

RECOMMENDATION 126/2012*

Perspectives on the Development of the Winegrowing and Winemaking Sector in the BSEC Member States

1. The Parliamentary Assembly of the Black Sea Economic Cooperation (PABSEC) acknowledges that winegrowing and winemaking represent one of the primary activities of the agricultural sector, and notes that viticulture is an integral part of the social and economic development in the Black Sea region.
2. The PABSEC welcomes the results of the meeting of the Ministers of Agriculture of the BSEC Member States, which took place in October 2011 and which stated the intention to set up a common infrastructure for the agro-industry and to actively encourage initiatives in the areas of food safety and attraction of investments in this sphere.
3. The PABSEC greatly appreciates the Joint Declaration adopted by the Ministers at this meeting, which stresses the intention of the parties to enhance cooperation in the biotechnological, veterinary, phyto-sanitary, and winegrowing and winemaking sectors.
4. The PABSEC supports prospective cooperation by attracting investments in the agro-industry in the BSEC countries, as well as the setting up of a common infrastructure aimed at increasing trade turnover volumes.
5. The PABSEC is mindful that the process of transformation of the economies of the Black Sea countries is rather complex. New trends in the organization of production define an entirely new role for small and medium-sized enterprises (SMEs) in the process of economic development in the BSEC states.
6. The PABSEC supports the view that the creation of SMEs in the winegrowing and winemaking sector is a highly promising measure, as this sector generates a significant volume of industrial production in the Member States.
7. The PABSEC stresses that despite the positive changes in the development of winegrowing and winemaking in recent years, there are problems that continue to hinder the growth of this sector in the BSEC countries. Factors inhibiting development are the absence of a strong raw

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Assembly debate on 23 May 2012 (see Doc.: GA39/EC38/REP/12, Report of the Economic, Commercial, Technological, and Environmental Affairs Committee, *Perspectives on the Development of the Winegrowing and Winemaking Sector in the BSEC Member States*, discussed in Novi Sad (Serbia) on 18 April 2012.

Text adopted by the Assembly in Yerevan on 23 May 2012.

material base, inefficient use of contemporary innovation technologies, poor technical development in primary and secondary winemaking facilities, and improper execution of marketing activities for promoting wine production and sales.

8. The PABSEC recalls its previous Reports and Recommendations:

- Report and Recommendation 16/1996 on *Development of Cooperation in the Field of Trade and Business among the BSEC member Countries*;
- Report and Recommendation 20/1997 on *Improvement of Customs regulations of the BSEC Participating States*);
- Report and Recommendation 37/1999 on *Trade Development in the Black Sea Region*;
- Report and Recommendation 42/2000 on *Promotion of Small and Medium Enterprises in the Black Sea Region*;
- Report and Recommendation 54/2001 on *Promoting Sustainable Agriculture and Rural Development*; and
- Report and Recommendation 59/2002 on *Economic Integration in the BSEC Region: Current State and Future Prospects*.

9. The PABSEC welcomes the activities of international organizations in the areas related to the development of the winegrowing and winemaking sector, including the European Union (EU) Commission, the Food and Agriculture Organization of the United Nations (FAO), the International Organization of Vine and Wine (OIV), the International Federation of Wine and Spirits (FIVS), the Assembly of European Wine-Producing Regions (AREV), and the International Association of Winemakers, among others.

10. **Therefore, the PABSEC recommends** that the Parliaments and the Governments of the BSEC Member States:

- i) *facilitate* the strengthening of the legislative framework for the regulation of winegrowing for winemaking, production and circulation of wine products, taxation, licensing, and subsidization;
- ii) *pursue* the policy of ensuring competition in the winegrowing and winemaking sector by curtailing state interference and managing the process of liberalization in this sector;
- iii) *promote* establishment of an agricultural market, particularly in the winegrowing and winemaking sector, by offering fair property rights on farming lands for the purpose of viticulture;
- iv) *implement* effective measures to inform and render assistance to winegrowers, enabling them to combat grapevine phylloxera and prevent nutrient depletion of soils;
- v) *prevent* excessive use of artificial growth-enhancing factors (synthetic fertilizers, toxic and energy-intensive technology) to increase the yield capacity of vines, with a view to protecting the environment and consumer health;
- vi) *support* the use of grape varieties that can be sustainably cultivated and processed;
- vii) *facilitate* the application of new technologies and research to ensure efficient development of the winegrowing and winemaking sector;

- viii) *encourage* the provision of credit on favorable terms, with the aim of intensifying grand-scale production in the winegrowing and winemaking sector;
- ix) *promote* the establishment of favorable conditions for long-term investments in the winegrowing and winemaking sector and *facilitate* creation of joint ventures in the BSEC region, giving priority to SMEs;
- x) *effectively deploy* financing and credit instruments of the Black Sea Trade and Development Bank and other financial institutions in order to support development of the winegrowing and winemaking sector in the BSEC countries;
- xi) *expedite* the implementation of BSEC projects in the winegrowing and winemaking sector, including investment in pilot projects and the creation of data networks on genetic sources of grape varieties;
- xii) *simplify* post-production procedures for export and transit of wines and *boost* regional trade in these products by implementing flexible customs policies and concluding strategic agreements that will facilitate access to regional and international markets;
- xiii) *encourage* discussions within BSEC bodies related to the winegrowing and winemaking sector, with the objective of defining common priorities and enhancing regional capacities to meet the requirements for the sustainable development of this sector;
- xiv) *consider* the risks and rewards wine producers may face when using geographical indications and designations of origin.
- xv) *establish* more effective and closer cooperation with international organizations such as the EU Commission, FAO, the OIV, FIVS, AREV, and others.

11. The PABSEC invites the BSEC Council of the Ministers of Foreign Affairs to consider this Recommendation.