (2005 est.)

CATEGORY	
Population	4.3 million
GDP (official exchange rates)	\$6.41 billion
GDP (purchasing power parity)	\$18.32 billion
GDP per capita (purchasing power parity)	\$4,199
Cash surplus/deficit (% of GDP)	1.52%
Central government debt (% of GDP)	40.9%
GINI Index	40.3

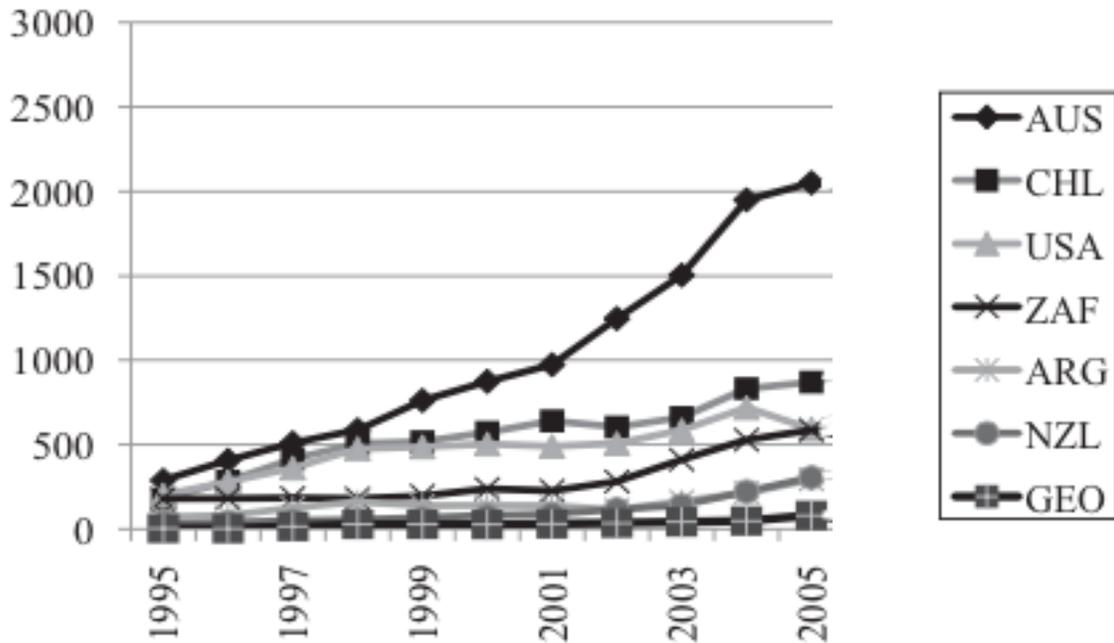
Source: World Bank

Figure 3: Export Destinations of Wine from Georgia in 2005



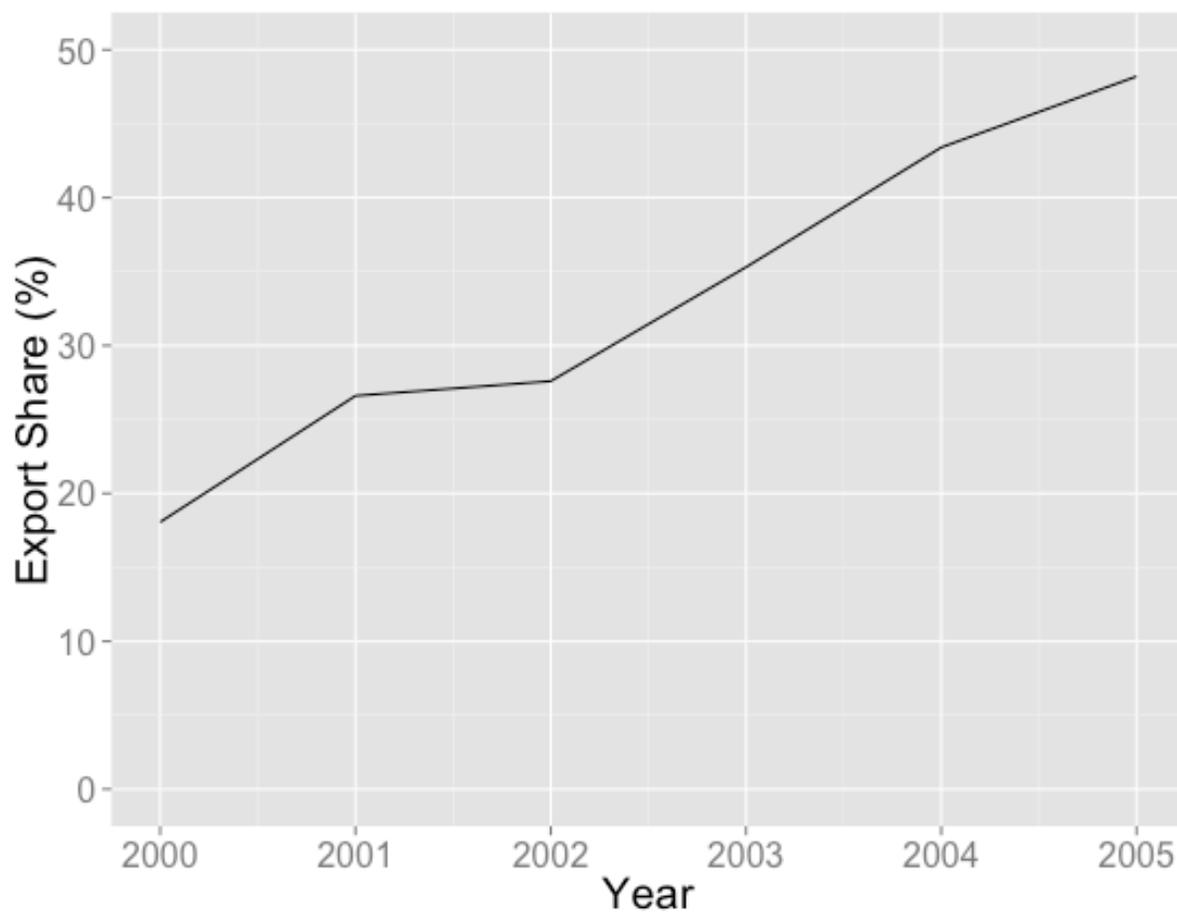
Source: The Atlas of Economic Complexity

Figure 4: Georgian and New World Wine Exports, 1995 – 2005, US\$ Millions



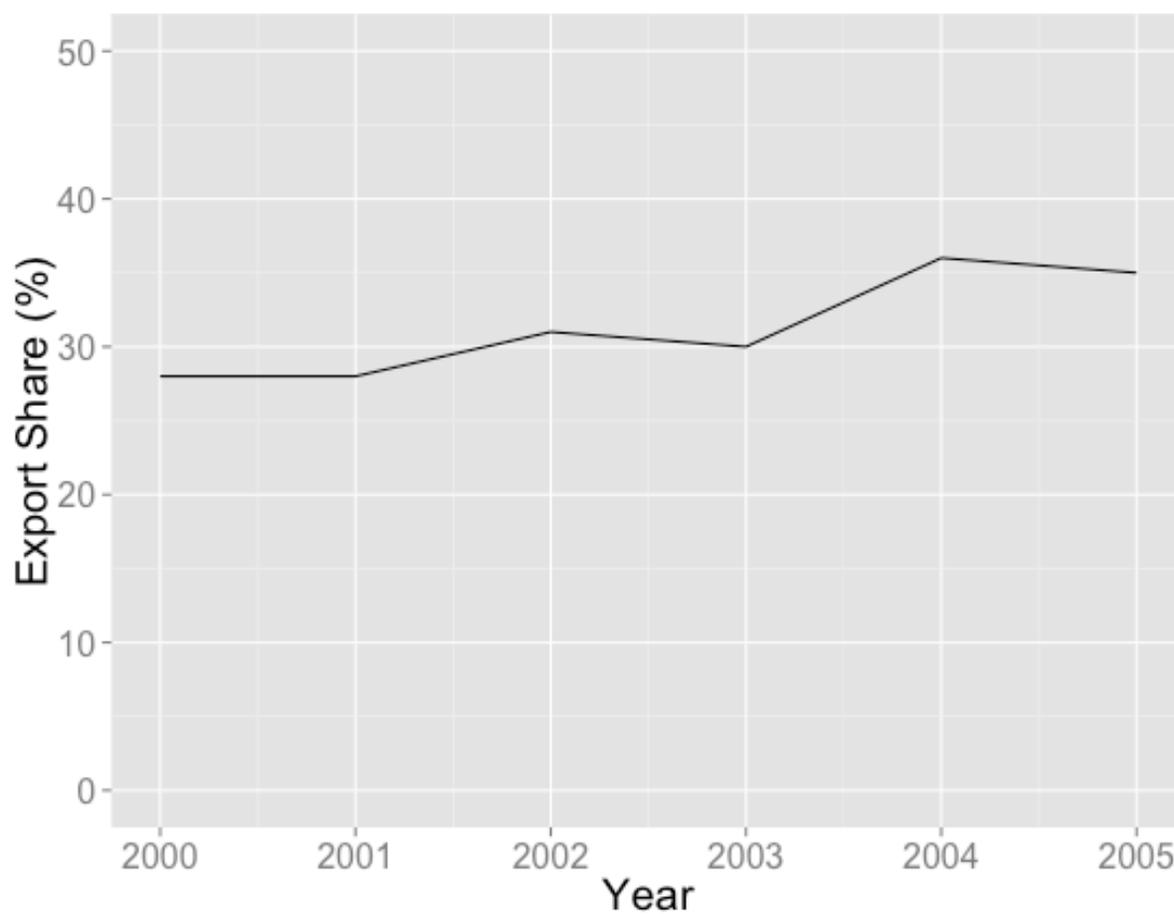
Source: Adapted from Kym Anderson, “Is Georgia the Next ‘New’ Wine-Exporting Country?”

Figure 5: Export Share of Volume of Georgian Wine Production, in Percent



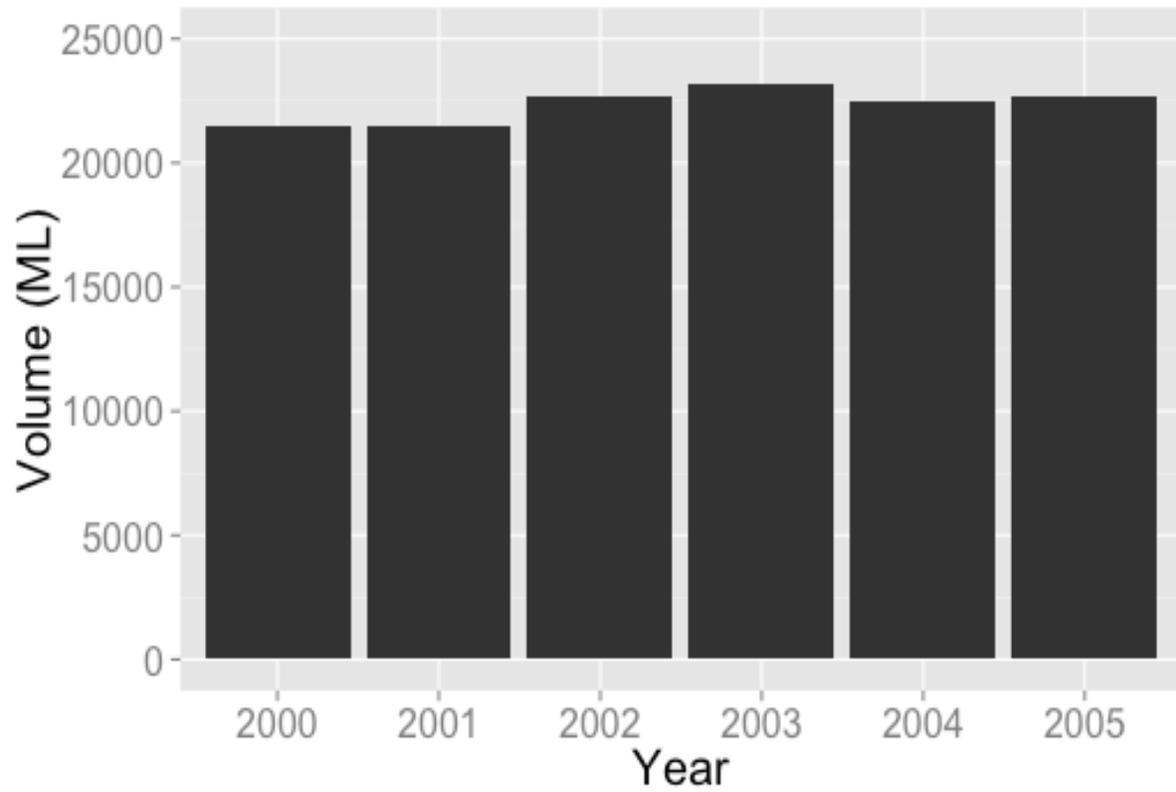
Source: Adapted from Kym Anderson and Signe Nelgen, "Global wine markets, 1961 to 2009: a statistical compendium"

Figure 6: Export Share of Volume of Global Wine Production, in Percent



Source: Adapted from Kym Anderson and Signe Nelgen, "Global wine markets, 1961 to 2009: a statistical compendium"

Figure 7: Global Wine Consumption, in Mega Liters



Source: Adapted from Kym Anderson and Signe Nelgen, *Global wine markets, 1961 to 2009: a statistical compendium*

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