

# The Wine Guy's *Wine Tasting Notes*

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## **A Word about China**

I have been following the developments in China for quite some time. And I don't mean only the financial aspects of China's development, but rather the developing wine culture. This was really brought home to me when I reviewed the annual restaurant listing of the Wine Spectator. The "so-called" third world country of China had 38 restaurants listed, that is more than 1% of the list. Further, 16 of those restaurants received their 2-glass award and 3 received the highest award of 3 glasses.

Much of the growth in China's wine interest can be attributed to the government of Hong Kong where 20 of these restaurants are located. Prior to 2007 the Hong Kong government levied an 80% tax on any imported wine. This tax was reduced to 40% in 2007 and dropped to 0% in 2009. The results of these tax rate reductions produced a tremendous amount of activity in the wine market in Hong Kong (I hope Washington is reading this). Where fine wines are being offered, quality restaurants will follow. Also the wine auctions in Hong Kong have exploded with more high quality wines, especially Bordeaux first growth, creating employment and business opportunity.

China is also expanding as a producer of wine. The oldest Chinese winery dates back to the 1890s, and other wineries are opening now at a rapid rate. In fact they are creating wine trails to encourage wine tourism. Much of this development of wineries has been spearheaded by some of the world's leading producers who see opportunity for expansion. The likes of Lafite Rothschild and Torres from Spain are developing joint ventures in the Chinese vineyards.

Wine consumption always goes from the world's best to more reasonably priced wines, and this trend is moving rapidly in China as per capita consumption of wine has gone from about 1 glass in 2000 to .5 gallons in 2010. This is a country for the wine world to watch as its consumption and production increase. How long before we start to see Chinese wines on our retail shelves?