

NEW HEIGHTS

With a strong domestic market and new wave winemaking talent it's time for Austria to take on international competition. Penny Boothman reports

AUSTRIA HAS a colourful and diverse domestic market – as you would expect in a country that has a specific word for a venue that only serves wine. These *heurigen* have been a part of society for more than two centuries, and are the basis of a flourishing local trade. However, when Austrian wineries wish to export they start to face difficulties. The problem is that the relatively small scale of most operations simply won't supply the volume needed to compete on a global scale, at global prices.

But that's not to say that Austrian wineries don't export. In fact exports have more than doubled since 2000, reaching €81.5 million in 2006. Germany is, unsurprisingly, by far the largest customer, taking 35.3 million litres of wine, worth €44.6m, in 2006. The US has also grown into an important market, rising from just less than 300,000 litres worth €2m in 2000, to 1.3m litres and €7.2m last year. Destination UK may be tiny at just 109,000 litres in 2006, but value growth has been particularly significant on this front, from €354,000 to almost €2m in just six years.

The dominance of large New World producers is making it increasingly difficult for smaller, more fragmented European countries to compete on the world market. However Austria has one trump card to play: in comparison to the rest of the wine world, the quality of Austrian wines is consistently extremely high. Of the 2.26m hectolitres produced in 2006, just over 2m hl of it was quality wine. Few countries can claim that almost 90% of their production meets high quality specifications.

"Austria is too small to produce industrial wine. The structures in Austrian wine business are, in comparison to international companies, very small in size," explains Clemens Haydn of Klosterneuburg. Founded in the year 1114, the Klosterneuburg monastery and winery is the oldest working winery in Austria. "To survive in the global declining market, Austrian producers have focused on high quality since the mid-

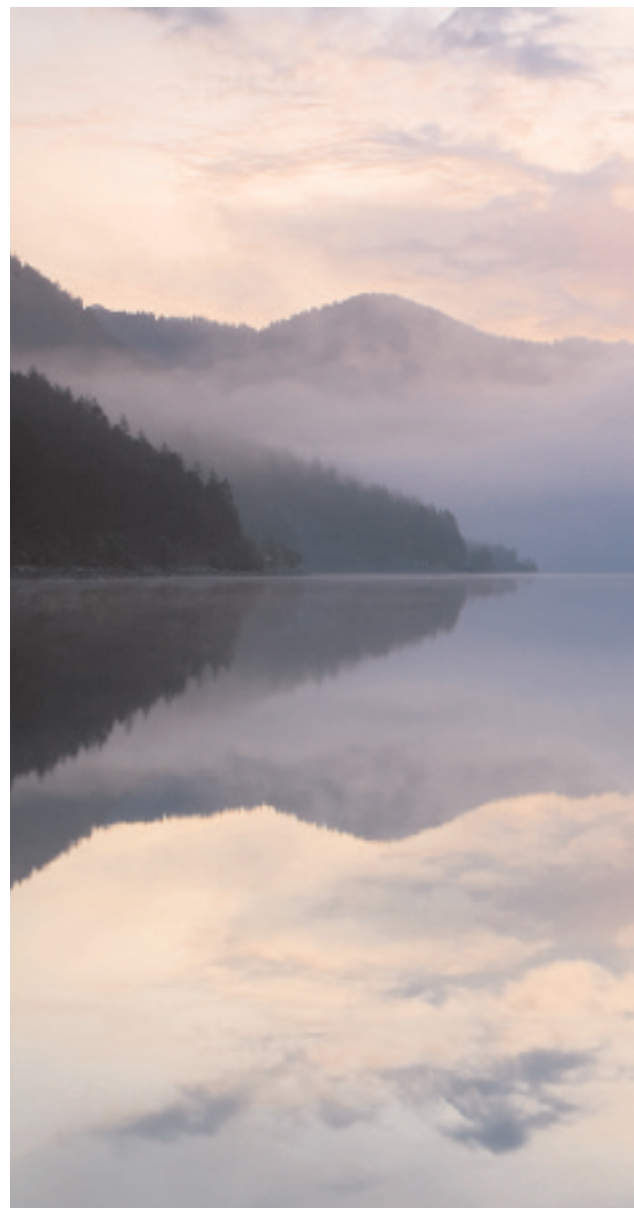
1980s. Also organic cultivation in the vineyards is widespread among Austrian wine producers. Wine consumers can trust in our products."

For somewhere as apparently esoteric as Austria, trust is important. However, one source of confusion in the export markets has been the multitude of different appellations produced in the different regions. In 2003 the Austrian Wine Marketing Board introduced the Districtus Austria Controllatus (DAC) mark. The appellation is intended to be a guarantee of typicity of a particular grape variety from a particular region, and will, it is hoped, give consumers more confidence in purchasing Austrian wines. The inaugural DAC went to Weinviertel, then Mittelburgenland followed in 2005 and Traisental was the most recent addition last year. Results have been positive and where these regions are leading, the rest will follow.

Regional distinction

But are the regions different enough to merit this kind of treatment? Frankly, yes. Austria is a complicated patchwork of different soils, meso-climates, altitudes and topographical features all crammed into one end of one small country. "The different wine regions in Austria differ very much in geology," says Michael Reinisch of Johannesshof Reinisch. "Our region, the Thermenregion south of Vienna, is often compared with the Côte d'Or in Burgundy. Our soils are characterised by gravel and brown soils with a high content of active limestone, which is shown by a lot of minerality in the wines. We think it is very important to put this distinctive source into the wines."

As distinctive as Austrian soils are, it's Austrian grape varieties that really set the wines apart. However, while this is one of Austria's greatest assets, it is also probably the country's biggest challenge. In a retail environment such as the UK, where Riesling is a mistrusted oddity and Viognier is positively unpronounceable, what chance does Rotgipfler have? Or Zweigelt?





Climb every mountain: Austria may be small, but it has very distinctive regions



There is a valid concern that international markets find Austria's unusual grape varieties too risky to buy. The answer, some are finding, is to use strong branding. The Laurenz V range was launched with the 2005 vintage with three wines called, Charming, Friendly and Singing. Creator of the range, Lenz Moser, is a firm believer that Grüner Veltliner is the variety of the future for Austria, and now in fact refuses to work with any other grape.

Innovation in action

"We're at very early entry into the world market so I wanted to do the packaging and presentation differently, we feel the innovation with naming reflects the style of the wines," explains Moser. Currently 90% of Laurenz V production is exported to a total of 25 markets around the world. Although the on-trade is still a major target, Moser has also achieved that Holy Grail of Austrian exports: success in UK retail.

"Tesco is going very well indeed, which was to my expectation, but well above theirs. And recently they've trusted us to make their Tesco Finest Grüner Veltliner, which is just being launched at the moment," continues Moser. "That's brand new. They're really getting behind Grüner Veltliner." And just as Moser's premium brands are finding success in Tesco in the £6-£7 range, discount chain Aldi is also introducing an Austrian pair, a Grüner Veltliner and a red Blauer Zweigelt, at under £5.

"Austria is only 1% of world wine production, but if you want to export you should take just one variety to the world. We need to position Austria as the country of Grüner Veltliner. New Zealand has been making a big noise with Sauvignon Blanc in the UK for years, and it deserves to, but there is less Sauvignon Blanc produced than there is Grüner Veltliner – Austria has twice the area under vine that New Zealand has! We have enough wine to supply the world, and I think we should look at what NZ has done.

"We have the young generation now. There are 10-15 wineries where the next generation have seen the world and have made the decision to grow their business. They know we need to penetrate other markets much more."

The US and Asia are targets, as is the rest of Europe, but the UK remains the primary goal for most Austrian producers. "We're on a mission here, that's very clear," confirms Moser. "If we can keep up the momentum of the last two years, I'll be more than delighted." ab