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Poland

Product Brief

Wine

2004

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Report Highlights:
Imports of U.S. wine rose 16 percent between 2002 and 2003. Lower EU external tariffs applied to U.S. products upon Poland's May 1, 2004 EU accession should further stimulate imports in 2004. Projections indicate that wine consumption in Poland will increase 10-15 percent within the next few years; however competition in the wine industry is growing, with an estimate of more than 10,000 different brands on the market. The Wine Institute of California conducted its third edition of the California Dreaming Festival in Warsaw in June 2004.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1]
[PL]

Section I: Introduction

Wine popularity is growing in Poland, with U.S. exports dramatically increasing 16 percent from 2002 to 2003. Poles believe that wine represents a healthy lifestyle, resulting in overall consumption growth. Poland became a member of the European Union on May 1, 2004, a factor that should be an advantage to wine importers, producers, distributors, and consumers in Poland.

Polish consumer tastes have been influenced by Bulgarian vermouth. Trends reveal that Poles prefer seasoned and sweet wines with the market dominated by cheaper-priced products. With consumption of wine growing, trends show that wine will soon be a major competitor with beer and vodka.

Several large and medium sized firms have been importing wine for the past ten years. Wine is also imported in bulk and bottled in Poland by 200 firms. Consumer preferences indicate that bulk wine bottled in Poland is not as popular as imported bottled wines.

Advantages	Challenges
Wine consumption will increase 10-15% per capita in the next few years	Due to low Polish salaries (2-3x less than Western European countries) nearly 50% of the population purchases table wines ($2.00 - $15.00) retail.
Poles favor sweet wines including red, sparkling, and white wines.	Poland has developed a seasonal market where 30% of yearly wine sales occur during the holiday periods of Christmas, carnival in February, and First Communion in May.
Polish consumers are aware of country origin codes and look for these bar codes when purchasing wines.	Competition in the wine industry is growing with an estimate of more than 10,000 different brands.

Section II. Market Sector Opportunities and Threats

Retail & HRI Market Sector

1) Entry Strategy

Contacting the right importer will help a business enter the Polish wine market. Most supermarkets, hypermarkets, specialty shops, hotels, restaurants, and catering companies buy a majority of their wines through wholesalers, set up through larger importers or working independently, which have their own distribution channels and marketing contacts. Exporters of U.S. wine may obtain a list of current importers by contacting the Office of Agricultural Affairs of the U.S. Embassy in Warsaw (see Section V).

2) Market Size, Structure, Trends

Competition in the wine industry is growing tremendously each year. With imports from Chile, the United States, Bulgaria, France, Italy, Spain, and Australia, Poles have an array of wines to choose from.

Recent marketing trends involving wine tasting have been successful on the Polish market. The Wine Institute of California organized its first wine tasting in 2002 in Warsaw and Krakow with almost 40 wineries represented. The third edition of the Wine Institute's California Dreaming Festival was organized in May 2004 in Warsaw. About 12 wineries from the U.S. were represented.

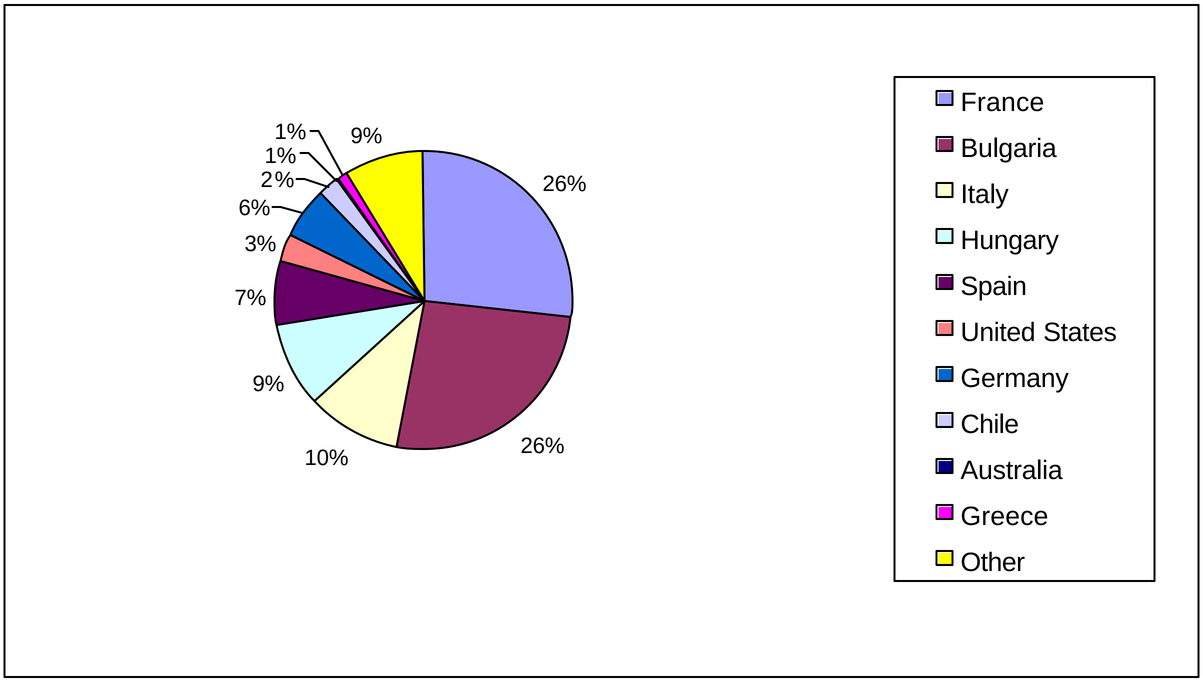
Most of the larger importers distribute products through their own wholesale operations located throughout Poland. Besides utilizing their own distribution channels, importers also sell their products to independent wholesale firms, which in turn distribute wine to hypermarkets, specialty shops as well as small retail stores located in larger cities. Currently, the largest retail stores do not import wines for their own distribution but rather obtain it from a local importer or a wholesaler.

Table I: Poland's Wine Imports

	2002		2003	
	US $	Volume L	US $	Volume L
World	58,392,462	52,387,729	78,688,738	56,997,647
France	15,148,230	8,699,213	21,256,541	15,361,818
Bulgaria	10,763,698	13,230,973	13,427,928	14,751,792
Italy	8,473,135	9,758,855	10,792,754	5,761,609
Hungary	6,530,062	6,155,794	7,408,888	5,350,062
Spain	3,671,979	2,240,883	6,373,722	3,822,389
United States	3,549,055	1,298,161	4,805,033	1,755,764
Germany	2,830,104	2,596,653	4,296,468	3,275,340
Chile	1,682,374	895,849	2,659,043	1,143,329
Australia	735,348	226,339	1,140,482	293,371
Greece	593,720	382,237	1,020,746	618,324
Other	4,414,757	6,902,772	5,507,133	4,863,849

Source: Global Trade Atlas

Figure 1: Poland Wine Import Market Share



Source: Global Trade Atlas

3) Company Profiles

In the early 90's several large importing firms existed on the Polish market. In addition to these market leaders, there were an additional 50 smaller, local importers/distributors of wine. This market organization was maintained until the year 2000. During 2000, huge market changes occurred in the area of wine distribution. This change occurred due to the worsening economic situation in Poland at that time. As a result, tightened markets forced smaller firms out of the market and caused other distributors to merge. Currently, there are about 7 large importers of wine on the Polish market.

4) Market Promotion Constraints

While direct promotion of alcoholic beverages in hypermarkets and specialty shops is prohibited, importers and wholesalers are very active in promotions organized at restaurants, hotels, or special wine tastings offered by invitation to only consumers and traders.

Section III. Costs & Prices

Although most Poles cannot afford high quality wines, 5-10% of the population is considered wealthy by European standards and can afford high quality wines. Still, cheaper brands of wine (equivalent to beer prices) dominate the consumption of wine in Poland.

Cost in Zloty	% of Market
0-20	50%
20-40	30%
40-100	10%
100 +	10%

(The exchange rate used in this table is 1 U.S. dollar equals 3.80 zloty; June 14, 2004)

Source: FAS Warsaw Estimates

Retail prices for wine vary depending on the type of wine (red, sparkling, white), by country of origin and region, as well as perceived quality. The popularity of wine is influenced by "word of mouth" and by foreign television series and films. Professional tastings organized independently by Polish importers, or in conjunction with trade shows, are also becoming popular. Current market trends show that Polish consumers prefer "exotic" and "ecological" wines from Chile and South Africa to wines from Bulgaria, primarily due to the assumption that these wines are purer and healthier than other wines offered on the market. The price of wine depends heavily on the factors listed above and fluctuations between supermarkets and wine specialty shops. Wine specialty shops carry higher quality wines and a larger selection compared to supermarkets, which show drastic variations in price.

Table II: Wine Retail Price Comparison
July 2003

	Red			White		
Country	Basic Wines	Quality Wines	Special Quality Wines	Basic Wines	Quality Wines	Special Quality Wines
Bulgaria	13-30	*	*	10-20	*	*
U.S.	25-55	55-110	110-205	25-55	55-93	93-169
France	25-48	48-119	119-463	25-42	42-105	105-961
Chile	18-42	42-105	105-212	17-41	41-105	>105
Italy	19-47	47-115	115-409	19-43	43-79	*
South Africa	30-49	49-110	110-122	27-42	42-100	>100
New Zealand	*	49-115	115-195	*	54-102	102-115
Australia	13-49	49-110	110-512	30-42	42-103	>103
Spain	6-43	43-112	112-1205	6-39	39-100	100-115
Argentina	24-35	*	*	24-35	*	*
Greece	10**-35	*	*	12-34	*	*
Israel	20-50	50-57	*	21-38	*	*
Portugal	45-55	55-112	112-199	*	45	*
Germany	12-18	*	*	10-40	40-100	100-760
Hungary	13-18	*	*	13-30	30-76	76-105
Champaign	*	*	*	*	199-230	230-655
Sparkling Wine	*	*	*	8-40	40-80	*

(The exchange rate used in this table is 1 U.S. dollar equals 3.80 zloty)
* Data Unavailable
**Boxed Wine

Source: FAS Warsaw Field Research Data

Currently, U.S. exporters are visible in Poland, with about 10 California wineries exporting to Poland, carrying a market share of 2.56 percent.

Table III: U.S. Wine Exports

Country	2001	2002
	USD $1000	
United Kingdom	169,315	188,895
Canada	95,817	92,571
Japan	57,294	81,199
Netherlands	69,223	53,201
Belgium	27,528	18,791
France	7,129	13,326
Germany	13,580	11,818
Ireland	13,545	10,153
Switzerland	5,689	7,199
Denmark	6,242	5,710
Poland*	253	231
World Total	541,118	548,270

Source: Wine Institute and Ivie International using data from the U.S. Dept. of Commerce, USA Trade online. History Revised.

*The majority of U.S. wine purchased in Poland from intermediaries in Europe arrives from the Netherlands, Belgium, and Germany; hence Poland would not be listed as a final destination point on export documents and would not appear on U.S. statistics.

All wine products entering Poland are charged an excise tax. Prior to importing bottled wine, Polish importers must provide the U.S. firm with excise bands. These excise bands need to be applied to all bottles prior to arriving in Poland and constitute partial payment of the excise tax. A New Ministry of Finance regulation on the decrease of excise tax on several products in April 22, 2004, went into effect on May 1, 2004, when Poland joined the expanded EU-25. The current excise tax level on wine and fermented drinks (HS 2204, 2205, 2206) amounts to PLN 136 (USD 34) per hectoliter.

The value-added tax (VAT) for wine products in Poland amounts to 22%. For a detailed list of wine custom tariffs for wine products, see attachment A.

Poland's EU accession in May 2004 significantly reduced previous import duties for non-EU suppliers. As Poland adopted EU external duty rates, U.S. exporters faced lower duties thereby stimulating higher exports of wine from the United States to Poland.

The expansion into the EU-25 has given European wine an increased comparative advantage in the Polish market due to the internal duty free market. European suppliers also are no longer subject to third country import paperwork required for entry from non-EU supplying countries.

Section V. Key Contacts and Further Information

For more information concerning market entry and a current importer list contact:

-Embassy of the United States of America
Office of Agricultural Affairs, Warsaw, Poland
Wayne Molstad, e-mail: agwarsaw@usda.gov or agwarsaw@poczta.onet.pl
tel: 48 22 504 2336, fax: 48 22 504 2320

-United States Department of Agriculture, Foreign Agricultural Service, AGX Division
Marketing: Nancy Hubbell, e-mail: Nancy.Hubbell@fas.usda.gov tel: 202-720-9487
Analysis: Dorsey Luchok, e-mail: Dorsey.Luchok@fas.usda.gov tel: 202-720-3083
FAS TTY Number: 202-690-4879

Additional information on the Polish market (eg. Retail Sector) can be found on the Internet (www.fas.usda.gov), at the *Attaché Reports* link.

Attachment A: Wine Customs

EU External Wine Customs Taxes (ad valorum)		
2204	Wine from fresh grapes	
2204 10	Sparkling Wine of an actual alcoholic strength by volume of not less than 8.5% vol	
2204 10 11	Champagne	32 EUR/hl
2204 10 19	Other	32 EUR/hl
Other:		
2204 10 91	Asti spumante	32 EUR/hl
2204 10 99	Other	32 EUR/hl
2204 21	Wine in containers of capacity of 2 liters or less	
2204 21 10	Wine other than in pos. 2204 10 bottled with cork remaining under pressure of above one bar, but not more than 3 bars, measured at 20C	32 EUR/hl
2204 21 10 1	With actual alcohol content of not more than 22%	
2204 21 10 9	Wine with alcohol content of more than 22%	
	-Other with alcohol content of not more than 13%	
	-Quality wine produced in specific regions	
	-White	
2204 21 11	Alsace	13.1 EUR/hl
2204 21 12	Bordeaux	13.1 EUR/hl
2204 21 13	Bourgogne (Burgundy)	13.1 EUR/hl

2204 21 17	Val de Loire (Loire Valley)	13.1 EUR/hl
2204 21 18	Mosel-Saar-Ruwer	13.1 EUR/hl
2204 21 19	Pfalz	13.1 EUR/hl
2204 21 22	Rheinhessen	13.1 EUR/hl
2204 21 24	Lazio	13.1 EUR/hl
2204 21 26	Toscana (Tuscany)	13.1 EUR/hl
2204 21 27	Trentino, Alto Adige i Friuli	13.1 EUR/hl
2204 21 28	Veneto	13.1 EUR/hl
2204 21 32	Vinho Verde	13.1 EUR/hl
2204 21 34	Penedes	13.1 EUR/hl
2204 21 36	Rioja	13.1 EUR/hl
2204 21 37	Valencia	13.1 EUR/hl
2204 21 38	Other	13.1 EUR/hl
	-Other	
2204 21 42	Bourdeaux	13.1 EUR/hl
2204 21 43	Bourgogne (Burgundy)	13.1 EUR/hl
2204 21 44	Beaujolais	13.1 EUR/hl
2204 21 46	Cotesdu Rhone	13.1 EUR/hl
2204 21 47	Languedoc-Rousillon	13.1 EUR/hl
2204 21 62	Piemonte (Piemont)	13.1 EUR/hl
2204 21 66	Toscana	13.1 EUR/hl
2204 21 67	Trentino and Alto Adige	13.1 EUR/hl

2204 21 68	Veneto	13.1 EUR/hl
2204 21 69	Dao, Bairrada and Douro	13.1 EUR/hl
2204 21 71	Navarra	13.1 EUR/hl
2204 21 74	Penedes	13.1 EUR/hl
2204 21 76	Rioja	13.1 EUR/hl
2204 21 77	Valdepenas	13.1 EUR/hl
2204 21 78	Other	13.1 EUR/hl
	-Other	
2204 21 79	White	13.1 EUR/hl
2204 21 80	Other	13.1 EUR/hl
	Of an actual alcoholic strength by volume exceeding 13% vol but not exceeding 15% vol	
	-Quality wines produced in specific regions	
2204 21 81	White	15.4 EUR/hl
2204 21 82	Other	15.4 EUR/hl
	-Other	
2204 21 83	White	15.4 EUR/hl
2204 21 84	Other	15.4 EUR/hl
	Of an actual alcoholic strength by volume exceeding 15% vol, but not exceeding 18% vol	
2204 21 87	Marsala	18.6 EUR/hl
2204 21 88	Samas and Muscat de Lemnos	18.6 EUR/hl

2204 21 89	Port	14.8 EUR/hl
2204 21 91	Madeira and Setubal Muscatel	14.8 EUR/hl
2204 21 92	Sherry	14.8 EUR/hl
2204 21 93	Tokay (Aszu/Szamorodni)	14.8 EUR/hl
2204 21 94	-Other	18.6 EUR/hl
	Of an actual alcoholic strength by volume exceeding 18% vol but not exceeding 22% vol	
2204 21 95	Port	15.8 EUR/hl
2204 21 96	Madeira, Sherry, and Setubal Muscatel	15.8 EUR/hl
2204 21 97	Tokay (Aszu/Szamorodni)	15.8 EUR/hl
2204 21 98	-Other	20.9 EUR/hl
2204 21 99	With an actual alcoholic strength by volume exceeding 22% vol	
2204 29	-Other	
2204 29 10	Wine, other than that referred to in subheading 2204 10, in bottles with "mushroom" stoppers held in place by ties or fastenings; wine, otherwise put up, with an excess pressure due to carbon dioxide in solution of not less than 1 bar, but less than 3 bar, measured at a temperature of 20 C	32 EUR/hl
2204 29 10 1	With actual alcohol content below 22%	
	-Other	
	Of an actual alcoholic strength by volume not exceeding 13% vol:	

	-Quality wines produced in specific regions	
	-White	
2204 29 12	Bordeaux	9.9 EUR/hl
2204 29 13	Bourgogne	9.9 EUR/hl
2204 29 17	Val de Loire (Loire valley)	9.9 EUR/hl
2204 29 18	-Other	9.9 EUR/hl
	-Other	
2204 29 42	Bordeaux	9.9 EUR/hl
2204 29 43	Bourgone (Burgundy)	9.9 EUR/hl
2204 29 44	Beaujolais	9.9 EUR/hl
2204 29 46	Cotes du Rhone	9.9 EUR/hl
2204 29 47	Languedoc-Roussillon	9.9 EUR/hl
2204 29 48	Val de Loire (Loire valley)	9.9 EUR/hl
2204 29 58	Other	9.9 EUR/hl
	-Other	
	-White	
2204 29 62	Sicily	9.9 EUR/hl
2204 29 64	Veneto	9.9 EUR/hl
2204 29 65	Other	9.9 EUR/hl
	-Other	
2204 29 71	Puglia (Apuglia)	9.9 EUR/hl
2204 29 72	Sicily	9.9 EUR/hl

2204 29 75	Other	9.9 EUR/hl
	Of an actual alcohol strength by volume exceeding 13% vol, but not exceeding 15% vol	
	Quality wines produced in specified regions:	
2204 29 81	White	12.1 EUR/hl
2204 29 82	Other	12.1 EUR/hl
	-Other	
2204 29 83	White	12.1 EUR/hl
2204 29 84	Other	12.1 EUR/hl
	With actual alcohol strength by volume exceeding 15% vol, but not exceeding 18% vol	
2204 29 87	Marsala	15.4 EUR/hl
2204 29 88	Samos and Muscat de Lemnos	15.4 EUR/hl
2204 29 89	Port	12.1 EUR/hl
2204 29 91	Madeira and Setubal Muscatel	12.1 EUR/hl
2204 29 92	Sherry	12.1 EUR/hl
2204 29 93	Tokay, Aszu and Szamorodni	13.1 EUR/hl
2204 29 94	-Other	15.4 EUR/hl
	Of and actual alcoholic strength by volume exceeding 18% vol, but not exceeding 22% vol	
2204 29 95	Port	13.1 EUR/hl
2204 29 96	Madeira, Sherry, and Setubal Muscatel	13.1 EUR/hl

2204 29 97	Tokay Aszu and Szamorodni	14.2 EUR/hl
2204 29 98	Other	20.9 EUR/hl
2204 29 99	Of an actual alcoholic strength by volume exceeding 22% vol	1.75 EUR/ % vol/ hl
2204 30	Other grape must:	
2204 30 10	In fermentation or with fermentation arrested otherwise than by the addition of alcohol	
	-Other	
	Of a density of 1.33g/cm^3 or less at 20C and of an actual alcoholic strength by volume not exceeding 1% vol	
2204 30 92	Concentrated	**
2204 30 94	Other	**
	-Other	
2204 30 96	Concentrated	**
2204 30 98	Other	**
2205	Vermouth and other wine of fresh grapes flavored with plants or aromatic substances	
2205 10	In containers holding two liters or less	
2205 10 10	Of an actual alcoholic strength by volume of 18% vol or less	10.9 EUR/hl
2205 10 90	Of an actual alcoholic strength by volume exceeding 18% vol	0.9 EUR/ %vol/ hl + 6.4 EUR/hl
2205 90	Other:	

2205 90 10	Of an actual alcoholic strength by volume of 18% vol or less	9 EUR/hl
2205 90 90	Of an actual alcoholic strength by volume exceeding 18% vol	0.9 EUR/ %vol/hl

** See Annex 2

Please note that as Poland became a member of the E.U. on May 1, 2004 currently applied duty rates in Poland are E.U.'s external custom duty rates. To find out additional information on E.U. duty rates applied to product from other non-EU suppliers please refer to the following internet address:

http://europa.eu.int/comm/taxation_customs/dds/en/tarhome.htm

Annex 2

Official Journal of the European Union 30.10.2003 725 EN

PRODUCTS TO WHICH AN ENTRY PRICE (1) APPLIES

2204 Wine of fresh grapes, including fortified wines; grape must other than that of heading 2009:

2204 30-Other grapes must:

--Other:
--Of a density of 1,33 g/cm^3 at 20 °C and of an actual alcoholic strength by volume not exceeding 1 % vol:

2204 30 92-Concentrated:

-----With an entry price per hl of:
------Not less than Q 209,4 ....22,4 + 20,6 Q/100 kg/net

2204 30 92

------Not less than Q 205,2 but less than Q 209,4. . . . 22,4 + 4,2 Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 201 but less than Q 205,2 . . . . .22,4 + 8,4 Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 196,8 but less than Q 201 . . . . . 22,4 + 12,6 Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 192,6 but less than Q 196,8 . . . .22,4 + 16,8 Q/hl+ 20,6 Q/100 g/net
------Less than Q 192,6 . . . . 22,4 + 131 Q/hl+ 20,6 Q/100 g/net

2204 30 94 ----Other:

-----With an entry price per hl of:
------Not less than Q 42,5 . . . . 22,4 + 20,6 Q/100 kg/net
------Not less than Q 41,7 but less than Q 42,5 . . . . . .22,4 + 0,8 Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 40,8 but less than Q 41,7 . . . . . .22,4 + 1,7 Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 40 but less than Q 40,8 . . . . 22,4 + 2,5 Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 39,1 but less than Q 40 . . . . 22,4 + 3,4 Q/hl+ 20,6 Q/100 kg/net
------Less than Q 39,1 . . . . 22,4 + 27 Q/hl+ 20,6 Q/100 kg/net

---Other:

2204 30 96 ----Concentrated:

-----With an entry price per hl of:
------Not less than Q 212,4 . . . . .40+20,6 Q/100 kg/net

2204 30 96
------Not less than Q 208,2 but less than Q 212,4 . . . . . 40+4,2Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 203,9 but less than Q 208,2 . . . . . 40+8,5Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 199,7 but less than Q 203,9 . . . . . 40+12,7Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 195,4 but less than Q 199,7 . . . . . 40+17Q/hl+ 20,6 Q/100 kg/net
------Less than Q 195,4 . . . . .40+121Q/hl+ 20,6 Q/100 kg/net

2204 30 98 ----Other:
-----With an entry price per hl of:
------Not less than Q 42,5 . . . . 40+20,6 Q/100 kg/net
------Not less than Q 41,7 but less than Q 42,5 . . . . 40+0,8Q/hl+ 20,6 Q/100 kg/net

------Not less than Q 40,8 but less than Q 41,7 . . . . 40+1,7Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 40 but less than Q 40,8 . . . . .40+2,5Q/hl+ 20,6 Q/100 kg/net
------Not less than Q 39,1 but less than Q 40 . . . . .40+3,4Q/hl+ 20,6 Q/100 kg/net
------Less than Q 39,1 . . . . .40+27Q/hl+ 20,6 Q/100 kg/net