

Opinion – The Geopolitics of Moldova’s Wine Industry

Written by Wilder Alejandro Sánchez

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WILDER ALEJANDRO SÁNCHEZ, FEB 12 2025

The Republic of Moldova has been deeply affected by the war in Ukraine. The war severely affected Chisinau-Moscow relations to the point that Russia cut energy supplies to Moldova, forcing Chisinau to completely overhaul its energy security strategy – a painful and expensive process for the country and its population. Yet, President Maia Sandu, re-elected in late 2024, has remained steadfast in her support for Kyiv. On the other hand, sectors of Moldova’s economy better adapted to the war and its consequences, specifically Moldova’s famous wine industry. The primary reason why the wine industry generally did not suffer due to the war was because Russia had previously applied sanctions, in 2006 and 2013-2014, against Moldova that had forced Chisinau to look for new markets and partners, thereby reducing the country’s dependence on the Russian wine market.

The 2006 ban was a punishment for Chisinau’s refusal of the Kozak Memorandum, Moscow’s proposal to “resolve” the frozen conflict between Moldova and the separatist Transnistria region. A secondary reason was Chisinau agreeing to a border control regime with Kyiv. The 2013 trade restrictions were Moscow’s response to Moldova’s signing of the Association Agreement with the European Union. By 2014, these restrictions expanded to include customs tariffs across 19 categories, representing about 10% of Moldova’s total exports in 2013. The bans severely impacted Moldova’s wine industry, with wine exports contracting sharply—by 21.9% in Q4 2013 and by 38% in Q1 2014—resulting in a significant negative contribution to GDP growth.

Moldovans are proud of their wine, a vital pillar of the country’s economy and its history, so Chisinau was not going to let this industry rot. In 2013, the same year as the sanctions, Chisinau established the National Office of Vine and Wine (Oficiul National al Viei si Vinului: ONVV) to serve as a public affairs office to attract new customers. With the Russian market closed, Moldova sought to diversify its customer base, which overlaps with the government’s close diplomatic (and security) partners: the United States and Europe. The United States is now the country’s top destination for bottled wine, accounting for 33% of total exports, followed by Romania with 16%, and Czechia with 8.1%. Other destinations are Poland and the Baltic States. According to the ONVV, the country exports to around 70 countries. For comparison’s sake, in 2023, only 2.6% of Moldovan wines were exported to Russia, compared to 81% in 2000.

Chisinau is actively engaging potential new customers. In November 2024, over 165 business-to-business meetings were held between Moldovan producers and German buyers in Hamburg. Germany is becoming one of the fastest-growing markets for Moldovan wines in 2024, registering a 112% increase compared to the previous year. Moldova’s wines are also gaining significant traction in non-traditional markets such as Japan. Victor Bostan, director of a leading Moldovan winery, highlights the need for bilateral agreements to secure reduced tariff quotas for Moldovan wines. For instance, Turkiye offers a limited quota for wine imports at reduced tax rates, which could be expanded. Similar opportunities could also be pursued with China to boost export volumes.

Overall, in 2023, Moldova exported 123 million liters of wine, valued at US\$192 million, marking an 18% increase in volume and a 24% increase in value compared to 2022. In the first half of 2024, Moldovan exported over 71 million liters shipped to international markets—a 17% increase compared to the same period in 2023. The total value of these exports reached US\$110 million, representing a 21% growth. The country is among the 20th largest wine producers in the world. Today, 3.8% of Moldovan agricultural land is dedicated to vineyards, contributing 3% of the GDP and employing 15% of the active population. Considering that the tiny European nation has an overall

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population of around 2.6 million, it is easy to see the importance of the wine industry for the livelihood of many Moldovans. As the Sandu administration wants Moldova to join the European Union by the end of the decade, protecting the wine industry will be a sensitive topic in the negotiations with Brussels, given that the Union has many global powerhouses in the wine industry.

Since the war in Ukraine commenced, President Sandu has taken a strong stance against Moscow, not only by supporting Kyiv but also by breaking the historical relationship between the two countries. Moldova no longer relies on Moscow and Gazprom for energy security. Moreover, Sandu spearheaded Moldova's application to the EU, making the head of state the Iron Lady of Eastern Europe, while other European leaders flip flop in their attitude towards Moscow. The president's strategy moves forward after Sandu's successful re-election and narrowly winning a pro-Europe referendum in late 2024. However, Moldova's decoupling from dependence on Russia for wine trade goes back over a decade due to the 2006 and 2013-2014 sanctions. Ironically, the measures that hurt the Moldovan economy and industries at the time ultimately made the wine industry more resilient by the time the war in Ukraine commenced since exports and commercial efforts were already focused elsewhere.

A brief comparison can be made with Georgia, which remains deeply dependent on Russia for the wine trade – in January-October 2024, the country's wine exports totaled US\$237 million, with Russia accounting for 68%. While the success of the pro-Moscow Dream party is a turning point for Georgia, the Caucasus country's wine industry has continued to be heavily dependent on Russia despite the 2008 Russo-Georgian war and the loss of Abkhazia and South Ossetia.

Wine is not solely a source of pride for Moldovans but a vital pillar of the country's economy. Moldova's wine exports depend not just on the quality of Moldovan wine or successful marketing campaigns by the government, including the ONVV, to attract new customers but also on how geopolitical developments impact which countries choose to acquire their wine. Nowadays, Moldovan allies and partners enjoy Moldovan wine.

About the author:

Wilder Alejandro Sánchez is President of Second Floor Strategies, a consulting firm in Washington, D.C. He covers geopolitical, defense, and trade issues in Central Asia, Eastern Europe, and the Western Hemisphere. He has monitored Moldovan affairs for over a decade: he co-authored a chapter on the Transnistria separatist problem for the book *Separatism and Regionalism in Modern Europe*, while a journal essay on Moldova's Gagauzia region is scheduled to be published this year.