

# TURKEY AT THE CROSSROADS



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Despite its long history as a country under vines, Turkey is still new to the modern wine market. With governmental restrictions slowly being lifted, Turkish wine producers are starting to look optimistically into the future.

Turkey is the meeting point of both eastern and western, and ancient and modern cultures. Archaeological evidence of a wine culture in Eastern Anatolia goes back to 7000BC, and research continues into whether Turkey is the place where vines were first cultivated. Despite this history, it represents a mere 0.25% of global production.

## A big producer

Paradoxically, Turkey has the world's fourth biggest area of vines in the world after France, Italy and Spain, but most grow table grapes and raisins. Wine is currently only the third most profitable activity for farmers, and requires much more labour than the alternatives.

Industry statistics need to be treated with care. There is no vineyard register and while wine consumption is officially estimated at 41.6m litres, the unofficial figure is 60m-70m. According to Turkish government figures, only 21.9m litres were produced in 2007, and 24,000 litres of imported.

These discrepancies are attributed to black market production. In part, this is blamed on the high tax regime; until recently, tax represented 63% of the sales price - which particularly penalised premium wines. In January 2010, a new tax regime of 1.95 Turkish lira per litre (or €0.70 per 75cl bottle) was introduced, along with a bandedol scheme aiming to reduce fraud. Imports are kept at their tiny rate by additional customs duties of 50%.

Culturally, wine faces challenges in Turkey. Even though it's a secular state, the current government has Islamic leanings and the wine industry receives little support - indeed the regulatory body aims to reduce alcohol consumption. Wine, with its Christian associations, is particularly poorly regarded, especially in the more Kurdish-influenced areas in the east, where there are tales of growers who won't sell direct to wineries, or have invoices, in case Allah sees them. Lack of understanding of wine quality means it's difficult to persuade growers to reduce yields or leaf pluck. Only 20% to 30% of the industry's demands can be supplied from its own vineyards, so they are still very much dependent on growers with tiny plots, as land can be difficult to buy.

Wine also has very low penetration in the domestic market (well behind beer and the local spirit Raki), and is largely confined to urban areas and the tourist zones. Here, the rise of cheap all-inclusive holidays means hotels demand the low-

## Vineyards

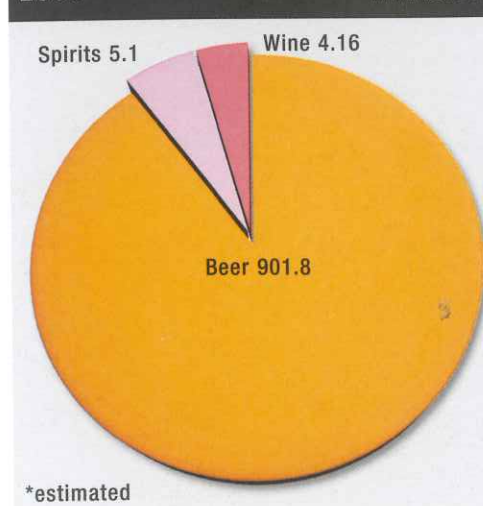


est possible cost prices (including taking black market wines) while it's also typical for wineries to pay significant listing fees to "buy" exclusivity with restaurants.

## The region

Geographically, Turkey is very varied and the lack of Phylloxera in most of the country means there is a lot of ancient plant material on its own roots. French consultants in 1950s planted French varieties, especially in the west, and while these are currently fashionable, there is increasing emphasis on developing some of the exciting and unique local varieties which seem better suited to the climate and soils, as well as

## Consumption of alcohol in Turkey 2008\*



"Wineries here need to learn to trust each other and take responsibility. If we can prove ourselves, and show value added to the economy, we will gain support from the government. Support from the tourism ministry is a good sign."

Taner Ögütoğlu,  
director, Wines of Turkey

having quality potential. Among reds, Öküzgözü and Boğaskere look to have real quality potential, with Kalecik Karasi making lighter fruity reds and appealing rosé. Narince, grown near the Black Sea, and Emir from high altitude vineyards in Cappadocia, are the most promising whites.

Today, there are around 36 wineries, many only formed after the state monopoly Tekel was dismantled in 2004. Domestic competition has meant a reluctance to work together on either marketing or political lobbying, but the recent creation of 'Wines of Turkey' should change all this.

Currently, it has five members, including the big three of Kayra, Kavaklıdere and Doluca, plus Buyulubag and Vinkara. There is optimism that the successes of recent initiatives, supported by sixteen wineries, such as a high profile visit by top UK wine critics, will encourage more membership. That trip already yielded a favourable article by leading authority Tim Atkin headlined "Are we ready for Turkish wine". As

Wines of Turkey founder Taner Ögütoğlu says "it was a real achievement getting the wineries to see the idea of working together to increase the market." In another three to five years, he sees this as a platform for

political lobbying too. With EU accession on the horizon, this initiative should prove positive for the wine sector.

Turkey's modern wine industry is still very young, but it shows real potential for exciting and unique wines, and its links with ancient wine history add a further dimension. Wines of Turkey is a promising step, bringing the industry together, first to tackle education, regulation and attitudes in the domestic market, and then to increase exports, and raise awareness of Turkish wine beyond the expatriate community which currently buys most of it. It won't be an easy path, given Turkey's unique set of cultural challenges, but there is no denying that this country already has the ingredients for success.

## Wine industry statistics

### Wine industry 2007

	Production	Imports	Exports
Wine	21,921,703	23,958	39,247
Sparkling wine	359,850	2,512,268	919,092

### Wine Exports

	Value US\$m	Volume mL	Average price US\$/L
2000	6.2	4.5	1.37
2007	9.2	9.45	0.97

### Wine Imports

	Value US\$m	Volume mL	Average price (US\$/L)
2000	0.34	0.22	1.58
2007	3.1	1.2	2.58

SOURCE: WINES OF TURKEY, TOBACCO AND ALCOHOL MARKET ORGANIZATION COMMITTEE

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