



## WINE TOURISM – A STRATEGIC SEGMENT IN THE ECONOMIC DEVELOPMENT OF BULGARIA

**Abstract:** This scientific report characterizes the wine tourism in Bulgaria. The focus is on the tourism sector as an object of study. The connection between the wine tourism and the wine sector in Bulgaria is highlighted, as well as the positive effects of the development of the wine tourism and their economic impact. Emphasised are the risks in the development of this new type of tourism. The positive and negative effects of the COVID-19 pandemic and the consequences on the wine tourism are outlined. The author believes that limiting the negative effects and the proper risk management guarantee the development of this sector.

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### Introduction

One of the most dynamically developing sectors in the economy of each country is the tourism. It is considered one of the most developed mass markets in the world in the recent decades [1]. It is also part of the main pillars on which the Bulgarian economy lies. Along with all the widespread types of tourism – such as mountain, urban, sea and health, in Bulgaria, there is also the wine one. It is relatively new in our country and is beginning to develop more and more in the recent years. The benefits of understanding it can change the sector of the tourism and also provide **new opportunities** for economic growth. This scientific report aims to study the development of the wine tourism, as well as both its potential and its opportunities as part of the wine production in Bulgaria. To achieve these goals, the following **research tasks** are solved:

- study of the **wine tourism** in the country and the place that it occupies;
- analysis of the **positive aspects** and the **potential**;
- study of the **risks** in the development of the wine tourism in Bulgaria.

### The problem statement

**The wine tourism** is a specific tourist product that is commonly related to traveling mainly because of the interest in the wine degustation. Together with this, the wine tourists are exploring also the local culture, the history, the natural attractions and the traditional cuisine of each country they visit. One of the biggest **advantages** of this type of tourism is that it can be **practiced during the whole year**. By organizing wine tours, the wine lovers can try the taste of many different types of wine, the method of its production and the storage in the wine cellars, as well as the cultivation of the vineyards themselves.

**The benefits of the development** of the wine tourism are expressed in several aspects - for the tourist organizations, for the consumers, for the wineries themselves and for the areas in which it is still developing. On the other hand, there are some disadvantages and risks in its development. One of the main and most significant ones could be the low popularity of this type of tourism as well as the **existing risks** that are putting the wine tourism under great test. **The opportunities** that the wine

tourism offers are of great importance to the less-developed economic regions and in order to develop them in the future, we should make huge efforts.

### **Analysis of recent research and publications**

This scientific article contains information from selected literature and Internet sources as well as from official reports and opinions. All of them are related to the analysis of wine tourism, wine production and their positioning in the economic sector. In order to achieve the goals of the research and the solution of the set tasks, the methods of analysis of the scientific concepts on the researched problems in the specialized literature are used, as well as the synthesis of the author's ideas and data.

#### **1. Main characteristics and features of wine tourism**

Bulgaria is a country with a thousand-year history, and many archeological finds prove that 5,000 years ago, wine was made within our lands. In the ancient times, the Thracians brought **the first vines** from the Middle East to the lands of present-day southern Bulgaria. The Thracian wine was considered as a standard of quality, and the Thracians were known as one of the best wine producers and masters of wine-making. The wine production continued to develop extremely successfully in the region even during the Roman Empire. In the same period, it is also known that the white wine became popular and the Romans started the production of different varieties of it. They were growing the white wine mainly on the east coast of the Black Sea due to the good climate. During the early Middle Ages, **the traditions of making wine** were well accepted and developed by the Proto Bulgarians. According to various chronicles of this era, as well as the winery of the palace which was founded in the ruins in the capital Pliska, the wine became an important part of the life of the Bulgarian aristocrats. With the adoption of Christianity in 864, wine production began to develop even faster. The reason for this is the wine-related Christian rituals.

Many of the winemaking **traditions and techniques** were lost during the Ottoman Empire, but others have been preserved in local monasteries. **The role of the monasteries** during these times was significant, as they were not only preserving the values of the people but also keeping as much as possible all the traditions even including the wine production. It is well known that the monks became the **main wine producers** over the next five centuries. Local vine varieties are beginning to be passed over from generation to generation.

In the middle of the 18th century, the French diplomat Charles de Peyssonnel wrote that a large amount of **red wine** was produced in Bulgaria, and **5-6 thousand cars** were exported to Russia and Poland every year. One of the first compliments to the Bulgarian wine comes from another French – doctor Paul Lukas. In 1706 he visited the region of Asenovgrad and was very impressed by the local wine, which according to him is not inferior in quality to the French one [3].

After the Liberation in 1878 from the Ottoman Empire, the wine production in Bulgaria began to grow again. By the end of the 19th century, the area under vines reached 1.2 million decares. The first **modern wineries** appeared after the end of the First World War. Shortly afterwards, Bulgarian wine began to be exported to Central Europe, Austria and Germany. Towards the end of the 1930s, Bulgaria became the number one exporter on the continent. However, this rise was **slowed down** after the end of World War II when quantity took precedence over production. Furthermore, new varieties such as Cabernet Sauvignon, Merlot and Chardonnay have been imported. **Nowadays**, new and modern wineries are being built in the country again. The quality of the wine is already of great importance for the winemakers.

During the last century, in Bulgaria, have been established a lot of institutes and **wine museums** which are functioning even until nowadays. In 1902 the Institute of Viticulture and Enology was built in the city of Pleven. The original goal of the institute was to restore the vines destroyed by phylloxera. It was the fifth institute established in the world at that time after those in Russia, Italy, France and Austria-Hungary. Two wine cellars were built in the Institute, where one of them was

carved into the ground according to the French standards. It maintains a constant temperature of 15 °C. Interesting fact is that **wine is still produced** in the casks which are held in the halls of the winery of the Institute. In addition to that, the wine cellar is still keeping an impressive collection of wines produced in Bulgaria over the past 100 years. The oldest wine in the Institute is from 1892. Also, there you can see a large number of materials and documents related to **winemaking** in Bulgaria. One of the most interesting wine museums in the country is the Cultural Center for Viticulture and Enology in the town of Suhindol. The museum is housed in a three-story building in the city center, which was designed by Austro-Hungarian architects in 1921 and belonged to a wealthy local wine family. In this wine museum, you can see an exposition of wine production equipment used a century ago, old oak barrels and vine tools. One of the main goals of the museum is to support the development of projects for **planting vineyards** and the creation of wine cellars in the region. In the small town of Sungurlare is the first thematic museum of viticulture and winemaking in Bulgaria. Its exposition is kept in the house of the famous local winemakers and which was built in 1882 - the brothers Ivan and Milko Hristovi. They also won the country's first major wine award at the exhibition in Antwerp, Belgium, in 1898. There, their Red Muscat wine won a gold medal. Another, relatively new museum is the one in the town of Melnik. It was established in 2013 and is located in a building near the city center. The museum has a rich exhibition that traces the history of wine over the centuries. In the capital Sofia there is another museum dedicated to the history of wine after the Liberation. The museum building is in itself of historical value. It was built in 1880 by a private beer entrepreneur. In 1956, the newly established Institute of Wine Industry moved to the building. Since then, the cellar of the former beer factory has been used only for wine purposes [2].

As in any country in the world, in Bulgaria there are specific features of wine production and wine growing. It is an interesting fact that the **field of Sofia is not suitable** for growing grapes, but it is home to most people who consume quality wine [4]. Another feature of the country is the mountain Stara Planina, which divides the country into two parts. This affects the climate and respectively the cultivated grape varieties in Southern and Northern Bulgaria have different characteristics. It is extremely important to mention that we have a huge diverse relief of our land, as well as a great presence of rivers across all our country. There are a total of 325 rivers in the country, 33 of which are over 100 km long. This rich river network creates a specific microclimate, which has an impact on the **wine production**. Consequently, this is leading to the exceptional variety of wines, which is an important condition for the **development of wine tourism**.

European agriculture has significantly changed with the establishment of the common agricultural policy. Many small family farms have been restructured and evolved from a family structure to a corporate system, meeting the standards and the structuring the production system [5]. This process is directly related to the change of the appearance in rural areas. It is in the small settlements that wine tourism develops.

This type of tourism is particularly committed to the changes taking place in the agricultural sector. Taking into account the territory of Bulgaria and its climate conditions, the country was taking **fifth place for wine production** in the world in the 70s of the last century. At the time, the Vinimpex trade monopoly was the world's largest wine seller, with quantities in excess of 300 million bottles per year, making about 1 million bottles per day. Of course, this happened in a completely different economic and political environment. Today, after 14 years of Bulgaria's membership in the European Union, the country is at the forefront of the union among wine-producing countries, as well as **21st in the world**. This gives the prerequisites for the development of wine tourism in our country.

By itself, the main goal of the wine tourism is visiting a winery or touring several wineries in one area for the purpose of tasting local wines. There are five wine-growing regions in Bulgaria, which are characterized by specific features: Northern region – Danube plain, Southern region – Thracian lowland, Eastern region – Black Sea, Southwestern region – Struma Valley and Sub-Balkan

region – Rose Valley [7]. Each of them has specific features related to the climate and the specific varieties of grapes.

We can also characterize wine tourism as an alternative tourism, in which the main purpose of the trip is considered to be the tasting and consumption of wines offered by the region. The practice of this type of tourism can be **combined with other forms of tourism**, which include observation of cultural and historical sites, nature walks or tasting of local dishes.

Wine tourism is associated with modern **specialized infrastructure**, relatively good transport accessibility, availability of quality accommodation in the wineries or near them. It can be combined with various events related to wine – holidays, fairs, wine festivals, as well as customs and rituals related to the way of life of local people [8]. Wine tourism can be combined with cultural, rural, eco, sports, adventure tourism or be an independent purpose of the visit. Characteristically, it is possible to take place during the holidays, only for one weekend or day [9].

We can summarize that in order to develop wine tourism, several conditions must be met. First, a sufficient amount of **quality wine**, interesting wine cellars and a large number of wine events in the country. Another very important condition is the availability of a secure material and technical base, including roads to vineyards, tasting rooms, restaurants and accommodation. The tour operators and the travel agencies are of great importance as they offer organized services in wineries and diverse information to tourists.

In recent years, the country has become an **attractive destination** for wine tourism – not only because of the traditions of wine production and wine culture but also because of the many **successfully operating** private wineries. By 2020, nearly 100 of the 282 registered wineries in the country are engaged in wine tourism. The main service they offer is a tour of the vineyards, and only one third of the wine cellars are offering **accommodation**. On average, the wine cellars are visited by up to 20 people a week. The number of wineries, which are visited by over 5,000 people a year, is extremely low. There is a tendency for the cellars to be visited mainly by Bulgarian tourists. The only exceptions are the wineries located on the Black Sea coast. Two-thirds of the wine cellars manage to achieve 10% of their turnover, thanks to the fact that they are selling wine. Every fourth winery in the country manages to reach 20% of sales, and a very small number above that [10]. In comparison, in Australia, the amount of direct sales of wine is exceeding 35%, and the annual turnover from wine tourism is estimated at about 3.6 billion US dollars.

## 2. Positive aspects in the development of wine tourism

Before we talk about wine tourism, firstly we must have built well-established wineries and produce quality wine that will attract tourists. However, making good wine requires a lot of work and time. We can say that the work on wine production does not stop throughout the year. After all the necessary efforts are made to grow the vines, the grape harvest takes place in the autumn. After that, the grapes must be sorted and undergo primary processing. The following months are associated with the observation of fermentation processes. The rest of the year is related to storage, filtering, tasting, blending, laboratory analysis, bottling and labeling. Finally, once the wine has been produced, the hard part comes – selling it. This is happening mainly because the economic benefit is the main motivation for the development of the tourism [12].

In the last ten years, the development of tourism has followed a growing curve and is an unavoidable economic factor for European countries. According to the World Tourism Organization, France receives about 83 million foreign visitors per year, and Spain – 60.6 million. It is this tourist flow that drives many countries to seek and **develop innovative products**, combining different technologies to offer new tourist services along with the traditionally accepted ones. **Wine tourism** is an example of such a new trend, offering both innovation and rural development. A wine cellar producing quality wine can become a **center of attraction** for many tourists in the weaker economic regions of each country. In the recent years in Bulgaria, we can observe that we have started to

develop our wineries and we are trying to open the tourist market even further. In many of the wineries, the wine production is no longer the only way to make a profit. We can observe that we have started to offer degustations, overnight stays and involving tourists in wine production, which could become part of the total income if we develop the wine tourism properly in our country.

Apart from attracting foreign tourists, wine tourism in Bulgaria has a **positive effect on domestic tourism**. A new destination can offer a number of opportunities for growth in the era of low employment and at the same time provide a better combination of investment in infrastructure and human capital in the host regions [14]. The specific conditions under which the visits to the wine cellars are carried out – in small groups, the observance of high hygienic norms and rules turn out to be a key factor in the conditions of a pandemic. When the tourist sector is experiencing enormous difficulties due to the adopted international restrictions due to the coronavirus, small wineries are able to comply with the restrictive measures introduced. In this way, wine tourism gets its chance to reduce financial losses.

Its development will increase the competitiveness and market adaptability of the enterprises themselves. With the adopted National Strategy for Development of Viticulture and Enology in the Republic of Bulgaria in the period 2005 – 2025, the state **encourages winemakers** in the sector to upgrade their facilities and start a production from their own vineyards. Opportunities will also be provided for the renewal of organic wine-producing enterprises, which will respond to growing consumer preferences and the overall national strategy for increasing organic production [15].

In addition, Bulgaria is increasingly successful on the world map of wine producers and has won numerous international awards. At the beginning of 2017, Bulgaria was ranked second among the 10 best destinations for wine tourism in the world. It is ranked by Wine Enthusiast, one of America's two most prestigious wine and gourmet magazines.

### 3. Risks to the development of wine tourism

Firstly, the actual concept of risk can be used in various fields such as political, economic, social and others. In the most general sense, the risk is the influence of uncertainty to achieve certain goals. Goals or expectations are influenced by events that can have both undesirable and expected consequences.

Wine tourism can have good prospects for every rural area, but we must note that there are a **number of problems** that are both objective and due to subjective factors – government policy, lack of entrepreneurial capacity of local communities, underdeveloped infrastructure, insufficient investment funds. The main problem, especially in Bulgaria, is that this type of tourism is oriented towards **low-paying consumers**, offering mainly accommodation and food in an unpretentious environment [17]. Another problem is the **lack of accepted standards** for service quality. While the stars of hotels and especially the brands of certain world chains guarantee high quality of the expected service, such a categorization of the cellars offering wine tourism is missing. In Bulgaria, there is no separate reservation system for accommodation in the rural and the wine tourism, and most owners are using Airbnb and Booking.com, along with the mass tourist offer. Since this is not well developed it is consequently negatively impacting the wine tourism in Bulgaria.

Tour operators for alternative forms of tourism are also a small part of the total number. Poor **infrastructure** remains a problem for Bulgaria – in some places, there is no sewerage, good water supply, in protected areas there are no signs and information boards, cultural landmarks are destroyed or not marked. Human resources can also create difficulties. Wine tourism requires high professional training and specific knowledge for the whole process of wine production.

When we talk about the risk in wine tourism, it is important to take into account the main processes associated with the production of wine. Such a process is viticulture, which is an important sector for Bulgarian agriculture.

Bulgarian wine producers have experience and traditions, both in the cultivation of vineyards and in the production of wine. However, the current socio-economic conditions are positioning the wine sector in Bulgaria to a number of challenges and difficulties related to grape production. Dependence on climate conditions, vine diseases and pests often make production unpredictable.

**Global climate change** is leading to an increase in extreme natural phenomena and disasters, which could also lead to an outflow of tourists. Possible pollution of air, water and soil can have a huge impact on attempts to develop wine tourism. In addition to direct damage to the vineyards themselves, environmental crises are reducing the number of tourists in the affected areas. Changes in consumer attitudes and their solvency also affect wine production [18]. All these factors together pose a threat, not only to the individual wine producer but also to the overall wine tourism, as both the process and the tourist service are in direct interaction.

Other risks may be related to gaps in the quality of tourist services at wine tourism sites, as well as the relatively low popularity of the product on foreign markets [19]. Naturally, wine tourism is influenced by all external and internal threats that Bulgaria may face. In today's world, terrorism and migration flows are a major problem for different tourist destinations. Another risk that we can highlight is the coronavirus pandemic that began in 2020.

The **unexpected restrictive measures**, the closure of the tourism sector and the suspension of international travel are proving to be the biggest threats up to date. Due to the pandemic, the wine tourism has been significantly affected in a negative way. In this regard, we can take into account the positive measures taken by the state to support wine producers. The main measure that has been taken by the government is the crisis storage of wine. The state provides storage in tax warehouses or wine production sites of wine products temporarily withdrawn from the market. The measure applies to wines intended for storage due to lack of commercialization as a result of the COVID-19 pandemic. The purpose of the support is to provide economic support to wine producers who, due to the exceptional market situation resulting from the pandemic, will not be able to sell their wine [20].

### Results

- Wine tourism is directly **dependent** on other sectors of the economy – viticulture and wine production.
- The efforts that were made by the state, as well as the **long experience** of Bulgaria in the wine production, are providing the basis for the development of wine tourism.
- **Risks and threats** to wine tourism can slow its further development.

### Conclusion

Bulgaria has **established traditions** in wine production. During the Renaissance, it was **an exception** for someone not to own a vineyard. Today, winemaking continues to be part of the way of life and culture of a large part of the population. This gives the prerequisites for the development of a modern type of tourism, such as wine. In recent years, wine tourism has undergone positive changes. This type of service is becoming more and more popular in our country.

Bulgaria has all the necessary resources to be **competitive** in the leading wine destinations. **The risks** that are associated with the climate change dependence, as well as the low popularity of the wine tourism and the **underdeveloped rural areas** repel consumers and create a sense of insecurity, which is leading to a lack of new investors in the wine sector. The combination of limiting the negative effects and promoting Bulgaria as a wine destination would ensure sustainable development in the future.

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