

Lebanese Wines – Potential and Challenges

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Abstract

1. Motivation for choosing the topic and main questions

Wine making in Lebanon has a long history full of challenges. During my stay in the small Eastern Mediterranean country between 2013 and 2017, I had the chance to taste many great wines and was impressed by the winemaker's dedication, their commitment, sincerity, creativity and resilience. Among the around 35 wineries I visited I found a lot of potential. Back in Switzerland, I realized that many wine consumers loved Lebanese wines, once they had the chance to taste them. I therefore wanted to write about Lebanese wines, hoping they would become better known and more appreciated. Also, I was interested in finding out on what level they stand in the international export market and if there was potential to increase the export. Therefore, two questions were raised: Is there any further potential for Lebanese wine in the international export market? What recommendations can be made to increase its export?

2. Methodology

Information was collected through internet research, consulting media, books, wine experts and Lebanese winemakers. This was combined with my personal experience and updated through phone calls and e-mail exchanges, as it was not possible to travel to Lebanon in spring 2020 due to the Corona pandemic.

3. Content

The thesis contains two parts:

First, an overview of Lebanese wine industry and its development over history is given. Afterwards, basic information about vineyard surface and total wine production, main wine regions and main producers, topography, climate, soil, main grape varieties and wine styles, and the legal framework can be found. Also, the thesis shows multiple factors for the potential and challenges of Lebanese wines, such as the good education of winemakers, the role Lebanese businessmen play in winemaking or the lack of state support.

Second, the status quo of Lebanese wines in the domestic and export market is getting analyzed. The paper describes the limits in the domestic market due to its size, political instability and economic difficulties as well as alcohol consumption habits of the Lebanese and the role of (Lebanese) wine in society. All these challenges and a loss of purchasing power led to a decrease of local sales, and the need for export of Lebanese wines becomes obvious. The analysis of export markets shows that exports make up around one third of the total wine production and have increased over the past years. Lebanese wines are available in 70 countries

today. A few producers are world famous. Nevertheless, there is no clear image about Lebanese wine. Exports mainly rely on the Lebanese diaspora which is without doubt very useful, but wine experts consider it to not be enough to significantly increase exports.

As an outcome of the research and analyses, the thesis shows further potential for Lebanese wine in the international export market and lists the following recommendations to increase export:

- ***Achieve more competitive prices for the international export market:***

Lower production costs and reduce taxes, fees and dependency on imports. The state should subsidize wine industry's imports and strengthen local production (e.g. of bottles).

- ***The Lebanese State should protect and support the local wine industry:***

Limit imports of foreign wines or at least do not facilitate them. The *Vine and Wine Institute* as official body for wine has to start working; to study soil and grape varieties, to enforce legal control (and for the future a AOC system), to support marketing efforts and exports, e.g. by reducing export fees and/or by supporting the presence of national wineries at international fairs.

- ***Establish a clear image of Lebanese wine:***

Keep on producing high quality wine and sell it as niche wine and a real unique product. People need to know how old the winemaking tradition in Lebanon is, as well as how good its terroir and how dedicated its winemakers are. Winemakers and wine sellers should focus on retelling background information to clients whenever possible. Therefore, organise tastings and talk and write about Lebanese wines as much as possible. "Choose" a local variety or adopt an international one and promote it as Lebanese. Unite efforts and invest more in common marketing for Lebanese wines abroad. Do long-term targeted campaigns in potential markets.

- ***Expand from the Lebanese diaspora market:***

Lebanese wine needs to achieve international recognition as well as access to and appreciation by a wider public. Reach out to wine critics and wine amateurs, make sure they get to know and taste Lebanese wine. It needs to be present beyond Lebanese restaurants - in wine bars, specialized wine shops and international fine wine restaurants all over the world. Therefore, find new markets and distribution channels, do not stick to the Lebanese diaspora only.

4. Conclusions

Lebanon has a long vitivicultural history, offers good climate and terroir and gains from modern equipment, well trained winemakers and investments from abroad. Lebanese winemakers produce good quality wines with much potential for export. Lebanese are business oriented, multilingual and well prepared to sell their wines internationally. Exports have risen over the past years, while domestic consumption has decreased, mainly due to political and economic instability. The wine trade balance is positive, but the wine industry depends on expensive imports. Production costs are high and need to be lowered to sell the wines at competitive prices. Further, Lebanese wine lack a clear image and need better recognition worldwide. Long-term marketing efforts are needed to sell it as a unique wine. Much added value can be achieved by using "background stories". State support, a functioning control body and a common marketing organism would help to further improve and promote Lebanese wines abroad.

Figures were not easily available, websites of Lebanese authorities often turning out as dysfunctional and figures of OIV and UVL as inconsistent. Often, I had to rely on secondary sources such as media articles. Due to the vast topic, recommendations remain general and further analyses of each point would be needed for concrete measurements.