

# THE GREAT BRIDGE TO CHINA

## Global Wine Expo takes shape in the Huailai Valley

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Sasha Paulsen/Register

Dr. Joe Chuang of Napa, center, proposes a toast at grand tasting of wines made in the Huailai Valley of China, which lies to the northwest of Beijing. Next to Chuang, from the left is Tom Hsu, CEO of the Domaine Franco-Chinois, which hosted the event for distributors from Shanghai; Tian Ming-Hua, the general manager of the Huang's Flower Valley Winery, and Clare Liu, director of the Global Wine Expo. Sasha Paulsen/Register

HUAILAI VALLEY, China — It was hard to believe we were only a 90-minute drive from Beijing, a travel time that will be reduced to 27 minutes when a high-speed rail from the city is completed.

Leaving busy, enormous Beijing behind, we had traveled over the Yanshan Mountains, where the fabled Great Wall of China was opened in 206 B.C. We could see its lookout towers and lines of visitors toiling up its ancient steps as our driver skillfully maneuvered the twists and turns of the highway. He had been a driver in the army of the People's Republic of China, we learned; he certainly knew his job.

Just beyond the mountains, we came into the Huailai Valley, a lush, serene oasis of blue skies, open roads and vistas of vineyards.

Although Tim Hanni, an American Master of Wine, and I had come to Beijing primarily to do research for a wine book for Chinese consumers, we were both eager to visit this valley. Designated a protected environmental area by the Chinese government, in the past decade the Huailai Valley has been quietly transforming into a premier Chinese wine region.

It's a process that began when the French — who have led the introduction of wine to China — established an experimental vineyard in Huailai. Today, as we were about to discover, more than 25 wineries are producing high-quality wines in Huailai. Our first stop, at a pristine, high-tech visitors center, was our introduction to the valley that is being carefully developed as a center for green research and development, with a focus on wine.

Our destination, however, was Flower Valley Winery, where an especially significant project is underway. When it's completed, in addition to a winery, it will house the Global Wine Expo, designed as a showcase for winemakers from around the world and a way to ease the path of bringing their wines into China. Just beyond the ramparts of the Great Wall, this could well become the Great Bridge.

## **Wine and China**

Dr. Joe Chuang, a Chinese-American scientist and businessman, created the plan for the Global Wine Expo (GWE), which is being built on 33 acres of the 150 purchased in the Huailai Valley where he has also established the Flower Valley Winery. With a potential to bring in millions of visitors from the adjacent metropolitan regions of Beijing and Tianjin, the GWE will be composed of a visitors center with facilities for conferences, weddings and other special events, along with restaurants, a hotel and entertainment stages.

Most important, perhaps, for foreign vintners as well as Chinese visitors, Chuang is building a huge warehouse where wines can be securely stored, and 40 pavilions for tasting rooms. These will be available through leases, and with each comes a Wholly Foreign Owned Enterprise for a company.

"It will allow a foreign winery to have much more control over prices, a secure way to store their wines in China and a point for introducing their wines directly to consumers," said Chuang, who developed the expo plan after seeing the problems foreign wineries encounter selling their wines in China.

"Right now," he said, "suppose you have a winery making a wine that sells for \$20 in U.S. markets. A Chinese distributor will buy that wine from the winery for \$10 a bottle, and that is the last the winery sees of the wine or the profits."

From there, he said, it's anyone's guess what happens to the wine. The distributor may mark up the price by as much as 300 percent in selling it to a shop or a restaurant. They, in turn, will mark up the wine again, which is how it happens that the \$20 bottle of wine may cost as much as \$200 or more for a Chinese consumer.

In addition, Chuang said, there are problems with what happens to the wine, how it is stored and how — or if — it is presented to potential consumers. Another problem arises with the security of the labels, he said.

"An unscrupulous distributor may import a few cases of wine from a winery," he said, "not so much to sell it as to obtain the importation documents. With this he can reproduce the label and the bottles, and put it on anything. When the police come to the store or the restaurant to inspect, they don't know if it's the real wine or not since the authentic importation documents are presented."

The Chinese government is deeply concerned about these problems, Chuang said, but addressing them in this vast country is a challenge. Chuang was recently appointed to the powerful Chinese Food Culture Research Association, where he hopes to help find solutions to these difficulties. It is also why the government has supported the Global Wine Expo by granting it the 40 Wholly Foreign Owned Enterprise permits.

## **A global perspective**

Chuang is originally from Taiwan, but has worked extensively in the U.S. and Europe. In 1979, he was one of the first entrepreneurs from the West to go to China, where, with a French partner, he built a pharmaceutical company. It was this collaboration that sparked his own interest in wine, he said.



A chemical engineer, Chuang had also established an energy technology company based in Los Angeles. It produces special lubricants for oil and gas drilling, and additives that reduce fuel consumption and lower emissions of combustion engines widely used by shipping and trucking companies.

In 2007, Chuang moved the headquarters from Los Angeles to the Napa Valley, where he purchased land to establish his own Firefly Vineyard. Napa is now his home when he is not traveling to China.

"Wine for me is a hobby and a philanthropy," Chuang said. All the wines he makes in the Napa Valley are shipped to Flower Valley Winery, where they are sold, and the profits are given to a foundation he has established to help poor, rural Chinese children continue their education.

Bringing wine into China, however, inspired him to help ease the way for international vintners to share their wines, particularly those from the U.S. who, Chuang said, are at a considerable disadvantage.

"The French, the Chileans, the Australians, all have government support and have been quite aggressive in establishing their wines in China. American vintners, however, are on their own," he said.

Although the Wholly Foreign Owned Enterprises will be available to vintners from any country, Chuang said, he hopes to reserve half of them for U.S. wineries.

He has also established the California Wine Club in downtown Beijing to help give some visibility to wines from his home state. With other investors, he has created a facility in Beijing, called 89 Culture Communications Center, where groups like the Chinese Food Culture Research Association can host dinners in a stunning setting of traditional Chinese design. Inside rooms are designed to host events of all sizes, from banquets to intimate tastings. It was one of a few places in Beijing where we saw familiar Napa Valley labels, like Ladera and Flora Springs, along with Firefly wines. This facility will also be available to GWE participants, Chuang noted.

#### **A valley filled with flowers**

When Chuang purchased his Huailai property, the first thing he did, along with planting vineyards, was to transform the dry creek bed that runs through the property into the garden that gives the site its name.

He turned to Wang Zhaolin, a master gardener who served as deputy director of the Greenhouse Cultivation Center in Beijing's Fragrant Hill Botanic Garden and designed many of the city's gardens before he retired.

Wang transformed the creek bed into a wonderland, which is already drawing visitors from Beijing to walk the winding paths lined with purple, red, gold, pink and white flowers. Wang described the flowers, many of which have medicinal uses in Chinese medicine, as he led us on a tour.

Translating for us was Clare Liu, who spent two years studying viticulture and enology at the Napa Valley College. Liu now oversees the California Wine Club and the GWE, where part of her responsibilities will include training the staff for the tasting pavilions. A gracious wine enthusiast, she is now studying to become one of China's first Masters of Wine.

Also on Chuang's GWE team are Lin Shu-Yuan, the deputy general manager of Flower Valley Winery in charge of vineyard operations; Regina Lo, Chuang's Hong Kong-based assistant; and Tian Ming-Hua, the general manager, whose husband, Song Yun-Da, formerly a journalist in the People's Liberation Army, is the managing partner of the 89 Culture Communications Center. (Mr. Song, we learned, has the perfect name. After a dinner at the "89," he treated us to a memorable performance as he sang traditional Chinese songs.)

Chuang's team introduced the Flower Valley site, where 60 acres of vineyards are producing 15 varieties of grapes. The vines have been trained in a distinctive slanting style. Come winter, Chuang explained, they will be buried for protection from the extreme cold and snow the area experiences.

Chuang has also planted rows of muscat and table grapes that arch over pathways where visitors will be able to pick grapes to take home, along with vegetables from the site's organic gardens.

In addition to the gardens and vineyards, construction is underway on the Global Wine Expo. Cranes marked the site where the warehouse, winery, business offices and dormitories for employees are going up. And red flags are planted where the tasting pavilions will be built next.

### **A second visit**

A few days later, we returned to Huailai, this time for a meeting of a different kind: Twenty wine distributors from Shanghai were touring the region. Tom Hsu, CEO of the Domaine Franco-Chinois in Huailai, was hosting a tasting and lunch.

At two long tables, the visitors were seated with local winemakers. The conversation was lively, the energy enthusiastic as servers poured flights of red and white wines.

Although the fact that the tasting list was in Chinese prevented me from knowing exactly whose wines I was tasting, what I tasted was first-rate, excellent quality and delightful to drink.

At lunch, the genial Hsu served a feast of American dishes presented Chinese style, one after the other — platters of cheese, baguettes and salumi, corn on the cob, potato salad, green salads, grilled filet of beef, sausages and sauerkraut, barbecued lamb ribs, pizzas, and "the most necessary," Hsu noted with a laugh, "hot wings."

Was it like an American lunch? he asked. More like 17 lunches, I had to admit.

"This is extraordinary," said Alex Tsao, chairman of the Shanghai Royal Castle Industrial Development Co., who was making his first visit to the Huailai district. "I had no idea what was happening in this region. But it's a wonderful thing for us."

"We are making history here," Hsu said. "Good wines take time, but we will be the Bordeaux of China. Or —" he added with a smile at his California visitors, "the Napa Valley."





Photos: Huailai Valley in China  
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