

Burkhard Schuchmann to Georgian winemakers: Target medium to high-end restaurants



Burkhard Schuchmann, 69, CEO of Alternative Railway Investments AG based in Frankfurt arrived in Georgia five years ago as a tourist. Now he owns a vineyard and a wine plant in the vine-rich Kakheti region and his product is branded as Schuchmann – Wines.

According to the businessman, Georgia's investment friendly environment - the effective reforms and initiatives, aiming at improving investment climate and sustainable economic policy in the country, have played the major role in the successful start of Schuchmann – Wines.

Schuchmann's German business represents a financing company for railway rolling stock and infrastructure. He is also Vice Chairman of the Board of Patentes Talgo a Madrid-based company, which produces high speed trains. After retiring from some other major executive industrial activities in 2005 he started to think about realizing "old-time dreams" about starting an own wine business somewhere "in an exciting part of the world." So he came back again to Georgia, bought a winery in Kakheti and started to make his dream a reality.

Invest Today interviewed Schuchmann about his experience in the Georgian business.

Q: Can you recall your first trip to Georgia. What made the biggest impression?

A: It was autumn 2006 when I discovered the small country of Georgia with its great potential, history, culture, hospitality, wine traditions and great nation full of hope and love.

It was a coincidence that during the famous railway fair Innofairs in Berlin I attended September 2006, a colleague drew my attention to the Georgia rather unknown wine country in the western world. Months later I found myself traveling through this country for the first time in my life. As an industrial manager from the world of rail I was quite unprepared for the unspoiled natural beauty that greeted me. I vividly recall how quickly I developed close ties to the country and its people.

Q: You are running a business in Kakheti. How easy it was for you to develop this business?

A: For my dream to materialize, I succeeded in forming a remarkable successful cooperating Georgian - German team led by Angeles Tegtmeier, managing partner and George Dakishvili, winemaker and inspiration of the entire project. He is, in fact, winemaker in the

third generation of his family to have embraced the profession. The investment project started in 2008 with the acquisition of the wine fields and at that time small winery Vinoterra in Kisiskhevi. In 2009 we started a total reconstruction of the existing winery by using details of modern and traditional east Georgian architecture, constructing a large new wine cellar where brand new winemaking machinery and bottling line was installed, and building an additional new Kvevri cellar for Kakhetian style wines and erasing of integrated hotel-restaurant with high sophisticated services for international and local food and wine travelers.

The major role for the successful start of Schuchmann - Wines played the investment friendly environment, effective government reforms and initiatives, aiming at improving the investment climate and sustainable economic policy in the country.

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Q: Schuchmann – Wines counts today about 35 permanent employees and about 100 seasonal workers as we know. What is the production volume? Which sort of wines are you producing?

A: Schuchmann Wines owns both, the plants and the winery with a total wine land of 120 hectares at the two locations, of which 66 hectares are planted; about 51 ha are in Napareuli and 15

ha in Shilda. The rest serves as a reserve. The chateau in Kisiskhevi covers about 1.2 hectares. At the time of the takeover of "Vinoterra", the chateau only consisted of a small wine cellar and empty buildings. The original buildings were completely renovated and comprehensively expanded by Schuchmann – Wines. Today, the entire complex is consistently designed in the typical regional style and is equipped with modern western European technology. This is especially true for the production buildings and warehouses, which are equipped with modern air conditioning and viticulture and cellar technology.

The complex contains two Qvevri cellars, two wine cellars, an open warehouse and two closed warehouses, a degustation room, a restaurant, various guest rooms, a laundry and a Georgian bakery. Schuchmann Wines possesses all state-of-the-art machines and equipment necessary to produce high quality wines. This include a de-stemming machine, segregation lines and wine presses, stainless steel tanks, qvevris and barriques for fermentation and aging and a complete labeling and bottling line. The total production of our high quality wines shall be extended from today's about 400,000 up to 600,000 bottles in the next years. Schuchmann – Wines completely focused on high quality wines.

Q: And where are you selling your wines? What is the price of a bottle of wine?



Burkhard Schuchmann owner of Schuchmann – Wines

A: The local ex cellar prices per bottle run from 7 to 30 lari.

We market our wines on the local Georgian Market and export them to former CIS countries, especially in the larger countries such as Kazakhstan, Ukraine, Belarus, Azerbaijan and more as well as in the most interesting European markets with the fantastic Georgian wine story of 8,000 years in wine history in this country, the special and autochthonous grapes, like Saperavi, Rkatsiteli and Kisi and the very special traditional Kachetian way of fermentation in Qvevris.

In the long-run the demand for Georgian high quality wines could significantly increase with a reversal of Russia's export ban.

Q: As we know you have developed 2Ha project. Can you tell our readers what is it about?

A: "Schuchmann Invest" - The new investment activity in Georgia aims to attract foreign investors in Kakheti region. "Schuchmann Invest" offers to investors the possibility to acquire two hectares of the planted vineyard area of my winery and produce high quality luxury Georgian Wine. We will be able to offer investors day to day services, including production, bottling, packaging and delivery to the pre-specified destination. The model I offer is new for the Georgian wine market but well adopted in other wine growing countries. I am sure the system will work well as we know that there are worldwide interested potential investors for such a project.

Q: Amid the confrontation with Moscow, Georgia lost its biggest market – Russia and is replacing it now with the new markets in Europe, USA

and Asia. What is your opinion of Georgia's wine industry and potential?

A: There are two possibilities for Georgian wine producers. They can concentrate on modern style wines, produced in stainless steel tanks with the latest technology or in very special wines fermented in Qvevris in the traditional Georgian style. There is the chance to market the fantastic Georgia wine story (about 8,000 years of Georgian wine history with the very special grapes of Georgia and the worldwide unique kind of fermentation in the Qvevris). These wines in very high quality are up to now more or less unknown in the global world of wines and will be welcomed as a specialty in many markets especially in the eastern markets. I believe that the sales of modern style wines should be the primary goal with special regard for medium to high end restaurants. It is remarkable that government of Georgia and the wineries themselves work hard to ensure that all wines are sold in the right and target markets such as the U.S., Britain, the EU, CIS countries and Asia.

Having 'Georgian Saperavi' as a marketing entity would follow the tradition of Australian Shiraz, New Zealand Sauvignon Blanc, Argentinean Malbec, and Sicilian Nero d'Avola. A simple message for the wine drinking public - to get their head around whilst they are getting used to the idea that Georgia also makes fantastic and special wine, and what's important, of high quality comparable to the best wines from the traditional famous wine regions of the world.



News

MIPIM Asia - premium real estate event for professionals

From November 15-17, 2011 Georgian National Investment Agency will participate at MIPIM Asia unique real estate exhibition and conference focusing on facilitating transactions and connections for real estate professionals in the Asia-Pacific region.

Dedicated to high-level real estate professionals, MIPIM Asia is the leading annual conference in the Asia-Pacific region. Industrial investors, corporate end-users, hotel groups and re-

tailors meet property developers, government and city representatives to strike the deals that shape the real estate map of a dynamic property market.

The Georgian National Investment Agency in conjunction with Tbilisi City Hall will prepare a special booth and provide information on the investment proposals in the real estate market. GNIA's delegation is led by Deputy Director George Tsikolia. The delegation will mainly focus on the marketing of

state-owned privatization targets as well as the development opportunities in Mesia, a four-season skiing resort and Anaklia Free Tourism Zone. GNIA has already made real estate market analysis and later the appraisal of properties. One of the significant findings is that the commercial sector of the real estate market is seeing major switches from the old Soviet-style open markets and bazaars to modern shopping centers. The hotel industry is booming as well there-

fore having considerable demand on space places investment agency in a privileged position to offer some high value buildings in the very center of the city. Privatization sites presented by GNIA are a part of the unique offer as in upcoming years these privatization opportunities will not be around, as even today there is scarcity of real estate properties in central Tbilisi.

With the aim of promoting and marketing the privatization objects GNIA

has already implemented and planned several international activities. The agency has successfully participated in numerous real estate fairs worldwide. They include: MIPIM in Cannes, Real Vienna 2011, Expo Real 2011 in Munich, Cityscape Global 2011 in Dubai. GNIA spends weeks of preparation before each fair, pre-scheduling meetings with real estate developers and tailoring investment projects to the main themes of the fairs.