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Poland

Product Brief

Wine

2003

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Report Highlights:
Imports of U.S. wine rose 53 percent between 2001 and 2002. Projections indicate that consumption 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 first wine tasting in Warsaw in May 2002.

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Wine popularity is growing in Poland, with U.S. exports dramatically increasing 29 percent from 2001 to 2002. Poles believe that wine represents a healthy lifestyle, resulting in overall consumption growth. Poland's accession to the European Union will definitely be an advantage to 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 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) most of the population purchases table wines ($1.75 - $2.00) 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 Food Sector

1) Entry Strategy

Contacting the right importer will help a business enter the Polish wine market. Most supermarkets, hyper markets and speciality shops buy a majority of their wines through wholesalers, set up through large importers 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 May 2002 in Warsaw with almost 40 wineries represented.

The largest Polish bottling plants have sought foreign investors to modernize their operations. Vinpol has attracted investment from the German Group Henkell and Sohnelein, and the German Faber Company is a major Ambra foreign investor.

Most of the larger importers distribute product 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, speciality 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.

Imports of U.S. wine rose 53 percent between 2000 and 2002.

Table I: Poland's Wine Imports

	2000		2001		2002	
Country	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000	Quantity in Metric Tons	$1,000
France	9167	13616	8479	13525	9152	15099
Bulgaria	10071	7843	12634	9231	15197	10723
Italy	25672	11002	16227	8655	10538	8441
Hungary	5244	5079	4648	5087	6324	6506
Spain	1954	2475	1729	2771	2251	3659
United States	832	2247	1061	2537	1425	3535
Germany	1967	2289	2356	2501	2579	2822
Chile	232	586	380	930	693	1676
Australia	134	357	168	518	248	734
South Africa	212	356	154	341	382	678
Croatia	1374	451	3464	876	2818	632
Greece	368	504	383	494	414	590
World Total	60962	49368	54690	50044	55608	58188

Source: World 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 10 large importers of wine on the Polish market.

Section III. Costs & Prices

Although most of the 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 3.83 zloty; July29, 2003)

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 over wines from Bulgaria, primarily due to the assumption that these wines are more pure and healthier than other wines offered on the market. The price of wine depends heavily on the factors listed above and fluctuates between supermarkets and wine speciality shops. Wine speciality shops carry higher quality wines and a larger selection compared with supermarkets which show drastic variations in price.

Table II: Wine Retail Price Comparison
July 2003

Country	Basic Wines	Quality Wines	Special Quality Wines
Bulgaria	10-25 zl.		
U.S.	26-55 zl.	55-150 zl.	169-425 zl.
France	18-50 zl.	50-100 zl.	100-1124 zl.
Chile	30-60 zl.	60-100 zl.	100-200 zl.
Italy	30-45 zl.	55-110 zl.	145-409 zl.
South Africa	34-55 zl.	55-80 zl.	< 80 zl.
New Zealand	37-60 zl.	68-79 zl.	< 88 zl.
Australia	34-65 zl.	65-80 zl.	80-150 zl.
Spain	15-40 zl.	40-65 zl.	70-150 zl.
Sparkling	*11.80-18.20* zl.		
Champagne			*200-700 zl.*

(The exchange rate used in this table is 1 U.S. dollar equals 3.83 zloty)

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

Figure I:

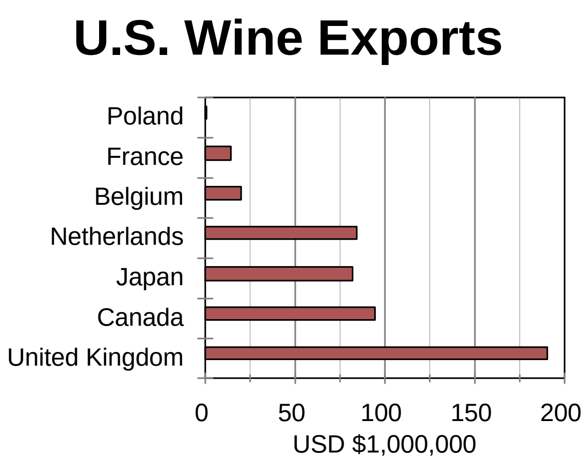

Table III: U.S. Wine Exports

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 from intermediaries in Europe arrive from the Netherlands, Belgium, and Germany, hence Poland would not be listed as a final destination point on the export documentation and would not appear on the U.S. statistics.

The Polish Government maintains an import quota for wine for 8,340 HL (this quota is intended for only champaign, and wines with alcohol content of above 22 percent). Specific import quotas for wine have been established for the following countries and regions: European Union (20,000 HL), Israel (20,000 HL), Slovakia (15,000 HL), Hungary (140,000 HL), Bulgaria (85,000 HL), Slovenia (17,000 HL), Romania (60,000 HL), Turkey (1,000 HL), Croatia (1,000T).

New custom tariff reductions (effective September 2002) regarding white (HS 220421790) and other (HS 22042180) wines in quantities up to 2 liters were reduced from 30% to 20% min 25 EUR/hl. The range effecting the remaining wine types varies from 25% min 5 EUR/HL to 48% min 14 EUR/HL+1.3 EUR/HL. In addition, all the products from the EU are assessed to 0% duty on all EU imports.

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. The average cost for the band is 0.4-0.8 zls ($0.1-$0.2) and bands must be purchased from the Polish Tax Office. These excise bands need to be applied to all bottles prior to arriving in Poland and constitute partial payment of the excise tax.

Upon actual arrival at the border, the full amount of the excise tax is charged for the shipment. The average excise tax assessed per liter is 1.33 zls ($0.33). 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 will ratchet down current import duties for non-EU suppliers. The Polish non-EU wine import duty will change (on average) to: 13.1 EURO/hl. As a result, U.S. exporters will face even lower duties, thereby stimulating higher exports of wine from the United States to Poland.

Section IV. Market Access

No special license is required for the importation of wine products. Companies wishing to import wine to be sold on the Polish market need to receive a permit from the Ministry of Economy in order to conduct wholesale distribution. To distribute wine, a permit needs to be obtained from the local county (Gmina) authorities.

Wine imported in bulk and in individual bottles are required to have labels in Polish. The label must contain the following information: name of product, name and address of the producer, name and address of importer, alcohol content. Wine imported in bottles can be distributed with original labels, but additional stickers in Polish are required on each bottle.

Poland does not permit the use of artificial colors and the content of sulphur is limited. Polish regulations on import documentation are similar to those of the European Union. No special import documentation is required other than the usual certificate or origin and a copy of the excise band documentation.

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@fas.usda.gov or agwarsaw@poczta.onet.pl
tel: 48 22 504 2336, fax: 48 22 504 2320

-United States Department of Agriculture
Yvette Wedderburn, tel: 202-720-0911, fax: 202-690-3346

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

Attachment A: Wine Customs

Wine Customs Taxes (ad valorum)

		WTO/U.S.	European Union
2204	Wine from fresh grapes		
2204 10	Sparkling Wine with alcohol content of less than 8.5%		
2204 10 11	Champagne		
2201 10 11 1	Sparkling Wine with alcohol content of more than 8.5%, but not more than 22%	30 Minimum 42 EUR/hl	0
2204 10 11 9	Sparkling Wine with alcohol content of more than 22%	48 + Maximum 96 EUR/hl + .16 EUR/kg	20 Minimum 42 EUR/hl
2204 10 19	Other		
2204 10 19 1	Wine with alcohol content of more than 8.5%, but not more that 22%	30 Minimum 42 EUR/hl	0
2204 10 19 9	Wine with alcohol content of more than 22%	48 + Maximum 96 EUR/hl + .16 EUR/kg	20 Minimum 42 EUR/hl
	-Other		
2204 10 91 0	Asti spumante	30 Minimum 42EUR/hl	0
2204 10 99 0	Other	30 Minimum 42EUR/hl	0
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 than3 bars, measured at 20 degrees C		
2204 21 10 1	With actual alcohol content of not more than 22%	30 Minimum 42EUR/hl	0
2204 21 10 9	Wine with alcohol content of more than 22%	48 + Maximum 96 EUR/hl + .16 EUR/kg	20 Minimum 42 EUR/hl
	-Other with alcohol content of not more		

	than 13%		
	-Quality wine produced in specific regions		
	-White		
2204 21 11 0	Alsace	30 Minimum 25 EUR/hl	0
2204 21 12 0	Bordeaux	30 Minimum 25 EUR/hl	0
2204 21 13 0	Bourgogne (Burgundy)	30 Minimum 25 EUR/hl	0
2204 21 17 0	Val de Loire (Loire Valley)	30 Minimum 25 EUR/hl	0
2204 21 18 0	Mosel-Saar-Ruwer	30 Minimum 25 EUR/hl	0
2204 21 19 0	Pfalz	30 Minimum 25 EUR/hl	0
2204 21 22 0	Rheinhessen	30 Minimum 25 EUR/hl	0
2204 21 24 0	Lazio	30 Minimum 25 EUR/hl	0
2204 21 26 0	Toscana (Tuscany)	30 Minimum 25 EUR/hl	0
2204 21 27 0	Trentino, Alto Adige i Friuli	30 Minimum 25 EUR/hl	0
2204 21 28 0	Veneto	30 Minimum 25 EUR/hl	0
2204 21 32 0	Vinho Verde	30 Minimum 25 EUR/hl	0
2204 21 34 0	Penedes	30 Minimum 25 EUR/hl	0
2204 21 36 0	Rioja	30 Minimum 25 EUR/hl	0
2204 21 37 0	Valencia	30 Minimum 25 EUR/hl	0
2204 21 38 0	Other	30 Minimum 25 EUR/hl	0
	-Other		
2204 21 42 0	Bourdeaux	30 Minimum 25 EUR/hl	0
2204 21 43 0	Bourgogne (Burgundy)	30 Minimum 25 EUR/hl	0
2204 21 44 0	Beaujolais	30 Minimum 25 EUR/hl	0
2204 21 46 0	Cotesdu Rhone	30 Minimum 25 EUR/hl	0

2204 21 47 0	Languedoc-Rousillon	30 Minimum 25 EUR/hl	0
2204 21 62 0	Piemonte (Piemont)	30 Minimum 25 EUR/hl	0
2204 21 66 0	Toscana	30 Minimum 25 EUR/hl	0
2204 21 67 0	Trentino and Alto Adige	30 Minimum 25 EUR/hl	0
2204 21 68 0	Veneto	30 Minimum 25 EUR/hl	0
2204 21 69 0	Dao, Bairrada and Douro	30 Minimum 25 EUR/hl	0
2204 21 71 0	Navarra	30 Minimum 25 EUR/hl	0
2204 21 74 0	Penedes	30 Minimum 25 EUR/hl	0
2204 21 76 0	Rioja	30 Minimum 25 EUR/hl	0
2204 21 77 0	Valdepenas	30 Minimum 25 EUR/hl	0
2204 21 78 0	Other	30 Minimum 25 EUR/hl	0
	-Other		
2204 21 79 0	White	30 Minimum 25 EUR/hl	0
2204 21 80 0	Other	30 Minimum 25 EUR/hl	0
	-With actual alcohol content of above 13%, but not more than 15%		
	-Quality wines produced in specific regions		
2204 21 81 0	White	30 Minimum 25 EUR/hl	0
2204 21 82 0	Other	30 Minimum 25 EUR/hl	0
	-Other		
2204 21 83 0	White	30 Minimum 25 EUR/hl	0
2204 21 84 0	Other	30 Minimum 25 EUR/hl	0
	-Wines with alcohol content of more than 15%, but less than		

	18%		
2204 21 87 0	Marsala	30 Minimum 25 EUR/hl	0
2204 21 88 0	Samas and Mucat de Lemnos	30 Minimum 25 EUR/hl	0
2204 21 89 0	Port	30 Minimum 25 EUR/hl	0
2204 21 91 0	Madeira and Setubal Muscatel	30 Minimum 25 EUR/hl	0
2204 21 92 0	Sherry	30 Minimum 25 EUR/hl	0
2204 21 93 0	Tokay (Aszu/Szamorodni)	30 Minimum 25 EUR/hl	0
2204 21 94 0	-Other	30 Minimum 25 EUR/hl	0
	With actual alcohol content of above 18%, but below 22%		
2204 21 95 0	Port	30 Minimum 25 EUR/hl	0
2204 21 96 0	Madeira, Sherry, and Setubal Muscatel	30 Minimum 25 EUR/hl	0
2204 21 97 0	Tokay (Aszu/Szamorodni)	30 Minimum 25 EUR/hl	0
2204 21 98 0	-Other	30 Minimum 25 EUR/hl	0
2204 21 99 0	With actual alcohol content of above 22%	48 + Max 96 EUR/hl + .16 EUR/kg	0
2204 29	-Other		
2204 29 10	Wine, other than that in pos. 2204 10, bottled		
2204 29 10 1	With actual alcohol content below 22%	25 Minimum 42 EUR/hl	0
2204 29 10 9	With actual alcohol content above 22%	48 + Max 96 EUR/hl + .16 EUR/kg	0
	-Other		
	-With actual alcohol content above 13%		
	-Quality wines produced in specific regions		
	-White		

2204 29 12 0	Bordeaux	25 Minimum 5 EUR/hl	0
2204 29 13 0	Bourgogne	25 Minimum 5 EUR/hl	0
2204 29 17 0	Val de Loire (Loire valle)	25 Minimum 5 EUR/hl	0
2204 29 18 0	-Other	25 Minimum 5 EUR/hl	0
	-Other		
2204 29 42 0	Bordeaux	25 Minimum 5 EUR/hl	0
2204 29 43 0	Bourgone (Burgundy)	25 Minimum 5 EUR/hl	0
2204 29 44 0	Beaujolais	25 Minimum 5 EUR/hl	0
2204 29 46 0	Cotes du Rhone	25 Minimum 5 EUR/hl	0
2204 29 47 0	Languedoc-Roussillon	25 Minimum 5 EUR/hl	0
2204 29 48 0	Val de Loire (Loire valley	25 Minimum 5 EUR/hl	0
2204 29 580	Other	25 Minimum 5 EUR/hl	0
	-Other		
	-White		
2204 29 62 0	Sicily	25 Minimum 5 EUR/hl	0
2204 29 64 0	Veneto	25 Minimum 5 EUR/hl	0
2204 29 65 0	Other	25 Minimum 5 EUR/hl	0
	-Other		
2204 29 71 0	Puglia (Apuglia)	25 Minimum 5 EUR/hl	0
2204 29 72 0	Sicily	25 Minimum 5 EUR/hl	0
2204 29 75 0	Other	25 Minimum 5 EUR/hl	0
	-Wine with actual alcohol content above 13%, but below 15%		
	-Wines produced in specific regions:		
2204 29 81 0	White	25 Minimum 7 EUR/hl	0

2204 29 82 0	Other	25 Minimum 7 EUR/hl	0
	-Other	25 Minimum 7 EUR/hl	
2204 29 83 0	White	25 Minimum 7 EUR/hl	0
2204 29 84 0	Other	25 Minimum 7 EUR/hl	0
	-With actual alcohol content of more than 15%, but not above18%		
2204 29 87 0	Marsala	25 Minimum 21 EUR/hl	0
2204 29 88 0	Samos and Muscat de Lemnos	25 Minimum 21 EUR/hl	0
2204 29 89 0	Port	25 Minimum 21 EUR/hl	0
2204 29 91 0	Madeira and Setubal Muscatel	25 Minimum 21 EUR/hl	0
2204 29 92 0	Sherry	25 Minimum 21 EUR/hl	0
2204 29 93 0	Tokay Aszu and Szamorodni	25 Minimum 21 EUR/hl	0
2204 29 94 0	-Other	25 Minimum 21 EUR/hl	0
	With actual alcohol content of above 18%, but below 22%		
2204 29 95 0	Port	25 Minimum 21 EUR/hl	0
2204 29 96 0	Madeira, Sherry, and Setubal Muscatel	25 Minimum 21 EUR/hl	0
2204 29 97 0	Tokay Aszu and Szamorodni	25 Minimum 21 EUR/hl	0
2204 29 98 0	Other	25 Minimum 21 EUR/hl	0
2204 29 99 0	With actual alcohol content of above 22%	48 + Maximum 96 EUR/hl + .16 EUR/kg	0
2204 30	Other wine must		
2204 30 10	During fermentation, or with fermentation halted not by alcohol addition:		

2204 30 10 1	With alcohol content of more thatn 22%	45	35
2204 30 10 9	With alcohol content of more than 22%	48 + Maximum 96 EUR/hl + .16 EUR/kg	35
	-Other		
	-With density of 1.33g/cm3 or lower in 20C, with less than 1% alcohol content		
2204 30 94 0	Concentrated	48 + Maximum 96 EUR/hl + .16 EUR/kg	55
	-Other		
2204 30 96	Concentrated		
2204 30 96 1	With actual alcohol content of above 1%, but no more than 22%	48 + Maximum 96 EUR/hl + .16 EUR/kg	55
2204 30 96 9	With actual alcohol content of above 22%	48 + Maximum 96 EUR/hl + .16 EUR/kg	55
2204 30 98	Other		
2204 30 98 1	With actual alcohol content of more than 1%, but no more than 22%	48 + Maximum 96 EUR/hl + .16 EUR/kg	55
2204 30 98 9	With actual alcohol content of more than 22%	48 + Maximum 96 EUR/hl + .16 EUR/kg	55
2205	Vermouth and other wine from fresh grapes		
2205 10	In containers of two liters or less		
2205 10 10 0	With alcohol content of 18% or less	30 Minimum 12.5 EUR/hl	17 Minimum 9 EUR/hl
2205 10 90	With alcohol content of 18 %		
2205 10 90 1	With alcohol content of above 18%, but no more than 22%	48 Minimum 14 EUR/hl + 1.3 EUR%hl	0
2205 10 90 9	With alcohol content of above 22%	48 Minimum 14 EUR/hl + 1.3 EUR%hl	0
2205 90 10 0	With actual alcohol content of no more than 18% or below	30 Minimum 10 EUR/hl	0

2205 90 90	With actual alcohol content of above 18%		
2205 90 90 1	With actual alcohol content of above 18%, but no more than 22%	48 Minimum 14 EUR/hl + 1.3 EUR%/hl	0
2205 90 90 9	With actual alcohol content of above 22%	48 Minimum 14 EUR/hl + 1.3 EUR%/hl	0