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Red Obsession

By David Roach

For centuries,
Bordeaux has commanded
an almost mythical status
in the world of wine -
beguiling kings,
emperors and dictators alike.
While its survival is dependent
on the capricious nature of weather,
its prosperity has always been tied
to the shifting fortunes
of global economies.
As powerful nations rise and fall,
so does the fate of this place.
I put a spell on you
Because you're mine
You'd better stop the things you do
I said, "Watch out! I ain't lying"
I can't stand it
'Cause you're runnin' around
I can't stand it
'Cause you're puttin' me down
So I...
I put a spell on you
Whoa!
Because you're mine, you're mine
So I So I-I-I put a spell on you
Because you're mine
Hey, yeah
You're mine, yeah
Because you're mine.
I love the history of this place.
I love the fact that it's been here
for hundreds and hundreds of years
and it's endlessly changed
with the buffeting of history
and the buffeting of politics
and the buffetings of taste.
There's a wonderful story, too,
about Samuel Pepys drinking Haut-Brion
in London in a tavern.
That's 350 years ago he
drank that, and he said,
"It's a wine of a most
particular taste," he said,

"of which I know not. "

What exactly makes it so magical
is obviously very difficult to explain,
just because... it's magical.

The first vines
were planted here by the Romans
over 2,000 years ago.

The generations who have
worked this land since
are the custodians of a
reputation built over centuries.

Great
wines - ha! -
they are as rare as great paintings
or as great pieces of music.

To make a great wine,
it's not only a great
terroir, a great chateau,
it's a great vintage.

But then it's the
human factor, you know.

You need love.

You need to bring so much love
to your vines, to your vineyard.

When I see on a cluster
of 200 or 300 berries,
one which is slightly green,
I take it like that, you know.

And I know it's not
significant, apparently,
because one berry out of 250 is nothing,
especially when you think of
those thousand... millions
of berries in the vineyard.

But it's the love you bring
through that gesture, you see?

That's very important.

I enjoy the wine so much.

I'm a drinker first, more than a taster.

I drink so much,
that for me it's really
the pleasure of drinking.

I'm not a great taster,
I'm a great drinker.

I could qualify for that, I think.
Maybe you see, because
we are after lunch,
and it's true that I drunk more
than a bottle for lunch myself.
You know, I had guests
and we were seven people.
We had three magnums, so that's OK.
When you taste the fruit,
especially from a block that you know,
you ask it, "I know
you, little vineyard.
"I know what is your soul.
"I know who are you as a character.
"But what do you have
to tell me this year?"
We've been producing
wine here for 400 years,
so it's very important
to understand the
history of such a place,
to understand the identity.
So many people ran
the property before me
that you really feel it every day.
It's not just a question of 'terroir',
as we say in French,
it's a question of...
a piece of history,
a soul, a style, a DNA.
Protected from
severe Atlantic winds
and warmed by the effects
of the Gironde estuary,
these great estates are endowed
by nature with characteristics
that cannot be found
anywhere else in the world.
When I came here
and they told me these are
the best pieces of land,
I thought, "Sure. " You
know, I mean, "Pebbles. "
But it's true

- it's perfection.
Thanks to the former generations,
they have actually managed
to pick the best plots
of land in the world -
those little plots where the
drainage is done naturally,
where nothing grows but the vines
with the big pebbles to
keep the heat at night
and to reflect the sun in the daytime.
It's a combination but
it took them centuries
and we are just
following in their steps.
When you live in a space like this,
the space takes energy out of you.
There's a link that is being built.
Some of my friends say,
"You've been here for 17, 18 years.
"Are you still amazed when
you arrive in this place?
"Are you still enchanted?"
And I say yes,
because, actually, I'm
getting more and more,
because I understand how
special this piece of land is.
There's a vibration.
There's a real vibration here.
In 1855,
Napoleon III ordered that
the finest wines of Bordeaux
should be classified and
ranked in order of excellence.
Of the thousands of chateaux,
only a handful were rewarded
with 'Grand Cru' status.
While some may argue that
the 1855 classification
has become outdated,
these same chateaux
remain the jewels in
the crown of Bordeaux.

For many, these wines are
considered works of art,
but, unlike a painting,
wine only exists for
that brief instant in time
after the cork gets pulled.
It's a transient moment,
but it can leave an
indelible impression.
I had the privilege
of having a glass of Chteau Margaux
which was made and bottled
four years after the French Revolution.
Maybe Lafayette himself had tried it.
Maybe Jefferson had tried it.
So you're one with them
in a very intimate way.
When you start thinking about that,
you realize that wine
really told a story.
In the same moment of this
pleasure, this gratification,
there was also a tale told
about the history when
that wine was made -
what was going on in the
world when that wine was made
and, in particular, a
story about the place
and the land and the weather.
It's more than a manufactured
or agricultural product,
it's something closer to a miracle.
A miraculous wine
is only achieved when temperature, rain,
sun and wind are delivered
in exact proportions.
In 100 years, you
might get five or six
legendary type of vintages.
So just in recent memory,
1961 was an absolutely
brilliant vintage for Bordeaux.
The next after that, possibly...

well, in fact, is 1982.
And after that, 2009.
But this year may rewrite
the Bordeaux history books.
Producers and critics alike
are predicting that the 2010
will be another perfect vintage.
After the harvest of
2010, we realized that,
yes, 2010 should be
such an extraordinary -
not just great
- but such an extraordinary vintage as '09.
And I just told myself,
"But how will we be able
to tell that to people?"
Because last year I had personally told
that I would probably not see that again
in my professional life.
This is an extraordinary coincidence
of perfect climatic conditions.
Each year in early spring,
the Bordeaux wine producers
host an event called 'En Primeur'.
Here, like the catwalk at Milan,
the new season's wines
are paraded before
the most powerful and influential
journalists and critics
in the wine world.
A great wine just drills down
into your psyche and your perceptions
and strikes a chord,
and... you know, it's
like some brass instrument,
it just goes "Ding,
ding, ding, ding, ding,"
and then... bingo, it's great!
And you respond in a very sensual way.
As soon as you have to use words
to describe your sensation,
you use words in a part of your brain
which is linked to your memory,
to your history, to your

taste, to your education.
In my brain, because it's
my background, it's music.
This is like a voice, a wine.
It's like an instrument
with what we call a 'timbre',
which is different...
A Steinway has not the same...
That's the difference
between a Lafite and a Latour,
between a Guarnerius and a Stradivarius.
My perception is like that.
I hear the wine, I don't smell.
I can tell you about
my first ever Bordeaux
and I'm still getting
memory from it now.
It was when I was a
student, all those years ago.
I'm still getting the pleasure
from that bottle of wine.
It was as though you'd got
a distillation of
something in this glass
which we know came from fruit,
but all the fruit had long since gone.
You were just left with this
ethereal, dreamy experience -
and it was a revelation!
Offering a wine En Primeur,
which basically means
you are offering a wine
which is not yet bottled, not yet ready,
means you are selling
a piece of excitement,
of anticipation, of magic,
and there must be some
hype and hope around this.
So, clearly, it's part of the deal
and that's why Bordeaux is
so famous around the world
because Bordeaux is very good
at creating that excitement.
With the 2009 vintage,

the hype matched the quality of the wines. This time around, we've got an awful lot of hype. I wonder whether their wines will actually deliver, and the proof, of course, will be in the pudding. But behind all the excitement about whether the 2010 will be another 'vintage of the century' is the commercial reality that En Primeur is all about... business. In the past 10 years, prices of the top Bordeaux wines have risen by more than 1,000%. As the price of these wines continues to escalate, the inevitable has happened - they've become too valuable to drink. 15 years ago, when I started the company, I said that at some point in the future, within 25 years, half of all the top wines bought will be bought for investment, and people laughed at me. Now, you go and look at all the traditional kind of wine companies and they've all got investment teams. What are you paying on those? Close to four grand. Close to four grand? Are you having a laugh? En Primeur is a calculated investment. You're buying, essentially, the wine because you think you're getting it cheaper now and you're taking a credit risk and a price risk on the future but, essentially, an En Primeur purchase is an investment purchase,

and once you understand that
then you start treating
it slightly differently.
Didn't he say he's got a few million
he's gotta sell today or tomorrow?
He's got a couple million.
It's coming on to the market.
Because those guys have got
a deadline on that stuff,
so he's got 3 million to 5 million,
he's got to sell it.
Wine has outperformed the stock
markets, all the major markets -
the Dow Jones, the FTSE, gold -
all these markets, since 1982.
We were looking for some Margaux,
vintages from the '90s,
those sort of lesser vintages,
as the market might call them.
You want nine and a half?
That's interesting, OK.
That gives me 100
profit for my sale price.
I mean, what do I
need...? Yeah, exactly...
People will buy,
and they'll spend half a
million or a million pounds,
and buy, you know, 25 cases of Lafite
and 25 cases of Latour,
and four or five years
time, they sell it.
They've never seen the wine.
They don't even know what
the bottle looks like.
Here we've got X
number of thousand cases.
Average value of each bottle
would be approximately
400 or 500 euros a bottle,
times by lot of number
of cases, times by 12.
Work it out yourself.
Well, the 2009

prices hit an all-time high,
absolutely astronomical prices,
and totally unexpected too.
And now, with all the hype
that's been leading into
this Primeur campaign
for the 2010 vintage...
...there is this real
worry that the Bordelais
are going to take it to
another unprecedented level.
These extraordinary rises
have put significant pressure
on traditional markets.
Bordeaux's most important
customer of the last 30 years,
already battered by the
global financial crisis,
The Americans are not going to
be buying anything from 2010.
They didn't buy anything in '09.
A few people will buy,
but America used to be
the biggest market in
the world for these wines
and it's not anymore, the
prices are just too high.
They've priced themselves
out of the market.
There's nothing, you know,
left to say about that.
But prices for the new wines
are not fixed until the
critics reveal their scores.
The higher the scores,
the higher the prices
set by the chateaux -
a situation not all
critics are happy about.
This time of year,
when I'm looking at the young wines
and I'm trying to work out
what they will be in 20 years time,
but a lot of the overlay

of my perception is...
... "How much money are they
trying to squeeze out of us?"
We are all pawns, we are all part of
helping the Bordeaux chateau owners
get as much money as possible.
Ah, yes, of course, money!
Money conducts the world, you know.
Bordeaux is all about
trade, it's all about politics,
it's all about history.
What makes its heart beat
is not, "Gosh, I've just made
a beautiful cabernet sauvignon."
"Ooh, do come along
and taste it with me,"
but, "I'm powerful and I
want to be richer than I am,
"I want to be more powerful than I am
- and I know how to do it!"
The critics
reveal their scores
and confirm the hype.
The 2010
is another miracle vintage.
Internationally renowned
critic Robert Parker
scores perfect 100s for the top wines,
but warns the chateaux
that they should drop
their prices this year,
or suffer the consequences
of an overheated market.
If you're
pushing your prices up
and you're pushing your clients
to pay more for the wines
that they've been buying for
years and years and years,
you really run the risk
of completely and utterly
divorcing your traditional markets.
Ignoring Parker's warning,
the major chateaux

immediately raise the prices of the 2010 vintage to an all-time high, as much as 40% up on the record 2009 vintage. But the risk they are taking is a calculated one. Bordeaux's fate has always been tied to the fluctuations of global markets. With one superpower having fallen away, they're now turning their attention to another. Well, as of today, we've got 271 known US-dollar billionaires. And that compares with, say, 10 years ago, of 1. So we've gone from 1 to 271 known billionaires, but you have to take into account that the wealth in China is a little bit like an iceberg. So what you can see on the top is only a small proportion of what the total wealth picture would actually be. So, if you were polite, and you say that for every one person that we've found, we've missed at least one, that means, today, China's probably got around 600 US-dollar billionaires. That's more than the US. It's going to be a great tasting. I hope you get a chance to taste these wonderful wines. So, thank you very much. Hey, everybody, come here. Put your hands together. Come on. Let's do it. Yeah? Yeah! Right now, I think everyone has the wine fever. How extreme that is

depends on their time
and disposable income.
It's a real honor and a pleasure
to have Robert Parker in Hong Kong.
The economic
growth rate of China
over the past 10 years
has been the fastest in human history.
China, including Hong Kong,
has now become the largest importer
of Bordeaux wines in the world.
They just erupted,
and we were afraid
of not being able to cope
with such a fast change
when we didn't know the country
and we didn't know the
people, the culture.
So we thought that it was very necessary
to have somebody based there.
Welcome to Beijing!
We're very happy to sponsor
one of the best events
in China this year.
And we are very, very happy to be here
with so many beautiful girls.
The idea was to promote the
beauty of women in China,
and to promote the beauty
of wine from France.
So we did a kind of combination
for the election last
year of Miss China Universe
in a very special party
where the goal was to
teach how to drink wine
to 32 of the most
beautiful women in China.
Compared to France,
where my generation is less
excited by wine than before,
because we've had wine
for hundreds of years -
in China, it's very new.

In some small cities
in China, you arrive,
there's a big red carpet,
they bring two Rolls-Royce
to take care of you,
with hundreds of people
on the side of the carpet.
And you feel, "Am I at the
Cannes Film Festival, or what?"
But this is China
getting excited by wine,
getting obsessed, in a way, by wine,
because it's new, it's fun, it's French,
and we have so much
potential in this market.
The Chinese
market has been so enthusiastic
that they have driven prices
up to unprecedented levels
where a lot of traditional customers
can't or don't want to follow.
It would be terrible for us to
lose our traditional markets,
because still the traditional customers
share our taste and culture.
It would be a big loss, and
we are slightly worried, true.
The problem is that we don't see
what we can do to change that.
I think the
Bordelais run the risk
of relying on the China market too much.
I think that China has got a way to go
in terms of the overall market.
And there's no track record
or any long-term relationships
or anything like that.
I mean, that market can disappear
as quickly as it appeared.
The voracious nature
of Bordeaux's newest customer
can partly be explained by
events in its recent past.
Mao Zedong's Cultural Revolution

saw nationwide
repression and persecution
in the name of change.
I worked with many people
who had suffered in different degrees
in the Cultural Revolution.
All of them had one thing in common -
that they never wanted to
look back to that period.
In the late '70s,
China's leadership began
lifting the sanctions
on private ownership
and personal wealth.
The transition to a market
economy was meant to be gradual.
But after 30 years of isolation,
the Chinese people had other ideas.
There was a huge pent-up
energy that you could sense,
particularly amongst what
many people would call
a 'lost generation'.
By that time the lid was off
and the people were looking
to regain, if you like,
the entrepreneurial space that
had always existed in China,
but had been contained for so long.
There was a lot of catch-up to do
and I think one of the
most astonishing things
over the last 30 years, that I've seen,
is the speed of that catch-up.
When I first came to China
to do the television shows,
there was no middle class,
there was only one class.
So it was a very interesting time.
And to see it grow, like
in the last 25 years,
to this type of a degree, is amazing.
The Chinese have always been taught
that a nail that sticks

out has to be pounded down.
So that has been the culture.
You always want to hide in the masses.
So they used to wear the
same kind of hairstyle,
the same kind of clothes,
the same color of clothes even.
But it is in the last 20 years
that the opening has
done to the Chinese,
that they are beginning
to have an individuality.
20 or 30 years ago,
when China opened up for the first time,
nobody had any cash.
So all the money has been made,
really, over the last 30 years.
It's been the largest
privatization in the world,
pretty much, ever.
I'm looking forward
to our skiing holiday.
Yes.
If they've lived through
the Cultural Revolution,
this means they've gone
to hell and come back.
So, when the Chinese do things,
as is so obvious now
to the modern world,
in a business venture, or
any venture, for that matter,
the Chinese have no fear.
Because they say, "Well,
how worse off can we be?
"We can just start from zero again. "
It wouldn't bother them at all.
This is why China is so dynamic.
People shoot for the stars.
As China began opening up,
it looked to the West
for ways of expressing its
wealth, power and modernity.
Now, China's newly affluent

are a magnet for the most
luxurious brands in the world.
The Chinese
luxury consumer today -
you could say he's on steroids.
He's had every single luxury
brand pumped into his system,
and it's really been happening
over the last 10 years.
And competing in
this aggressive luxury market
are the fine wines of Bordeaux.
Margaux is always compared
like a luxury brand.
But, for me, we are
very... a bit frustrated,
because Margaux can't do
what Herms or Louis Vuitton is doing.
Because if they train a few more people,
if they buy the right raw
material, the right leather,
they can always produce a few more bags.
We are limited by nature, by climate,
so we can't make one
more bottle of wine.
I mean, how many companies
didn't see their potential
production change for 400 years?
It even went down,
because we had to be more
selective to make more quality.
Wine now is the new Silk Road.
It is one of the intermediaries
to connect China to
the rest of the world.
I mean, you look at China now,
they're all dressed in
a shirt and tie, like me.
It's part of the Westernization -
they wear it on the top of their skin.
Now you're talking about
wine, that they swallow it...
...inside their body.
I mean, now they swallow

the Western civilization
inside their body, in their bloodstream.
I think there's
always been an interest
in wine made from grapes
as an element of exoticism.
Now, normally, in the West,
we view exoticism as
coming from the East -
Orientalism, if you were -
but here there is a type of exoticism
coming from the West.
They've made a lot of money.
I've dealt with people
who have done things
like blown \$42 million on
building a private wine club.
It's because it's viewed
as being civilized,
as understanding Western culture
and as bringing it
together with Chinese ideas.
When they buy the wine,
they buy the wine as a
symbol of their status,
as a symbol of what they
have achieved in China.
There's different ways
of marking ourselves out
from the rest of the herd
and one of these is a
bottle of Lafite, you know.
And it really sets their stage.
It gives them position,
it gives them face,
it gives them a way of
presenting themselves
as being knowledgeable
about Western wine culture
in a very safe and comfortable way.
Peter Tseng is
a wealthy industrialist
from Shenzhen in South China.
He is recognized internationally

as the most successful entrepreneur in his field. His vast wine collection is acknowledged as one of the finest in the world, and is valued at upwards of US\$60 million.

Peter made his fortune as a manufacturer in the pleasure industry. George Tong is listed as one of the power elite by 'Hong Kong Tatler' magazine.

He is vice-president and executive director of Wong Hau Plastic Works, one of the largest doll manufacturing companies in the world.

Will you play with us? Well, I started collecting wine around 2003, so it's about eight years already.

It seems like a long time, but actually it's very young if you look at a collector's point of view.

When I first visited Bordeaux, I was like a little child - I'd known Mickey Mouse a long time, for a few years already, I'd known Donald Duck, but I'd never been to Disneyland. And they have so many different areas - there's the Adventureland, there's the Tomorrowland, there's the Frontierland, so there are different areas that I can explore, and every area there's so many attractions.

Cheese!

The number of Chinese people who were down there tasting the wines was extraordinary.

One chateau I went to
said that 400 Chinese
visitors came in September.
I mean, this is extraordinary -
no chateau gets that in any month.
We were very lucky to be
the only chateau in Bordeaux
visited by President Hu Jintao, in 2001.
I remember, I was 15.
I saw him from far away,
surrounded by many bodyguards.
But I tell people when I do dinners,
"You know, President Hu Jintao
visited Chateau Margaux in 2001
"but, at that time, he was
only the vice-president.
"And then he drank some Margaux '82
"and he became the President of China!"
A lot of Chinese, actually.
For now three years in Bordeaux,
we have a lot of Chinese
people very interested in wine.
But not exactly in wine
- just in two labels,
two or three different
labels and just it.
They just look for this wine
- Lafite and Latour.
In the Chinese market
today, quality is important
but brand name
recognition is everything.
An element I found
difficult to deal with in China
is this branding aspect.
As a French person and
as a younger wine amateur
we've always treated the wines
from where they come from.
Before the brands, these
wines are pieces of land
and have been pieces of land
where wine has been produced
for the last 600, 700 years,

as long as we can go back in history.
Probably in China
more than in any other countries,
I try to take the wine
amateur the other way,
to bring them from the brand they knew
to the land that started everything.
And this journey is
very important for us.
When foreigners come to China,
they go into a Chinese
restaurant, you open the menu.
Oh, my God, there's, like,
a hundred things on it,
they're written in squiggly writing
and you're not quite sure what it means.
So, as a consequence,
most people dealing with that situation
order the same dishes over again -
the sweet-and-sour
pork,
the fried rice, the fried noodles.
It's easy, it's what's famous,
it's what they understand.
And, for a Chinese person coming
to wine, it's the same thing.
Funny labels, funny names
- how do you understand this?
Wine has this incredible problem -
it's very difficult to
enter into by externals.
So what do you do when a
subject's difficult like that?
You have to go by famous brands.
And the Bordelais have
done an awfully good job
of marketing and promoting themselves
as the premier wine brand in the world.
All five of
the first-growth chateaux
have achieved spectacular
brand recognition in China.
But there is one
that stands head and

shoulders above the rest.
Theories abound
as to why Chteau Lafite
has been able to penetrate
the Chinese market
so successfully.
I think the secret of Lafite
is in the soil by itself.
There is a style,
there is something
coming, vintage by vintage,
and when we have the possibility
to taste some old vintages of Lafite,
all the time there is
something by the nose
which is Lafite style.
Yesterday a customer of mine
told me, because I asked him -
every time I ask, "Why
especially Lafite?" -
and they say, "Because in
China we think that Lafite
"is very good for the health
of ladies, for the skin.
"If you drink Lafite,
you have beautiful skin. "
Anyone who remembers Hong Kong
gangster movies of the '90s -
what did the big guys call for?
In China, as
well as in most of Asia,
it's still a very hierarchical society,
which means that the opinion leaders,
their opinions matter a lot.
Whatever purchases they make
or whatever brands they favor,
it trickles down to
the rest of the society
almost effortlessly,
and without a huge marketing effort.
So, did Lafite make a huge
marketing effort in China?
No, not in the beginning.
Numerology

plays a significant role
in the day-to-day
life in China.
Luck and prosperity are believed to flow
from the right combination of numbers.
And the number 8 is the
most auspicious of all.
In 2008, Lafite made a small
change to their bottle -
placing the Chinese number
8 just above the label.
Was it purely marketing? Perhaps.
Was it a longer-term strategy to say,
"We are being more sensitive
to the Chinese culture
and trying to understand the market"?
That could be, you
know, a deeper message.
The day that
came out and it had
the number 8 on top of the bottle,
we were with a Chinese
customer for lunch,
and we passed him the news
article and I said, you know,
"What do you think? Is this
just rampant commercialism,
"or is this significant?"
And he read the whole
article very studiously,
pushed it across the table, and said,
"This is now the most valuable
bottle of Lafite you can buy.
"Because what you're doing
is giving luck, fortune...
"... you're giving the lucky
number 8 to someone to say,
"you know, 'This is how
much I respect you. '
So, even though Lafite
'82 is 60,000 a case,
this is actually
significantly more of a gift.
Sales of Lafite

2008 soared overnight.
There was one point when a customer from Macau called us up and bought well over 80 cases of Lafite 2008 in one go. And he paid with cash. That was the... that was a very interesting transaction for us. Lafite alone last year, we sold 27 million worth of Lafite. On its own. One brand. And that is out of 130 million, 140 million worth of sales. So, that's how big that brand is. Just the one. One brand. Is China just another market? Clearly no, because the potential in volume of this market creates a real pressure on demand. Probably at the scale that the United States was in the beginning of the '50s and then on to the '80s and early '90s. That's clearly the same... the same scale. And it's probably going faster - even faster than the US. Pressure from Chinese consumers is now so great that it's beginning to impact heavily on the cellar stocks of the great chateaux - stocks that include old and rare vintages dating back hundreds of years. The Chinese are big customers of ours, and we don't always let them have what they want. If you were to accept every single customer's requests on old vintages, this place would be empty.

A customer from Asia has contacted me recently - emailed me every single day for the last week to sell him a case of Mouton Rothschild '45- which we sell at 18,000 euros a bottle. So, he'd have bought at 23,000, 24,000 euros, including VAT. Times by 12. And he's basically insisting on me selling him a case. But, unfortunately, we can't, so I've offered a bottle and he's not wildly happy. With demand massively exceeding supply, wine fever is fueling fierce competition in the auction rooms of Hong Kong. For many, it is becoming a kind of an obsession. I like to attend the auctions. I like the bidding. I like the excitement. I just want to own it. Whether I would drink it or not, I don't know. But there... it's something that I really want, and I have to get it. When I'm bidding so aggressively, I don't see anybody around me - all I know is the auctioneer and myself. No matter what, this is what I want - I want to bring it home. When I attended the ex-Chateau Lafite auction, it was a very rare vintage and I think they only have one bottle. And the auctioneer was going, like, "300,000, 500,000, 700,000." Then suddenly, I just raised my paddle. I said, "1.5 million. " Sold.

What we have now,
what we're seeing now,
is a generation of new consumers
that actually realizes that
wine is very underpriced,
and are paying the
comparable prices they would -
say, for example -
with a great Old Dynasty vase
or limited-edition painting.
And I think this actually
absolutely highlights
the incredible position
that the best chateaux,
the best producers in the world, are in.
They are in demand.
And if you're in demand, like
a movie star, like a rock star -
if you want a front-row
seat, you have to pay for it -
and there's nothing wrong with that.
If a dozen
mainland Chinese decided,
"I love this. This is
what I want to collect. "
and decided to buy everything
in the market place,
I mean, very soon...
...it only takes a few people
to corner the entire market
for that particular wine
from that particular vintage.
So, it's very easy to do.
And that means, for the rest of us,
the prices are going to be astronomical.
We're not going to be able
to even afford a glass.
Oh!
The worsening
eurozone debt crisis
is adding to the instability in
Bordeaux's traditional markets.
Some are now speculating
that Hong Kong's

overheated auction results
may have serious
long-term consequences.
You can just
see that it's just kind of
reaching a crescendo of some sort.
It runs the risk of being in a bubble,
and I think we are
in a bubble right now.
Well, most bubbles
do pop eventually.
And when wine prices correct,
they don't correct by 2% or 3%,
they correct by between 20% and 35%
- instantly.
Oh, there is no bubble.
Wine is just finally
realizing its true value.
There is no bubble.
You know, all of these...
I am so sick and tired of
these bubble conversations
because it is annoying.
We
are not totally stupid.
We know that... that things
don't go up to heaven.
I think it's very important to realize
that things can change
in both directions.
What we must protect is the wine.
With Bordeaux's fine wines
now elevated to luxury goods status,
it was only a matter of
time before it succumbed
to the world's most rampant and
notorious counterfeit market.
You can find today in China
more bottles of Lafite 1982
than there were produced
in 1982 in Chteau Lafite.
An empty bottle of
Lafite costs around \$500.
That's what I heard.

That's why if I bring any
good wines to a restaurant,
I either bring the
empty bottle back home,
or I just ask them to destroy
the bottle right there.
I have been to a winery where
you can walk in the door,
open a portfolio of labels,
and choose what you
want on your bottle -
Lafite, Latour or Margaux.
They use our fame, they use our name.
Wherever
there is money to be made
out of luxury goods,
the people that are making
fakes come in behind it.
And in some respects, luxury
goods would not be luxury goods
unless the fakes existed.
I say when one of
my wines is faked somewhere,
I say, "Well, that's
the sign of success. "
It does not please me for that reason...
...but I have suffered so much
of fakes with Chteau Ptrus.
I spend so much time struggling
against the people whom
we think were the fakers
even if it is like a drug market
where we never know who is the big boss.
That... it's really an unpleasant
matter to discuss for me.
But fakes are not
a new phenomenon in China.
Even during the Tang
Dynasty in the 14th century,
China had problems of fake goods.
There are many instances
throughout Chinese literature,
paintings, art, sculpture,
where it's considered not faking,

but to be an honorable thing
to copy the work of an artist
that you admire and respect.
If you've lost the
connection to the past
which I think they have
to some extent here,
it's unavoidable -
if you've lost that connection
to your own architectural history,
you have to create new links.
And if you create new links,
where are you going to look to?
The chateau, the fairytale castle -
it fulfills a deep-seated longing
to join up to another
architectural history.
While some are
building replica chateaux,
others are more interested
in the genuine article.
Just the latest sign
of the global power shift -
Chinese investors scooping
up estates and vineyards
across Bordeaux.
Richard Shen is a good example.
He's the CEO of a Chinese
fine jewelry store.
There he is with Chinese
film star Zhang Ziyi.
She's a big fan of his wine.
Now, he purchased a chateau back in...
We always have
fear of the unknown.
You know, that has always been the case,
for so many years.
And, on the contrary, I
think some Chinese groups
or some Chinese individuals
should acquire some
chateaux in Bordeaux,
see what it is to make wine.
It's more complex than you think.

And if they bring passion
along with RMB, that's fabulous.
We need to remain an
open country, you know.
Today the world is their territory.
They're beginning to explore
everything that is possible
in other parts of the world.
Although Bordeaux may
be used to foreign investment,
this new relationship differs
in one significant way.
It makes sense for
them, but it will not last.
If you produce wine in France,
you have to be recognized
as a wine producer in France,
even if you are Chinese.
And the only way to be recognized
is to sell, at least, in France.
I understand very well that a Chinese
that buys an estate here,
first idea
- "I'll produce, and then, in production,
"I adapt my label and
I will sell in China. "
But we will see how it
will be in 5 or 10 years.
It now seems that
Bordeaux's largest customer
is becoming its competitor,
and on a much grander scale
than anyone could have imagined.
Currently, the per capita
consumption in China
is less than one
bottle of wine per year.
In the West, the average
is about 35 bottles.
But as grape wine
consumption gains popularity
amongst the broader
population of 1.4 billion,
these numbers are set

to change, in a big way.
To cope with
the increasing demand,
China is now planting over 20,000 acres
of new vineyards every year.
Within the next four decades,
China is set to become
the world's largest producer of wine.
Chinese people, we
are very proud of ourselves,
of our culture,
so we think that if we
want to do something,
we can do it better,
we can be successful.
Well, I think
that the government feels
it's very important
to promote grape wine, in
particular, over spirit wine,
just because of
distribution of resources.
For one thing, we all know
grapes can grow in areas
which don't suit potatoes
and grain and corn,
and all of those very
important staple crops.
But after
centuries of cyclical famine
and food shortages,
prime agricultural land is at a premium.
Winemakers must look further afield
to find suitable land for grapevines.
In arid regions
on the fringes of the
great Central Asian deserts,
the Chinese are preparing
the ground for vineyards.
Giant, state-owned
corporations have big plans
for remote Ningxia province,
in north-west China.
Consultant winemaker Demei Li

trained at Bordeaux's Chteau Palmer.
He has brought his expertise
here to He Lan Qing Xue
in the hope of developing
a top-quality wine.
It's
a very dry region, a very cold winter.
And, uh, you know, we-
during the wintertime we should
bury the vines under the soil.
Otherwise the plant
cannot survive, so...
that's the big difference.
The summer, during the green
season, is quite hot and warm.
The temperature is quite
high in the daytime,
but during the night,
quite a low temperature.
So, I think the terroir gives this
wine a difference from other regions.
I never thought about competing
with French Bordeaux wines.
Just to make a drinkable wine
that people can appreciate.
Bordeaux has a long history
- they have a bunch of chateaux.
But China is just like a baby,
we just start to make wine.
Ladies and gentlemen,
welcome to the 2011
Decanter World Wine Awards.
On to the red
Bordeaux varietal over 10.
And the winner is...
...the 2009 from He Lan Qing Xue.
To collect this trophy we
are delighted to have with us
the president, Jian Rong.
Well, it was surprising to find
a Chinese wine winning a gold medal
and also winning the
international trophy,
and by a majority vote it came top

- so what can I say?
It was tasted three
times, completely blind.
It's a surprise.
I never think we could win this,
so high, the highest trophy,
I'm very excited.
The Chinese wine industry
has improved a lot,
so it encourages us to
continue to work hard.
Chinese people,
we are very aspirational,
we want, as much as we
can, to have the best
because we like to try new things,
we like to enjoy new taste,
we like outside influences
as much as we are proud of what we have.
Every Chinese person
has one goal in life,
which is to make life better
for the next generation.
In stark
contrast to last year,
the 2011 growing season in Bordeaux
has seen extreme weather,
with heatwaves and sudden hailstorms
sweeping across the Mdoc.
Late heavy rains have
increased the risk of disease
and growers are having
to rush their picking
to avoid fruit rot.
Well, this is
a challenging season,
this is a challenging vintage.
This year, the vines, they are
a little bit shy, to be honest,
they don't talk a lot.
We have to listen to her very carefully.
It means that you have to be
clever, more clever than usual.
You really have to ask

yourself, "What should I do?"
The challenge is to
make the best as possible
with a fruit that is not the best.
The
bad news is that quantity
is even more limited
than what we thought
and 2011 might well be the smallest crop
since 2003.
With yields down
and some of the fruit
damaged by bad weather,
winemakers are having to work
hard to salvage what they can.
But what kind of
vintage the 2011 will be
is anyone's guess.
After breaking all price
records this time last year,
Bordeaux has suffered
its largest decline
since the global financial crisis.
Prices have slumped across the board
and sales of the top Bordeaux wines
are down an astounding 60%.
It would appear that
the bubble has burst.
It's just like someone
climbing up Mount Everest,
reaching the top and
saying, "Bugger that,
"I'm not going to climb
down, I'm going to jump off!"
I mean, it's exactly like that
- it's absolutely extraordinary.
But in the context of the market,
Bordeaux has been around for a long time
and I don't think what's
happening right now
is a bad thing.
I actually think it's good
for the fine wine industry
and it's good for Bordeaux,

because everyone's
going to have to rethink
about where the future lies
and why they're doing
what they're doing.
I think Bordeaux is very lucky
because it went through so many crises
and it is like the phoenix.
There's a permanent
resurrection after the crisis.
The resilience of
Bordeaux is quite amazing.
When you realize that this
place has been able to survive
such a disease as phylloxera,
revolutions, wars -
and look where we are now.
Each time we say it's the end,
and then Bordeaux comes
back and is successful again,
and, of course, we
exaggerate again our prices
and we collapse.
But nevertheless there is that
fantastic ability of Bordeaux
to overcome the crisis.
Will it last forever?
I mean, in 1,000 years?
I don't know.
But honestly, with
experience on my side,
I don't see any region which
will compete with Bordeaux.
Bordeaux will remain the reference.
Bordeaux will be the reference
at least for one more
century, I think -
even if we make mistakes, and
sure we will make mistakes.
After a few tumultuous years,
China's love affair with Bordeaux
appears to be on the wane.
There will always
be a clash of cultures.

There will always be.
My parents who come from
Chinese background
and English background
have been married for 50 years
and we call it an ongoing civil war.
There is always going to be differences
in the way people approach problems,
in the way people deal with each other,
and I think my advice to most
Western companies coming here
is, "Don't forget, it's China,
"and things work differently here. "
I see this happen all the time -
you get lots and lots of conflict
between people coming in here
and expecting things to work
like they do in the rest of the world.
And they don't. They really work
with Chinese characteristics.
Wine is like a message
which you send over the world.
I think it's better than those
little... How do you call that?
Tweets, you call that?
Yes, it's a tweet.
It will end on a table,
let's say in Seattle,
and you can imagine a couple
is meeting for one evening,
a guy is dating a charming
girl for the first time
and they have that.
And from the quality of that bottle
may depend the success of
their first meeting, you know.
And if I spoil their evening,
what a drama, you know -
I am responsible.
So our wines should
be as good as possible.
We need to please people, and
not to impress them to please.
I don't know if I

should say I am a farmer,
I should say, "We are farmers,"
because we are really together
and we think sometimes
we control a lot but...
...we don't.