



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 11/26/2003

GAIN Report Number: HU3013

Hungary

Wine

Market Update

2003

Approved by:

Sarah Hanson
U.S. Embassy

Prepared by:

Dr. Ferenc Nemes

Report Highlights:

Wine imports to Hungary are currently increasing. Hungary's wine tariff will change from 62% to 7-8% (the common external tariff) when Hungary joins the EU in May 2004. This represents an opportunity for U.S. exports. At present, the largest suppliers are Italy, Spain and France. EU products compete with domestic wines in both the high quality and supermarket-level segments

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[HU]

Wine imports to Hungary are currently increasing (imports amounted to 54,200 hl in 2002). The largest suppliers are Italy, Spain and France. Due to duty-free quotas for EU origin wines, EU products compete with domestic wines in both the high quality and „supermarket-level“ segments. Hungary's wine tariff will change from 62% to 7-8% (the common external tariff) when Hungary joins the EU in May 2004. Actual retail prices are about \$5.5/bottle (medium quality EU import) and \$11-13/bottle (better non- EU, Chile, Australia).

Hungarian wine production will be 3.5 million hectoliters according to the National Council of Wine Communities. This is above the 3.3 million hectoliter in 2002 but lower than the record 5.4 in 2001. The quality of the 2003 harvest is excellent, due to hot and sunny summer. Prices for grapes increased above the average rate of inflation.

The Hungarian wine market was glutted last year as a result of dropping exports and stagnating domestic consumption at about 28-30 litres per capita. (Per capita wine consumption is 40 litres in the EU and 12 litres in the US) Trade data in 2003 indicates a 12% increase in sales. Main markets for Hungarian wine are Germany, Czech Republic and Poland, US imports were 7,986 hectoliter (about 1 percent of the total 749,000 hectoliter exports in 2002)