

Beyond Bordeaux

The last few auctions held in Hong Kong have been wake-up calls for the Bordeaux wine producers. The Chinese have not just discovered Burgundy; they are also taking interest in Rhone Valley as well as Italy and Spain. Here is a report on the changing dynamics of the wine trade in China and Hong Kong by **Brinda Bourhis**.



Inter Rhone Tram Campaign

It can be said that thanks to the fame and prestige of Bordeaux wines, China's wine consumption is booming. For the last few years the Chinese have lived on Lafite, Latour and any other two or three syllable, easily pronounceable name with a price-tag over three figures (in euros or four figures when converted to RMB or HK dollars). Yet at the same time, the average Chinese wine enthusiast has also been learning about wine as a whole through the numerous WSET and similar courses, discovering what's on offer elsewhere, often at a fraction of the price of a Grand Cru Bordeaux.

In Europe, France remains the main wine-producing country with nearly 50 million hl followed by Italy, with 42.2 million hl and Spain, with 35 million hl (figures from International Organisation of Vine and Wine (OIV) 2011). During Vinexpo Asia-Pacific, we took a look at how some of these wine regions are performing in Asia with a focus for France on the Rhone Valley, Italy's Tuscany and Piemonte and the Spanish Pavillion exhibiting with 25 producers.

France: Rhone Valley seducing Asia

Producers from the Rhone Valley, South-East France are charming Chinese consumers with their delicious, jammy and sun-drenched wines. It is the second French AOC (appellation of controlled origin) in area and volume (70,800 hectares, 3 million hl and 404 million bottles), so can easily satisfy the demand from highly-populated Asia and its professional body Inter Rhone is investing heavily in marketing to increase its market share in Asia-Pacific.

Historically, Japan was the leading market for Rhone wines for Asia. Today, China is inching towards the number one position.

The seductive communication campaigns have clearly appealed to the Chinese explained Laure Vaissermann, Inter Rhone's press Manager, "For Vinexpo Asia 2012 we ran a Rhone Valley wines campaign on the Hong Kong trams for one month. It is red, visible and attractive. You can't miss it on the tramway that goes up and down the city," said Laure Vaissermann.

The results on such marketing initiatives, as well as the organisation of wine education in major cities like Shenzhen and Xiamen, on-trade operations and other events have been rewarding. Asia accounts

for 8% of exports compared to only 3% five years ago. Their goal is to attain 15% in the next three years.

"Rhone wines are a real alternative to Bordeaux," added Christian Paly, President of Inter Rhone. "The Chinese market has been introduced to wine by entry-level/bulk wines and to the other extreme elite top-end wines. There was nothing in the middle. Rhone wines are here to fill that gap. Our positioning is on the high-end market with our prestigious appellations like Hermitage and Chateaneuf du Pape and in the middle-range with the AOC Cotes du Rhone," he continued.

40 Rhone exhibitors (totalling 60 to 80 references) were present at Vinexpo Asia-Pacific, offering visitors a great opportunity to discover this up and coming region that is challenging the wines from Bordeaux and its other French counterparts.



Debra Meiburg

Spain: from bulk to bottle

Although the volume of bulk wine that Spain exports remains high (representing a volume of over 50% of wines exported), efforts are being made to promote the image of this vast wine region of Europe in China. Spain exported 74.46 million litres to China (which is 47.2% more than in 2010) with a value of 71.31 million Euros (84% more than in 2010). Source: *AEAT (Spanish Customs) and OEMV*. Compared to its European neighbours (France and Italy) Spain only comes in fifth position of imported wines in China, yet their presence at Vinexpo Asia-Pacific was impressive.

The Spanish Pavilion organised by the Spanish Wine Federation (FEV), brought together 25 exhibitors during the three days in Hong Kong. The wine tasting sessions dedicated to the diversity of Spanish wines from renowned areas such as Rioja, Ribera

Del Duero and Toro was a way for the FEV to show there was more to Spanish wine than just bulk wines.

"The Chinese were perhaps initiated and introduced to Spanish wines through the bulk and entry-level wines we produce but they now want to learn about the other types of wines that Spain has to offer that are of higher quality," explained a representative of the FEV, a private organisation created in 1978 representing the Spanish wine industry with 800 winery members, including leading names like Torres and Freixenet.

Extensive promotional events and activities have been held in China, Hong Kong but also other Asia-Pacific countries like Taiwan and Singapore in collaboration with ICEX, the Spanish Institute for Foreign Trade and its branded entity Wines from Spain.

Italy: boosting presence in China

Luxury fashion designers, fast sports cars, exquisite cuisine; the Made in Italy phenomenon is catching on in Asia. Yet, Italian wines are still finding it a struggle to overtake the French in China. Tenacious as these Latin producers can sometimes be, they are striving to promote their wines in this market.

Like for practically all wine regions of the world, one of the key ways of entering China is through wine education. Italy is a complex wine producing country with a startling number of grape varieties and delimited wine regions that requires in-depth pedagogical explanations to get a clearer picture.

Debra Meiburg MW, Master of Wine based in Hong Kong for over 20 years, recently hosted master classes in Hong Kong for the Accademia del Barolo, a group of producers from one of the most famous wines from the Piemonte region.

"While Italy has long been recognized as a world leader in the mid-priced market segment, it has yet to make a significant mark on the luxury and auction markets of Hong Kong and Greater China, the obvious aim of the more prestigious producers of Italy's top wines, such as Barolo. While in recent times the attention paid to Super Tuscans at auction has been more pronounced, Barolo is one of the great historical wines of Italy and it seems the world is now ready to embrace it fully as Italy's answer to Burgundy and Bordeaux.

Supertuscans were instrumental in showing the world the potential of Italy as a producer of luxury wine, but now it is time for Barolo to shine,” states Debra Meiburg MW.

Gaia Gaja, representing the fifth generation of the highly-acclaimed Barolo and Barbaresco winery “Gaja” had a very busy stand at Vinexpo Asia-Pacific. On the first day they were afraid of running out of wines, as crowds of Chinese wine professionals were eager to taste the Gaja brands – a sign of luxury from Italy!

“The reasons behind the success of our wines in China are three-fold. Some people buy Gaja because they love the style of the



Gaia Gaja

wines. Some buy it because of the label as it’s a high-end brand. And finally others want to explore other wines than Bordeaux that could be an alternative and perhaps less expensive,” explained Gaja.

With a price bracket ranging from 600 to 4000 HK\$, Gaja exports 80% of its production. For the Far East, Japan has always been a historical market and they only began selling less than 10 years ago in Hong Kong. Around 30% of its Barolo and Barbaresco production is exported to Asia. “We want to preserve the Western markets that have always supported our wines, Germany, USA, Switzerland and the UK for example. So we are not aiming to focus only on Asia or China,” added Miss Gaja.

However, Italy’s fine wines do not stop at Barolo. Many other areas have formed



Center- Anna-Maria Cruciatu of Val Di Toro winery during a Cantonese food and wine pairing dinner in Hong Kong

consortiums to promote and participate in wine fairs in Asia. Anna-Maria Cruciatu of Val Di Toro winery in Tuscany is part of the Morellino Di Scansano consortium.

“Many wineries in Italy are small-sized and run by families. So it is sometimes difficult to enter a gigantic market like Asia alone,” said Cruciatu.

She added, “We are very committed to making Asia our number one area of exports. With the economic crisis in Europe not showing sign of an early solution our

big bet is that consumption of wine in Asia will keep increasing and we want to be present in the area to be part of this growth. Even though we are a rather small family run winery our wines are already present in Hong Kong, Macau, Singapore, Malaysia, Philippines and Taiwan.”

Such enthusiasm and determination will pay off sooner or later even if France is still miles ahead of them. 🍷

(The writer is Ambrosia’s correspondent for Europe)