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# ECONOMY OF MOLDAVIAN WINE COMPLEX IN CONTEXT OF EUROPEAN UNION INTEGRATION

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**The summary:** *To realize the Moldavian political vector of European Union integration, a paramount importance has the increase of effectiveness of wine complex and the national economy in a whole. During the accession process, current and future development of vine culture and winemaking is assessed, which will allow European experts to make decisions towards futures vineyard areas, the volume and biological category of grafted plant products, the overall volume of the grape harvest and wine production on the domestic market and the EU markets. Increasing the efficiency of this branch of the economy is closely related to the current policy of the state related to subsidize various activities in the nursery wine, using of plantations, integral protection of the grape harvest, creating plantations - parent of clone of a high quality EU countries such as France, Italy and Germany.*

**Keywords:** *national economy, wine complex, competition, quality, export.*

To realize the Moldavian political vector of European Union integration a deep study of the current situation of the wine complex is necessary, determining priorities for development of this important branch of the national economy during the of training and membership. Last years, the practice show that the pre-accession countries was accepted and confirmed to the European wine market by appropriate decisions only on the basis of deep technical and economic studies and examinations.

Currently, the areas occupied by vineyards in Moldova are 142 000 ha and in the period 2004-2014 had decreased by over 10 000 ha. Because of the economic disagreements with the producers of grapes and wines from Moldova and importers of Independent States (CIS) countries such as Russia, Ukraine, Belarus, Kazakhstan and others, this branch has suffered attesting currently a strong decline. From 95 000 ha of plantations, in good condition, productive is about 40 000 ha (their age is 1-7 years), and 38 000 ha of agricultural technique not meet current culture of the vine. From all areas occupied by this culture, it remains to be cleared about 60 hectares of vineyards, vines lack it exceeds 25%, and their age is more than 25 years since their planting. This is proving a disastrous phytosanitary situation, the hubs being attacked by phytoplasma Flovescence d'ore (yellow strings), which causes significant loss in the number of healthy hubs and a considerable decrease in their productivity. The fight with this disease is not so effective because of the high transmissibility on the health plantations. Another problem is the apparition of bacterial cancer of vines in the vine nursery and some plantations; that is why a decrease of vine plantations area and productivity is noted because of the need to disforest the affected hubs and to burn them.

Regarding to the global volume of produced grapes, it varies between 500 and 600 thousand tons per year with a maximum of 685 000 tons in 2009, of which 424 000 tons commodity production. And in 2013, it was registered a rich harvest of 620 000 tons of which the commodity production - 410 thousand tons. It is normal when young fruit plantations harvest reaches 15-18 tons per hectare, while in the old - from 2.6 to 3.4 tons per hectare, that's why the overall average in the country to be only 4.75 tons ha.

Further development of this branch of the national economy depends on several factors: the current state of the wines and vine complex, the grapes, wines and distillates, state subsidies, landing rate and other.

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Thanks to grants from the state, expressed through compensation of planting vines totaling 25 - 30 thousand / ha in 2005, 4500 ha were planted in 2006-5250 ha, 2007-5 , 3000 ha in 2008-4600 ha, but the embargo established by the Russian authorities to Moldavian wines in 2006, 2008, 2010 and 2013 caused huge losses valued over 150 million dollars, inflicting economic deep crisis or even fail of enterprises. In this conditions, a new vine areas planted in November 2013 made up 3.0 thousand ha (varieties for wine-1, 5000 ha); in 2014, it is expected only 3500 ha planted vines (for fresh consumption and for industrial processing).

According to the deforesting of vine plantations, it is noticeable the 2012 year with 4.6 thousand ha and 2013 – with 3.5 thousand ha (during 2007-2011 years it was deforested around 2.3 thousand ha per year). For 2014 it is planned to deforest around 4.5 thousand ha of vine. The deforestation of old and infected vines plantation is encouraged require subsidies from state, about 2-3 thousand lei per ha should be increased at least 10 times. Only under these conditions, we can bring in agricultural circuit the desired area of 60 thousand ha of vine plantations.

Regarding the global harvest in the country: with 4 tons of grapes per ha it is impossible to realize a need profitability. To get a benefit of the wine business is required to be a minimum yield 8-10 tons per hectare, conditions which cover the costs of cultivation, harvest, transport and ensures a modest net income. And these factors must be correlated with the quality of the grapes, wines and distillates feedstock quality (mass concentration of sugars to top g/dm<sup>3</sup> 180-200) with the high protection of these grapes (no gray mold and other diseases and pests).

There are about 60 nurseries of which 10 have an special activity. Leader in this field is LLC " Elita - Vitis Com. " 3-5 million plants produced annually with an average 50 % of first class wine production.

The vine nurseries are the basis of the wine complex development, and because of the political vector of Moldavian integration in the European Union, the pass to the production of a high quality seedling such as “certified” and “basic” is indisputable and extremely important. In order to stimulate the production of wine seedlings of these high biological categories the stimulation by state subsidies in 2014 is set in the amount of 50 000 lei / ha thing that mobilize domestic producers in addressing the transition from seed "regular" at the free viruses and bacteria seed. Of course these goals require the creation of parent-plants of slips and rootstock from clonal selection of EU countries (France, Italy and Germany). In 2013 it was produced and performed only 2.3 million grafted vine plants, of which 3.0 million pieces has formed as table varieties and 0.5 million pieces - the technical ones. It was exaggerated with mass production of material for the "Moldova" variety in volume of over 1 million pieces, while strong demand varieties were produced in small quantities: Arcadia ( 160 000 ), Alb de Suruceni (130 mii), but Presentabil, Codreanca, Victoria, Carmen and others only by 40-60 thousand pieces. During last years the demand of technical varieties for wine, which was produced in 2013 in volume: Rcatiteli (260 000. Pcs) Aigote (150 000. Pcs. Ritont (135 000 Pcs.), The Rhine Riesling (105 000 pcs.) and Viorica varieties Bianca, Sauvignon, Muscat poloschei - only 70-80 thousand.

A difficult situation is noticeable to create a new plantation areas for seedlings production and rootstock for the “basic” category, even if for 2014 year the state subsidies are about 50 thousand lei/ha. It is important to note that the production and marketing of planting material of "normal" category is authorized only until 2015. The deficit of high quality vine plants will be covered by importation from France, Italy and Germany.

The maximal production of grafted wine in Moldova, keep about 10 million workers ( 2007), however, the financial crisis, the difficulties of economic gender embargo imposed by Russia, etc., have reduced activities; As a result, in 2013 there were only 3.5 million pieces, of which 3 million of table varieties and 0.5 million - for wines and spirits production. This fluctuation destabilizes wine products market with considerable damage, with the deepening economic crisis in the country.

State policy is to strengthen the areas planted with vine; for this purpose in the regulations in force in 2014, are set allocations amounting to 10 000 lei / ha for groups of farmers - producers of grapes.

Regarding the range of vine varieties, despite that the state registers includes about 70 varieties, The Minister of Agriculture and Food Industry subsidizes 25 thousand / ha ( 2014) planting vines and additionally about 2, 5000 lei / ha if you plant the recommended varieties (required for export and domestic market) Codreanca, Moldova precoce (Kubani FR), Victoria, prima, Mecita, Kişmiş lucitor, Aperen roz, Negru de toamnă, Guzun, Negruli.

In this context, subsidization of 2014 will be allocated only for farmers who have become members of association of grapes producers, respectively wines with geographical name indicated ( IG ) or controlled designation of origin (DOC ). And here comes the state policy to regulate the accepted assortment: Feteasca regală, Feteasca neagră, Rară neagră, Muscat ottonel, Pinot gris, Riesling de Rhin, Riton, Traminer roz, Cabernet franc.

Production of grapes (for table consumption and wine production) will be certified as "organic", will be supplementary subsidized with 5 thousand lei/ha. In this way, the work of this important area will facilitate to increase the exportations with non-polluted products, clears biological (grapes, juice, concentrate, wine and other).

A special attention is paid currently for plant health of vine plantations, given that, in the last 5-7 years, were found infected areas Flovecence d'ore (drying arms golden strings) via Scaphoideus titanus, coming from the forest strips, abandoned plantations and other locations. An increased concern manifests the problem of avoiding contamination of seedlings and young plantations by bacterial cancer of berries and grapes, caused by the bacterium Agrobacterium tumefaciens.

Making persistent and successfully addressed problems will ensure further development of complex Moldovan wine, will increase the efficiency of activities in this sector and will create prerequisites for product quality requirements in this area to meet the requirements of EU legislation. In this way complex wine of the Moldovan economy will perform, along with the entire economy of the country, the tasks outlined in the plan to achieve our state policy vector integration into the European states.

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