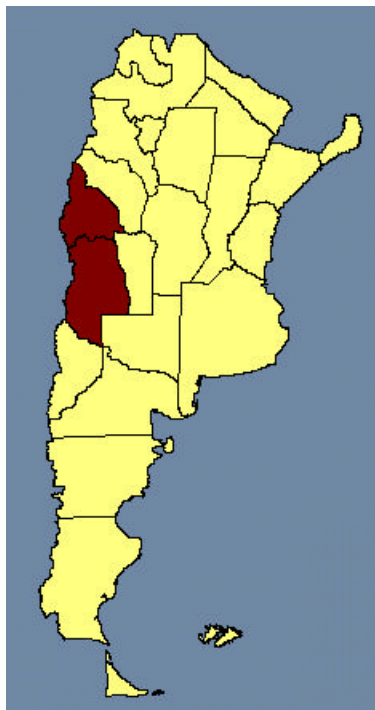


WINES

The activity of wine making in Argentina has started some 125 years ago, coincided with the massive immigration from countries with a strong tradition in wine making. During the last years the Argentine wine industry has been growing exponentially, largely due to a transformation process. This transformation is related to higher international demand and to the dynamic investment process in the companies.



Argentina ranks 5th in production. In 2003-04 Argentina had approximately 212,000 hectares of wine grape bearing vines, which produced 11.1 million hectoliters of wine from 27 million qq of grapes. Local production of wine has diminished considerably in recent years but as a consequence of a transformation process in which fine wine production has experienced a significant growing tendency replacing ordinary wines.



The Argentinean wine industry is made up of 825 wineries. The majority of wineries lie on the valleys situated in and along the foothills of the Andes Mountains where a desert climate produces arid growing conditions. Irrigation by water obtained from the plentiful, eternal snows of the Andes and the combination of warm sunny days and often very cold nights create an especially healthy environment for wines. Each vine – growing region is marked by its own particular attributes and even within each region; there are areas with different climatic and soil characteristics, which enable the cultivation of different vines and the production of a wide variety of wine styles. Argentina produces both bottled

and cask wines from a wide range of grape varieties. Major red varieties include *Malbec, Cabernet Sauvignon, Syrah, Merlot, Bonarda, Tempranillo* and

Sangiovese. Major white varieties are *Chardonnay*, *Chenin Blanc*, *Sauvignon Blanc*, *Semillon* and *Torrantes*.

In the last few years, the sector has experienced mergers and acquisitions of local companies resulting in an increase of foreign firms.

During the last 20 years, Argentine winemakers have started to show an interest in presenting their wines at international fairs and contests. Fine wines as well as table wines, were distinguished with many awards. In a short time, Argentine wines have passed from being totally unknown in other countries that produce and consume wines (despite being the fourth producer in the world) to obtaining full acknowledgment: they have received hundreds of gold, silver and bronze medals in such countries as France, Italy, Britain, USA and others.

Exports continue to grow strongly reaching \$295 million in overseas sales in 2005. The increased presence of Argentine fine wines abroad in the last five years is strongly related to the growth of international demand for wines and the



Over the last five years the export sector has grown at an average annual rate of over 21%.

promotion of Argentine wineries at international fairs. USA, England, Brazil and Canada are the main destinations of Argentine wines. Our two biggest export markets (the US and England) account for 32% of exports in value terms.

Advantages

The presence of a number of regions that are highly suitable for the development of a viticultural industry with well-defined characteristics. The first of these characteristics is altitude. Vines are cultivated on plains whose slope ranges from 0.2 to 2 percent, and whose altitude ranges from 300 to 2,400 meters above sea level. Another distinctive feature of Argentine wine is its natural purity. The diseases that usually affect vines are not frequent in this region because of its dry climate, and, therefore, the treatments applied to cure such diseases are rarely needed. Soil fertility is regulated by using irrigation methods which take advantage of the ultra pure water that comes from the melting of Andean snow and glaciers. High ripeness levels are yielded by the abundant sunshine coming through a sky which is almost always clear. These conditions are conveniently offset by a thermal amplitude of about 15 degrees (Celsius). Last, but certainly

not least, all vineyards are located in unpolluted places, far away from population centers. Furthermore, they are generally planted in scarcely labored soils, which make it possible to dispense with the use of fertilizers.

High competitiveness of Argentine wine producers: excellent price/quality ratio, as a result of the favorable natural environment and its skilled viticulturists and winemakers, its modern industry infrastructure and research institution network.

Opportunities

A significant lifestyle shift, based on increasing affluence and wealth has created exciting prospects for the wine industry. Continued growth of the industry is ensured by new products and brands with customized attributes designed to capture younger drinkers, and targeted export markets. Emerging segments are also developed in wine tourism and through horizontal integration with other gourmet food industries.

To know more about wines and wineries of Argentina visit the following website:

www.winesofargentina.org

Mendoza, the center of Argentina's wine industry is the only city of South America member of the Global Network of Great Wine Capitals.

