Growing number of Chinese interested in wine

By Bruce Einhorn, Bloomberg

On the outskirts of Yinchuan, a sleepy provincial capital near the Gobi Desert, workers put the finishing touches on Château Changyu Moser XV, a vast building with white stone walls and black-tiled mansard and domed roofs. If it weren't for the cast-metal statues of Chinese lions guarding the main gate, it could pass as a classical château found in the cradle of France's Loire Valley.

When it opens soon, the 150-acre estate will serve as local headquarters for Changyu Pioneer Wine, a Chinese vintner that already has ersatz châteaux in other parts of China. This summer the company announced plans to spend $950 million on a "wine city" in eastern China's Shandong province, complete with two châteaux and a European-style village.

As the country's nouveau riche continue to spend lavishly on wine, such copycat French castles – as well as Mission-style Napa Valley knockoffs – are rising out of the countryside. In some places winemakers don't even bother with a vineyard – they just have a castle with a cellar full of trucked-in wines.

"I almost don't care about how good the wine is," said Chinese architect and winemaker Qingyun Ma. "As soon as I see a fake French château, I think there's something wrong."

Ma is one of the growing number of Chinese oenophiles who want the wine world to look beyond hyperreal European settings and start thinking of made-in-China Cabernet Sauvignon or Pinot Noir without laughing. That's not easy, since the country has no winemaking tradition of its own.

In China, people who wanted a drink traditionally downed shots of baijiu – fierce, clear booze made from sorghum that remains a staple at Chinese banquets. When they tried to make wine, the product was barely drinkable.

Shao Xuedong, chief winemaker at Cofco Junding Winery, a state-owned company that operates a Napa-inspired winery in Shandong, remembers when he first started in the business in the 1990s. Back then, “at least 95 percent” of Chinese wine wasn’t real, he said. “It was just some blend of water, sugar and grape juice.”

Emma Gao is the winemaker at Silver Heights, a family winery in Yinchuan that produces some of China’s most admired vintages. Gao, who studied at La Faculté d’Oenologie de Bordeaux, said many of her neighbors don’t understand what she’s trying to accomplish.

Huge potential

“Here, people think a good wine shouldn’t give you a headache the next morning,” she said.

Even so, Gao and other serious vintners see huge potential. Chinese bought 156 million cases in 2011, making the country the world’s fifth-largest wine market, and purchases should hit 250 million by 2016, according to International Wine Spirit Research.

“Before, people would just buy wine to show off, but that’s changing,” said Shaun Rein, managing director of China Market Research Group in Shanghai. “Younger Chinese are drinking it at home.”

California wines are popular, too. After retiring from the Houston Rockets, Chinese basketball star Yao Ming launched Yao Family Wines in November. The company produces a Cabernet Sauvignon in Napa Valley, with French beverage maker Pernod Ricard distributing it in China.

The emphasis may be on imports, but local wine is improving. More Chinese are going overseas to study winemaking, and critics have noticed: A Cabernet red blend by Helan Qingxue, a winery in Yinchuan, last year won the Best Red Bordeaux Varietal Over £10 International Trophy at the Decanter World Wine Awards.

China's boutique winemakers hope the plaudits will attract more experts to China to nurture its winemaking culture. France's Castel Group and Rémy Cointreau have both teamed up with Chinese winemakers. Perhaps the biggest name in Bordeaux, Domaines Barons de Rothschild (Lafite), has staked its flag in China, with vines planted and a winery under construction in Shandong. Working with state-owned local partner Citic, the famed French winemaker had a groundbreaking ceremony in March for the 4.3-acre winery. Overseeing the project is General Manager Gerard Colin, a Frenchman with more than 50 years of wine-producing experience who has lived in China since 1997. "I think we can make a wine with balance and complexity," he said.

Before teaming up with the Rothschilds, Colin helped out a winery just down the road called Treaty Port. At the center of its 52 acres is an imitation 17th century Scottish castle, a stone fortress complete with a Union Jack flying on the flagpole at the top. Finished in 2009, the castle has six bedrooms and a large wood-paneled hall.

Don't expect any European gimmicks from Lafite's first Chinese operation, however. Colin vows no cheesy castle this time.

"We are in China," he said. "We don't do Versailles."